

London & Quadrant Housing Trust Staff Benefits Plan

Trustees' Annual Report & Financial Statements
For the Year Ended 31 March 2025
Plan Registration number 10175129

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Section 1 – Trustees and their Advisers

Trustees:	Joanne Fairbairn – Chairman (Zedra Governance Limited) Tom Nicholls – Employer Nominated Jasmin Bryan – Member Nominated Paul Hornsby – Member Nominated Amy Gilham – Employer Nominated
Secretary to the Trustees:	Hymans Robertson LLP
Actuary:	Laura Andrikopoulos, Hymans Robertson LLP
Auditor:	BDO LLP
Administrator:	Hymans Robertson LLP
Banker:	Barclays Bank Plc
Investment Advisers:	Hymans Robertson LLP
Investment Platform:	Mobius Life Limited
Investment Managers on the platform:	Baring Asset Management Limited BlackRock Investment Management (UK) Limited BNY Mellon Investment Management Columbia Threadneedle Management Limited Insight Investment Management Limited Legal & General Assurance (Pensions Management) Limited Ruffer LLP
Life Assurance Company:	Aviva
Additional Voluntary Contribution (“AVC”) Providers:	Legal & General Assurance Society Limited Utmost Life and Pensions Limited
Principal Employer:	London & Quadrant Housing Trust
Solicitors:	Travers Smith LLP

Section 2 – Trustees' Report

The Trustees of the London & Quadrant Housing Trust Staff Benefits Plan (the "Plan") are pleased to present the annual report together with the audited financial statements for the year ended 31 March 2025.

The Plan was established on 1 April 1976 and is governed by the Trust Deed and Rules. The Plan was originally a defined benefits ("DB") plan. However, a defined contribution ("DC") section of the Plan was opened with effect from 1 February 2001 and the defined benefit section was closed to new members. The defined benefit section closed to future accrual with effect from 31 March 2017.

The DB section was expanded with effect from October 2010 to include a Local Government Pension Scheme ("LGPS") sub-section which is designed to provide benefits which are broadly comparable to those provided by the Local Government Pension Scheme. The Government Actuaries Department has certified that the Plan provides benefits that are broadly comparable to the LGPS. This is covered by a different set of rules to the main defined benefit section. Both the main DB and LGPS sub-sections are held with the defined benefit section and assets are not separately allocated between these funds.

The Plan is a registered plan under the Finance Act 2004. Members of the defined benefit section of the Plan were contracted-out of the State Second Pension Scheme until 5 April 2016.

Plan Management

The overall management of the Plan is vested in the Trustees who are shown on page 1 of this report.

The power to appoint and remove Trustees, subject to the requirements for member-nominated Trustees, vests in the Principal Employer.

Further information about the Plan is given in the explanatory booklets which are issued to all members.

Going Concern

The financial statements are prepared on a going concern basis, which the Trustees consider to be appropriate as they believe that the Plan has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least the next twelve months. In reaching this conclusion the Trustees have assessed information available to them at the time of approving the accounts.

Process

The process the Trustees adopt in considering any going concern and any material uncertainties in relation to going concern includes; ensuring a recovery plan is in place following each triennial valuation, assessing the employer covenant on an ongoing basis and considering whether there are any other factors that could impact this assessment e.g. wind-up trigger events.

Assessment of going concern

The Trustees have assessed the employer covenant, noting the strong balance sheet and liquidity position at the year-end in the context of the Plan's funding position and past service deficit contributions. Pension contributions have continued to be paid in full post year end in line with the agreed recovery plan and schedule of contributions. The Trustees have taken into account plausible downside assumptions of the sponsoring employer to gain comfort that it will continue to make contributions as they fall due.

Consideration has been given to Plan cashflow forecasts and the liquidity of the Plan's investments. Overall, this assessment, together with income and capital growth from its assets, gives the Trustees confidence to prepare the financial statements on a going concern basis.

Trustees' Report (continued)**Plan Management (continued)****Financial Development of the Plan**

The financial statements have been prepared and audited in accordance with regulations made under Section 41(1) and (6) of the Pensions Act 1995.

Further details of the financial developments of the Plan may be found in the audited financial statements on pages 23 to 24.

The fund account shows that the net assets of the Plan increased from £206,170,750 at 31 March 2024 to £210,458,474 at 31 March 2025. The increase in net assets is accounted for by:

	2025 £	2024 £
Member related income	15,056,461	13,116,805
Member related payments	(9,020,550)	(7,725,227)
Net additions from dealings with members	6,035,911	5,391,578
Net returns on investments	(1,748,187)	5,870,174
Net increase in fund	4,287,724	11,261,752
Net assets of the Plan at start of year	206,170,750	194,908,998
Net assets of the Plan at end of year	210,458,474	206,170,750

Trustees' Report (continued)

Membership

Details of the membership of the Plan as at 31 March 2025 are given below:

Active Members	DB Section	DC Section
Members at the start of the year	11	1,218
Leavers with preserved benefits	-	(148)
New members	-	269
Deferred to active	-	3
Retirements	(1)	(1)
Deaths	-	(3)
Uncrystallised fund pension lump sum ("UFPLS")	-	(2)
No liability	-	(1)
Members at the end of the year	10	1,335

Members with Preserved and Deferred Benefits	DB Section	DC Section
Members at the start of the year	260	943
Deferments	-	148
Retirements	(19)	(4)
Transfers out	-	(47)
Deferred to active	-	(3)
Deceased	(1)	(1)
UFPLS	-	(19)
Members at the end of the year	240	1017

Pensioners	DB Section	DC Section
Members at the start of the year	352	-
Retirements	18	-
Deaths	(8)	-
Pension ceased	(1)	-
Members at the end of the year	361	-

Total Membership as at 31 March 2024	623	2,161
Total Membership as at 31 March 2025	611	2,352

Pensioners include individuals receiving a pension upon the death of their spouse.

In addition to the above, there were also 386 (2024: 387) Life Assurance Only members. These individuals are defined within the Plan rules to be DC members for the purposes of lump sum death benefits only.

These membership figures do not include movements notified to the administrator after the completion of the annual renewal.

Trustees' Report (continued)

Plan Changes

Pension Increases – Main Plan Defined Benefit Section

Pensions in payment in respect of service after 31 March 1993:

As at the anniversary of the first date of payment, all pension payments in excess of the Guaranteed Minimum Pension were increased in line with the Retail Price Index over the previous year (to a maximum of 5%) as promised under the terms of the Plan.

Pensions in payment in respect of service between 1 January 1991 and 31 March 1993:

As at the anniversary of the first date of payment, all pension payments in excess of the Guaranteed Minimum Pension were increased by 5% as promised under the terms of the Plan.

Pensions in payment in respect of service before 1 January 1991:

As at the anniversary of the first date of payment, all pension payments in excess of the Guaranteed Minimum Pension were increased by the percentage increase in the Retail Price Index subject to a minimum of 3% and a maximum of 5%.

Guaranteed Minimum Pension elements are increased in accordance with legislative requirements.

Preserved pensions are increased in accordance with statutory requirements.

Pension increases – LGPS Section:

Pensions in payment in excess of any Guaranteed Minimum Pension element are increased each 1 April by the lower of 12% and the increase in the Retail Price Index.

Any Guaranteed Minimum Pension is increased in accordance with legislative requirements.

Preserved pensions in excess of any Guaranteed Minimum Pension element are increased by the lower of 12% per annum and the increase in the Retail Price Index.

Any Guaranteed Minimum Pension is increased in accordance with legislative requirements.

There were no discretionary increases during the year.

Trustees' Report (continued)

Actuarial Valuation

The Actuary carries out a periodic valuation of the Plan, known as the actuarial valuation, which measures the financial health of the Plan.

The latest actuarial valuation was completed using a valuation date of 1 April 2022. The results of this valuation showed the Plan to be 101% funded, compared with a funding level of 93% in the previous 2019 valuation. Between 1 April 2019 and 1 April 2022, contributions paid to the Plan by the employer and positive investment returns improved the funding position, this was partially offset by the changes in gilt yields, but has led to an overall increase in the Plan's funding position.

Under the Schedule of Contributions certified in April 2023, the employer is to make contributions of £205,000 per month from 1 April 2022 to 31 March 2025. The employer has since agreed to extend these contributions to 31 March 2026, or until a new Schedule of Contributions is certified if earlier.

From April 2023, the employer will also contribute at the rate of 36.1% of pensionable pay in respect of the LGPS section of the Plan.

The next actuarial valuation will have an effective date of 1 April 2025 and work is underway but not expected to be completed at the time of signing these accounts.

Guaranteed Minimum Pension ("GMP") Benefits

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits.

In November 2020 a further High Court judgement was made in respect of GMP equalisation and historic transfer values. The judge ruled that historic transfer values would fall under the scope of GMP equalisation and that trustees of pensions schemes remain liable to members where transfer value payments reflected unequalised GMP benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes. The Trustees of the Plan are aware that the issue may affect the Plan and are considering how to address this, and decisions will be made as to the next steps in due course. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustees are aware that the issue may affect the Plan and are working with their advisers to provide an update to members affected by this issue in due course.

Transfer Values

Transfer values paid during the year were calculated and verified in the manner required by the Pension Schemes Act 1993. None of the transfer values paid were less than the amount provided by the Act. No discretionary benefits are accounted for in the calculation of transfer values.

Contributions

Details of contributions are shown in the Summary of Contributions on page 50.

Virgin Media

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, concerned the implications of section 37 of the Pension Schemes Act 1993. The Trustees, with their advisers, are considering the judgement and any possible implications for the Plan. Based on information available at the date of these accounts, the Trustees are not aware of any impact of the judgement on the Financial Statements and they will continue to monitor this matter. The court decision was subject to appeal which was subsequently heard on 25 July 2024 and the original decision upheld however on 5 June 2025, the Department of Work and Pensions announced that the UK Government would be introducing legislation to help pension schemes manage the implication for section 37. The Trustees have no reason to believe that the relevant requirements were not complied with however are consulting with the various advisors to understand the potential impact, if any, on the Plan.

Investment Matters

Overview

The Trustees, with assistance of their appointed investment adviser, determine the overall investment strategy for the Plan and set out the broad policy to be adopted by each of the appointed fund managers.

Investment Managers

The names of those who have managed the Plan's investments during the year are listed on page 1. The Trustees have delegated the day-to-day management of investments to its appointed fund managers. A written agreement between the Trustees and Mobius Life Limited sets out the terms on which the platform provider will act on behalf of the Trustees in its dealings with the Plan's managers.

Market Update

The US economy grew strongly in 2024, supported by consumer demand and government spending, but more recent survey data point to slowing growth in Q1. The UK economy grew modestly, after a strong first half. The eurozone also experienced growth, but manufacturing weakness weighed on the region. Ostensibly solid growth in China masks divergence within the economy: export-led growth and inventory building has offset weak domestic demand.

Year-on-year headline inflation fell to 2.6%, 2.4% and 2.2% in the UK, US and eurozone, respectively. Core inflation, which excludes volatile food and energy prices, also fell but remains above the headline measure across regions, at 3.4%, 2.8% and 2.4% in the UK, US and eurozone.

The US Federal Reserve and European Central Bank lowered rates 1% pa and 1.5% pa, to 4.25–4.5% pa and 2.5% pa, respectively. Given underlying inflation pressures, the Bank of England lowered rates more slowly, but still cut by 0.75% pa, to 4.5% pa. The Bank of Japan raised rates 0.4% pa, to 0.5% pa.

US 10-year yields were volatile but ended the period where they started, at 4.2% pa. Meanwhile, German yields climbed 0.4% pa as investors anticipated heavier issuance and stronger growth after government spending pledges on defence and infrastructure. UK yields rose 0.7% pa, to 4.7% pa, as the Autumn Budget implied higher gilt issuance. Japanese yields increased 0.8% pa on persistent inflation and monetary policy normalisation.

European investment-grade credit spreads narrowed, driven by optimism around fiscal support, with sterling investment-grade spreads falling 0.1% pa, to 1.1% pa. US speculative-grade spreads rose 0.4% pa, to 3.5% pa, while equivalent European spreads fell 0.3% pa, to 3.3% pa.

Despite falling in Q1 as sentiment towards US assets faltered, the trade-weighted US dollar rose 4%. The Japanese trade-weighted yen gained 2.2% on narrowing interest-rate differentials, while equivalent sterling and euro measures rose 2.6% and 0.4%. Oil prices fell 14.5% as slowing growth affected the demand outlook, while gold surged 41.4% to all-time highs amid rising economic uncertainty.

Global equities rose 8.0% over the period, with falls in Q1 2025. Emerging and Asian markets outperformed, supported by policies announced by Chinese authorities in mid-2024 and renewed optimism towards Chinese technology stocks. The UK outperformed thanks to its above-average exposure to financials, while strong consumer spending supported modest US outperformance. European stocks underperformed on a more cautious outlook for luxury consumer discretionary companies. Japan was the worst-performing region as yen strength and trade headwinds affected the export-oriented market.

Investment Matters (continued)

Market update (continued)

Since the end of the reporting period, financial markets have remained volatile, driven by shifting expectations around inflation, interest rates, and geopolitical developments. Headline inflation has continued to ease across major economies, prompting some central banks to signal a potential pivot in monetary policy, though most have maintained relatively tight conditions. Market turbulence intensified following the announcement of broad import tariffs by the U.S. in April 2025, which triggered a sharp sell-off in equity markets and a spike in bond yields. These measures have renewed inflation concerns and raised the risk of slower global growth. Nonetheless, aside from the expected impact on more market-sensitive assets, the Plan's portfolio has remained broadly resilient throughout this period of heightened volatility.

Statement of Investment Principles

In accordance with Section 35 of the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles ("SIP") which includes the Trustees' policy relating to ethical investment and the exercise of the rights attaching to investments. Any member may request a copy. This Statement may change from time to time according to advice received from the investment managers or consultants. A copy is available from:

- DB SIP: [DB Statement Of Investment Principles | L&Q](#)
- DC SIP: [2025 Defined Contribution Section Statement of Investment Principles | L&Q](#)

Departures from the Statement of Investment Principles

To the best of their knowledge, the Trustees can report that there has not been any significant departure from the SIP by the Plan's investment managers during the year ended 31 March 2025.

Custodial arrangement

Each of the underlying investment manager funds that the Plan is invested in via the Investment Platform has a custodian that holds assets in safekeeping. However, the Plan has accessed the Investment Platform by entering into a life policy agreement with Mobius Life Limited. As such, the Plans' assets have been put into a life fund, whereby the life company, Mobius Life, owns the assets and then creates liability to the client equal to the investment. Therefore, the client does not have a custodian in the same way as they would through other pooled fund arrangements.

Employer-related investments

There was no employer-related investment at any time during the year (2024: nil).

Investment Matters (continued)

Investment Objective and Strategy

The Trustees are required to invest the Plan's assets in the best interest of the members. Their main objectives with regard to investment policy for the DB section are:

- to achieve, over the long term, a return on the Plan's assets which is consistent with the assumptions made by the Plan Actuary in determining the funding of the Plan;
- to ensure that sufficient liquid assets are available to meet benefit payments as they fall due;
- and to consider the interests of the Employer in relation to the amount and volatility of the Employer's required contributions.

For the DC section of the Plan, the Trustees recognise that their ultimate objective is to best ensure that members of the Plan are able to retire on a reasonable level of pension taking into account the contributions paid into their individual accounts and the timescale over which those contributions were paid.

The Trustees recognise that individual members have different investment needs and that these may change during the course of their working lives. They also recognise that members have different attitudes to risk. Hence, the Trustees have in place investment options that they believe will achieve returns consistent with the level of security chosen by the member.

Within active mandates, the Trustees have delegated responsibility for the consideration of stock specific issues to their individual investment managers. In passive mandates, the Trustees recognise that the choice of benchmark dictates the assets held by the investment manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material. The Trustees accept that the role of the passive manager is to deliver returns in line with the benchmark. The Trustees have elected to invest via pooled fund arrangements and therefore have no direct influence over the policies the managers have in place to govern to pooled funds.

The strategic benchmark has been determined using appropriate economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material factors.

The Trustees have not imposed any restrictions or exclusions to the investment arrangements based on non-financially material factors.

During the year to 31 March 2025, the investment strategy for the DB Section was amended following advice from the Plan's investment consultant. Rising yields and strong performance from risk assets improved the Plan's funding level during the year, creating an opportunity to simplify the portfolio and increase hedging to help lock in these gains. In response, the Trustees agreed to increase the target hedging levels for both interest rate and inflation risks and to fully disinvest from emerging market equities. The strategic allocation to global equities was also increased as part of these changes.

Stewardship

The Trustees recognise that stewardship encompasses the exercise of rights (including voting rights), engagement with investment managers and the monitoring of compliance by investment managers with agreed policies (which are the managers' house policies in the case of pooled funds).

Investment Matters (continued)

Consideration of Non-Financial Factors

Given the objectives of the Plan, the Trustees' current policy is not to consider any non-financially material factors in the development and implementation of their investment strategy. For this purpose, "non-financial matters" means the views of the members and other beneficiaries, including (but not limited to) their ethical views, their views in relation to social and environmental impact and their present, and future quality of life. The Trustees have not imposed any restrictions or exclusions to the investment arrangements based on non-financially material factors.

Environmental, Social and Governance ("ESG") Considerations

The Trustees believe their main duty is to protect the financial interests of the Plan's members. The Trustees recognise that financially material factors which may include ESG factors such as climate change, should be considered when choosing, holding or realising investments. The Trustees take account of financially material factors over the period for which the Trustees expect investments to be required to fund future benefits. As part of this, the Trustees acknowledge that ESG factors may be relevant at different stages of the investment process. The Trustees have not made an explicit allowance for the risks of climate change in setting their strategic benchmark.

In selecting new investment managers for the Plan, where relevant to the investment mandate, the Trustees will give consideration to potential managers' approaches to responsible investment and the extent to which managers integrate ESG issues in the investment process as a factor in their decision making. Minimum manager standard for responsible investment is expected (e.g. being signatory to the Principles for Responsible Investment) unless there is good justification for the manager adopting a different approach. The Trustees receive advice from their investment consultants when making manager selections, which includes a view on the managers' approach to ESG.

Voting and Engagement

The Trustees have adopted a policy of delegating voting decisions on stocks to their investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The investment managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

Where appropriate, the Trustees will engage with and may seek further information from their investment managers on how portfolios may be affected by a particular issue.

The Trustees do not engage directly with debt or equity issuers but believe it is appropriate for their investment managers to engage in stewardship activity with key stakeholders which may including corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks. As the Trustees invest via an investment platform, there is no direct relationship between the Trustees and the investment managers. The Trustees accept that investment managers will not notify the Trustees about any particular stewardship activities.

Responsibility for investment decisions has been delegated to the investment managers which includes consideration of the capital structure of investments and the appropriateness of any investment made. Where managers are responsible for investing in new issuance, the Trustees expect the manager to engage with the issuer about the terms on which capital is issued and the potential impact on the rights of new and existing investors managers.

The Trustees will review manager voting activity on an annual basis in conjunction with their investment advisor.

Where the Trustees deem it appropriate, any issues of concern will be raised with their manager for further explanation. Monitoring arrangements are detailed later in this section.

Investment Matters (continued)

Investment Mandates

For the DB section, the duration of each mandate is considered by the Trustees at the inception of each mandate. For open-ended investments, the Trustees generally engage managers on an ongoing basis with no pre-determined term of appointment. For such mandates, the Trustees expect the minimum duration of the appointment will be three years, this being the minimum period over which performance of the mandate can be appropriately evaluated and the costs of change amortised. The Trustees review the performance of each of its managers and mandates on quarterly basis against the benchmark and objectives of the mandate. Managers may be asked to provide explanation for any significant deviations away from benchmark or target. Material deviation from performance is likely to result in the mandate being formally reviewed.

For the DC section, the Trustees recognise the long-term nature of defined contribution pension investments and choose funds which are expected to deliver sustainable returns over the Plan members' (and pensioners') investment horizon. The appropriate time horizon is dependent on a member's position on their savings journey: younger members will have a very long (multiple decade) time horizon whereas older members close to retirement may have a short time horizon depending on how they intend to use their benefits.

Remuneration for each mandate is determined at the inception of each mandate based on commercial considerations and typically set as a percentage of assets under management. The Trustees periodically review the fees paid to all of the Plan's managers, and if deemed necessary, will seek evidence that the fees are competitive.

Whilst the Trustees expect performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustees expect managers to report on at least an annual basis on the level and cost of turnover within the portfolio over the period. The Trustees will challenge the Plan's managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive. This will typically be assessed relative to the previous years' levels.

When selecting actively managed funds, the Trustees will consider, with the help of their investment advisor, the expected level of turnover given the fund's investment objectives, the investment manager's investment processes and the nature of the fund's assets.

Monitoring

The Trustees will review manager voting activity on an annual basis in conjunction with their investment advisor. Where the Trustees deem it appropriate, any issues of concern will be raised with their manager for further explanation. The Trustees endeavour to meet with all their investment managers periodically but will prioritise these meetings based on need. The Trustees provide their managers with an agenda for discussion, including, where appropriate, management of ESG risks and engagement activity.

Investment Matters (continued)

Asset Allocation - DB Section

The value of the assets held by the London & Quadrant Housing Trust Staff Benefits Plan – DB Section at 31 March 2025 was as follows:

Fund	Fund Value at 31 March 2025 £	Fund Value at 31 March 2024 £
Ruffer Absolute Return Fund	9,740,767	8,865,692
BNY Mellon Global Dynamic Bond Fund	13,316,494	11,854,260
CT Real Dynamic LDI	20,596,094	25,012,469
L&G Life HN World Emerging Markets Equity Index Fund	-	2,339,133
CT LDI Nominal Dynamic LDI Fund	11,986,227	17,413,636
Insight High Grade ABS Fund Buy & Hold	15,810,078	14,874,888
Barings Global High Yield Credit Strategies Fund	6,089,953	5,669,967
L&G Life GPGE Future World Global Equity Fund	12,558,667	11,886,855
Total	90,098,280	97,916,900

Overall Asset Allocation

Asset Class	Actual Allocation %	Benchmark Allocation %	Difference %
Equity	13.9	14.5	(0.6)
Diversified Growth	10.8	10.0	0.8
Multi Asset Credit	6.8	6.5	0.3
Total Return Seeking Assets	31.5	31.0	0.5
Investment Grade Bonds	14.8	14.5	0.3
Asset Backed Securities	17.5	17.0	0.5
LDI	36.2	37.5	(1.3)
Total Matching Assets	68.5	69.0	(0.5)
Total	100.0	100.0	-

Investment Matters (continued)**Asset Allocation - DC Section**

The value of the assets held by the London & Quadrant Housing Trust Staff Benefits Plan – DC Section at 31 March 2025 was as follows:

Fund	Fund Value at 31 March 2025 £	Actual Allocation %	Fund Value at 31 March 2024 £	Actual Allocation %
L&G Multi-Asset Fund	866,497	0.7%	745,208	0.7
L&G Global Equity (70:30) Index Fund	53,392	-	47,410	-
L&G Global Equity Fixed Weights (50:50) Index Fund	431,043	0.4%	395,621	0.4
L&G UK Equity Index Fund	2,622,286	2.2%	2,279,857	2.1
L&G Ethical UK Equity Index Fund	997,900	0.8%	869,273	0.8
L&G North America Equity Index Fund	3,180,465	2.7%	2,674,792	2.5
L&G Europe (ex-UK) Equity Index Fund	1,041,432	0.9%	1,006,957	1.0
L&G Japan Equity Index Fund	802,256	0.7%	803,999	0.8
L&G Asia Pacific (ex-Japan) Developed Equity Index Fund	1,399,897	1.2%	1,433,576	1.4
L&G Over 15 Year Gilts Index Fund	234,684	0.2%	168,118	0.2
L&G Over 5 Year Index-Linked Gilts Index Fund	1,993,975	1.7%	1,466,483	1.4
L&G Pre-Retirement Fund	5,350	-	5,487	-
L&G Managed Property Fund	1,306,483	1.1%	1,155,061	1.1
L&G Cash Fund	2,784,915	2.3%	2,593,304	2.4
L&G World (ex-UK) Equity Index Fund	1,061,608	0.9%	769,749	0.7
L&G World Emerging Markets Equity Index Fund	432,872	0.4%	325,905	0.3
L&G Active Corporate Bond – All Stocks – Fund	1,928,248	1.6%	1,327,327	1.3
HSBC Amanah Global Equity Index Fund	812,043	0.7%	504,412	0.5
Diversified Growth Blended Fund	41,342,828	34.8%	36,489,977	34.4
Global Equity Blended Fund	48,845,865	41.1%	44,344,843	41.8
Flexible Pre-Retirement Blended Fund	66,237	0.1%	86,324	0.1
Annuity Match Lifecycle Fund	6,293,401	5.3%	6,248,393	5.9
Annuity Match Blended Fund	232,535	0.2%	241,119	0.2
GBP Cash	271	-	-	-
Total	118,736,483	100.0	105,983,195	100.0

The figures in the above table may not cast due to rounding.

Investment Matters (continued)**DB Section Performance Summary to 31 March 2025**

The net of management fee investment returns achieved by the Plan's Defined Benefit Section's Investment funds to 31 March 2025 are shown below:

Fund	1 Year Fund % p.a.	1 Year Benchma rk % p.a.	3 Year Fund % p.a.	3 Year Benchma rk % p.a.	5 Year Fund % p.a.	5 Year Benchma rk % p.a.
L&G Life GPGE Future World Global Equity Fund*	5.3	5.0	-	-	-	-
Ruffer Absolute Return Fund	3.0	7.1	(0.9)	8.0	3.9	6.9
L&G World Emerging Markets Equity Index Fund**	12.7	14.5	4.2	5.1	-	-
Barings Global High Yield Credit Strategies Fund***	7.3	9.0	4.3	8.5	-	-
BNY Mellon Global Dynamic Bond Fund	5.9	2.7	2.1	4.4	1.9	3.5
Insight High Grade ABS Fund***	6.2	5.7	4.0	4.4	-	-
CT Real Dynamic LDI	(27.5)	(26.6)	(60.7)	(62.6)	(41.5)	(42.4)
CT Nominal Dynamic LDI Fund	(24.1)	(25.9)	(59.3)	(60.0)	-	-
Total***	(7.2)	(8.3)	(16.2)	(20.1)	(7.0)	(10.0)

* New Fund introduced in Q4 2023, no longer term performance data available as at 31 March 2025.

** The L&G World Emerging Markets Equity Index Fund was disinvested in Q1 2025, performance data for this fund is until its termination date.

*** The total benchmark return is based in the Plan's target asset allocation and the benchmark returns for each fund. Intra quarter cashflows in and out of the funds have not been accounted for. The investment performance of the Plan will continue to be closely monitored by the Trustees and their advisers.

Investment Matters (continued)

DC Section Performance Summary to 31 March 2025

Fund	1 year Fund % p.a.	1 Year Benchmar k % p.a.	3 Year Fund % p.a.	3 Year Benchmar k % p.a.
L&G Multi-Asset Fund	3.7	3.2	2.2	2.9
L&G Global Equity (70:30) Index Fund	8.2	9.0	6.8	7.6
L&G Global Equity Fixed Weights (50:50) Index Fund	5.7	6.5	6.8	7.5
L&G UK Equity Index Fund	10.0	10.5	6.7	7.2
L&G Ethical UK Equity Index Fund	11.5	12.0	7.2	7.5
L&G North America Equity Index Fund	5.4	6.3	8.6	9.5
L&G Europe (ex-UK) Equity Index Fund	0.3	3.2	6.8	8.2
L&G Japan Equity Index Fund	(3.1)	(3.4)	6.3	6.4
L&G Asia Pacific (ex-Japan) Developed Equity Index Fund	(5.6)	(5.7)	(1.9)	(1.8)
L&G Over 15 Year Gilts Index Fund	(7.3)	(8.2)	(14.7)	(14.9)
L&G Over 5 Year Index-Linked Gilts Index Fund	(9.3)	(10.4)	(16.1)	(16.6)
L&G Pre-Retirement Fund	(2.5)	(3.6)	(6.7)	(7.9)
L&G Managed Property Fund	7.2	6.4	(0.1)	(3.3)
L&G Cash Fund	5.1	5.0	4.1	4.1
L&G World (ex-UK) Equity Index Fund	3.5	4.5	7.5	8.4
L&G World Emerging Markets Equity Index Fund	8.4	10.2	3.1	3.7
L&G Active Corporate Bond - All Stocks - Fund	3.4	2.4	(0.1)	(0.8)
HSBC Amanah Global Equity Index Fund	3.6	3.0	8.8	10.1
Diversified Growth Blended Fund	5.9	8.5	2.9	7.5
Global Equity Blended Fund	6.0	6.9	6.4	7.1
Flexible Pre-Retirement Blended Fund	1.4	1.7	(2.1)	(0.8)
Annuity Match Lifecycle Fund	(2.5)	(3.6)	(6.7)	(7.9)
Annuity Match Blended Fund	(0.6)	(1.5)	(3.9)	(4.8)

Report on Actuarial Liabilities (DB section)

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions for the DB section of the Plan only. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 1 April 2022, the results and the annual updates at 1 April 2023 and 1 April 2024 are disclosed in the below table:

	1 April 2022	1 April 2023	1 April 2024
Assets	£150.9m	£104.3m	£98.5m
Liabilities	£149.2m	£109.9m	£101.8m
Surplus/(deficit)	£1.7m	(£5.6)m	(£3.3)m
Funding level	101%	95%	97%

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method with a 5 year control period.

Significant Actuarial Assumptions

The relevant legislation requires the assumptions to calculate the Technical Provisions to be chosen prudently. The Trustees and the Employer agree to choose the assumptions on the basis that the sponsoring Employer will continue to support the Plan over its remaining lifetime. Appropriate margins are to be included to provide security against the effect of adverse deviations in the actual experience of the Plan compared to the best estimates for the various assumptions.

The approach is based on the following principles:

- The development of the Plan's maturity profile should be allowed for by using different assumed investment returns pre- and post- retirement. The return post-retirement should be based on a prudent assessment of future returns from assets considered appropriate to back pensions in payment. The return pre-retirement should be based on a prudent assessment of future returns from assets considered appropriate to back pensions which will not come into payment for relatively long periods of time.
- Price inflation should be assessed by considering the relative redemption yields available on suitably dated fixed and index-linked gilts, Bank of England inflation targets and other relevant published information.
- Future Pensionable Earnings and Pensionable Pay increases should be assessed relative to the Retail Prices Index ("RPI") inflation assumption after taking into consideration trends in the business and industry and the Employer's view of the likely progression of Pensionable Earnings and Pensionable Pay.
- Member specific mortality assumptions are derived using Hymans Robertson LLP's Club Vita data bank and expected future mortality experience should take into account statistics published by the Continuous Mortality Investigation Bureau. Other demographic assumptions will be based on an assessment of likely future experience.

In terms of overall prudence, the Trustees will take into account their assessment of the strength of the covenant of the sponsoring Employer, the risks inherent in the Plan's investment strategy and the Plan's solvency position.

Statement of Trustees' responsibilities

Trustees' responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), are the responsibility of the Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes

In discharging these responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Plan will continue as a going concern.

The Trustees are also responsible for making available certain other information about the Plan in the form of an annual report.

Trustees' responsibilities in respect of contributions

The Trustees are responsible under pensions legislation for preparing, and from time to time reviewing and if necessary, revising a schedule of contributions showing the rates of contributions payable to the Plan by or on behalf of employers and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Plan in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

Further Information

Internal Dispute Resolution (“IDR”) Procedures

The Plan has a formal Internal Dispute Resolution Procedure in place. Members whose issues are not resolved by the Plan Administrator can use this procedure. Details of the procedure can be obtained from the Secretary to the Trustees:

The Trustees of the London & Quadrant Housing Trust Staff Benefits Plan
c/o Hymans Robertson LLP
45 Church Street
Birmingham
B3 2RT
Tel: 0121 210 4334
Email: LQPensions@hymans.co.uk

Contact for Further Information

Members and trade unions recognised for the purpose of collective bargaining in relation to the members are entitled to inspect copies of documents giving information about the Plan. Copies of documents can be provided, but a charge may be made for copies of the trust documents (Deed and Rules) and of the Actuary's report. Any query about the Plan, including requests from individuals for information about their benefits, should be addressed to the above.

The Pensions Regulator (“TPR”)

The Pensions Regulator has the objectives of protecting the benefits of members, promoting good administration, and reducing the risk of claims on the Pension Protection Fund. TPR has the power to investigate schemes, to take action to prevent wrongdoing in or maladministration of pension schemes and to act against employers failing to abide by their pension obligations. TPR may be contacted at the following address:

The Pensions Regulator
Telecom House
125 - 135 Preston Road
Brighton
BN1 6AF
www.thepensionsregulator.gov.uk

Pension Tracing Service

The Pension Schemes Registry has been replaced with the Pension Tracing Service and is now provided by the Department for Work and Pensions. Responsibility for compiling and maintaining the register of occupational pension schemes has been passed to The Pensions Regulator.

Contact details for the services are as follows:

The Pensions Service
Post Handling Site A
Wolverhampton
WV98 1AF
Tel: 0800 731 0175
Website: www.gov.uk/find-pension-contact-details

Further Information (continued)

The Pensions Ombudsman

Members have the right to refer a complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the events(s) the member is complaining about happened – or, if later, within three years of when they first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade

Canary Wharf

London

E14 4PU

Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Members can also submit a complaint form online: <https://www.pensions-ombudsman.org.uk/making-complaint>

The Money and Pensions Service (“MaPS”)

This service is available at any time to assist members and beneficiaries with pensions questions and issues they have been unable to resolve with the Trustees of the Plan. MaPS has launched MoneyHelper, which brings together the Money Advice Service, The Pensions Advisory Service and Pension Wise to create a single place to get help with money and pension choices. MoneyHelper is impartial, backed by the government and free to use.

The Money and Pensions Service

Bedford Borough Hall

138 Cauldwell Street

Bedford

MK42 9AB

Tel: 0800 011 0175

Website: www.moneyhelper.org.uk

Approval of the Report by the Trustees

The investment matters section included in this annual report and financial statements forms part of the Trustees' report.

Signed for and on behalf of the Trustees of the Plan by:

Joanne Fairbairn

Joanne Fairbairn (Zedra Governance Limited)

Chair of the Trustees of the London & Quadrant Housing Trust Staff Benefits Plan

Date: 28-Oct-2025 | 10:57 GMT

Section 3 – Independent Auditor’s Report to the Trustees of London & Quadrant Housing Trust Staff Benefits Plan

Opinion on the Financial Statements

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 31 March 2025 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

We have audited the financial statements of London & Quadrant Housing Trust Staff Benefits Plan (the “Plan”) for the year ended 31 March 2025 which comprise the Fund Account, Statement of Net Assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice – Financial Reports of Pension Schemes (revised 2018).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Plan’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Trustees of London & Quadrant Housing Trust Staff Benefits Plan (continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to wind up the Plan or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the Plan's legal and regulatory frameworks, focusing on those which we determine to be the most significant, and how the Plan complies with these.
- Enquiring of the Trustees, and where appropriate, the administrators or consultants as to whether:
 - the Plan is in compliance with laws and regulations that have a material effect on the financial statements;
 - they have knowledge of any actual, suspected or alleged fraud;
 - any reports have been made to the Pensions Regulator.

Based on our understanding of the Plan, we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Acts 1995 and 2004 and those that relate to the reporting framework (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 and the Statement of Recommended Practice 'Financial Reports of Pensions Schemes' 2018 ("The SORP")); and we considered the extent to which non-compliance might have a material effect on the financial statements.

Independent Auditor's Report to the Trustees of London & Quadrant Housing Trust Staff Benefits Plan (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls by the Trustees and those involved in the preparation of the financial statements and underlying accounting records. We determined that the principal risk was related to the posting of inappropriate journals, which may act to conceal fraudulent activity.

Audit procedures performed to respond to the identified risks included, but were not limited to, the following:

- Testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Enquiring of management and the Trustees with regard to actual and potential litigation and claims.
- Reviewing the disclosures in the financial statements and testing to supporting documentation to assess compliance with relevant laws and regulations, as detailed above.
- Reviewing minutes of meetings the Trustees.
- Reviewing any significant correspondence with the Pensions Regulator.
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Evaluating the design and implementation of controls associated with the journal entry process.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Plan's Trustees, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Plan's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Statutory Auditor
Guildford

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Section 4 – Financial Statements

Fund Account for year ended 31 March 2025

		Defined Benefit Section	Defined Contribution Section	Total	Defined Benefit Section	Defined Contribution Section	Total
		2025	2025	2025	2024	2024	2024
	Note	£	£	£	£	£	£
CONTRIBUTIONS AND BENEFITS							
Employer contributions	4	2,625,160	11,343,099	13,968,259	2,627,653	10,064,123	12,691,776
Employee contributions	4	32,559	109,851	142,410	31,975	59,006	90,981
Total contributions		2,657,719	11,452,950	14,110,669	2,659,628	10,123,129	12,782,757
Transfers in	5	-	251,646	251,646	-	255,383	255,383
Other Income	6	234,562	459,584	694,146	35,903	42,762	78,665
		234,562	711,230	945,792	35,903	298,145	334,048
Benefits paid or payable	7	(4,943,954)	(1,396,723)	(6,340,677)	(4,109,117)	(253,580)	(4,362,697)
Payments to and on account of leavers	8	-	(2,677,932)	(2,677,932)	(871,656)	(2,489,797)	(3,361,453)
Administrative expenses	9	(659)	(263)	(922)	(411)	(666)	(1,077)
Other payments	10	-	(1,019)	(1,019)	-	-	-
		(4,944,613)	(4,075,937)	(9,020,550)	(4,981,184)	(2,744,043)	(7,725,227)
Net (withdrawals)/ additions from dealings with members		(2,052,332)	8,088,243	6,035,911	(2,285,653)	7,677,231	5,391,578
RETURNS ON INVESTMENTS							
Investment income	11	27,599	22,882	50,481	15,868	-	15,868
Investment management expenses	12	(122,693)	-	(122,693)	(138,145)	-	(138,145)
Change in market value of investments	13	(7,011,542)	5,335,567	(1,675,975)	(3,673,261)	9,665,712	5,992,451
Net returns on investments		(7,106,636)	5,358,449	(1,748,187)	(3,795,538)	9,665,712	5,870,174
Net increase in the Plan during the year		(9,158,968)	13,446,692	4,287,724	(6,081,191)	17,342,943	11,261,752
Transfers between sections		629,127	(629,127)	-	233,781	(233,781)	-
Net assets of the Plan at start of year		98,483,372	107,687,378	206,170,750	104,330,782	90,578,216	194,908,998
Net assets of the Plan at end of year		89,953,531	120,504,943	210,458,474	98,483,372	107,687,378	206,170,750

The notes on pages 25 to 48 are an integral part of these financial statements.

Financial Statements (continued)

Statement of Net Assets (available for benefits) as at 31 March 2025

		Defined Benefit Section	Defined Contribution Section	Total	Defined Benefit Section	Defined Contribution Section	Total
	Note	2025 £	2025 £	2025 £	2024 £	2024 £	2024 £
Investment assets	13						
Pooled Investment Vehicles	15	90,098,280	118,736,212	208,834,492	97,916,900	105,983,195	203,900,095
AVC investments	16	18,418	-	18,418	17,542	-	17,542
Cash deposits	13	-	271	271	-	-	-
		90,116,698	118,736,483	208,853,181	97,934,442	105,983,195	203,917,637
Current assets	19	698,513	1,929,843	2,628,356	654,978	1,704,183	2,359,161
Current liabilities	20	(861,680)	(161,383)	(1,023,063)	(106,048)	-	(106,048)
Net assets of the Plan at end of year		89,953,531	120,504,943	210,458,474	98,483,372	107,687,378	206,170,750

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustees. They do not take account of the obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which takes account of such obligations for the defined benefit section, is dealt with in the Report on Actuarial Liabilities on page 16 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 25 to 48 are an integral part of these financial statements.

These financial statements were approved by the Trustees and were signed on their behalf by:

Joanne Fairbairn

Joanne Fairbairn (Zedra Governance Limited)

Chair of the Trustees of the London & Quadrant Housing Trust Staff Benefits Plan

Date: 28-Oct-2025 | 10:57 GMT

Section 5 – Notes to the Financial Statements

Notes to the financial statements for the year ended 31 March 2025

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council and with guidance set out in the Statement of Recommended Practice “Financial Reports of Pension Schemes” (Revised 2018).

The financial statements are prepared on a going concern basis, which the Trustees believe to be appropriate as they believe that the Plan has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least the next twelve months. The Trustees have also considered the strength of the employer covenant and the ability of the employer to continue to support the Plan during this period. These assessments, together with income and capital growth from its assets, gives the Trustees confidence to prepare the financial statements on a going concern basis.

2 IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Plan is established as a trust under English law. The address for enquiries to the Plan is: Secretary to the Trustees, The Trustees of the London & Quadrant Housing Trust Staff Benefits Plan, c/o Hymans Robertson LLP, 45 Church Street, Birmingham, B3 2RT.

3 ACCOUNTING POLICIES

The principal accounting policies of the Plan which have been applied consistently throughout both years, are as follows:

3.1 Other income

Income received in relation to non-investment income is accounted for on a cash basis.

3.2 Contributions

Employee contributions, including additional voluntary contributions, are accounted for by the Trustees when they are deducted from pay by the Employer, except for the first contribution due where the employee has been auto-enrolled by the Employer in which case it is accounted for when received by the Plan.

Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as the employees' contributions, in accordance with the Schedule of Contributions and payment schedule in force during the year.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the employer and Trustees.

3.3 Payments to members

Benefits are accounted for in the period in which the member notifies the Trustees of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

Pensions in payment are accounted for in the period to which they relate.

Opt-outs are accounted for when the Plan is notified of the opt-out.

Individual transfers in or out of the Plan are accounted for when member liability is accepted or, discharged which is normally when the transfer amount is paid or received.

Notes to the financial statements for the year ended 31 March 2025 (continued)**3 ACCOUNTING POLICIES (CONTINUED)****3.4 Expenses**

Expenses are generally borne by the Principal Employer, otherwise they are accounted for on an accruals basis.

3.5 Investment Income

Income from cash and short term deposits is accounted for on an accruals basis.

Income from pooled investment vehicles is not distributed but is retained within the fund and is reflected in the change in market value.

Receipts from annuity policies are accounted for as investment income on an accruals basis.

3.6 Investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Investments are included at fair value as described below:

Unitised pooled investment vehicles have been valued at the latest available single price provided by the Platform Provider.

Annuity policies purchased in the name of the Trustees provide the pension benefits for specified members. They are not deemed to be material and have been included in these financial statements at nil value.

3.7 Presentation currency

The Plan's functional and presentation currency is pounds sterling. Assets and liabilities denominated in foreign currency are translated into sterling using the closing exchange rates at the Plan year end.

Foreign currency transactions included in the Fund Account are translated into sterling at the spot exchange rate at the date of the transaction.

3.8 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustees have made the following judgements:

Determined whether there are any indicators of impairment of the Plan's investment assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and the viability and expected future performance of that asset.

There are no other key sources of estimation uncertainty.

Notes to the financial statements for the year ended 31 March 2025 (continued)

4 CONTRIBUTIONS

	2025 Defined Benefit Section £	2025 Defined Contribution Section £	2025 Total £
Employer contributions			
Normal	165,160	10,805,331	10,970,491
Deficit funding	-	-	-
Additional	2,460,000	537,768	2,997,768
	2,625,160	11,343,099	13,968,259
Employee contributions			
Normal	32,559	71,887	104,446
Additional Voluntary Contributions	-	37,964	37,964
	32,559	109,851	142,410
	2,657,719	11,452,950	14,110,669

	2024 Defined Benefit Section £	2024 Defined Contribution Section £	2024 Total £
Employer contributions			
Normal	167,653	9,623,117	9,790,770
Deficit funding	2,460,000	-	2,460,000
Additional	-	441,006	441,006
	2,627,653	10,064,123	12,691,776
Employee contributions			
Normal	31,975	46,351	78,326
Additional Voluntary Contributions	-	12,655	12,655
	31,975	59,006	90,981
	2,659,628	10,123,129	12,782,757

Additional voluntary contributions of £205,000 per month are payable from 1 April 2022 until 31 March 2028 by the employer in accordance with the Schedule of Contributions as certified by the Actuary on 4 April 2023.

The DC employer additional contributions shown above relate to salary sacrifice AVCs.

Employer normal contributions include contributions in respect of salary sacrifice arrangements made available to certain members by the Employer.

Notes to the financial statements for the year ended 31 March 2025 (continued)

5 TRANSFERS IN

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Individual transfers in from other schemes	-	251,646	251,646
	2024 Defined Benefit Section	2024 Defined Contribution Section	2024 Total
	£	£	£
Individual transfers in from other schemes	-	255,383	255,383

6 OTHER INCOME

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Bank interest	6,527	6,532	13,059
Transfer calculation fees	1,642	-	1,642
Lump sum death benefits	225,993	451,074	677,067
Other income	400	1,978	2,378
	234,562	459,584	694,146
	2024 Defined Benefit Section	2024 Defined Contribution Section	2024 Total
	£	£	£
Bank interest	32,205	42,089	74,294
Transfer calculation fees	3,698	-	3,698
Lump sum death benefits	-	-	-
Sundry income	-	-	-
Other income	-	673	673
	35,903	42,762	78,665

Notes to the financial statements for the year ended 31 March 2025 (continued)

7 BENEFITS PAID OR PAYABLE

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Pensions	3,691,467	-	3,691,467
Commutations of pensions and lump sum retirement benefits	1,252,487	332,240	1,584,727
Purchase of annuities	-	555,955	555,955
Lump sum death benefits	-	508,528	508,528
Lifetime allowance charge	-	-	-
	4,943,954	1,396,723	6,340,677

	2024 Defined Benefit Section	2024 Defined Contribution Section	2024 Total
	£	£	£
Pensions	3,237,242	-	3,237,242
Commutations of pensions and lump sum retirement benefits	845,412	57,768	903,180
Purchase of annuities	-	173,305	173,305
Lump sum death benefits	7,337	22,507	29,844
Lifetime allowance charge	19,126	-	19,126
	4,109,117	253,580	4,362,697

Notes to the financial statements for the year ended 31 March 2025 (continued)

8 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Individual transfers to other schemes	-	2,677,932	2,677,932

	2024 Defined Benefit Section	2024 Defined Contribution Section	2024 Total
	£	£	£
Individual transfers to other schemes	871,656	2,489,797	3,361,453

9 ADMINISTRATIVE EXPENSES

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Bank charges	659	263	922

	2024 Defined Benefit Section	2024 Defined Contribution Section	2024 Total
	£	£	£
Bank charges	411	666	1,077

Except as noted above, the Plan expenses are paid directly by the Employer.

Notes to the financial statements for the year ended 31 March 2025 (continued)

10 OTHER PAYMENTS

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Ex gratia payments	-	1,019	1,019

	2024 Defined Benefit Section	2024 Defined Contribution Section	2024 Total
	£	£	£
Ex gratia payments	-	-	-

11 INVESTMENT INCOME

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Income from cash deposits	11,068	22,882	33,950
Annuity income	16,531	-	16,531
	27,599	22,882	50,481

	2024 Defined Benefit Section	2024 Defined Contribution Section	2024 Total
	£	£	£
Income from cash deposits	-	-	-
Annuity income	15,868	-	15,868

Notes to the financial statements for the year ended 31 March 2025 (continued)

12 INVESTMENT MANAGEMENT EXPENSES

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Administration, management and custody	122,693	-	122,693

	2024 Defined Benefit Section	2024 Defined Contribution Section	2024 Total
	£	£	£
Administration, management and custody	138,145	-	138,145

13 INVESTMENTS

13.1 RECONCILIATION OF INVESTMENTS HELD

	Value at 1 April 2024	Purchases at cost	Sales proceeds	Change in market value	Value at 31 March 2025
	£	£	£	£	£
Defined Benefit Section					
Pooled investment vehicles	97,916,900	8,491,026	(9,297,228)	(7,012,418)	90,098,280
AVC investments	17,542	-	-	876	18,418
	<u>97,934,442</u>	<u>8,491,026</u>	<u>(9,297,228)</u>	<u>(7,011,542)</u>	90,116,698
Defined Contribution Section					
Pooled investment vehicles	<u>105,983,195</u>	<u>17,017,753</u>	<u>(9,600,303)</u>	<u>5,335,567</u>	118,736,212
Cash	-				271
	<u>105,983,195</u>				118,736,483
Total Investment Assets	<u>203,917,637</u>				208,853,181

Notes to the financial statements for the year ended 31 March 2025 (continued)

13 INVESTMENTS (CONTINUED)

13.1 RECONCILIATION OF INVESTMENTS HELD (CONTINUED)

Defined Contribution Assets Allocation

For the Defined Contribution Section, investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustees. The Plan administrator allocates investment units to members. The Trustees may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting.

Defined contribution assets are allocated to members and the Trustees as follows:

	2025	2024
	£	£
Members	118,333,949	105,599,050
Not allocated to members	402,263	384,145
Cash held with investment manager	271	-
	118,736,483	105,983,195

Concentration of investments

The following investments represents more than 5% of the total value of the net assets of the Plan:

	2025		2024	
	Market		Market	
	Value		Value	
	£	%	£	%
Defined Benefit Section				
CT Real Dynamic LDI	20,596,094	9.8	25,012,469	12.1
Insight High Grade ABS Fund Buy & Hold	15,810,078	7.5	14,874,888	7.2
BNYM Global Dynamic Bond	13,316,494	6.3	11,854,260	5.7
L&G Life GPGE Future World Global Equity Fund	12,558,667	6.0	11,886,855	5.8
CT LDI Nominal Dynamic LDI Fund	11,986,227	5.7	17,413,636	8.4
Defined Contribution Section				
Global Equity Blended Fund	48,845,865	23.2	44,344,843	21.5
Diversified Growth Blended Fund	41,342,828	19.6	36,489,977	17.7

Notes to the financial statements for the year ended 31 March 2025 (continued)

14 TAX

The Plan is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

15 POOLED INVESTMENT VEHICLES (“PIVs”)

The Plan’s investments in pooled investment vehicles at the year-end comprised:

	2025	2024
	£	£
Defined Benefit Section		
Equity	12,558,667	14,225,988
Multi-Asset Credit	6,089,953	5,669,967
Asset Backed Securities	15,810,078	14,874,888
Bonds	13,316,494	11,854,260
Diversified growth	9,740,767	8,865,692
LDI Funds	32,582,321	42,426,105
	90,098,280	97,916,900
	2025	2024
	£	£
Defined Contribution Section		
Equity	61,681,058	55,456,395
Bonds	10,754,431	9,543,249
Cash	2,784,915	2,593,304
Property	1,306,483	1,155,061
Diversified growth	41,342,828	36,489,977
Multi-Asset	866,497	745,209
	118,736,212	105,983,195

Notes to the financial statements for the year ended 31 March 2025 (continued)

16 AVC INVESTMENTS

Defined Benefit Section

The Trustees hold assets invested separately from the main defined benefit section investments to secure additional benefits on a money purchase basis for those defined benefit section members electing to pay AVCs. Members participating in this arrangement each receive an annual statement made up to 31 March confirming the amounts held in their account and the movements in the year.

The aggregate amounts of AVC investments are as follows:

	2025	2024
	£	£
Utmost Life and Pensions	<u>18,418</u>	<u>17,542</u>

Defined Contribution Section

At the beginning of the year, some of the additional voluntary contributions paid by members of the defined contribution section were invested within the main fund along with normal contributions. Following the transition to the Mobius Life investment platform, all AVCs are invested in the main fund and as such these amounts are not separately identified here.

Notes to the financial statements for the year ended 31 March 2025 (continued)

17 FAIR VALUE DETERMINATION

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable (i.e. developed for the asset or liability, either directly or indirectly).
Level 3	Inputs which are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Plan's investment assets and liabilities have been fair valued using the above hierarchy levels as follows:

As at 31 March 2025	Level 1 £	Level 2 £	Level 3 £	Total £
Defined Benefit Section				
Pooled investment vehicles	-	90,098,280	-	90,098,280
AVC investments	-	18,418	-	18,418
	-	90,116,698	-	90,116,698
Defined Contribution Section				
Pooled investment vehicles	-	118,736,212	-	118,736,212
Cash	-	271	-	271
	-	118,736,483	-	118,736,483
 As at 31 March 2024	 Level 1 £	 Level 2 £	 Level 3 £	 Total £
Defined Benefit Section				
Pooled investment vehicles	-	97,916,900	-	97,916,900
AVC investments	-	17,542	-	17,542
	-	97,934,442	-	97,934,442
Defined Contribution Section				
Pooled investment vehicles	-	105,983,195	-	105,983,195
Cash	-	-	-	-
	-	105,983,195	-	105,983,195

Notes to the financial statements for the year ended 31 March 2025 (continued)**18 INVESTMENT RISK DISCLOSURES**

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

(i) Interest rate risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(ii) Currency risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(iii) Other price risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Defined Benefit Section

The Trustees make all major strategic investment decisions including, but not limited to, the Plan's asset allocation and the appointment and termination of investment managers. The process for making investment decisions is as follows:

- Identify appropriate investment objectives.
- Agree the level of risk consistent with meeting the objectives.
- Implement an investment strategy and investment manager structure in line with the level of risk and objectives agreed.

When making such decisions, and when appropriate, the Trustees take proper advice from their professional investment adviser. The Trustees' investment consultants, Hymans, are qualified by their ability in and practical experience of financial matters and have the appropriate knowledge and experience to provide such advice.

The Trustees set the investment strategy for the Plan taking into account considerations such as the strength of the employer covenant, the long-term scope of the Plan and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles.

Notes to the financial statements for the year ended 31 March 2025 (continued)**18 INVESTMENT RISK DISCLOSURES (CONTINUED)****Investment Objective**

The Trustees are required to invest the Plan's assets in the best interest of members, and their main objectives with regard to investment policy are:

- to achieve, over the long term, a return on the Plan's assets which is consistent with the assumptions made by the Plan Actuary in determining the funding of the Plan;
- to ensure that sufficiently liquid assets are available to meet benefits payments as they fall due; and
- to consider the interests of the Employer in relation to the size and volatility of the Employer's contribution requirements.

The Trustees understand, following discussions with the Employer, that it is willing to accept a degree of volatility in the company's contribution requirements in order to reduce the long-term cost of the Plan's benefits.

The Plan has exposure to the risks described above because of the investments it makes in following the investment strategy set out below. The Trustees consider investment risks, including credit risk and market risk, when they select the Plan's investment funds, taking into account the Plan's strategic investment objectives.

The documents governing the fund managers' appointments include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Plan. The Trustees monitor the investment portfolio on a regular basis.

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 INVESTMENT RISK DISCLOSURES (CONTINUED)

Investment Strategy

The current signed Statement of Investment Principles dated March 2025 contains the strategic benchmark allocation:

- a) 69% in investments that broadly move in line with the long-term liabilities of the Plan. This is referred to as the Liability Matching Portfolio and comprises of absolute return bonds, high grade ABS and LDI, the purpose of which is to hedge against the impact of changes in interest rates and expected inflation on the present values of the projected liabilities.
- b) 31% in return seeking investments comprising of global equities, a diversified growth fund and a multi-asset credit fund. The purpose of which is to look to outperform the change in the present value of the Plan in order to reduce the funding deficit.

Asset Class	Strategic Benchmark	Actual Allocation
Diversified Growth Funds	10.0%	10.8%
Ruffer Absolute Return Fund	10.0%	10.8%
Equity	14.5%	13.9%
L&G Life GPGE Future World Global Equity Fund	14.5%	13.9%
Multi Asset Credit	6.5%	6.8%
Barings Global High Yield Credit Strategies Fund	6.5%	6.8%
Investment Grade Bond Fund	14.5%	14.8%
BNY Mellon Global Dynamic Bond Fund	14.5%	14.8%
Asset Backed Securities	17.0%	17.5%
Insight High Grade ABS Fund	17.0%	17.5%
LDI	37.5%	36.2%
CT Real Dynamic LDI Fund	24.0%	22.9%
CT Nominal Dynamic LDI Fund	13.5%	13.3%
Total	100.0%	100.0%

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 INVESTMENT RISK DISCLOSURES (CONTINUED)

Investment Strategy (continued)

Further information on the Trustees' approach to risk management, credit and market risk is set out below. This excludes insurance policies and additional voluntary contributions as these are not considered material in relation to the overall investments of the Plan.

The following table summarises the extent to which the Plan's investments are affected by financial risks:

Defined Benefit Section	Credit Risk		Market Risk (Indirect)			31 March 2025	31 March 2024
	Direct	Indirect	Currency	Interest rate	Other price	£	£
Ruffer Absolute Return Fund	Y	Y	Y	Y	Y	9,740,767	8,865,692
BNY Mellon Global Dynamic Bond Fund	Y	Y	Y	Y	N	13,316,494	11,854,260
CT Real Dynamic LDI	Y	Y	N	Y	N	20,596,094	25,012,469
CT LDI Nominal Dynamic LDI Fund	Y	Y	N	Y	N	11,986,227	17,413,636
L&G Life HN World Emerging Markets Equity Index Fund*	Y	N	Y	N	Y	-	2,339,133
Insight High Grade ABS Fund Buy & Hold	Y	Y	Y	Y	N	15,810,078	14,874,888
Barings Global High Yield Credit Strategies Fund	Y	Y	Y	Y	Y	6,089,953	5,669,967
L&G Life GPGE Future World Global Equity Fund	Y	N	Y	N	Y	12,558,667	11,886,855
Total						90,098,280	97,916,900

*The Plan fully disinvested from the Fund in Q1 2025.

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 INVESTMENT RISK DISCLOSURES (CONTINUED)

Credit risk

The pooled investment vehicles are exposed to direct and indirect credit risk. The Plan invests in pooled investment vehicles via the platform provider and therefore is directly exposed to the credit risk of Mobius Life Limited. Mobius Life is regulated by the Financial Conduct Authority/ Prudential Regulation Authority (“FCA/PRA”). In the unlikely event Mobius Life Limited becomes insolvent and could not meet its obligations, the Trustees would be able to make a claim against the Financial Services Compensation Scheme on behalf of their members for 100% of the value of the investment.

The Plan is indirectly exposed to credit risk in relation to the underlying fund managers of these pooled investment funds. This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Direct credit risk arising from the pooled investment manager is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the investment manager, the regulatory environments in which the investment managers operate and diversification of mandates amongst a number of pooled arrangements. The Trustees and their advisers carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the regulatory and operating environment of the pooled investment managers.

Indirect credit risk arises in relation to the underlying investments held in bond pooled investment vehicles. This risk is mitigated by investing in funds where the majority of the investments are at least investment grade credit rated.

At the year end the total value of the pooled investments subject to credit risk was £90,098,280 (2024: £97,916,900). As part of managing this risk, a number of controls are used by the pooled managers to reduce the impact of this risk, such as the monitoring credit ratings associated with each counterparty. The risk is managed by requiring pooled managers to diversify the portfolio to minimise the impact of default of any one issuer.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2025	2024
	£	£
Open Ended Investment Company	<u>90,098,280</u>	<u>97,916,900</u>

Currency risk

The Plan is subject to indirect currency risk because some of the Plan’s investments are held in overseas markets, via pooled investment vehicles. In certain circumstances, the pooled managers may seek to manage exposure to currency movements by using forward currency contracts.

Interest rate risk

The Plan is subject to indirect interest rate risk because some of the Plan’s investments are held in bonds through pooled vehicles. The Trustees have invested in funds such as global dynamic bond, diversified growth and LDI funds and are intended to take some interest rate risk, in order to offset the level of interest rate risk inherent in the Plan’s liabilities. Under this strategy, if interest rates fall, the value of the Plan’s bond investments should rise to help mitigate the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the Plan’s bond investments should fall in value while the actuarial liabilities will decrease because of an increase in the discount rate.

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 INVESTMENT RISK DISCLOSURES (CONTINUED)

Other price risk

Other price risks arise principally in relation to the Plan’s return seeking portfolio which includes equities held in the pooled vehicles. The Plan manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

Defined Contribution Section

The Trustees set the default investment strategy and offer a range of self-select funds after taking advice from their professional investment adviser. The Trustees have provided a default strategy for members taking into account their investment objectives which has determined the level of investment risks, including credit risk and market risk members are exposed to. The investment risks that members are exposed to depends on their options selected and number of years to retirement (if they are in the default strategy). The table below sets out the risks the member is exposed to in the default strategy and the self-select options. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan’s investment managers and monitored by the Trustees by regular reviews of the investment options.

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 INVESTMENT RISK DISCLOSURES (CONTINUED)

Defined Contribution Section (continued)

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

Defined Contribution Section	Credit Risk		Market Risk (Indirect)			31 March 2025	31 March 2024
	Direct	Indirect	Currency	Interest rate	Other price	£	£
L&G Multi-Asset Fund	Y	Y	N	Y	Y	866,497	745,208
L&G Global Equity (70:30) Index Fund	Y	N	Y	N	Y	53,392	47,410
L&G Global Equity Fixed Weights (50:50) Index Fund	Y	N	Y	N	Y	431,043	395,621
L&G UK Equity Index Fund	Y	N	N	N	Y	2,622,286	2,279,857
L&G Ethical UK Equity Index Fund	Y	N	N	N	Y	997,900	869,273
L&G North America Equity Index Fund	Y	N	Y	N	Y	3,180,465	2,674,792
L&G Europe (ex-UK) Equity Index Fund	Y	N	Y	N	Y	1,041,432	1,006,957
L&G Japan Equity Index Fund	Y	N	Y	N	Y	802,256	803,999
L&G Asia Pacific (ex-Japan) Developed Equity Index Fund	Y	N	Y	N	Y	1,399,897	1,433,576
L&G Over 15 year Gilts Index Fund	Y	Y	N	Y	N	234,684	168,118
L&G Over 5 Year Index-Linked Gilts Index Fund	Y	Y	N	Y	N	1,993,975	1,466,483
L&G Pre-Retirement Fund	Y	Y	N	Y	N	5,350	5,487
L&G Managed Property Fund	Y	N	N	N	Y	1,306,483	1,155,061
L&G Cash Fund	Y	Y	N	N	N	2,784,915	2,593,304
L&G World (ex-UK) Equity Index Fund	Y	N	Y	N	Y	1,061,608	769,749
L&G Emerging Markets Equity Index Fund	Y	N	Y	N	Y	432,872	325,905
L&G Active Corporate Bond – All Stocks – Fund	Y	Y	N	Y	N	1,928,248	1,327,327
HSBC Amanah Global Blended Equity Index Fund	Y	N	Y	N	Y	812,043	504,412
Diversified Growth Global Blended Fund	Y	Y	Y	Y	Y	41,342,828	36,489,977

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 INVESTMENT RISK DISCLOSURES (CONTINUED)

Defined Contribution Section (continued)

Defined Contribution Section	Credit Risk		Market Risk (indirect)			31 March 2025	31 March 2024
	Direct	Indirect	Currency	Interest rate	Other price	£	£
Global Equity Blended Fund	Y	N	Y	N	Y	48,845,865	44,344,843
Flexible Pre-Retirement Blended Fund	Y	Y	Y	Y	Y	66,237	86,324
Annuity Match Lifecycle Fund	Y	Y	Y	Y	Y	6,293,401	6,248,393
Annuity Match Blended Fund	Y	Y	Y	Y	Y	232,535	241,119
GDP cash	Y	N	N	Y	N	271	-
Total						118,736,483	105,983,195

Investment Strategy

The Trustees' objective is to make available to members of the Plan an appropriate range of investment options designed to generate income and capital growth, which together with new contributions from members and their employer, will provide a retirement amount with which the member can purchase a pension annuity (or other type of retirement product). The Statement of Investment Principles outlines the investment objectives and strategy for the assets of the Plan.

The Trustees have appointed L&G, to manage the Defined Contribution Section assets of the Plan. The risks disclosed here relate to the Plan's investments as a whole. Members are able to choose their own investments from a range of funds offered by the Trustees and therefore may face a different profile of risks from their individual choices compared to the Plan as a whole.

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 INVESTMENT RISK DISCLOSURES (CONTINUED)

Defined Contribution Section (continued)

Credit risk

The Plan invests in pooled investment vehicles managed by L&G, via the Mobius platform, and therefore is directly exposed to the credit risk of Mobius and L&G. The Plan's holdings in pooled investments vehicles are ring-fenced from the fund's managers. Direct credit risk is mitigated by the regulatory environment in which the fund managers operate and the diversification of investments amongst a number of pooled arrangements. The Plan is indirectly exposed to credit risks arising from the financial instruments held by the pooled investment funds.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2025	2024
	£	£
Open Ended Investment Company	118,736,212	105,983,195

Market risk

The Plan's Defined Contribution Section is also subject to market risk. This is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. This risk comprises of three main types of risk: currency risk, interest rate risk and other price risk arising from the underlying financial instruments held in the funds managed by L&G.

Interest Rate Risk

Some member funds are subject to indirect interest rate risk because some of the underlying investments are held in bonds or cash through pooled vehicles or segregated accounts. If interest rates fall the value of these investments will rise (all else equal) and vice versa.

The Plan manages this risk through the following:

- Diversification, where appropriate, to reduce the impact of a change in interest rates; or
- Allowing the risk, where appropriate, in recognition that a change in interest rates will likely be correlated with a change in annuity rates and therefore this degree of "matching" is desirable.

No assets are subject to direct interest rate risk as no interest rate sensitive investments are held directly.

Currency Risk

Some member funds are subject to indirect currency risk because some of the underlying investments are held in overseas markets via pooled investment vehicles or segregated accounts. The Trustees regard currency risk as one which can, in some cases, add value and have delegated management of this risk to their investment advisor.

There is no direct exposure to currency risk. All member and underlying funds are priced in GBP and no foreign denominated assets are held directly.

Notes to the financial statements for the year ended 31 March 2025 (continued)**18 INVESTMENT RISK DISCLOSURES (CONTINUED)****Defined Contribution Section (continued)****Other Price Risk**

All assets are subject to indirect other price risk, including those held in segregated accounts. Other price risk arises in relation to risks not mentioned above, such as those affecting equity markets, property, non- investment grade bonds, etc.

The Plan manages this risk by making available member funds with a diverse portfolio of investments across various markets, designed to minimise the overall price risk. Members may also invest in funds with a higher degree of overall price risk should they choose.

No assets are subject to direct other price risk as no price sensitive investments are held directly.

19 CURRENT ASSETS

	2025 Defined Benefit Section	2025 Defined Contribution Section	2025 Total
	£	£	£
Contributions due from employer in respect of:			
Employer	205,000	-	205,000
Employee	-	-	-
Cash balances	270,062	1,451,199	1,721,261
Prepaid pensions	223,451	-	223,451
Sundry debtors	-	24,570	24,570
Due from DB to DC	-	454,074	454,074
	698,513	1,929,843	2,628,356

The contributions receivable were paid subsequent to the Plan's year end in accordance with the Plan's Schedule of Contributions and Payment Schedule.

Included in the above Defined Contribution cash balance is £367,772 (2024: £349,602) which is not allocated to members.

Notes to the financial statements for the year ended 31 March 2025 (continued)

19 CURRENT ASSETS (CONTINUED)

	2024 Defined Benefit Section £	2024 Defined Contribution Section £	2024 Total £
Contributions due from employer in respect of:			
Employer	218,845	880,451	1,099,296
Employee	2,714	5,561	8,275
Cash balances	182,737	804,256	986,993
Prepaid pensions	244,298	-	244,298
Sundry debtors	6,384	13,915	20,299
	654,978	1,704,183	2,359,161

20 CURRENT LIABILITIES

	2025 Defined Benefit Section £	2025 Defined Contribution Section £	2025 Total £
Overpaid employer contributions	45,129	-	45,129
Due from DB to DC	454,074	-	454,074
Accrued expenses	26,490	-	26,490
Due to Aviva (life insurance overpayment)	-	3,000	3,000
Unpaid benefits	335,987	158,383	494,370
	861,680	161,383	1,023,063

	2024 Defined Benefit Section £	2024 Defined Contribution Section £	2024 Total £
Overpaid employer contributions	59,590	-	59,590
Accrued expenses	30,000	-	30,000
Unpaid benefits	16,458	-	16,458
	106,048	-	106,048

Notes to the financial statements for the year ended 31 March 2025 (continued)**21 RELATED PARTY TRANSACTIONS**

Fees for services provided by Zedra Governance Limited amounting to £26,865 (2024: £26,703) were due for the year to 31 March 2025 and have been paid by the Principal Employer.

Four of the Trustees at the year-end are members of the Plan (2024: four) and pay contributions and accrue benefits in accordance with the Plan rules and in line with other members.

The Principal Employer met Plan administration costs in accordance with the Schedule of Contributions.

The Employer overpaid contributions in previous years and during the year. Therefore, a provision is included in Note 20.

22 CONTINGENCIES AND COMMITMENTS

In the opinion of the Trustees, the Plan has no contingent liabilities and no contractual commitments at 31 March 2025 (2024: nil).

Section 6 – Independent Auditor’s Statement About Contributions

Independent Auditor’s Statement about Contributions to the Trustees of London & Quadrant Housing Trust Staff Benefits Plan

Statement about contributions

We have examined the Summary of Contributions to London & Quadrant Housing Trust Staff Benefits Plan (the “Plan”) for the year ended 31 March 2025 which is set out on page 50.

In our opinion, contributions for the year ended 31 March 2025, as reported in the Summary of Contributions and payable under the Schedule of Contributions and Payment Schedule, have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Plan Actuary on 4 April 2023 and the Payment Schedule dated 5 March 2024.

Scope of work on the statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions and Payment Schedule. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedule of Contributions and Payment Schedule.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees’ Responsibilities set out on page 17, the Plan’s Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions and Payment Schedule showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active members of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the Schedule of Contributions and Payment Schedule.

Auditor’s responsibilities for the preparation of a Statement about Contributions

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and Payment Schedule and to report our opinion to you.

Use of our report

This statement is made solely to the Plan’s Trustees, as a body, in accordance with Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan’s Trustees those matters we are required to state to them in an auditor’s statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan’s Trustees, as a body, for our audit work, for this statement, or for the opinions we have formed.

BDO LLP

Statutory Auditor

Guildford

United Kingdom

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Section 7 - Summary of Contributions

Summary of Contributions for the year ended 31 March 2025

The contribution rates agreed with the Employer are applicable for the period are as follows.

Contributions payable to the Plan by the employer under the Schedule of Contributions and the Payment Schedule in respect of the year ended 31 March 2025 were as follows:

	Defined Benefit £	Defined Contribution £	Total £
Employer normal contributions	165,160	10,805,331	10,970,491
Additional funding contributions	-	-	-
Member normal contributions	32,559	71,887	104,446
Employer additional contributions	2,460,000	-	2,460,000
Total contributions payable under the Schedules of Contributions and the Payment Schedule	2,657,719	10,877,218	13,534,937
Employer additional contributions	-	537,768	537,768
Member additional voluntary contributions	-	37,964	37,964
Total contributions per financial statements	2,657,719	11,452,950	14,110,669

The Summary of Contributions was approved by the Trustees and was signed on their behalf by:

Joanne Fairbairn

Joanne Fairbairn (Zedra Governance Limited)

Chair of the Trustees of the London & Quadrant Housing Trust Staff Benefits Plan

Date: 28-Oct-2025 | 10:57 GMT

This does not form part of the statutory financial statements.

Section 8 – Actuarial Statement & Certificate

London & Quadrant Housing Trust Staff Benefits Plan Schedule of Contributions – Actuarial Certificate

Adequacy of contributions

I certify that, in my opinion, the contributions shown in this schedule are such that the statutory funding objective on 1 April 2022 can be expected to continue to be met for the period for which the schedule is to be in force.

Consistency with Statement of Funding Principles

In my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated April 2023.

Please note that the adequacy of contributions statement in this certificate relates to the Plan’s statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the Plan’s full liabilities with annuities if the Plan were to wind up.

Signature	DocuSigned by: <i>Patrick Bloomfield</i> 79890F08BC52436...
Date	04-Apr-2023 15:05 BST
Name	Patrick Bloomfield
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of Employer	Hymans Robertson LLP
Address	One London Wall, London, EC2Y 5EA

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.

London & Quadrant Housing Trust Staff Benefits Plan for the year ending 31 March 2025

Welcome to the Trustees' Statement of how they implemented the policies and practices in the Plan's Statement of Investment Principles (SIP) during the year ending 31 March 2025.

This statement covers the Defined Benefit (DB) section of the Plan.

Introduction

The Trustees have prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation, and those of the Pensions Regulator's General Code of Practice. It sets out how the Trustees have complied with the London & Quadrant Housing Trust Staff Benefits Plan Stewardship Policy and Statement of Investment Principles during the period from 1 April 2024 to 31 March 2025.

Overall, the Trustees are satisfied that:

- The Plan's investments have been managed in accordance with the Plan's Stewardship Policy during the period.
- The Plan's investments have been managed in accordance with the remainder of the Plan's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles remain suitable for the Plan's members.

What is the Statement of Investment Principles (SIP)?

The Statement of Investment Principles sets out the principles and practices the Trustees follow when governing the Plan's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustees' approach to responsible investing (including climate change).

This Implementation Statement is in respect of the Plan's SIP that was in place over the 12 months to 31 March 2025. The last review of the Plan's SIP was completed in March 2025.

The main change to the SIP during the year was an update to the Plan's investment strategy. Rising yields and strong performance from risk assets improved the Plan's funding position, creating an opportunity to simplify the portfolio and increase hedging to help lock in these gains. In response, the Trustees agreed to increase the target hedge ratios for both interest rate and inflation risks, fully disinvest from emerging market equities, and raise the strategic allocation to global equities.

The Plan's Statement of Investment Principles can be consulted online at [DB Statement Of Investment Principles | L&Q](#)

How the Plan's investments are governed

The primary objective of the DB section of the Plan is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, on a defined benefit basis.

The Trustees have overall responsibility for how the Plan's investments are governed and managed in accordance with the Plan's Trust Deed and Rules as well as Trust law, pensions law and pension regulations.

There have been no changes to the Trustees or the governance processes during the last year. The Trustees have delegated day-to-day investment decisions, such as which investments to buy and sell, to the investment managers for the DB section.

On an ongoing basis the Trustees monitor how well their investment adviser meets the objectives agreed with them, which are designed to align with the Trustees' objectives and investment strategy set out in the SIP. The current set of DB objectives is as follows:

- Advise on a suitable investment strategy, and amendments to the strategy, to achieve a target return to support an affordable level of contributions from the sponsor.
- Implement a strategy, and amendments to the strategy, that delivers the target returns whilst minimising the associated risk and takes opportunities to reduce risk when it is affordable to do so.
- Deliver an investment approach that reflects the Plan's cashflow position and expected future cashflow position and provides sufficient liquidity.
- Provide advice on cost efficient implementation of the Trustees' investment strategy, including but not limited to advice on the use of suitable benchmarks, active or passive management and selection of managers.
- Provide relevant and timely advice.
- Develop Trustees' knowledge and understanding of the Plan's investment strategy, its implementation and wider investment matters.
- Provide suitable reporting for the Trustees to understand the Plan's progress towards its investment objectives.

The Trustees are satisfied that during the last year:

- **The Plan's DB governance structure was appropriate;**
- **The Trustees have maintained their understanding of investment matters; and**
- **Their investment advisers met the agreed objectives.**

How the investment strategy is managed

The objective and rationale for the investment strategy is set out in the Plan's current SIP on pages 1 to 3.

In September 2022, the Trustees carried out an Investment Strategy review based on the preliminary results of the 2022 Actuarial valuation. However, given the market volatility experienced soon after it was agreed to suspend the implementation of this review.

At the March 2023 Trustee meeting it was agreed to re-review the investment strategy in light of market changes with the results presented at the June 2023 meeting. The new investment strategy was subsequently implemented over the course of Q4 2023.

Since then, market movements and improved funding have supported the case for further changes — and in March 2025, the Trustees formally updated the investment strategy to reflect this.

The Trustees plan to carry out the next formal investment strategy review in 2025/26, following the triennial actuarial valuation.

How investments are chosen

The Trustees review the performance of the investment managers and mandates on a regular basis against a series of metrics, including, but not limited to, financial performance against the benchmark and objectives of the mandate and the management of risks. Material deviation from performance targets may result in the mandate being formally reviewed.

The Trustees monitor the performance of the funds used by the DB section of the Plan by:

- Reviewing quarterly investment reports; and
- Engaging with the investment adviser.

Over the year, the Trustees monitored fund performance relative to the manager's respective benchmarks and targets on a quarterly basis.

The Trustees are satisfied that during the last year:

- **The Plan's overall investment strategy was appropriate;**
- **The actions taken by the managers to navigate market conditions were appropriate.**

The expected risks in the DB section of the Plan

The investment risks and returns relating to the DB section of the Plan are described in the SIP.

The Trustees' views on the expected levels of investment risks and returns inform decisions on the strategic asset allocation (i.e. what types of assets and areas of the world the Plan invests in over the longer-term) and the style of management adopted by the Plan.

The Trustees believe the main investment risks described in the SIP have not changed materially over the year.

The Trustees are satisfied that the current expected rates of investment return for the types of funds described in the SIP are still reasonable relative to the risks.

The Trustees are satisfied that through a diversified portfolio, systematic risks can be mitigated, and accept that it is not possible to make specific provision for all possible eventualities.

Ability to invest / disinvest promptly

It is important that member benefits can be received promptly, and that the Plan's investments can be realised quickly if required, as set out on page 3 of the SIP. The Trustees also ensure that the Plan has a robust process for the administration team processing cash payments to/from the Plan and to/from the investment funds.

The Trustees are satisfied that money can be invested in and taken out of the majority of DB investments without delay, as set out in the SIP.

Portfolio turnover within funds

The Trustees monitor the performance of the assets (net of costs) on a quarterly basis and any material deviation in performance relative to target returns or benchmarks will warrant an investigation into the activity carried out by the fund manager, including the buying and selling of assets. In this way, the Trustees indirectly monitor portfolio turnover and the associated transaction costs.

Short-term changes in the level of turnover may be expected when a manager alters its investment strategy in response to changing market conditions. However, a change in the level of portfolio turnover might indicate a shift in the amount of risk the manager is taking, which could mean that a fund is less likely to meet the objectives for which it was chosen by the Trustees.

Over the year, the Trustees have monitored performance for all the funds on a quarterly basis and discussed performance with the Plan's investment advisors. Whilst there has been significant volatility in returns due to market difficulties, the Trustees have not identified any instances of material deviations in performance which would warrant further investigation into portfolio turnover.

Conflicts of interest

The Trustees are yet to explicitly review conflicts of interest in the management of the Plan's assets. Over the year, the managers have not disclosed any potential or actual conflict.

The Trustees will consider the appropriate means to review and monitor conflicts of interest over the next reporting period.

Responsible Investment

The Trustees believe that responsible investing covers both sustainable investment and effective stewardship of the assets the Plan invests in.

The Trustees' approach to sustainable investing has not changed during the last year. The Trustees are satisfied that during the year the Plan's investments were invested in accordance with the policies on sustainable investing and consideration of financially material factors set out in the SIP.

Sustainable Investment

The Trustees believe that investing sustainably is important to control the risks that environmental factors (including climate change), social factors (such as the use of child labour) and corporate governance behaviour (called 'ESG' factors) can have on the value of the Plan's investments.

The Trustees have considered the duration of the Plan's liabilities when choosing and reviewing the funds.

The Trustees' approach to sustainable investing has not changed during the last year.

Policy Implementation

In line with the SIP, no specific actions over the past year have been considered with respect to non-financially material factors in the development and implementation of the Plan's investment strategy.

As outlined on pages 5 and 6 of the SIP, the Trustees have delegated voting and engagement activity in respect of the underlying assets to the Plan's investment managers. The Trustees believe it is important that its investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

The Trustees' own engagement activity is focused on its dialogue with the investment managers which is undertaken in conjunction with the investment adviser. As the Trustees invests via an investment platform, there is no direct relationship between the Trustees and the investment managers. The Trustees accept that investment managers will not notify the Trustees about any particular stewardship activities.

Stewardship policy

The Trustees' stewardship (voting and engagement) policy sets out how the Trustees will behave as an active owner of the Plan's assets, which includes the Trustees' approach to:

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustees monitor and engage with their investment managers and any other stakeholders.

The Plan's stewardship policy is reviewed on a periodic basis. The Trustees have committed to reviewing the managers' stewardship policies on a periodic basis.

The Trustees and their investment advisers remain satisfied that the stewardship policies of the managers and, where appropriate, the voting policies remain suitable for the Plan.

Voting activity

The Trustees seek to ensure that their managers are exercising voting rights and where appropriate, monitor managers' voting patterns. The Trustees also monitor investment managers' voting on particular companies or issues that affect more than one company.

The Plan does not own any listed equities. Rather, the Plan invests in units of funds and it is these funds which own the listed equities. The Trustees' investment managers have reported on how votes were cast for the equities in each of these funds as set out in the table below.

The Plan's investment strategy was revised during the year, including a full disinvestment from the L&G Emerging Markets Equity Fund on 10 February 2025, as noted on page 1 of this statement. However, please note that the information in this and subsequent sections regarding this fund covers the entire Plan year from 1 April 2024 to 31 March 2025.

	Ruffer Absolute Return Fund	L&G Emerging Markets Equity	L&G Future World Global Equity
Proportion of Plan assets (as at 31 March 2025)	10.8%	0.0%	13.9%
No. of meetings eligible to vote at during year	68	4,366	5,515
No. of resolutions eligible to vote on during year	1,134	34,789	55,096
% of resolutions voted	100.0%	99.9%	99.8%
% of resolutions voted with management	96.9%	80.4%	81.0%
% of resolutions voted against management	3.0%	17.1%	17.9%
% of resolutions abstained	0.1%	2.5%	1.1%
% of meetings with at least one vote against management	26.5%	50.7%	58.6%

The resolutions that Ruffer voted against management the most on over the Plan year were mainly in relation to shareholder resolution on climate change disclosures, human labour rights and diversity, equity and inclusion (DEI). The resolutions that L&G voted against management the most on over the Plan year were mainly in relation to insufficient climate risk management, absence of diverse board and disclosure and requirement for separation of Board Chair and CEO.

Significant votes

The Trustees have asked Ruffer and L&G to report on the most significant votes cast within the portfolios they manage on behalf of the Plan. Managers were asked to explain the reasons why votes identified were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company and the outcome of the vote. From the managers' reports, the Trustees have identified the following votes as being among those of greater relevance to the Plan:

Ruffer

Date	Company	Subject (theme and summary)	Manager's vote and rationale
22 May 2024	Amazon	Climate – Scope 3 GHG emissions disclosure	For – Ruffer voted in favour of a shareholder resolution requesting fuller disclosure of material Scope 3 emissions. Amazon currently only disclose Scope 3 emissions for own-brand products, whereas peers like Walmart and Target report across all product sales. Ruffer supported the resolution as a step towards improving transparency and enabling meaningful target-setting on carbon reduction.
29 May 2024	ExxonMobil	Social – Gender and racial pay gap reporting	For – Ruffer voted in favour of a shareholder resolution requesting a report on median gender and racial pay gaps. They believe such disclosures improve accountability on diversity and inclusion, and align with UK best practice. Reporting both adjusted and unadjusted pay gaps can help shareholders assess how well the company is managing workforce-related risks.
26 February 2025	Deere & Co	Governance – Workplace oversight and meritocracy	Against – Ruffer voted against the shareholder resolution requesting a report on the effectiveness of Deere's meritocratic workplace practices. They noted that Deere already discloses detailed workforce information and maintains robust human rights and anti-discrimination policies. In Ruffer's view, the proposed report would offer limited additional value.

L&G (Emerging Markets Equity)

Date	Company	Subject (theme and summary)	Manager's vote and rationale
14 May 2024	Tencent Holdings Limited.	Governance/ Environmental – Re-elect director (Charles St Leger Searle)	Against – L&G voted against the re-election of Charles St Leger Searle as Director at Tencent. This was based on two factors. First, L&G expect Audit Committees to consist entirely of independent directors. Second, under its Climate Impact Pledge, L&G consider Tencent

			to fall short of the minimum standards for climate risk management. As such, a vote against was warranted on both governance and environmental grounds.
30 May 2024	Gold Fields Ltd.	Governance/Diversity – Re-elect Director (Steven Reid)	Against – L&G voted against the re-election of Steven Reid at Gold Fields owing to concerns over board diversity. L&G expect companies to have at least one-third female board members and to increase female participation both on the board and in leadership roles over time.
30 May 2024	Realtek Semiconductor Corp.	Governance – Board leadership and separation of Chair and CEO roles	Against – L&G voted against the election of CHIU, SUN-CHIEN as a non-independent director due to concerns over the combined role of Board Chair and CEO. L&G expect these roles to be held separately to ensure proper balance of authority and responsibility on the board.

L&G (Future World Global Equity)

Date	Company	Subject (theme and summary)	Manager's vote and rationale
10 December 2024	Microsoft Corporation	Governance – Report on AI data sourcing accountability	For – L&G voted in favour of a shareholder resolution requesting greater disclosure on AI data sourcing practices. Despite strong existing disclosures on responsible AI, L&G believe shareholders would benefit from enhanced transparency regarding risks tied to the use of third-party data for training large language models.
22 May 2024	McDonald's Corporation	Health – Adopt antibiotics policy	For – L&G voted in favour of a shareholder resolution requesting McDonald's adopt a policy to phase out the use of medically important antibiotics for disease prevention across its meat supply chain. L&G view antimicrobial resistance (AMR) as a systemic risk and expect companies in the restaurant sector to apply WHO guidelines on antimicrobial use in food-producing animals.
29 May 2024	Meta Platforms, Inc.	Governance / Remuneration / Diversity – Elect Director (Peggy Alford)	Against – L&G voted against the election of Peggy Alford due to several concerns. They expect boards to have at least one-third women and an independent lead director where the Chair and CEO roles are combined. L&G also opposed the executive remuneration framework, citing lack of annual shareholder approval, use of corporate jets, absence of malus and clawback provisions, missing executive shareholding guidelines, inadequate long-term performance conditions, and a performance

			period shorter than three years. As chair of the compensation, nominating, and governance committee, Alford warranted a withhold vote due to consecutive years of high director pay without sufficient explanation.
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Engagement activity

The Trustees receive annual reporting on each manager's engagement activity. The following table summarises the key engagement activity for the 12-month period ending 31 March 2025.

Manager	Voting rights / engagements	Main topics engaged on
Ruffer	Voting rights as this fund invests in equities. The team initiated 38 engagements on an ongoing basis over the year.	Climate Change, Human Capital Management, Independence or Oversight, Reporting (e.g. audit, accounting, sustainability reporting), Remuneration and Capital Allocation
L&G (Emerging Markets Equity)	Voting rights as this fund invests in equities. The team-initiated 771 engagements across the L&G fund with companies on an ongoing basis over the year.	Climate Impact Pledge, Human Rights, Deforestation, Climate Change, Capital Management, Circular Economy and Nutrition
L&G (Future World Global Equity)	Voting rights as this fund invests in equities. The team-initiated 1944 engagements across the L&G fund with companies on an ongoing basis over the year.	Climate Impact Pledge, Human Rights, Remuneration, Deforestation, Climate Change, Capital Management and Gender Diversity
Barings	No voting rights as this is a fixed income portfolio. Barings do not report on a fund specific basis. Their Fixed Income team initiated 167 engagements.	Disclosure, Transparency & Reporting, Climate Change & Energy Management, Consumer Access, Health, Safety & Wellbeing and Environmental Pollution
Columbia Threadneedle	The LDI funds don't hold assets with any voting rights. The team initiated 12 engagements with counterparties over the year.	Climate Change, Environmental Stewardship and Human Rights

Insight	No voting rights as this is a fixed income portfolio. The team initiated c.60 engagements across c.55 entities.	Strategy/Purpose, Financial Performance, Reporting (eg. Audit, accounting, sustainability reporting), Climate Change and Natural Resource Use
BNY Mellon	No voting rights as this is a fixed income portfolio. The team initiated c.5 engagements across c.5 entities.	Climate Change, Natural Resource Use, Public Health and Board Effectiveness

Use of a proxy adviser

The Trustees' investment managers Ruffer and L&G have made use of the services of Institutional Shareholder Services ("ISS"), a proxy voting advisor, over the Plan year.

While the services of ISS have been used by Ruffer and L&G, the Trustees have also sought to compare the extent of the manager's alignment with their proxy advisor, ISS, in order to judge the independence of their voting processes. Below is a summary of the voting activity of Ruffer and L&G relative to the proxy advisor.

Manager	No. meetings voted at	Of which they voted against ISS recommendation (%)
Ruffer Absolute Return Fund	68	4.3%
L&G Emerging Markets Equity	4366	6.3%
L&G Future World Global Equity	5515	9.7%

From the above we note that Ruffer and L&G voted on a significant majority of occasions with the proxy advisor.

Review of policies

The Trustees have committed to reviewing the managers' responsible investment ('RI') policies on an ongoing basis. The review will consider managers' broader approach to RI issues and any change in approach by the managers over the period. The Trustees will also consider changes to their managers' voting policies.

The Trustees and their advisors remain satisfied that the responsible investment policies of the managers and, where appropriate, the managers' voting policies, remain suitable for the Plan.

London & Quadrant Housing Trust Staff Benefits Plan – Implementation Statement for the year ending 31 March 2025

Introduction

The Trustees have prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the Pensions Regulator's General Code of Practice. It sets out how the Trustees have complied with the London & Quadrant Housing Trust Staff Benefits Plan Stewardship Policy and Statement of Investment Principles (<https://www.lqpensionplan.co.uk/>) during the period 1 April 2024 to 31 March 2025.

Overall, the Trustees are satisfied that:

- The Plan's investments have been managed in accordance with the Plan's Stewardship Policy during the period;
- The Plan's investments have been managed in accordance with the remainder of the Plan's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles, including the default arrangement and other investment options, remain suitable for the Plan's members.

Statement of Investment Principles

The Statement of Investment Principles sets out the principles and practices the Trustees follow when governing the Plan's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustees' approach to responsible investing (including climate change).

The Trustees reviewed and updated the Statement of Investment Principles in September 2024 during the period to reflect changes in regulation such as the requirement to state the Plan's investment strategy in investing in illiquid assets.

The Statement is scheduled for review no later than 19 September 2027.

The Trustees have prepared this Implementation Statement on the basis of the Statement of Investment Principles in force at 19 September 2024, with reporting within this document in line with the Statement of Investment Principles applicable at the relevant time.

The Plan's Statement of Investment Principles can be consulted online at <https://www.lqpensionplan.co.uk/>.

Investment governance

The primary objective of the Plan is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined contribution basis (sometimes called money purchase benefits). This means that the size of benefits will depend on how much the funds where savings were invested have grown over the years.

The Trustees have overall responsibility for how the Plan’s investments are governed and managed, in accordance with the Plan’s Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

There have been no changes to the governance processes in the last year.

The Trustees have elected to delegate day-to-day investment decisions, such as which investments to buy and sell, to the platform provider and the fund managers.

The Trustees monitor how well the Plan’s investment adviser meets the objectives agreed with them, which are designed to align with the Trustee’s own objectives and investment strategy set out in the Statement of Investment Principles. The Trustees have set the following objectives for the adviser:

- Deliver an investment approach for the default option that maximises risk-adjusted real returns for members. Note that the concept of risk can change throughout a member’s career.
- Provide advice in relation to a self-select range that incorporates sufficient choice for members to meet their own needs in terms of investment return, investment risk and retirement choices, reflecting member feedback where relevant.
- Ensure the fund range remains appropriate for members over time and propose changes on a timely basis where appropriate in relation to the addition or deletion of funds.

The Trustees have carried out an evidence-based review of the investment adviser’s performance against these objectives on 10 December 2024. This involved rating the adviser against the different objectives. The Trustees were satisfied that the objectives had been achieved for the year

The Trustees have undertaken training during the last year to ensure that their knowledge of investment matters remains up to date.

Date	Topic	Aim	Trainer
13th June 2024	Ruffer Absolute Return Fund	Training on investment topic	Hymans Robertson
19th September 2024	TPR's new Funding Code	Training on the new funding code	Hymans Robertson
10th December 2024	Stewardship training	To ensure understanding of stewardship	Hymans Robertson
11th March 2025	Master Trust Training, part 1	To ensure understanding of master trusts	Hymans Robertson
12th June 2025	Master Trust Training, part 2	To ensure understanding of master trusts	Hymans Robertson

The investment risks relating to the Plan are described in the Statement of Investment Principles, page 4.

The Trustees’ views on the expected levels of investment risk and return inform decisions on the strategic asset allocation (i.e., what type of assets and areas of the world the Plan invests in over the longer-term), and the style of management adopted by the Plan.

Conflicts of interest

The Plan has conflicts of interest policies in place. These policies apply to the Plan's service providers, including the platform provider, fund managers, and investment adviser.

The Trustees formally ask service providers to confirm any conflicts of interest when the Trustees meet with them. In addition, as the funds used by the Plan are held at arms-length from the Trustees via an investment platform, the Trustees have asked the platform provider to report on its investment governance of the funds, including conflicts of interest.

The Plan's service providers have not disclosed any actual or potential conflict over the period.

Default arrangement and other investment options

The objectives and rationale for the Plan's default arrangement and other investment options are set out in the Statement of Investment Principles, pages 1-3.

The default arrangements and other investment options were last reviewed 5 December 2022 and are scheduled for review no later than 5 December 2025.

Platform provider and fund managers

The funds used by the Plan are held at arms-length from the Trustees via an investment platform.

The Trustees monitor the service from the platform provider used by the Plan through periodic reviews.

The Trustees monitor the performance of the funds used by the Plan through receiving an investment performance monitoring report on a quarterly basis.

Value for money

The Trustees periodically monitor the costs borne by members for the Plan's default arrangement and other investment options.

The Trustees seek to ensure that fund managers are suitably incentivised to deliver investment performance in keeping with the fund's objectives. The Trustees believe it is in the platform provider's best commercial interest to ensure fund managers are suitably incentivised to meet their fund's investment objectives.

Scheme year investments

The Plan's Chair Statement contains information on the nature and geographical location of the Plan's assets, the security and liquidity of these assets and the performance of the Plan's investments.

Portfolio duration

The Trustees recognise the long-term nature of pension investments. The Trustees choose funds which are expected to deliver sustainable returns over the members' (and pensioners') investment horizon. The appropriate time horizon is dependent on the member's position on their savings journey.

Realisation of investments

The Trustees aim to ensure that members’ contributions are invested promptly in the Plan’s default arrangement or other investment options, and that savings can be taken out from the funds used by the Plan without delay.

Stewardship Policy

The Trustees Stewardship Policy sets out how the Trustees will behave as an active owner of the Plan’s assets. It includes the Trustees’ approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustees monitor and engage with their investment managers and other stakeholders.

The Plan’s Stewardship Policy can be found within the Plan’s Statement of Investment Principles, pages 6-9.

The Plan’s Stewardship Policy is being reviewed in line with the Plan’s Statement of Investment Principles, which was last updated 19 September 2024.

As the Plan’s investments are held at arms-length from the Trustees via an investment platform, the Trustees are not able to instruct fund managers how they should vote on shareholder issues.

Nevertheless, the Trustees believe it is important that fund managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with management on issues which affect a company’s financial performance, and by extension the value of the Plan’s investments.

The Trustees receives reports on fund managers’ voting and engagement activity from the investment adviser on an annual basis.

The Trustees’ own engagement activity is focused on periodically reviewing the platform provider’s and fund managers’ approach to stewardship, including their engagement and voting policies.

The Trustees also monitor their compliance with the Plan’s Stewardship Policy on a regular basis and are satisfied that they have complied with that Policy over the scheme year.

Voting activity

The Trustees seek to ensure that fund managers are exercising voting rights and, where appropriate, monitor managers’ voting patterns. The Trustees also monitor votes cast by managers on particular companies or issues that affect more than one company.

The Plan’s fund managers have reported on how votes were cast over the past year as set out below.

Default Funds	L&Q Global Equity Blended Fund		L&Q Diversified Growth Blended Fund	
Underlying Funds	L&G Global Equity 50:50 Index (90%)	L&G World Emerging Market Equity Index (10%)	BlackRock Dynamic Diversified Growth Fund (40%)	Schroder Dynamic Multi Asset (60%)
Proportion of London & Quadrant Housing	37.03%	4.11%	13.93%	20.89%

Trust Staff Benefits assets				
No. of meetings eligible to vote at during the year	2,981	4,366	477	727
No. of resolutions eligible to vote on during the year	3,7792	3,4789	6,515	8,959
% of resolutions voted	99.75%	99.94%	93.00%	95.93%
% of resolutions voted with management	81.77%	80.37%	95.00%	88.74%
% of resolutions voted against management	17.98%	17.12%	4.00%	11.26%
% of resolutions abstained	0.25%	2.51%	0.00%	0.27%
% of meetings with at least one vote against management	69.00%	50.72%	25.00%	55.57%

Self - Select Funds	L&Q Housing Trust DC L&G UK Equity Index	L&Q Global Equity Blended Fund		L&Q Housing Trust DC L&G North America Equity Index	L&Q Housing Trust DC L&G Europe (ex-UK) Equity Index
Underlying Funds	L&G UK Equity Index	L&G Global Equity 50:50 Index (90%)	L&G World Emerging Market Equity Index (10%)	L&G North America Equity Index	L&G Europe (ex-UK) Equity Index
Proportion of London & Quadrant Housing Trust Staff Benefits assets	2.21%	37.03%	4.11%	2.68%	0.88%
No. of meetings eligible to vote at during the year	717	2,981	4,366	629	504

No. of resolutions eligible to vote on during the year	10,134	37,792	34,789	8,278	8,539
% of resolutions voted	100.00%	99.75%	99.94%	98.88%	100.00%
% of resolutions voted with management	93.79%	81.77%	80.37%	63.45%	81.54%
% of resolutions voted against management	6.21%	17.98%	17.12%	35.92%	18.05%
% of resolutions abstained	0.00%	0.25%	2.51%	0.64%	0.41%
% of meetings with at least one vote against management	42.54%	69.00%	50.72%	97.93%	79.17%

Self - Select Funds (Continued)	L&Q Housing Trust DC L&G Asia Pacific (ex-Japan) Equity Index	L&Q Housing Trust DC L&G Japan Equity Index	L&Q Housing Trust DC L&G World Emerging Markets Equity Index	L&Q Housing Trust DC L&G World (ex-UK) Equity Index	L&Q Housing Trust DC L&G Global Equity (70:30) Index
Underlying Funds	L&G Asia Pacific (ex-Japan) Equity Index	L&G Japan Equity Index	L&G World Emerging Markets Equity Index	L&G World (ex-UK) Equity Index	L&G Global Equity (70:30) Index Fund
Proportion of London & Quadrant Housing Trust Staff Benefits assets	1.18%	0.68%	0.36%	0.89%	0.04%
No. of meetings eligible to vote at during the year	459	493	4,366	2810	7210
No. of resolutions eligible to vote on during the year	3,442	5,970	3,4789	3,3434	7,1496
% of resolutions voted	100.00%	100.00%	99.94%	99.72%	99.84%

% of resolutions voted with management	74.52%	89.87%	80.37%	77.92%	80.96%
% of resolutions voted against management	25.31%	10.13%	17.12%	21.78%	17.68%
% of resolutions abstained	0.17%	0.00%	2.51%	0.31%	1.36%
% of meetings with at least one vote against management	71.68%	65.52%	50.72%	76.01%	58.61%

Self - Select Funds (Continued)	L&Q Housing Trust DC Global Equity Fixed Weights (50:50)	L&Q Diversified Growth Blended Fund	L&Q Housing Trust DC L&G Multi-Asset	
Underlying Funds	L&G Global Equity Fixed Weights (50:50) Index Fund	BlackRock Dynamic Diversified Growth Fund (40%)	Schroder Dynamic Multi Asset (60%)	L&G Multi-Asset
Proportion of London & Quadrant Housing Trust Staff Benefits assets	0.36%	13.93%	20.89%	0.73%
No. of meetings eligible to vote at during the year	2,981	477	727	10,638
No. of resolutions eligible to vote on during the year	37,792	6,515	8,959	105,686
% of resolutions voted	99.75%	93.00%	95.93%	99.77%
% of resolutions voted with management	81.77%	95.00%	88.74%	76.61%
% of resolutions voted against management	17.98%	4.00%	11.26%	22.29%

% of resolutions abstained	0.25%	0.00%	0.27%	1.10%
% of meetings with at least one vote against management	69.00%	25.00%	55.57%	69.24%

Self - Select Funds (Continued)	L&Q Flexible Pre-Retirement Blended Fund			
	L&Q Global Equity Blended Fund (20%)		L&Q Diversified Growth Blended Fund (30%)	
Underlying Funds	LGIM Global Equity 50:50 Index (90%)	LGIM World Emerging Market Equity Index (10%)	BlackRock Dynamic Diversified Growth Fund (40%)	Schroder Dynamic Multi Asset (60%)
Proportion of London & Quadrant Housing Trust Staff Benefits assets	0.01%	0.00%	0.01%	0.01%
No. of meetings eligible to vote at during the year	2,981	4,366	477	727
No. of resolutions eligible to vote on during the year	37,792	34,789	6,515	8,959
% of resolutions voted	99.75%	99.94%	93.00%	95.93%
% of resolutions voted with management	81.77%	80.37%	95.00%	88.74%
% of resolutions voted against management	17.98%	17.12%	4.00%	11.26%
% of resolutions abstained	0.25%	2.51%	0.00%	0.27%
% of meetings with at least one vote against management	69.00%	50.72%	25.00%	55.57%

Self - Select Funds (Continued)	L&Q Housing Trust DC L&G Ethical UK Equity Index	L&Q Housing Trust DC HSBC Islamic Global Equity Index
Underlying Funds	L&G Ethical UK Equity Index	HSBC Islamic Global Equity Index
Proportion of London & Quadrant Housing Trust Staff Benefits assets	0.84%	0.68%
No. of meetings eligible to vote at during the year	257	105
No. of resolutions eligible to vote on during the year	4,434	1,719
% of resolutions voted	100.00%	96.00%
% of resolutions voted with management	94.38%	78.00%
% of resolutions voted against management	5.62%	21.00%
% of resolutions abstained	0.00%	0.00%
% of meetings with at least one vote against management	39.30%	78.00%

Source: Schroders, BlackRock, LGIM and HSBC

The resolutions which LGIM voted against management the most on over the period were mainly in relation to:

- Average board tenure
- Classified Board
- Climate Change
- Climate Impact Pledge
- Deforestation Policy
- Diversity
- Independence

- Joint Chair / CEO
- Remuneration
- Shareholder rights

The resolutions which Schroders voted against management the most on over the period were mainly in relation to:

- Audit/ Financials
- Boards of Directors
- Remuneration

The resolutions which HSBC voted against management the most on over the period were mainly in relation to:

- Corporate Governance
- Diversity

The Trustees are looking to get more information regarding the resolutions which BlackRock voted against management on over the period.

The Trustees have asked BlackRock, Schroders, LGIM and HSBC to report on the significant votes cast within the portfolios they manage on behalf of the Trustees. Managers were asked to explain the reasons why votes were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company, and the outcome of the vote. From the manager reports, the Trustees have identified the following votes as being of greater relevance to the Plan.

Date	Company	Subject and manager vote	Rationale
17 May 2024	Shell Inc	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	A vote against is applied by LGIM. LGIM expects companies to introduce credible energy transition plans, covering their direct and indirect emissions and consistent with the Paris objectives. A successful transition to a net zero emissions economy requires all sectors to align with those objectives and hence they place significant importance in our engagement and voting policies on Scope 3 emissions being integrated into a company's energy transition plan and decarbonisation efforts. Although LGIM support the principles of this proposal, a vote AGAINST is applied as in their view, the wording of the proposal imposes inflexibility on a company that is subject to the non-linear demands of the energy transition and could lead to several unintended consequences, including those related to security of supply and the implications of divestments to less

			responsible operators, as we transition to a net-zero emissions economy. LGIM's approach to such resolutions will remain dynamic A vote against is applied by BlackRock. The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company A vote against is applied by Schroders. A vote for is applied by HSBC.
25 February 2025	Apple Inc	Report on Child Safety Online	A vote against this proposal is warranted by LGIM, as Apple has already provided an explanation for its decisions regarding its use of child sex abuse material (CSAM) identifying software. A vote against is applied by BlackRock. A vote against is applied by Schroders. A vote against is applied by HSBC.
7 June 2024	Alphabet	Report on Risks Related to AI Generated Misinformation and Disinformation	A vote for this proposal is applied by LGIM as additional disclosure on how the company intends to manage misinformation and disinformation risks related to generative AI would help shareholders better evaluate the company's approach. A vote against is applied by BlackRock as the company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures. A vote for is applied by Schroders because shareholders would benefit from greater disclosure of what the company is doing to prevent and manage adverse impacts of misinformation and disinformation generated, disseminated and/or amplified by AI, and the associated risks. They believe that how we have voted is in the best financial interest of our clients' investments.

			A vote for is applied by HSBC.
22 May 2024	Amazon Inc	Report on Efforts to Reduce Plastic Use	A vote for is applied as LGIM supports enhanced transparency and disclosure regarding the company's climate actions, particularly around packaging-based waste and emissions reduction. A vote against is applied by BlackRock as the company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures. A vote for is applied by Schrodgers as they believe that the current scope of reporting on plastics can be expanded beyond shipment packaging which would be additive to current company efforts. Schrodgers believe how we have voted is in the best financial interests of our clients' investments. A vote for is applied by HSBC.

The Plan's fund managers have made use of the services of the following proxy voting advisers over the scheme year:

Manager	Proxy voting adviser
LGIM	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that LGIM receive from ISS for UK companies when making specific voting decisions. To ensure LGIM's proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what they consider are minimum best practice

	standards which LGIM believe all companies globally should observe, irrespective of local regulation or practice. LGIM retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows them to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with their voting policies by LGIM's service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.
BlackRock	Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. It is important to note that, although proxy research firms provide important data and analysis, BlackRock do not rely solely on their information or follow their voting recommendations. BlackRock Active Investment Stewardship's vote recommendations to active equity portfolio managers are informed by its in-depth analysis of company disclosures, engagement with boards and management teams, input from active equity investment colleagues, independent third-party research, and comparisons against a company's industry peers. Where they have been authorized by clients to vote proxies, BAIS casts votes in accordance with their Global Engagement and Voting Guidelines or as instructed by an active equity portfolio manager in the context of their investment objectives.
Schroders	Glass Lewis (GL) act as Schroder's one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is

	complemented with analysis by their in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
HSBC	HSBC use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene their guidelines. HSBC review voting policy recommendations according to the scale of our overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.

Engagement activity

The Trustees receive annual reporting on fund managers' engagement activity. The following table summarises the key engagement activity for the 12-month period to 31 March 2025.

Manager	Number of engagements	Topic engaged on
LGIM	The team initiated 12,589 engagements on an ongoing basis over the year.	Climate Impact Pledge, Human Rights, Ethnic Diversity, Gender Diversity, Remuneration, Deforestation, Climate Mitigation, Biodiversity, Community Relations, Mergers and Acquisitions
BlackRock	The team initiated 427 engagements on an ongoing basis over the year.	Climate Risk Management, Board Effectiveness and Director Qualifications, Business Oversight/ Risk Management, Compensation and Remuneration, Corporate Strategy.
Schroders	The team initiated 1,489 engagements over the period to 31 December 2024.	Boards and Management, Climate Alignment, Climate Risk and Oversight, Consumers and Customers, Executive Remuneration, Nature-related risk and Management, Workers
HSBC	The team initiated 70 engagements over the period to 31 December 2024.	Climate Change, Nature Resource Use / Impact, Human Capital Management

The main methods of engagement were targeted communication and management meetings.

The Trustees have committed to reviewing the Responsible Investment policies of the platform provider and fund managers used by the Plan on a regular basis. The Trustees receive reporting updates from their investment adviser on a quarterly basis including a rating of their fund managers from a Responsible Investment perspective. This rating considers the broader approach to Responsible Investment issues of the fund managers as well as any change in approach.

The Trustees and their investment adviser remain satisfied that the platform provider's and fund managers' Responsible Investment policies and, where appropriate, their voting policies remain suitable for the Plan.

Ethical investing

The Trustees recognise that some members will have strong views on where their pension savings should be invested. Nevertheless, the Trustees recognise that it is not possible to cater for everyone's views on non-financial/ ethical matters.

The Trustees monitor developments in ethical investing funds which could be appropriate to the Plan's members and offer to provide DC members with investment options which are managed to ethical and faith-based criteria:

- the L&G Ethical UK Equity Index Fund; and
- the HSBC Amanah Global Equity Index Fund.

The Trustees approach to ethical investing has not changed during the last year.

Communications and member engagement

The Trustees' approach to communicating the Plan's investment options and investment governance have not changed during the last year.

The Trustees' current policy on member engagement is in outline:

- Effective member engagement will help develop suitable investment options;
- Member engagement is actively encouraged through a variety of means.

Prepared by:

Trustees of the London and Quadrant Housing Trust Staff Benefits Plan

31 October 2025

London and Quadrant Housing Trust Staff Benefits Plan – DC Section

Annual statement by the Chair of the Trustees for the year to 31 March 2025

Introduction

Governance requirements apply to defined contribution (“DC”) pension arrangements, to help members achieve a good outcome from their pension savings. The Trustees (“the Trustees”) of the London and Quadrant Housing Trust Staff Benefits Plan (“the Plan”) are required to produce a yearly statement describing how these governance requirements have been met.

This Statement covers the period from 1 April 2024 to 31 March 2025 (“the Plan year”).

For the record

This annual statement regarding governance has been prepared in accordance with:

Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) as amended by subsequent Regulations.

Joanne Fairbairn

Date: 28-Oct-2025 | 10:57 GMT

Signed by the Chair of Trustees of the London and Quadrant Housing Trust Staff Benefits Plan

1 Investment options

1.1 Default arrangement

The Plan's default arrangement, the Moderate Lifestyle Strategy, is designed for members who join the Plan and do not choose an investment option.

The Trustees are responsible for the governance of the default arrangement which includes setting and monitoring its investment strategy.

The Trustees decided that the default arrangement should be a lifestyle strategy, which means that members' contributions are automatically moved between different funds as they approach their selected retirement date.

The main objective for the default arrangement is to provide good member outcomes at retirement. The Trustees believe that it is in the best interest of the majority of members to offer a default which:

- Manages the principal investment risks members face during the membership of the Plan;
- Maximises investment returns relative to inflation while taking an appropriate level of risk during membership of the Plan for the majority of members who do not make investment choices; and
- Reflects members' likely benefit choices at retirement.

The Trustees regularly monitor the investment strategy against these objectives.

The Statement of Investment Principles (SIP) covering the default arrangement is appended to this Statement. Please note that the SIP covers all the Plan's investments – the principles guiding the design of the default are set out below.

The Trustees believe that the default arrangement is appropriate for the majority of the Plan's members because:

- The investment strategy structure and design are based on the membership profile of the Plan;
- Members' needs and likely benefit choices are unlikely to have changed materially since the last review;
- The investment strategy is communicated easily to members such that members can then make informed decisions about their investments;
- Investments are well diversified;
- The investment structure and design satisfy members' risk appetite and targeted return requirements; and
- The investment strategy is compliant with relevant legislation, regulation and the Trust Deed.

The Trustees monitor the investment performance of the default arrangement on a quarterly basis and formally review both the investment performance against the default arrangement's objectives and the suitability of the investment strategy at least every three years.

The investment performance of these funds during the last year is shown in section 2 and in Appendix 4.

No full review of the performance and suitability of the default arrangement was due to be undertaken during the Plan year. The last full review was completed on 5 December 2022. It is intended that the next full review will take place by 5 December 2025 or immediately following any significant change in investment policy or the Plan's member profile.

1.1.1 Asset allocation disclosure

The following table shows the asset allocation for the Plan's default arrangement for members of different ages, as at 31 March 2025. The asset allocation disclosure meets the DWP's statutory guidance "Disclose and Explain asset allocation reporting and performance-based fees and the charge cap" as at January 2023.

Default arrangement

Asset class	Percentage allocation – average 25 y/o	Percentage allocation – average 45 y/o	Percentage allocation – average 55 y/o	Percentage allocation – average 1 day prior to 65 y/o
Cash	11.2%	11.2%	11.2%	6.0%
Bonds	31.9%	31.9%	31.9%	67.0%
Listed equities	53.0%	53.0%	53.0%	24.9%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property / real estate	3.9%	3.9%	3.9%	2.1%
Private debt / credit	0.0%	0.0%	0.0%	0.0%
Other assets	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: Mobius

Note: The asset allocation figures presented have been calculated from the fund allocations detailed in the respective fund factsheets as of 31 March 2025. For members whose asset allocation at the selected age on the default glidepath involves multiple funds, we have determined the overall asset allocation based on the proportion of assets held in each fund.

1.2 Other investment options

The Trustees recognise that the default arrangement will not be suitable for the needs of every member and so the Plan also offers members a choice of other investment options.

The Plan offers four alternative lifestyle strategies outside the default arrangement:

- The Moderate Lifestyle Strategy – Annuity Target
- The Moderate Lifestyle Strategy – Lump Sum Target
- The Higher Risk Lifestyle Strategy – Flexible Target
- The Lower Risk Lifestyle Strategy – Flexible Target

The Plan also offers members the choice of 18 self-select funds to choose from covering a wide range of assets.

The main objectives of these investment options are:

- To cater for the likely needs of a wider range of members;
- To cater for members looking to take different benefits at retirement than those targeted by the default arrangement;

- To offer a wider range of asset classes, levels of risk and return and different investment approaches including ethical investment; and
- To support members who want to take a more active part in how their savings are invested.

The Trustees carry out an in-depth review of the performance and suitability of these other investment options at least every 3 years. The last full review was completed on 5 December 2022, alongside the review of the default arrangement.

2 Investment performance

The presentation of the investment performance takes into account the statutory guidance (i.e. The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021) issued by the Department for Work and Pensions. The Trustee has followed the statutory guidance in all areas.

This section reports on the investment returns over different periods, after the deduction of member borne charges and transaction costs.

2.1 Investment conditions

Global markets over the year to 31 March 2025 experienced volatility as a result of geopolitical tensions and economic uncertainty. The US economy showed strong growth in the final quarter of 2024 but saw a slowdown in Q1 2025 influenced by tariff uncertainties and waning post-election optimism. European growth remained weak at the end of 2024 although there were signs of modest improvement driven by increased defence and infrastructure spending.

Headline inflation cooled in March 2025 to 2.8% in the US and UK, and 2.5% in the Eurozone. Despite inflationary pressures, central banks including the European Central Bank (ECB) and the Bank of England (BoE), cut rates in Q1 2025 to support growth.

Equity markets faced a challenging environment in Q1 2025, with global equities falling 1.9% due to concerns over US growth, inflation and trade policy. Bond markets also experienced volatility and credit spreads generally rose but have remained low relative to historic levels.

Overall, the investment conditions have required a strategic approach with a focus on diversification and long-term growth to navigate the market's complexities.

2.2 Default arrangement

Over the year to 31 March 2025, the funds used in the Plan's default arrangement saw investment returns rise between a value of 6.0% or, put another way, a rise of £60 for every £1,000 invested to a fall in value of -9.3%, or a fall of £93 for every £1,000 invested.

Fund name	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
L&Q Global Equity Blended Fund	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
L&Q Diversified Growth Blended Fund	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	-9.3%	-10.4%	-16.1%	-16.6%	-9.6%	-9.0%
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	3.4%	2.4%	-0.1%	-0.8%	1.0%	-0.2%

Source: Mobius

As the default arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your Selected Retirement Age (SRA) (which is assumed to be 65 in the table below) and in which fund you are invested in at the time. The table below shows how returns vary by age for the default arrangement, the Moderate Lifestyle Strategy – Flexible Target:

Member Age	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
25	6.0%	7.7%	4.7%	7.3%	9.1%	9.7%
45	6.0%	7.7%	4.7%	7.3%	9.1%	9.7%
55	6.0%	7.8%	4.7%	7.3%	9.2%	9.7%
65	1.5%	1.9%	-1.9%	-0.7%	2.1%	2.3%

Source: Mobius

The Trustees are satisfied that most funds used by the default arrangement have performed in line with their objectives. The Trustees note the negative performance of the L&G Over 5 Year Index-Linked Gilts Index Fund which has returned -9.3% over the 1-year period to 31 March 2025. This fund is passively managed and aims to closely track the performance of its benchmark index. The Trustees are comfortable that the Fund has performed closely in line with its objective over the period.

The Trustees also note that the L&Q Diversified Growth Blended Fund has underperformed its benchmark by 2.6% over the year to 31 March 2025 and by 4.6% per annum over the three years to 31 March 2025. The Trustee will review the Fund at the next investment strategy review and will be monitoring the performance of the Fund closely until then.

The Trustees will continue to monitor the performance of these and all the Plan's funds on a quarterly basis.

2.3 Other investment options

In addition to the default lifestyle, members also have the option to invest in four other lifestyles:

- Moderate Lifestyle Strategy – Annuity Target
- Moderate Lifestyle Strategy – Lump Sum Target
- Higher Risk Lifestyle Strategy – Flexible Target
- Lower Risk Lifestyle Strategy – Flexible Target

Moderate Lifestyle Strategy – Annuity Target

The investment returns for the Moderate Lifestyle Strategy – Annuity Target by fund are provided below:

Fund name	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
L&Q Global Equity Blended Fund	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
L&Q Diversified Growth Blended Fund	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
L&Q Annuity Matching Blended Fund (Lifecycle)	-2.5%	-3.6%	-6.7%	-7.9%	-4.8%	-5.5%
L&Q Housing Trust DC L&G Cash Fund	5.1%	5.0%	4.1%	4.1%	2.5%	2.5%

Source: Mobius

The funds used in the Moderate Lifestyle Strategy – Annuity Target option saw investment returns between a rise in value of 6.0% to a fall in value of 2.5% over the 1-year period to 31 March 2025.

As the Moderate Lifestyle Strategy – Annuity Target arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your selected retirement age.

The investment returns for the Moderate Lifestyle Strategy – Annuity Target by age are provided below:

Member Age	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
25	6.0%	7.7%	4.7%	7.3%	9.1%	9.7%
45	6.0%	7.7%	4.7%	7.3%	9.1%	9.7%
55	6.0%	7.7%	4.7%	7.3%	9.1%	9.7%
65	-0.6%	-1.5%	-4.0%	-4.9%	-3.0%	-3.5%

Source: Mobius

Moderate Lifestyle Strategy – Lump Sum Target

The investment returns for the Moderate Lifestyle Strategy – Lump Sum Target by fund are provided below:

Fund name	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
L&Q Global Equity Blended Fund	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
L&Q Diversified Growth Blended Fund	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	-9.3%	-10.4%	-16.1%	-16.6%	-9.6%	-9.0%
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	3.4%	2.4%	-0.1%	-0.8%	1.0%	-0.2%
L&Q Housing Trust DC L&G Cash Fund	5.1%	5.0%	4.1%	4.1%	2.5%	2.5%

Source: Mobius

The funds used in the Moderate Lifestyle Strategy – Lump Sum option saw investment returns between a rise in value of 6.0% to a fall in value of 9.3% over a 1-year period to 31 March 2025.

As the Moderate Lifestyle Strategy – Lump Sum arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your selected retirement age.

The investment returns for the Moderate Lifestyle Strategy – Lump Sum Target by age are provided below:

Age of member in 2025 (years)	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
25	6.0%	7.7%	4.7%	7.3%	9.1%	9.7%
45	6.0%	7.7%	4.7%	7.3%	9.1%	9.7%
55	6.0%	7.7%	4.7%	7.3%	9.1%	9.7%
65	5.1%	5.0%	4.1%	4.1%	2.5%	2.5%

Source: Mobius

Higher Risk Lifestyle Strategy – Flexible Target

The investment returns for the Higher Risk Lifestyle Strategy – Flexible Target by fund are provided below:

Fund name	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
L&Q Global Equity Blended Fund	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
L&Q Diversified Growth Blended Fund	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	-9.3%	-10.4%	-16.1%	-16.6%	-9.6%	-9.0%
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	3.4%	2.4%	-0.1%	-0.8%	1.0%	-0.2%

Source: Mobius

The funds used in the Higher Risk Lifestyle Strategy – Flexible Target option saw investment returns between a rise in value of 6.0% to a fall in value of 9.3% over the 1-year period to 31 March 2025.

As the Higher Risk Lifestyle Strategy – Flexible Target arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your selected retirement age.

The investment returns for the Higher Risk Lifestyle Strategy – Flexible Target by age are provided below:

Member Age	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
25	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
45	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
55	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
65	1.5%	1.9%	-1.9%	-0.7%	2.1%	2.3%

Source: Mobius

Lower Risk Lifestyle Strategy – Flexible Target

The investment returns for the Lower Risk Lifestyle Strategy – Flexible Target by fund are provided below:

Fund name	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
L&Q Global Equity Blended Fund	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
L&Q Diversified Growth Blended Fund	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	-9.3%	-10.4%	-16.1%	-16.6%	-9.6%	-9.0%
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	3.4%	2.4%	-0.1%	-0.8%	1.0%	-0.2%

Source: Mobius

The funds used in the Lower Risk Lifestyle Strategy – Flexible Target option saw investment returns between a rise in value of 6.0% to a fall in value of 9.3% over the 1-year period to 31 March 2025.

As the Lower Risk Lifestyle Strategy – Flexible Target arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your selected retirement age.

The investment returns for the Lower Risk Lifestyle Strategy – Flexible Target by age are provided below:

Member Age	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
25	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
45	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
55	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
65	1.5%	1.9%	-1.9%	-0.7%	2.1%	2.3%

Source: Mobius

The Trustees are satisfied that the majority of the underlying funds within the other investment options have performed broadly in line with their objectives.

2.3.1 Self-select funds

The Plan also offers members a range of 18 self-select funds across a wide range of investment options. Over the year to 31 March 2025, the most popular funds used in the Plan's self-select range saw investment returns fall between a value of -9.3%, or a fall of £93.00 for every £1,000 invested to a rise in value of 11.5% or, put another way, a rise of £115.00 for every £1,000 invested. The self-select funds' performance is shown within the Appendix.

2.3.2 AVC funds

The majority of AVC assets are invested in line with the DC investments noted above. However, a legacy AVC policy remains in place with Utmost Life and Pensions, following the transfer from Equitable Life in January 2020.

The AVC funds invested with Utmost Life and Pensions rose in value by 3.7% to 4.9% during the year to 31 March 2025. For detailed information on the AVC funds' performance see Appendix 4.

3 Charges and transaction costs

The charges and costs borne by members and London and Quadrant for the Plan's services are:

Service	By members	By the employer
Investment management	-	Yes
Investment transactions	Yes	-
Administration	-	Yes
Governance	-	Yes
Communications	-	Yes

3.1 Charges

The charges quoted in this Statement are the funds' Total Expense Ratios ("TERs"). The TER consists of a fund's Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE"). OCEs include, for example, the fund's custodian costs, but exclude transaction costs. While the AMC is usually fixed, the OCE, and hence the TER, can vary slightly from day to day.

We have disclosed all of the investment costs and charges, however, members only pay for investment transaction costs. London and Quadrant meet the TERs for the funds in full.

The Plan is a qualifying scheme for auto-enrolment purposes and the member borne charges for the default arrangement complied with the charge cap during the year covered by this Statement.

3.2 Transaction costs

The funds' transaction costs are in addition to the funds' TERs and can arise when:

- The fund manager buys or sells part of a fund's portfolio of assets; or
- The platform provider or fund manager buys or sells units in an underlying fund.

Transaction costs vary from day to day depending on where each fund is invested and stock market conditions at the time. Transaction costs can include: custodian fees on trades, stockbroker commissions and stamp duty (or other withholding taxes).

Transaction costs are deducted before the funds' unit prices are calculated. This means that transaction costs are not readily visible, but these costs will be reflected in a fund's investment performance.

The Financial Conduct Authority ("FCA") requires fund managers and providers to calculate transaction costs using the "slippage method", which compares the value of assets immediately before and after a transaction has taken place. This can give rise to negative transaction costs where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission).

The transaction costs shown in this statement are those taken from funds while members are invested in them. The transaction costs shown here do not include any costs members may incur from time to time when buying or selling units in the funds caused by the fund manager's unit price for a fund moving from a "bid" to "offer" basis (or vice versa) or any other "dilution levy" when units in that fund are bought or sold to protect the value of the fund for other investors.

The charges and transaction costs have been supplied by the Plan's platform provider, Mobius.

All transaction costs have been obtained and none are outstanding. The presentation of the charges and costs, together with the projections of the impact of charges and costs, takes into account the statutory guidance issued by the Department for Work and Pensions.

Full details of the annualised charges and transaction costs, for all funds for the Plan year, can be found in Appendix 2.

3.3 Performance-based fees

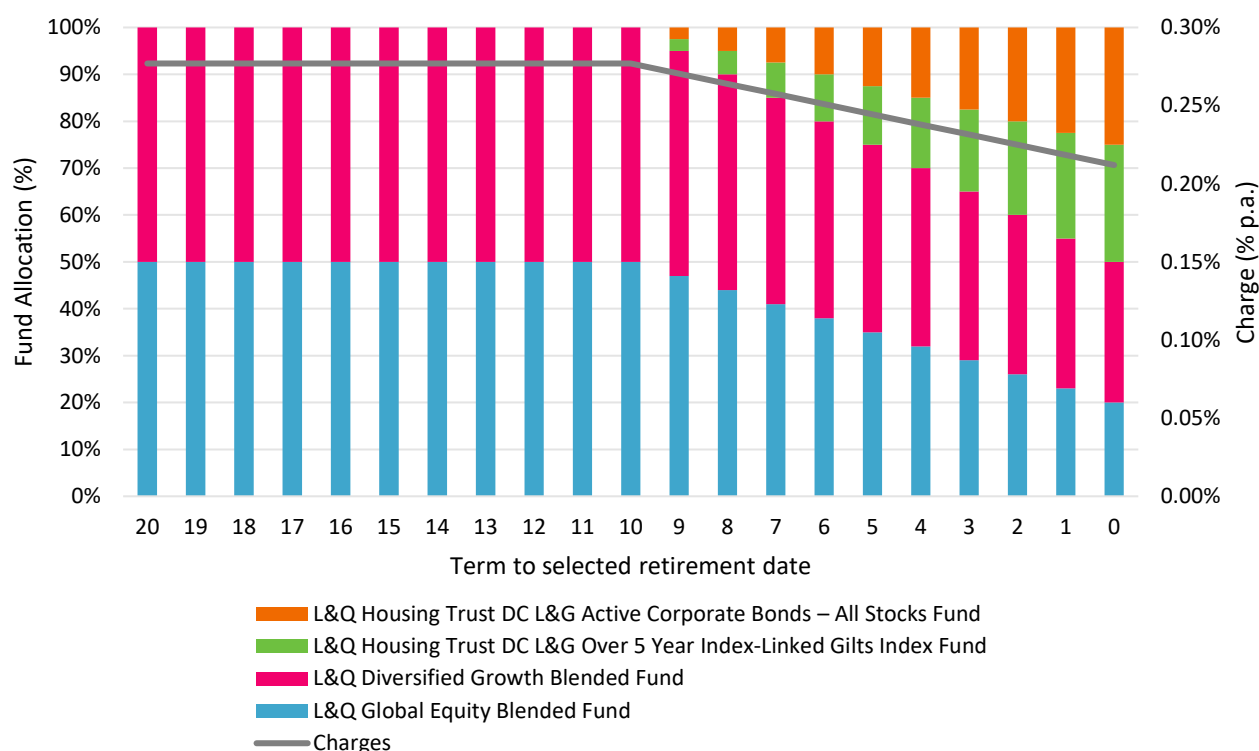
There were no performance-based fees which were deducted from the default arrangement during the Plan Year.

3.4 Default arrangement

The default arrangement has been set up as a “lifestyle strategy”, which means that members’ assets are automatically moved between different funds as they approach their target retirement date. This means that the level of charges and transaction costs borne by members will vary depending on how close members are to their selected retirement age and in which fund they are invested.

Default arrangement charges and transaction costs

The glidepath for the default arrangement is depicted below:



Annualised charges and transaction costs for the Plan year are set out in the table below.

Period to selected retirement date	Charge % p.a.	£ per £1,000	Transaction costs % p.a.	£ per £1,000
15 years or greater	0.28	2.77	0.11	1.07
14 years	0.28	2.77	0.11	1.07
13 years	0.28	2.77	0.11	1.07
12 years	0.28	2.77	0.11	1.07
11 years	0.28	2.77	0.11	1.07
10 years	0.28	2.77	0.11	1.07
9 years	0.27	2.70	0.11	1.10
8 years	0.26	2.64	0.11	1.13
7 years	0.26	2.57	0.12	1.17
6 years	0.25	2.51	0.12	1.20
5 years	0.24	2.44	0.12	1.23
4 years	0.24	2.38	0.13	1.26
3 years	0.23	2.31	0.13	1.29

2 years	0.22	2.25	0.13	1.32
1 year	0.22	2.18	0.14	1.36
At retirement	0.21	2.12	0.14	1.39

The average charge over a 40-year period was 0.27% p.a.
The member borne charges were in the range from 0.21% p.a. to 0.28% p.a. Range: £2.12 to £2.77 per £1,000 invested. These charges are paid for by the employer.
The transaction costs were in the range from 0.11% p.a. to 0.14% p.a. Range: £1.07 to £1.39 per £1,000 invested.

Source: Mobius

The table in Appendix 2a gives the charges and transaction costs for each fund used by the default arrangement.

3.5 Other investment options

3.5.1 Self-select lifestyle options

The lifestyle options outside the default arrangement also invest contributions in different funds according to how far each member is from retirement. The charges borne by each member can also vary from one year to the next.

In addition to the default arrangement, members have the option to invest in four other lifestyles, targeting annuity purchase and cash withdrawal. These are:

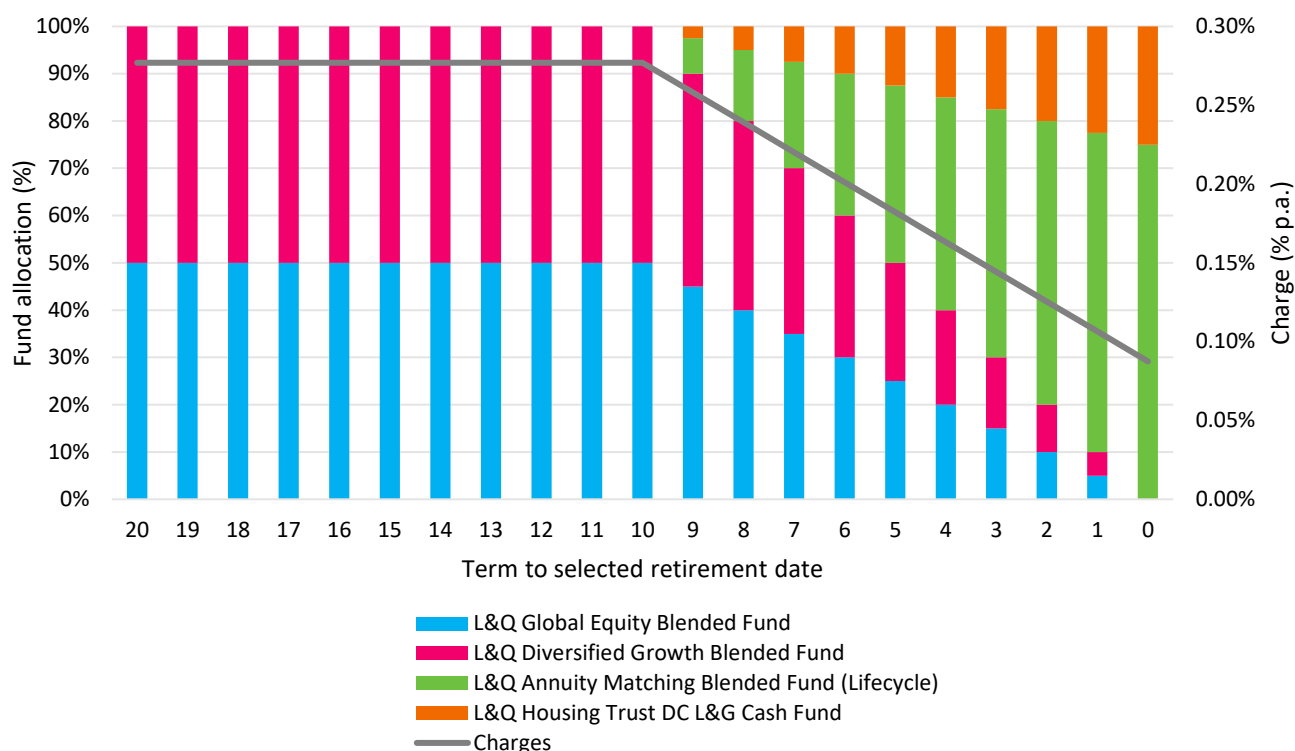
- The Moderate Lifestyle Strategy – Annuity Target
- The Moderate Lifestyle Strategy – Lump Sum Target
- The Higher Risk Lifestyle Strategy – Flexible Target
- The Lower Risk Lifestyle Strategy – Flexible Target

The plan also offers members a choice of 18 self-select funds to choose from covering a wide range of assets.

The tables in Appendix 2b give the charges for each fund used by each lifestyle option outside of the default and as noted above, these are paid by the employer.

Moderate Lifestyle Strategy – Annuity Target

The glidepath for the Moderate Lifestyle Strategy – Annuity Target is depicted below.



Annualised charges and transaction costs for the Plan Year are set out in the table below.

Period to selected retirement date	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000
15 years or greater	0.28	2.77	0.11	1.07
14 years	0.28	2.77	0.11	1.07
13 years	0.28	2.77	0.11	1.07
12 years	0.28	2.77	0.11	1.07
11 years	0.28	2.77	0.11	1.07
10 years	0.28	2.77	0.11	1.07
9 years	0.26	2.58	0.10	0.96
8 years	0.24	2.39	0.09	0.86
7 years	0.22	2.20	0.07	0.75
6 years	0.20	2.01	0.06	0.64
5 years	0.18	1.82	0.05	0.54
4 years	0.16	1.63	0.04	0.43
3 years	0.14	1.44	0.03	0.32
2 years	0.13	1.25	0.02	0.22
1 year	0.11	1.06	0.01	0.11
At retirement	0.09	0.88	0.00	0.00

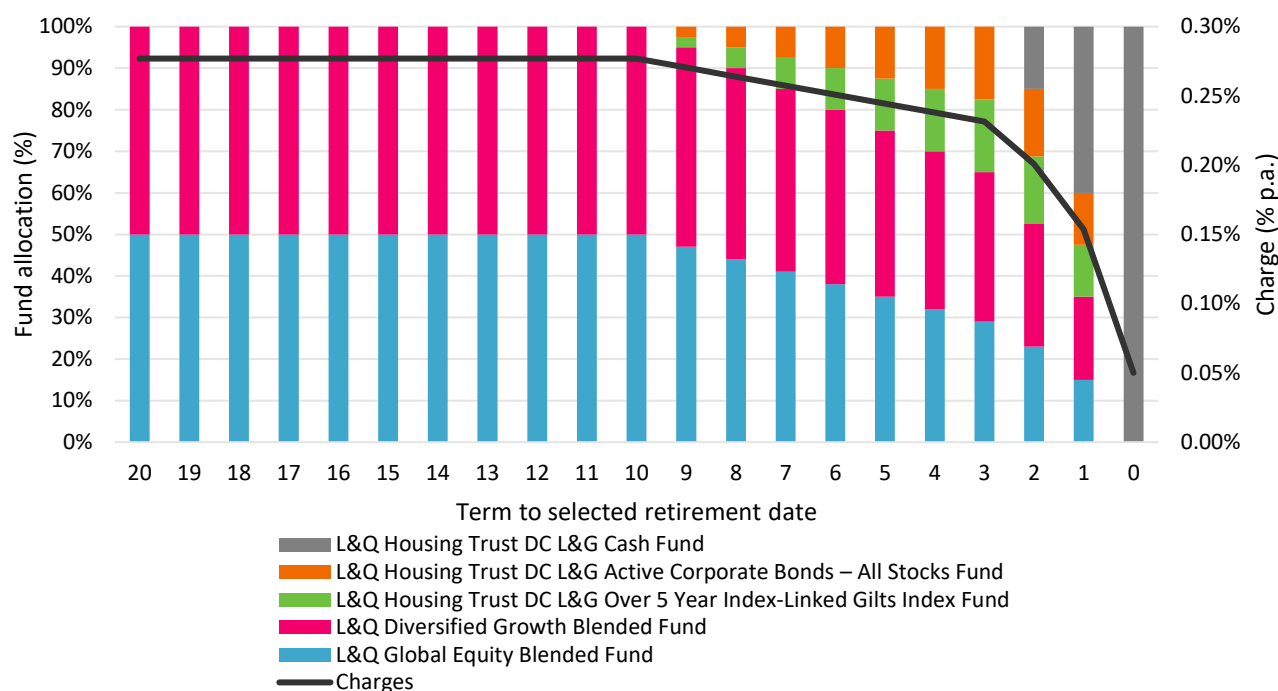
The average charge over a 40-year period was 0.25% p.a.
The member borne charges were in the range from 0.09% p.a. to 0.28% p.a. Range: £0.88 to £2.77 per £1,000 invested.
The transaction costs were in the range from 0.00% p.a. to 0.11% p.a. Range: £0.00 to £1.07 per £1,000 invested. These charges are paid for by the employer.

Source: Mobius

The tables in Appendix 2b give the charges and transaction costs for each fund used in the Moderate Lifestyle Strategy – Annuity Target option.

Moderate Lifestyle Strategy – Lump Sum Target

The glidepath for the Moderate Lifestyle Strategy – Lump Sum Target is depicted below.



Annualised charges and transaction costs for the Plan Year are set out in the table below.

Period to selected retirement date	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000
15 years or greater	0.28	2.77	0.11	1.07
14 years	0.28	2.77	0.11	1.07
13 years	0.28	2.77	0.11	1.07
12 years	0.28	2.77	0.11	1.07
11 years	0.28	2.77	0.11	1.07
10 years	0.28	2.77	0.11	1.07
9 years	0.27	2.70	0.11	1.10
8 years	0.26	2.64	0.11	1.13
7 years	0.26	2.57	0.12	1.17
6 years	0.25	2.51	0.12	1.20
5 years	0.24	2.44	0.12	1.23
4 years	0.24	2.38	0.13	1.26
3 years	0.23	2.31	0.13	1.29
2 years	0.20	2.01	0.13	1.31
1 year	0.15	1.54	0.13	1.31
At retirement	0.05	0.50	0.13	1.27

The average charge over a 40-year period was 0.26% p.a.

The member borne charges were in the range from 0.05% p.a. to 0.28% p.a. Range: £0.50 to £2.77 per £1,000 invested.

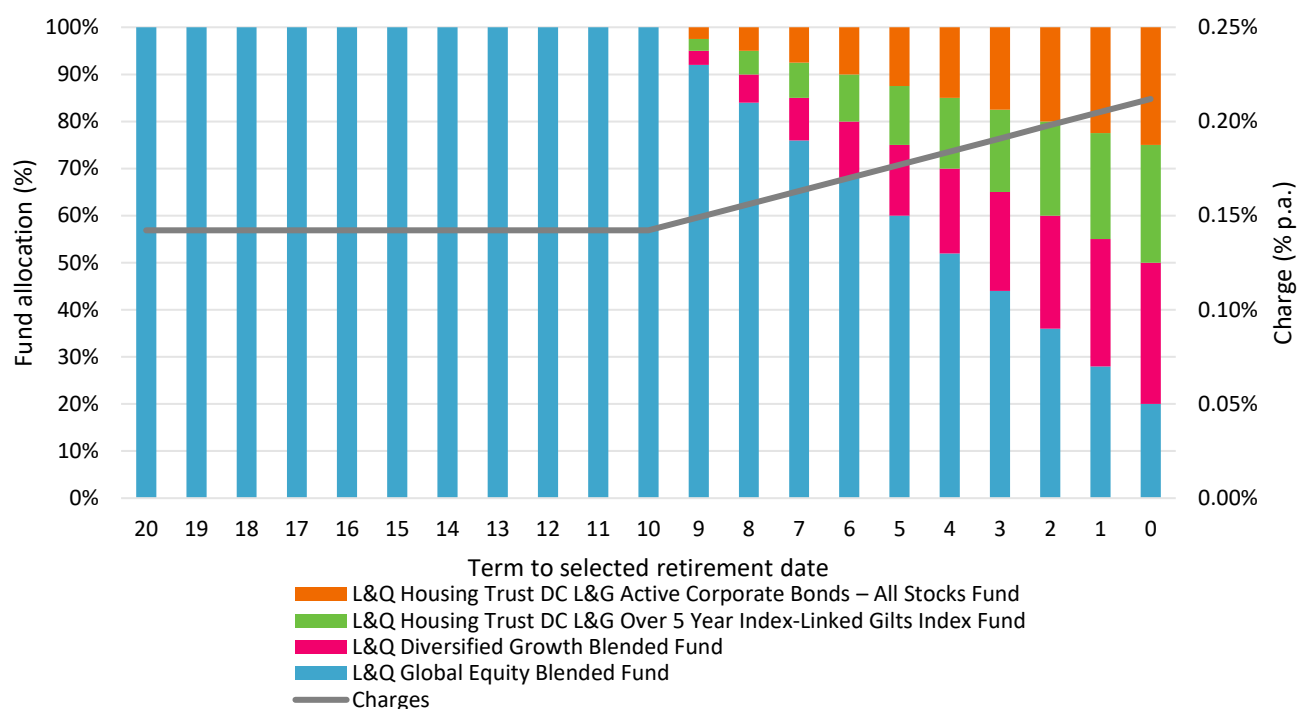
The transaction costs were in the range from 0.11% p.a. to 0.13% p.a. Range: £1.07 to £1.31 per £1,000 invested. These charges are paid for by the employer.

Source: Mobius

The tables in Appendix 2b give the charges and transaction costs for each fund used in the Moderate Lifestyle Strategy – Lump Sum Target option.

Higher Risk Lifestyle – Flexible Target

The glidepath for the Higher Risk Lifestyle – Flexible Target is depicted below.



Annualised charges and transaction costs for the Plan Year are set out in the table below.

Period to selected retirement date	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000
15 years or greater	0.14	1.42	0.05	0.50
14 years	0.14	1.42	0.05	0.50
13 years	0.14	1.42	0.05	0.50
12 years	0.14	1.42	0.05	0.50
11 years	0.14	1.42	0.05	0.50
10 years	0.14	1.42	0.05	0.50
9 years	0.15	1.49	0.06	0.58
8 years	0.16	1.56	0.07	0.67
7 years	0.16	1.63	0.08	0.76
6 years	0.17	1.70	0.09	0.85
5 years	0.18	1.77	0.09	0.94
4 years	0.18	1.84	0.10	1.03
3 years	0.19	1.91	0.11	1.12
2 years	0.20	1.98	0.12	1.21
1 year	0.20	2.05	0.13	1.30
At retirement	0.21	2.12	0.14	1.39

The average charge over a 40-year period was 0.15% p.a.

The member borne charges were in the range from 0.14% p.a. to 0.21% p.a. Range: £1.42 to £2.12 per £1,000 invested.

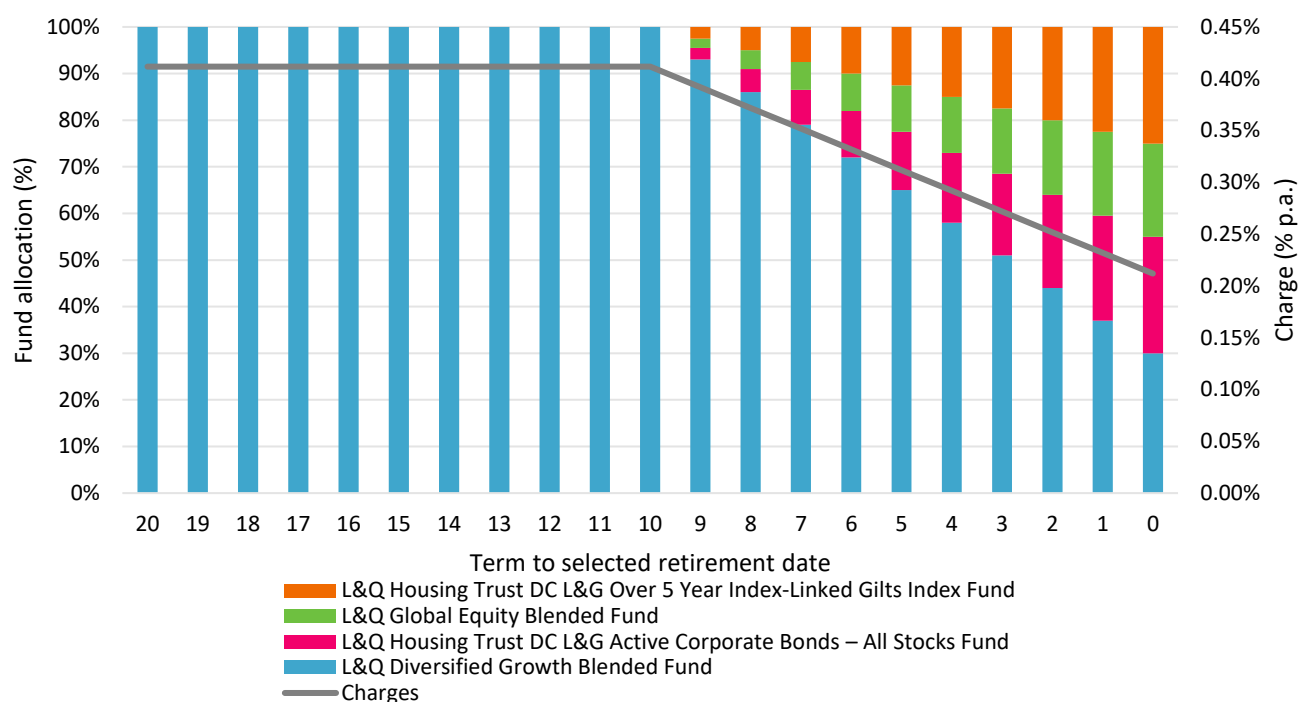
The transaction costs were in the range from 0.05% p.a. to 0.14% p.a. Range: £0.50 to £1.39 per £1,000 invested. These charges are paid for by the employer.

Source: Mobius

The tables in Appendix 2b give the charges and transaction costs for each fund used in the Higher Risk Lifestyle – Flexible Target option.

Lower Risk Lifestyle – Flexible Target

The glidepath for the Lower Risk Lifestyle – Flexible Target is depicted below.



Annualised charges and transaction costs for the Plan Year are set out in the table below.

Period to selected retirement date	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000
15 years or greater	0.41	4.12	0.16	1.65
14 years	0.41	4.12	0.16	1.65
13 years	0.41	4.12	0.16	1.65
12 years	0.41	4.12	0.16	1.65
11 years	0.41	4.12	0.16	1.65
10 years	0.41	4.12	0.16	1.65
9 years	0.39	3.92	0.16	1.62
8 years	0.37	3.72	0.16	1.59
7 years	0.35	3.52	0.16	1.57
6 years	0.33	3.32	0.15	1.54
5 years	0.31	3.12	0.15	1.52
4 years	0.29	2.92	0.15	1.49
3 years	0.27	2.72	0.15	1.46
2 years	0.25	2.52	0.14	1.44
1 year	0.23	2.32	0.14	1.41
At retirement	0.21	2.12	0.14	1.39

The average charge over a 40-year period was 0.38% p.a.

The member borne charges were in the range from 0.21% p.a. to 0.41% p.a. Range: £2.12 to £4.21 per £1,000 invested.

The transaction costs were in the range from 0.14% p.a. to 0.16% p.a. Range: £1.39 to £1.65 per £1,000 invested. These charges are paid for by the employer.

Source: Mobius

The tables in Appendix 2b give the charges and transaction costs for each fund used in the Higher Risk Lifestyle – Flexible Target option.

3.5.2 Self-select funds

The table in Appendix 2c gives the charges and transaction costs for each self-select fund. As noted above, only the transaction costs are paid by members.

The Plan offers a choice of 18 self-select funds to choose from covering a wide range of assets.

During the year, the charges for the self-select funds were in a range from 0.03% to 0.63% of the amount invested or, put another way, in a range from £0.30 to £6.34 per £1,000 invested.

The transaction costs borne by members in the self-select funds during the year were in a range from a saving of 0.04% to a cost of 0.25% of the amount invested or, put another way, in a range from a saving of £0.42 to a cost of £2.50 per £1,000 invested.

Full details on the level of charges for each self-select fund and the transaction costs over the period covered by this Statement are shown in Appendix 2c.

3.6 Additional Voluntary Contributions (AVCs)

Members of the Plan are also able to invest in AVCs. Members can invest AVCs into the same investment option that their ordinary contributions are invested in. Therefore, the range for both charges and transaction costs for AVC funds will be consistent with the information provided above.

Over the year, the Plan also held legacy AVC's with Utmost Life and Pensions in the following funds:

- Multi Asset Cautious Fund
- Multi Asset Moderate Fund
- Money Market Fund

No new contributions can be made.

During the year the charges for the AVC funds were in a range from 0.50% to 0.75% of the amount invested or, put another way, in a range from £5.00 to £7.50 per £1,000 invested.

The transaction costs borne by members in the AVC funds during the year were in a range from 0.01% to 0.39% of the amount invested or, put another way, in a range from £0.07 to £3.91 per £1,000 invested.

The table in Appendix 2b give the charges and transaction costs for each AVC fund held with Utmost Life and Pensions.

3.7 Illustration of charges and transaction costs

Over time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. These illustrations show projected fund values in today's money before and after costs and charges for a typical member at stages from joining the Plan up to retirement.

The "before costs" figures show the projected value of a member's savings assuming an investment return with no deduction of member borne fees or transaction costs. The "after costs" figures show the projected value of a member's savings using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.

As an example, for a member in the default arrangement, paying the lowest level of contributions (3% employee and 6% employer) who is aged 47 with a pot size of £51,000, a salary of £56,000 and a normal retirement age of 65, if the level of transaction costs that applied over the period covered by this Statement continued until retirement, it would reduce their projected pot value at retirement in today's money from £201,080 to £194,959.

As another example, for a member in the default arrangement, paying the highest level of matched contributions (6% employee and 12% employer) who is aged 47 with a pot size of £51,000, a salary of £56,000 and a normal retirement age of 65, if the level of transaction costs that applied over the period covered by this statement continued until retirement, it would reduce their projected pot value at retirement in today's money from £322,958 to £314,157.

These illustrated values are not guaranteed and may not prove to be a realistic indication of how your own savings might grow.

Please see the notes to the tables in Appendix 3 for the assumptions used in calculating these illustrations.

The illustrations have been prepared in accordance with the DWP's statutory guidance on "Reporting costs, charges and other information: guidance for trustees and managers of occupational pension schemes" on the projection of an example member's pension savings.

4 Value for Members

Each year, with the help of their advisers, the Trustees carry out an assessment of whether the charges and transaction costs for the default arrangement and other investment options, which are borne in full or in part by members, represent good Value for Members (VFM). Value is not simply about low cost – the Trustees also consider the quality and scope of provision compared against similar schemes and available external benchmarks.

Approach

The Trustees adopted the following approach to assessing VFM for the last year:

- Services – considered the services where members bear or share the costs;
- Outcomes – weighted each service according to its likely impact on outcomes for members at retirement;
- Comparison – compared the cost and quality of each service against similar schemes and available external comparisons;
- Rating – rated each service from poor to excellent.

The VFM assessment only considers the services where members bear or share the costs. The costs of each service are borne by:

Category	Paid for by members	Paid for by the employer
Investment management	N	Y
Investment transactions	Y	N
Administration	N	Y
Communications	N	Y
Governance	N	Y

All charges (in respect of investment management, administration, communications, and Plan management and governance) are paid for by the Company. Transaction costs (which include the costs associated with buying and selling investments) are the only fees that are paid for by members. These are paid out of a member's fund before the performance is calculated.

A key consideration in our assessment is the fact that members only pay for the transaction costs on funds and all other fees are paid for by the Company. A more holistic overall value for money assessment considers the areas that members do not pay for (e.g. administration, communication, governance, retirement), but which have an important bearing on whether the Plan delivers good member outcomes. We recommend the Trustees carry out this holistic assessment to identify areas where overall value for money, and member outcomes, might be improved.

Results for the year ending 31 March 2025

The Plan provided **AVERAGE** Value for Members in the year ending 31 March 2025.

Value for Members

The rationale for the rating of each service was in outline:

Category	Weighting	VFM rating	Rationale
Investment	100%	3	Defined Contribution (DC) Charges were line with those of comparable schemes and, in any case, are met by the employer. The only “costs” incurred by members in relation to their investments are transaction costs, which are reflected in fund performance. For the default investment strategy, these costs are approximately 0.11% p.a. on average, calculated over a 40-year period to retirement. Transaction costs for the self-select funds range between a saving (i.e. a negative charge) of 0.04% p.a. to a cost of 0.25% p.a. Some of the self-select funds have reported negative transaction costs during the Plan year. Negative transaction costs arise where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission), resulting in a net gain for members. The transaction costs are higher than those for similar funds used by other schemes. No review of the investment strategy was due to be carried out over the Plan year. The Trustees have been monitoring whether fund performance was in line with objectives every quarter, via the investment monitoring reports prepared by their investment advisers. The Diversified Growth Blended Fund has underperformed in relation to its benchmark and the Trustees will be reviewing whether this fund remains appropriate over the next Plan year. The Statement of Investment Principles was last reviewed on 19 September 2024 to reflect new regulatory requirements, including the requirement to state the Plan’s policy on investing in illiquid assets. Additional Voluntary Contributions (AVCs) The majority of AVC assets are invested in line with the DC investments noted above. However, a legacy AVC policy remains in place with Utmost Life and Pensions, following the transfer from Equitable Life in January 2020. Charges for this policy range from 0.50% p.a. to 0.75% p.a. depending on members' term to retirement. These are higher than charges for similar funds but in line with charges incurred by legacy AVC providers such as Utmost Life and Pensions. On balance, the rating has been assessed as average. Transaction costs and AVC charges were found to be higher than those of peer schemes and the investment strategy

			needs to be reviewed as some of the performance objectives for the default strategy were not met.
Administration	0%	Not rated as members do not bear or share in these costs	
Communications	0%	Not rated as members do not bear or share in these costs	
Governance	0%	Not rated as members do not bear or share in these costs	

The Trustees have agreed an action plan for the following year to improve value where necessary. There is no missing information. This action plan, along with details of the value assessment limitations, are detailed in other sections of this Chair's Statement. Full details of the approach used to assess value can be found in the VFM assessment.

5 Administration

The Trustees have appointed Hymans Robertson to administer the Plan on their behalf.

5.1 Core financial transactions

The Trustees monitored core financial transactions during the year including:

- The receipt and investment of contributions (including inward transfers of funds);
- Switches between investment options; and
- Payments of benefits (including retirements and outward transfers of funds).

5.2 Service levels

The Plan has a service level agreement (SLA) in place with Hymans Robertson which covers the accuracy and timeliness of all core financial transactions. Hymans Robertson aims to complete 95% of its core financial transactions within this service level.

The service level agreement in place with Hymans Robertson covers the accuracy and timeliness of all core financial transactions such as:

- The investment of contributions;
- Switching investment options
- Providing quotations of benefits to members who are retiring or leaving the Plan; and
- Payments of benefits.

The main service standards are:

- Provision of retirement pack and quotation of benefits within 7 working days;
- Payments of benefits are made within 7 working days;
- Provision of transfer value quotation within 7 working days;
- Payment of transfer value within 7 working days;
- Response to members' enquiries within 5 working days;
- Provision of statements upon request within 5 working days; and
- Processing of investment switches to go to the Investment Manager within 48 hours

We understand that the administrator monitors its performance against these service levels by:

- Maintaining compliance with ISO 27001 (a specification for an information security management system);
- Maintaining accreditation with the Pensions Administration Standards Association ("PASA");
- Monitoring daily transactions of DC and regular member activities;
- Monitoring daily workflow items of DC and regular member activities;
- Regular internal audits of administration procedures – there is an annual AAF audit; and
- Reviewing the level, causes and resolution of complaints.

The administrator also conducts reviews of common and conditional data.

The Trustees monitored core financial transactions and administration service levels during the year by:

- Checking that contributions deducted from members' earnings have been paid promptly to the Plan by the employer;
- Receiving quarterly reports from the administrator on the processing of financial transactions and other administration processes against the agreed service levels;
- Considering the reasons for and resolution of any breaches of service standards;
- Mortality screening for all pensions in payment;
- Receiving reports from the Plan's Auditor, who independently tests sample transactions for accuracy and timeliness; and
- Considering member feedback including any complaints.

The Plan's administrators, Hymans Robertson, have confirmed to the Trustees that there are adequate internal controls to ensure that core financial transactions relating to the Plan are processed promptly and accurately.

The performance against service levels over the reporting year was 97.8% in Q2 2024, 95.1% in Q3 2024, 95.0% in Q4 2024 and 95.2% in Q1 2025.

Considering all of the above, the Trustees believe that the majority of core financial transactions were carried out promptly and accurately.

The Trustees are working with Hymans Robertson to improve the performance of administration processes against SLAs.

The Trustees are satisfied that the service standards are competitive because they regularly consider the effectiveness of their providers including the Plan administrator.

5.3 Data quality

Each year the Trustees arrange reviews and receive reports from the Plan's administrator, Hymans Robertson, to confirm that they have undertaken an audit of the Plan's common data (which is the key data needed by the Plan to calculate members' benefits such as dates of birth), to ensure that the records for all members are accurate and up to date.

The last data quality audit was undertaken in June 2025. This showed that common data was present for 95% of membership data as at 23 June 2025 – compared to 95% last year, so is broadly unchanged.

Over the next year the Trustees will continue to monitor the quality of the Plan's common data.

5.4 Cyber security

The Trustees are conscious of the growing threat of cyber-attacks on pension scheme information.

Each year the Trustees ask the Plan's administrator to confirm that their cyber security arrangements are effective and up to date. The Trustees expect that the Plan's administrator will report any security breach immediately and ensure that members are notified as soon as possible.

5.5 Own Risk Assessment (ORA)

Each year the Trustees carry out an assessment of the effectiveness of the controls which are in place to manage the risks faced by the Plan. The Trustees are currently preparing their first ORA.

5.6 Overall

The Trustees receive quarterly reports about the administrator's performance and compliance with the SLA. Using information provided by the administrator, the Trustees are satisfied that over the period covered by this statement:

- The administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA;
- The majority of financial transactions were processed promptly and accurately;
- There have been no material administration errors in relation to processing core financial transactions;
- The wider administration of the Plan achieved the agreed service standards;
- The Plan's common data is accurate and up to date;
- The Plan's cyber security arrangements are effective.

5.7 Security of assets

The situation regarding the security of where pension contributions are invested is complex. It can vary from scheme to scheme and from fund to fund within each scheme. To-date there have only been a few instances where members of schemes such as ours have seen their benefits reduced because of a financial failure of a provider or fund manager.

The Trustees have reviewed the structure of the funds used within the default arrangement and other investment options. The Trustees believe that the current structures are appropriate for members when compared to other possible structures.

6 Trustee knowledge and understanding

The Plan's Trustees are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. Section 247 and 248 of the Pensions Act 2004 requires that each Trustee must:

- Be conversant with the Trust Deed and Rules of the Plan, the Plan's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustees relating to the administration of the Plan generally,
- Have, to the degree that is appropriate for the purposes of enabling the individual to properly to exercise his or her functions as trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment the assets of occupational pension schemes.

The Trustees have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law.

6.1 Current practices

The Trustees' current practices to maintain and develop their level of knowledge and understanding of matters relating to the Plan are:

- There is an induction process for newly appointed Trustees, who are asked to complete the Pensions Regulator's "Trustee Toolkit" within 6 months of becoming a Trustee. The Trustee Toolkit is an online modular training toolkit provided by the Pensions Regulator for trustees, covering areas such as pensions and Trust law, investment principles and conversance with scheme specific documents. The actual scheme documents are covered as a further part of the induction process. It is designed to get Trustees to meet the level of knowledge and understanding required by law;
- Trustees are expected to and have a working knowledge of the Plan's Trust Deed and Rules;
- Trustees are expected to have a working knowledge of the Plan's Statement of Investment Principles as well as the funding investment concepts relevant to the Plan;
- Trustees are expected to have a working knowledge of the law and legislation relating to pension Plans;
- Trustees are encouraged to undertake further study and qualifications which support their work as Trustees;
- The Trustees have a plan in place for ongoing training appropriate to their duties. The plan focuses on knowledge and skill gaps and new topics and helps the Trustees ensure the training set for the Plan year is relevant and focused on the Trustees' training needs;
- The effectiveness of these practices and the training received are reviewed annually; and
- The Trustees are expected to have a working knowledge of the Trustees' current policies, which are reviewed at Trustee meetings as per the cycle of reviews set out in each year's Business Plan.

6.2 Trustee training

The Trustees, with the help of their advisers, regularly consider training requirements to identify any knowledge gaps and this awareness is used in the setting of the Trustees' training priorities throughout the year. The Trustees' advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustees' advisers typically deliver training on such matters at Trustee meetings if they are material.

Individual training records are maintained in the Trustees' training logs and are available upon request.

All the Trustees have completed the Pensions Regulator's Trustee Toolkit. Additionally, the Plan has a structured induction process for new Trustees.

The Trustees undertake assessments using a questionnaire to identify any gaps in the Trustees' knowledge and skills to ensure that the training programme set for the Plan year ahead is relevant and focussed. The results were analysed by our advisers and incorporated into future training plans.

During the period covered by this Statement, the Trustees received training on the following topics:

Date	Topic	Aim/benefit	Trainer
13 June 2024	Ruffer Absolute Return Fund	Training on investment topic	Hymans Robertson
19th September 2024	TPR's new Funding Code	Training on the new funding code	Hymans Robertson
10th December 2024	Stewardship training	To ensure understanding of stewardship	Hymans Robertson
11th March 2025	Master Trust Training, part 1	To ensure understanding of master trusts	Hymans Robertson
12th June 2025	Master Trust Training, part 2	To ensure understanding of master trusts	Hymans Robertson

The Trustees also receive quarterly "hot topics" from their adviser covering technical and legislative/regulatory changes affecting defined contribution (and additional voluntary contribution) plans in general. The Trustees also participate in non-formal training by attending webinars and keeping up with pensions news.

6.3 Governing documentation

All Trustees have access to copies of and are familiar with the current governing documentation for the Plan, including the Trust Deed & Rules (together with any amendments) and the SIP. The Trustees refer to the Trust Deed and Rules as part of deciding to make any changes to the Plan, and, where relevant, deciding individual member cases, and the SIP is formally reviewed at least every three years and as part of making any change to the Plan's investments.

The Trustees test their familiarity with the Plan's documentation, pensions Law/Regulations and the Pensions Regulator's General Code of and supporting Guides as and when required.

6.4 Skills, experience and diversity

The Trustees have considered the diversity of the board in relation to core characteristics such as gender, age and ethnicity and to the mix of skills, experience and cognitive diversity, as part of the annual effectiveness review. Where vacancies on the Board arise, the Trustees will seek to recruit new Trustees who enhance the diversity of the Board and its overall effectiveness.

The Board is chaired by an independent, professional Trustee who brings additional skills and experience to the Board. The professional Trustee has Plan-specific understanding and conversance with documents in addition to providing a wealth of experience from his work as a trustee on other schemes.

6.5 Trustee advisers

The Trustees have appointed suitably qualified and experienced actuaries, legal advisers, investment consultants and benefit consultants to provide advice on the operation of the Plan in accordance with its Trust Deed and Rules, legislation and regulatory guidance.

The Trustees review the effectiveness of its advisers annually and periodically reviews the appointment of its advisers.

6.6 Reviews

The Trustees undertook the following reviews during the last year:

- The current practices to maintain and develop Trustees' knowledge and understanding;
- Assessments to identify any gaps in the Trustees' knowledge and skills.

6.7 Overall

Taking into account the knowledge and experience of the Trustees with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisers (e.g. investment consultants, legal advisers), the Trustees believe they are well placed to exercise their functions as Trustees of the Plan properly and effectively.

7 Our key actions last year and plans for the next year

During the last year the Trustees undertook the following:

- Monitored the impact of global market volatility on the Plan's investments and issued a communication to members on the Plan's website;
- Monitored the Plan investments' performance against objectives on a quarterly basis;
- Updated the Statement of Investment Principles to include the Trustee's policy on illiquid investments;
- Continued to review governance arrangements to ensure compliance with the Pensions Regulator's General Code of Practice; and
- Arranged for the publication of this Statement, together with the Statement of Investment Principles in a publicly searchable location on the internet with a note of this location in the annual benefit statements.

In the coming year (which will be covered by the next Statement), the Trustees intend to carry out the following:

- Undertake the triennial review of the investment strategy;
- Review the legacy AVC policy held with Utmost Life and Pensions;
- Put in place an investment governance policy (this was put in place in June 2025, after the end of the Scheme year);
- Consider forming a policy on Responsible Investment, as well as setting stewardship priorities to challenge their underlying managers and voting practices;
- Undertake training on security of assets;
- Continue to monitor the quality of the Plan's common data; and
- Continue to regularly review funds and monitor performance.

The Trustees believe that this work will help you get the best out of our Plan.

Appendix 1 - Statement of Investment Principles

London & Quadrant Housing Trustee Staff Benefits Plan - Money Purchase Section

Statement of Investment Principles – May 2025

Introduction

The Trustees of the London & Quadrant Housing Trustee Benefits Plan (“the Plan”) have drawn up this Statement of Investment Principles (“the Statement”) to comply with the requirements of the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pensions Funds (Investment) Regulations 2005.

The Statement is intended to affirm the investment principles that govern decisions about the Plan’s investments. In preparing this Statement the Trustees have consulted the London & Quadrant Housing Trust (“the Employer”) on the Trustees’ investment principles.

Governance

The Trustees of the Plan make all major strategic decisions including, but not limited to, the Plan’s asset allocation and the appointment and termination of investment managers. The process for making investment decisions is as follows:

- Identify appropriate investment objectives.
- Agree the level of risk consistent with meeting the objectives; and
- Implement the investment strategy and investment manager structure in line with the level of risk and objectives agreed.

When making such decisions, and when appropriate, the Trustees take proper written advice. The Trustees’ investment consultants, Hymans Robertson, are qualified by their ability in and practical experience of financial matters and have the appropriate knowledge and experience to provide such advice.

Investment Objectives

The Trustees recognise that their ultimate objective is to best ensure that members of the Plan are able to retire on a reasonable level of pension taking into account the contributions paid into their individual accounts and the timescale over which those contributions were paid.

The Trustees also recognise that individual members have different investment needs and that these may change during the course of their working lives. They also recognise that members have different attitudes to risk. Hence, the Trustees have in place investment options that they believe will achieve returns consistent with the level of security chosen by the member.

The Trustees’ key objectives for the Plan’s investment strategy are therefore to:

- Ensure the investment strategy is consistent with relevant legislation/regulations/Trustee Deed and Rules, and best practice, and there is sufficient flexibility to react to legislative/regulatory changes.
- Ensure the investment strategy structure and design is based on the membership profile, where practical to do so.

- Offer members a reasonable range of investment options to satisfy their risk and targeted return requirements, and to reflect the range of retirement options members now have following the introduction of freedom and choice in pensions.

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- Be mindful of the costs borne by members as a result of investing in different asset classes and using different investment management styles.
- Use diversification between different types of assets to reduce investment risk, where practical and cost effective to do so within the investment strategy.
- Ensure the investment strategy is capable of being communicated relatively easily to members such that members can take informed decisions in the context of their personal financial circumstances.
- Ensure the expected level of ongoing governance does not exceed the Trustees' agreed overall governance budget.

The Trustees will regularly monitor the investment strategy against these objectives.

Investment Strategy

The Trustees will offer a sufficient fund range to satisfy the risk and targeted return requirements reasonable for most members.

The Trustees have in place a range of investment options that they believe will allow members to strike appropriate balances between long-term needs for capital growth and shorter-term volatility of returns, especially in the period approaching retirement.

The Trustees have designed five Lifestyle investment options. The Lifestyle investment options are automated switching facilities allowing members to pre-select an investment strategy, which will move their accrued funds into lower risk investments as retirement approaches. The five Lifestyle investment options are:

1. Moderate Lifestyle Strategy - Flexible Target (Default Option).
2. Moderate Lifestyle Strategy – Annuity Target.
3. Moderate Lifestyle Strategy – Lump Sum Target.
4. Higher Risk Lifestyle Strategy – Flexible Target.
5. Lower Risk Lifestyle Strategy - Flexible Target.

The Moderate Lifestyle Strategy (Flexible Target) is the default investment strategy that will match the risk profile of passive savers more closely. A flexible pre-retirement blend is used as the pre-retirement phase of the default investment strategy to provide greater flexibility for members at retirement.

The main objective of the default arrangement is to provide good member outcomes at retirement. The Trustees believe that it is in the best interests of the majority of members to offer a default which:

- Manages the principal investment risks members face during their membership of the Plan.
- Maximises investment returns relative to inflation while taking an appropriate level of risk during membership of the Plan for the majority of members who do not make investment choices.
- Reflects members' likely benefit choices at retirement.

There are also two variations to the default investment strategy, the Moderate Lifestyle Strategy (Annuity Target) and the Moderate Lifestyle Strategy (Lump Sum Target), to provide members with options which target annuity purchase or full encashment. This is to cater for members in the Plan who may wish to draw their benefits in different ways.

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The Trustees believe that it is in the best interests of members in the alternative lifestyle options to:

- Manage the principal investment risks members face during their membership of the Plan.
- Give further choice for members who feel that the Plan's default arrangement is not appropriate to their needs, but do not otherwise want to be involved in deciding where their contributions are invested.

The Higher Risk Lifestyle Strategy and the Lower Risk Lifestyle Strategy should remain as alternatives to the default option in order to provide members with the opportunity to make limited investment choices in line with the estimated proportion of limited personalisers.

The objectives of the self-select fund range are to:

- Provide a choice of individual funds for members who want to be more closely involved in choosing where their pension pot is invested.
- Complement the objectives of the default arrangement and the alternative lifestyle options.
- Provide a broader choice of levels of investment risk and return.
- Provide a broader choice of investment approaches including, ethical and faith-based funds.
- Help members more closely tailor how their pension pot is invested to their personal needs and attitude to risk.
- Help members more closely tailor how their pension pot is invested to reflect the benefits they intend to take at retirement.

Nevertheless, the self-select fund range cannot be expected to cover all the investment needs of all members.

The lifestyle strategies and the self-select fund range offered will be reviewed from time to time by the Trustees to take into account changes in various considerations such as: the membership profile and experience, the likely sizes of pension pots at retirement, the level of income in retirement that members are likely to need, legislation and regulations, ESG factors and developments in investment products.

Investment Mandates

The Trustees have appointed Legal & General Investment Management ("LGIM"), BlackRock Investment Management (UK) Limited ("BlackRock"), Schroder Investment Management Limited ("Schroder") and HSBC Global Asset Management UK Ltd ("HSBC") (the "Investment Managers") to manage the Defined Contribution assets of the Plan's Money Purchase Section. The Investment Managers are regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the Investment Manager via a written agreement, including the realisation of investments.

The details of the Money Purchase Section investment arrangements are set out in Appendix II.

Platform Provider

The Trustees have appointed Mobius Life Limited ('the Platform Provider'), as provider of an investment platform through which the Trustees are able to access third party funds in order to invest the assets of the Plan. The Platform Provider is regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the Platform Provider via a written agreement, including the realisation of investments.

Risk Management and Measurement

The Trustees are aware of and pay close attention to a range of risk inherent in investing the assets of the Plan. The Trustees believe that the investment strategy provides for adequate diversification both within and across different asset classes. The Trustees further believe that the current investment strategy is appropriate given the Plan's liability profile. The Trustees' policy on risk management is as follows:

- The Trustees recognise the risk that investment returns over members' working lives may not keep pace with inflation and, as a result, do not produce adequate retirement benefits. Further from retirement, this risk should be countered by funds investing in equities and other growth orientated assets which are expected to produce returns well in excess of inflation over the longer term. Approaching retirement, the impact of this risk needs to be balanced against the other main risks members face.
- The Trustees recognise that investment conditions just prior to retirement may increase the cost of turning members' fund values into retirement benefits. For members taking cash at retirement, funds investing in cash deposits and other short-term interest-bearing investments provide a high degree of (but not complete) capital security. Funds investing in a mix of different assets are expected to be broadly suitable for members planning income drawdown during retirement. For members buying an annuity at retirement, the value of funds investing in longer-dated bonds may be expected to broadly follow changes in annuity rates caused by long-term interest rates.
- The Trustees recognise that falls in fund values prior to retirement lead to a reduction in retirement benefits. Funds investing in bonds or a mix of assets or investment techniques intended to manage short-term risks may be expected to be subject to lower levels of short-term fluctuations in values - although there may be occasions when this does not hold good.
- The Trustees recognise the risks that may arise from lack of diversification of investments. Due to the size of the Plan's assets and recognising the need to diversify, investment exposure is obtained via pooled vehicles.
- The documents governing the Platform Provider's appointment and pooled funds' selection include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Plan.
- The Trustees recognise the extent to which Environmental, Social and Governance (ESG) issues are not reflected in asset prices and/or not considered in investment decision making leading to underperformance relative to expectations.
- The Trustees are aware of the extent to which climate change causes a material deterioration in asset values as a consequence of factors including, but not limited to policy change, physical impacts and the expected transition to a low-carbon economy.
- The Trustees recognise that the use of active management involves a risk that the assets do not achieve the expected return and potentially increases the governance requirements. For these reasons, and to reduce cost for members, investments are predominantly index-tracking funds. However, for some asset classes (e.g. corporate bonds and multi-asset funds) the Trustees believe this risk may be outweighed by the potential gains from successful active management which may be adjusted from time to time.
- The safe custody of the Plan's assets is delegated to professional custodians via the use of an investment platform and pooled vehicles.

Should there be a material change in the Plan's circumstances the Trustees will review whether the current investment options remain appropriate.

Private Markets

The Trustees acknowledge the evolution of the investment landscape for DC schemes, which has more recently improved the feasibility of incorporating illiquid assets into the Plan's default investment strategy.

These developments present the potential for diversification and enhanced returns within the Plan's investment strategy. However, the Trustees recognise that the decision to invest in illiquid assets requires careful consideration. The Trustees are mindful of the inherent challenges and risks associated with illiquid investments, emphasising the need for a thorough evaluation before committing assets to such strategies.

The Trustees' inclination is to exercise patience and prudence by awaiting further evidence of the market's development. The Trustees aim to observe the maturation of the market for illiquid assets and closely monitor the performance of associated products. This cautious stance ensures that any potential investment aligns with the Plan's risk tolerance, objectives, and the fiduciary duty to safeguard the interests of members.

The Trustees set clear criteria for prospective entry into the illiquid asset market. The decision to invest will be contingent upon the products within this market reaching a level of maturity. This encompasses the establishment of a proven history of success, demonstrating the resilience and reliability of the investment options under consideration.

The Trustees maintain a steadfast commitment to prioritising the best interests of the Plan's members. The decision-making framework is centred on prudence, diligence, and a fiduciary responsibility to ensure that any investment into illiquid assets aligns with the Plan's overarching goals and obligations.

Additional Voluntary Contributions ('AVCS')

Members can elect to pay additional voluntary contributions into any of the funds available for ordinary contributions to the Plan. The AVC arrangements are reviewed from time to time to ensure that the investment performance achieved is acceptable and that the investment profile of the Plans remains consistent with the objectives of the Trustees and needs of members.

Monitoring Investment Managers

The Trustees will monitor the performance of the Investment Managers against agreed performance objectives and will consider regularly whether they are satisfied that the Investment Managers have the appropriate knowledge and experience and are carrying out the work competently and complying with the given benchmarks and targets.

In the event that the Trustees are not satisfied with the Investment Managers they will require the Investment Managers to take requisite steps to correct this position or will remove their Investment Managers and appoint other Investment Managers.

As part of this ongoing review the Trustees will have to regard to whether the Investment Managers are:

- Carrying out their functions competently.
- Having regard for the need for diversity in relation to investments.
- Having regard to the suitability of investments.
- Exercising their investment powers in line with the SIP.

The Trustees will monitor the advice provided by their investment consultant on a regular basis.

The Trustees obtain quarterly investment reports from their Investment Managers.

The Trustees have delegated the on-going assessment of their Investment Managers to their investment consultant. The Trustees currently receive quarterly performance monitoring reports from the investment consultant.

Manager incentives

When selecting funds, the Trustees will ask their investment advisor to consider the Investment Managers' remuneration strategies and appropriateness of each fund's investment guidelines to ensure that there is no inducement or scope to take an undue level of risk and that the Investment Managers will act in line with the interests of the Plan's members.

In accordance with guidance from the Pensions Regulator, the Trustees will periodically review the Plan's choice of provider to ensure their charges and services remain competitive.

At least every three years, the Trustees will undertake a review of the appropriateness of the investment options and the ongoing suitability of the arrangements with the Plan's Investment Managers.

The Trustees monitor the Investment Managers against a series of metrics over a long-term time horizon of three years including:

- Performance of their funds' respective benchmarks or performance targets on a quarterly basis.
- Relative tracking error where appropriate on a quarterly basis.
- The exercise of stewardship responsibilities (including engagement with companies) on an annual basis.

The Investment Managers are expected to provide explanations for any significant divergence from a fund's objectives. A material deviation from performance and risk targets or approach to portfolio management is likely to result in the fund being formally reviewed.

Portfolio turnover

The Trustees do not expect Investment Managers to take excessive short-term risk relative to their objectives and will monitor the Investment Managers' performance against the benchmarks and objectives on a short, medium and long-term basis.

For passively managed funds the turnover of holdings is driven by changes in the index a fund seeks to track, and hence is largely outside the control of the Investment Manager. When selecting actively managed funds, the Trustees will consider, with the help of their investment advisor, the expected level of turnover given the fund's investment objectives, the Investment Managers' investment processes and the nature of the fund's assets.

Whilst the Trustees expect performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustees expect managers to report on at least an annual basis on the level and cost of turnover within the portfolio over the period. The Trustees will challenge the Plan's managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive. This will typically be assessed relative to the previous years' levels.

Where a fund has significantly under or outperformed its benchmark, the Trustees will seek to ascertain where necessary whether a higher or lower than normal turnover has been a contributory factor.

Portfolio duration

The Trustees recognise the long-term nature of defined contribution pension investments and choose funds which are expected to deliver sustainable returns over the Plan members' (and pensioners') investment horizon. The appropriate time horizon is dependent on a member's position on their savings journey: younger members will

have a very long (multiple decade) time horizon whereas older members close to retirement may have a short time horizon depending on how they intend to use their benefits.

The Trustees will carry out necessary due diligence on the underlying investment decision making process, to ensure the manager makes investment decisions over an appropriate time horizon aligned with the objectives for the related investment option.

The Trustees expect that each fund will be used for at least three years, this being the period over which performance of the fund can be appropriately evaluated and the costs of change amortised. The Trustees review the performance of each of its Investment Managers and mandates on a quarterly basis against the benchmark and objectives of the mandate.

Security of assets

The funds are provided through a policy of insurance issued to the Trustees by the Platform Provider. As a result, the value of the funds may be affected in the event of the provider getting into financial difficulties.

The underlying funds used by the provider's platform are accessed through unit purchase agreements. In the event of a fund manager getting into financial difficulties, the values in these underlying funds will depend upon the nature of the contract with the Platform Provider and the fund vehicles used by the fund managers' funds.

Corporate Governance

The Trustees wish to encourage best practice in terms of activism. The Trustees accept that by using pooled investment vehicles the day-to-day application of voting rights will be carried out by the Investment Managers. Consequently, the Trustees expect the Investment Managers to adopt voting policies that are in accordance with industry best practice, including the UK Stewardship Code.

Consideration of financially material factors in investment arrangements

The Trustees believe their main duty is to protect the financial interests of the Plan's members. The Trustees recognise that financially material factors which may include ESG factors such as climate change, should be considered when choosing, holding or realising investments. The Trustees take account of financially material factors over the period for which the Trustees expect investments to be required to fund future benefits. As part of this, the Trustees acknowledge that ESG factors may be relevant at different stages of the investment process.

At this time, the Trustees have not made explicit allowance for climate change within the development or implementation of the investment strategy. The Trustee will discuss the potential impact of climate risks with its advisor when reviewing the investment strategy, and with managers on a periodic basis and will monitor developments in this area including the availability of solutions to mitigate climate-related risks.

Within active mandates, the Trustees have delegated responsibility for the consideration of stock specific issues to their individual Investment Managers. In passive mandates, the Trustees recognise that the choice of benchmark dictates the assets held by the Investment Manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material. The Trustees accept that the role of the passive manager is to deliver returns in line with the benchmark. The Trustees have elected to invest via pooled fund arrangements and therefore have no direct influence over the policies the managers have in place to govern to pooled funds.

In selecting new Investment Managers for the Plan, where relevant to the investment mandate, the Trustees will explicitly consider potential managers' approach to responsible investment and the extent to which managers integrate ESG issues in the investment process as a factor in their decision making. Minimum manager standards for responsible investment are expected (e.g. being signatory to the Principles for Responsible Investment) unless there is good justification for the manager adopting a different approach. Trustees receive advice from

their investment consultants when making manager selections, which includes a view on the managers' approach to ESG.

Consideration of non-financially material factors in investment arrangements

The Trustees recognise that some members will have strong personal views or religious convictions that influence where they believe their savings should, or should not, be invested.

The Trustees will encourage members to express their views on non-financial factors relating to the Plan's investments via the annual newsletter. Nevertheless, while the Trustees will bear members' views in mind when reviewing the suitability of the Plan's investment options and choice of funds used, the Trustees will not be bound by the members' views (for instance where it is uneconomic or impracticable to do so).

DC members are provided with investment options which are managed to ethical and faith-based criteria:

- the L&G Ethical UK Equity Index Fund.
- the HSBC Amanah Global Equity Index Fund.

The Trustees note that non-financial factors can affect various investment risks which are borne by members and may under-perform other funds with broader-based investment approaches.

Voting and engagement

The Trustees believe that engagement with the companies in which the Plan invests through pooled investment funds, including the proactive use of shareholder voting rights, can improve the longer-term returns on the Plan's investments.

The Plan invests via an investment Platform Provider, who in turn invest in funds which are pooled with other investors to keep costs down and ensure adequate diversification. As a result, the Trustees have adopted a policy of delegating voting decisions on stocks to the underlying Investment Managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The Investment Managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

The Trustees will periodically review the voting and engagement policies of the Investment Managers as well as the approach to governance of the investment Platform Provider to determine that these policies are appropriate. On an ongoing basis, the Trustees will request that the investment Platform Provider and Investment Managers provide details of any change in their house policy.

Where appropriate, the Trustees will engage with and may seek further information from the investment Platform Provider and Investment Managers on how portfolios may be affected by a particular issue.

While the Trustees are not in a position to engage directly, the Trustees believe it is appropriate for their Investment Managers to engage in stewardship activity with key stakeholders which may including corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks. As the Trustees invests via an investment platform, there is no direct relationship between the Trustees and the Investment Managers. The Trustees accept that Investment Managers will not notify the Trustees about any particular stewardship activities.

The Trustees expect the investment Platform Provider to adopt similar practices with regards to the inclusion and ongoing oversight of Investment Managers on their platform. The Trustees also expect the Platform Provider to be able to evidence their own governance practices on request. The Trustees will consider the Platform

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Provider’s practices on the oversight of and engagement with the Investment Managers on its platform when reviewing the appointment of the Platform Provider.

The Trustees understand that conflicts of interest may arise in the management of the Plan and its investments. When appointing a new Platform Provider or choosing Investment Managers’ funds, the Trustees will seek to establish that the provider/manager has an appropriate conflicts of interest policy in place. When notified, the Trustees will consider the impact of any conflicts of interest arising in the management of the funds used by the Plan.

Monitoring

The Trustees may request reports from the investment Platform Provider on the Investment Managers’ voting activity on a periodic basis. The Trustees expect their Investment Managers to act in line with their own policies on voting activities.

The Trustees may consider the Investment Managers’ voting activity on an annual basis in conjunction with their investment consultant. Where the Trustees deem it appropriate, any issues of concern will be raised with the manager for further explanation.

The Trustees will consider meeting with all major Investment Managers on a periodic basis if this is appropriate. The Trustees will provide the Investment Managers with an agenda for discussion, including where appropriate, ESG issues.

Employer – Related Investments

The Trustees’ policy is not to hold any employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Plans (Investment) Regulations 2005.

Fee Structures

The investment Platform Provider and the Investment Managers are paid a management charge on the basis of assets under management. No additional fees are payable. The investment consultant is paid on a project basis, which may be a fixed fee or based on time cost, as agreed by the Trustees in the interests of obtaining best value for the Plan.

Review of this Statement

The Trustees will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension plan investments.

Joanne Fairbairn

.....

Trustee
13-May-2025 | 18:48 BST

.....

Date

On behalf of The Trustees of the London & Quadrant Housing Trustee Staff Benefits Plan – Money Purchase Section

Appendix I – Third Party Agreements

Advisors

The following advisors assist the Trustees:

Pensions Consultants

Hymans Robertson
One London Wall
London EC2Y 5EA

Investment Consultants

Hymans Robertson
One London Wall
London EC2Y 5EA

Scheme Actuary

Laura Andrikopoulos
Hymans Robertson
One London Wall
London EC2Y 5EA

Auditors

BDO LLP
2 City Place
Beehive Ring Road
London Gatwick Airport
Gatwick
RH6 0PA

Investment Managers – Money Purchase Section

The Trustees have appointed the following Investment Managers for the assets of the Plan's Money Purchase Section:

Legal & General Investment Management Ltd.

One Coleman Street
London
EC25 5AA

BlackRock Investment Management (UK) Ltd.

12 Throgmorton Avenue
London
EC2N 2DL

Schroder Investment Management Limited

1 London Wall Place
London
EC2Y 5AU

HSBC Global Asset Management (UK) Ltd

8 Canada Square
London
E14 5HQ

Appendix II – Money Purchase Section Investment Arrangements

Moderate Lifestyle Strategy – Flexible Target – Default Option

A summary of the Moderate Lifestyle Strategy – Flexible Target option is as follows:

	Growth Phase	Pre-Retirement Phase
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of severe economic shocks.	To transition from a portfolio of equities and diversified growth funds to a blended allocation of safer investments while targeting greater flexibility for members are retirement.
Growth Phase	Fund	Allocation
	Global Equity	50%
	Diversified Growth	50%
	Total Charge*	0.28%
Lifestyling	The default Lifestyle arrangement has been designed to automatically and progressively de-risk members’ portfolios as they approach retirement.	
Switching Period	10 Years	
Consolidation Phase	Switch to: Global Equity 20% Diversified Growth 30% Index-Linked Gilts 25% Corporate Bonds 25%	

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Fund	Investment Approach	Benchmark	Fund Manager
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% Sonia+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%)	BlackRock/Schroder
Mobius Life LGIM Over 5 Year Index-Linked Gilts Index	Passive	FTSE A Index-Linked (Over 5 Year) Index	LGIM
Mobius Life LGIM Active Corporate Bonds – All Stocks	Active	Markit iBoxx £ Non-Gilt Index	LGIM

Moderate Lifestyle Strategy – Annuity Target

A summary of the Moderate Lifestyle Strategy – Annuity Target option is as follows:

	Growth Phase	Pre-Retirement Phase
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of severe economic shocks.	To transition from growth to annuity matching assets and cash to reduce the probability of severe losses close to retirement.
Growth Phase	Fund	Allocation
	Global Equity	50%
	Diversified Growth	50%
	Total Charge*	0.28%
Lifestyling	The Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement.	
Switching Period	10 Years	
Consolidation Phase	Switch to: Annuity Matching Lifecycle 75% Cash 25%	

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Fund	Investment Approach	Benchmark	Fund Manager
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%)	BlackRock/Schroder
Mobius Life Future World Annuity Aware Fund	Passive/Active	FTSE Annuities Index	LGIM
Mobius Life LGIM Cash Fund	Active	SONIA	LGIM

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Moderate Lifestyle Strategy – Lump Sum Target

A summary of the Moderate Lifestyle Strategy – Lump Sum Target option is as follows:

	Growth Phase	Pre-Retirement Phase
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.	To transition from growth assets to cash to achieve a lump sum target upon retirement.
Growth Phase	Fund	Allocation
	Global Equity	50%
	Diversified Growth	50%
	Total Charge	0.28%
Lifestyling	The Lifestyle arrangement has been designed to automatically and progressively de-risk members’ portfolios as they approach retirement	
Switching Period	10 Years	
Consolidation Phase	Switch to: Cash 100%	

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

Fund	Investment Approach	Benchmark	Fund Manager
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%	BlackRock/Schroder
Mobius Life LGIM Cash Fund	Active	SONIA	LGIM

Higher Risk Lifestyle Strategy – Flexible Target

A summary of the Higher Risk Lifestyle Strategy – Flexible Target option is as follows:

	Growth Phase	Pre-Retirement Phase
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.	To transition from a portfolio of equities to a blended allocation of safer investments wile targeting greater flexibility for members are retirement.
Growth Phase	Fund	Allocation
	Global Equity	100%
	Total Charge*	0.14%
Life styling	The default Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement	
Switching Period	10 Years	
Consolidation Phase	Switch to: Global Equity 20% Diversified Growth 30% Index-Linked Gilts 25% Corporate Bonds 25%	

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Fund	Investment Approach	Benchmark	Fund Manager
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%)	BlackRock/Schroder
Mobius Life LGIM Over 5 Year Index-Linked Gilts Index	Passive	FTSE A Index-Linked (Over 5 Year) Index	LGIM
Mobius Life LGIM Active Corporate Bonds – All Stocks	Active	Markit iBoxx £ Non-Gilt Index	LGIM

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Lower Risk Lifestyle Strategy – Flexible Target

A summary of the Lower Risk Lifestyle Strategy – Flexible Target option is as follows.

	Growth Phase	Pre-Retirement Phase
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.	To transition from a portfolio of diversified growth funds to a blended allocation of safer investments wile targeting greater flexibility for members are retirement.
Growth Phase	Fund	Allocation
	Diversified Growth	100%
	Total Charge*	0.42%
Life styling	The default Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement	
Switching Period	10 Years	
Consolidation Phase	Switch to: Global Equity 20% Diversified Growth 30% Index-Linked Gilts 25% Corporate Bonds 25%	

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Fund	Investment Approach	Benchmark	Fund Manager
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%)	BlackRock/Schroder
Mobius Life LGIM Over 5 Year Index-Linked Gilts Index	Passive	FTSE A Index-Linked (Over 5 Year) Index	LGIM
Mobius Life LGIM Active Corporate Bonds – All Stocks	Active	Markit iBoxx £ Non-Gilt Index	LGIM

Lifestyle Strategy Matrices

Moderate Lifestyle Strategy – Flexible Target – Default Strategy

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	50.00%	47.00%	44.00%	41.00%	38.00%	35.00%	32.00%	29.00%	26.00%	23.00%	20.00%
Diversified Growth	50.00%	48.00%	46.00%	44.00%	42.00%	40.00%	38.00%	36.00%	34.00%	32.00%	30.00%
Index-Linked Gilts	0.00%	2.50%	5.00%	7.50%	10.00	12.50	15.00	17.50	20.00	22.50	25.00
All Stocks Corporate Bonds	0.00%	2.50%	5.00%	7.50%	10.00	12.50	15.00	17.50	20.00	22.50	25.00
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Moderate Lifestyle Strategy – Annuity Target

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	50.00%	45.00%	40.00%	35.00%	30.00%	25.00%	20.00%	15.00%	10.00%	5.00%	0.00%
Diversified Growth	50.00%	45.00%	40.00%	35.00%	30.00%	25.00%	20.00%	15.00%	10.00%	5.00%	0.00%
Annuity Matching Lifecycle	0.00%	7.50%	15.00%	22.50%	30.00%	37.50%	45.00%	52.50%	60.00%	67.50%	75.00%
Cash	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Moderate Lifestyle Strategy – Lump Sum Target

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	50.00%	47.00%	44.00%	41.00%	38.00%	35.00%	32.00%	29.00%	23.00%	15.00%	0.00%
Diversified Growth	50.00%	48.00%	46.00%	44.00%	42.00%	40.00%	38.00%	36.00%	29.50%	20.00%	0.00%
Index-Linked Gilts	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	16.25%	12.50%	0.00%
All Stocks Corporate Bonds	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	16.25%	12.50%	0.00%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.00%	40.50%	100.00%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Higher Risk Lifestyle – Flexible Target

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	100.00%	92.00%	84.00%	76.00%	68.00%	60.00%	52.00%	44.00%	36.00%	28.00%	20.00%
Diversified Growth	0.00%	3.00%	6.00%	9.00%	12.00%	15.00%	18.00%	21.00%	24.00%	27.00%	30.00%
Index-Linked Gilts	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
All Stocks Corporate Bonds	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Lower Risk Lifestyle – Flexible Target

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	0.00%	2.00%	4.00%	6.00%	8.00%	10.00%	12.00%	14.00%	16.00%	18.00%	20.00%
Diversified Growth	100.00%	93.00%	86.00%	79.00%	72.00%	65.00%	58.00%	51.00%	44.00%	37.00%	30.00%
Index-Linked Gilts	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
All Stocks Corporate Bonds	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Self-select fund range

Asset class	Fund Name	Benchmark	Performance Target	Fund Charge (%per annum)
Equities				
UK	LGIM UK Equity Index	FTSE All-Share Index	The investment objective of the fund is to track the performance of the FTSE All-Share Index to within +/- 0.25% p.a. for two years out of three.	0.07%
Global	Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index	The investment objective of the Fund is to track the performance of the benchmark (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.14%
North America	LGIM North American Equity Index	FTSE World North America Index	The investment objective of the Fund is to track the performance of the FTSE World North America Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.12%
Europe	LGIM Europe (ex-UK) Equity Index	FTSE Developed Europe ex UK Index	The investment objective of the Fund is to track the performance of the FTSE Developed Europe ex UK (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.12%

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Asia Pacific	LGIM Asia (ex-Japan) Equity Index	FTSE Developed Asia Pacific ex Japan Index	The investment objective of the Fund is to track the performance of the FTSE Developed Asia Pacific ex Japan Index (less withholding tax if applicable) to within +/-0.75% p.a. for two years out of three.	0.12%
Japan	LGIM Japan Equity Index	FTSE Japan Index	The investment objective of the Fund is to track the performance of the FTSE Japan Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.12%
Emerging Markets	LGIM World Emerging Markets Equity Index	FTSE Emerging Index	The investment objective of the Fund is to track the performance of the FTSE Emerging Index (less withholding tax if applicable) to within +/-1.5% p.a. for two years out of three.	0.34%
World (ex UK)	LGIM World (ex UK) Equity Index	FTSE World (ex UK)	The investment objective of the Fund is to track the performance of the FTSE World (ex UK) Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.12%
Bonds				
Corporate Bonds	LGIM Active Corporate Bonds – All Stocks	Markit iBoxx £ Non-Gilt Index	The Fund aims to exceed the benchmark by 0.75% p.a. (before fees) over a three-year rolling period.	0.24%

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Index -Linked Gilts	LGIM Over 5 Year Index – Linked Gilts Index	FTSE A Index-Linked (Over 5 Year) Index	The investment objective of the Fund is to track the performance of the FTSE A Index-Linked (Over 5 Year) Index to within +/- 0.25% p.a. for two years out of three.	0.08%
Multi Asset				
Diversified Growth	DGF blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi Asset	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%	To perform in line with the composite benchmark.	0.42%
Multi Asset	LGIM Multi-Asset	The average Balanced Fund, excluding Property as published in the CAPS Polled Pension Fund Update – Balanced Section.	The investment objective of the Fund is to provide diversified exposure to a range of securities excluding property. The Fund aims to maintain an asset distribution close to that of the average Balanced Fund, excluding property, as published in the CAPS Pooled Pensions Fund Update.	0.19%
Multi Asset	Flexible Pre-Retirement blend: 20% Global Equity Blend 30% DGF Blend 25% LGIM Over 5 Year Index-Linked Gilts 25% LGIM Active Corporate Bond All Stocks	9% FTSE All-Share Index, 9% FTSE World Index overseas, 2% FTSE Emerging Index, 12% SONIA+3% net of fees over rolling 3-year periods, 18% Consumer Price Inflation +4%, 25% FTSE A Index-linked (Over 5 Year) Index, 25% Markit iBoxx Sterling Non-Gilt Index	To perform in line with the composite benchmark.	0.23%

LONDON & QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

Other				
Money Market	LGIM Cash	SONIA	The Fund aims to perform in line with SONIA without incurring excessive risk.	0.09%
Property	LGIM Managed Property	AREF/IPD UK Quarterly All Balanced Property Funds Index	The Fund aims to outperform the AREF/IPD UK Quarterly All Balanced Property Funds Index over 3- and 5-year periods	1.40%
Annuity Match Blend	Annuity Matching blend: 75% L&G Future World Annuity Aware Fund 25% L&G Cash Fund	75% FTSE Annuities Index, 25% SONIA	To perform in line with the composite benchmark.	0.10%
Ethical				
Equities	LGIM Ethical UK Equity Index	FTSE4Good UK Equity Index	The investment objective of the Fund is to track the performance of the FTSE4Good UK Equity Index to within +/-0.5% p.a. for two years out of three.	0.24%
Shariah	HSBC Amanah Global Equity Index	DOW JONES ISLAMIC TITANS 100	The fund aims to track the performance of a world index, through investment in a diversified portfolio of securities as defined by the relevant index, which meets Islamic investment principles as interpreted and laid down by the Shariah committee and provided to the Board of Directors.	0.34%

Appendix 2 - Table of funds and charges

2a Default arrangement

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the default arrangement were:

Fund name	ISIN	Charges		Underlying Fund	Transaction Costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested		% p.a. of the amount invested	£ p.a. per £1,000 invested
L&Q Global Equity Blended Fund	GB00B6V5TJ74	0.14	1.42	LGIM Global Equity 50:50 Index (90%)	0.05	0.50
	GB00B6V5ZX37			LGIM World Emerging Market Equity Index (10%)		
L&Q Diversified Growth Blended Fund	JE00B54ZWL01	0.41	4.12	BlackRock Dynamic Diversified Growth Fund (40%)	0.16	1.65
	GB00B433JR39			Shroder Dynamic Multi Asset (40%)		
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04	0.40		0.07	0.68
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.20	2.00		0.25	2.50

Source: Mobius

Other investment options**2b Self-select lifestyle options**

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Moderate Lifestyle Strategy – Annuity Target lifestyle option were:

Fund name	ISIN	Charges		Underlying Fund	Transaction Costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested		% p.a. of the amount invested	£ p.a. per £1,000 invested
L&Q Global Equity Blended Fund	GB00B6V5TJ74	0.14	1.42	LGIM Global Equity 50:50 Index (90%)	0.05	0.50
	GB00B6V5ZX37			LGIM World Emerging Market Equity Index (10%)		
L&Q Diversified Growth Blended Fund	JE00B54ZWL01	0.41	4.12	BlackRock Dynamic Diversified Growth Fund (40%)	0.16	1.60
	GB00B433JR39			Schroder Dynamic Multi Asset Fund (60%)		
L&Q Annuity Matching Blended Fund (Lifecycle)	GB00B6V5WQ54	0.10	1.00	L&G Future World Annuity Aware Fund (100%)	-0.04	-0.40
L&Q Housing Trust DC L&G Cash Fund	GB00B6V5RJ35	0.05	0.50	L&G Cash Fund	0.13	1.30

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Moderate Lifestyle Strategy – Lump Sum Target lifestyle option were:

Fund name	ISIN	Charges		Underlying Fund	Transaction Costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested		% p.a. of the amount invested	£ p.a. per £1,000 invested
L&Q Global Equity Blended Fund	GB00B6V5TJ74	0.14	1.42	LGIM Global Equity 50:50 Index (90%)	0.05	0.50
	GB00B6V5ZX37			LGIM World Emerging Market Equity Index (10%)		
L&Q Diversified Growth Blended Fund	JE00B54ZWL01	0.41	4.12	BlackRock Dynamic Diversified Growth Fund (40%)	0.16	1.65
	GB00B433JR39			Schroder Dynamic Multi Asset (60%)		
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04	0.40	L&G Over 5 Year Index-Linked Gilts Index Fund	0.07	0.68
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.20	2.00	L&G Active Corporate Bonds – All Stocks Fund	0.25	2.50
L&Q Housing Trust DC L&G Cash Fund	GB00B6V5RJ35	0.05	0.50	L&G Cash Fund	0.13	1.27

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Higher Risk Lifestyle – Flexible Target option were:

Fund name	ISIN	Charges		Underlying Fund	Transaction Costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested		% p.a. of the amount invested	£ p.a. per £1,000 invested
L&Q Global Equity Blended Fund	GB00B6V5TJ74	0.14	1.42	LGIM Global Equity 50:50 Index (90%)	0.05	0.50
	GB00B6V5ZX37			LGIM World Emerging Market Equity Index (10%)		
L&Q Diversified Growth Blended Fund	JE00B54ZWL01	0.41	4.12	BlackRock Dynamic Diversified Growth Fund (40%)	0.16	1.65
	GB00B433JR39			Schroder Dynamic Multi Asset (60%)		
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04	0.40	L&G Over 5 Year Index-Linked Gilts Index Fund	0.07	0.68
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.20	2.00	L&G Active Corporate Bonds – All Stocks Fund	0.25	2.50

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Lower Risk Lifestyle – Flexible Target option were:

Fund name	ISIN	Charges		Underlying Fund	Transaction Costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested		% p.a. of the amount invested	£ p.a. per £1,000 invested
L&Q Global Equity Blended Fund	GB00B6V5TJ74	0.14	1.42	LGIM Global Equity 50:50 Index (90%)	0.05	0.50
	GB00B6V5ZX37			LGIM World Emerging Market Equity Index (10%)		
L&Q Diversified Growth Blended Fund	JE00B54ZWL01	0.41	4.12	BlackRock Dynamic Diversified Growth Fund (40%)	0.16	1.65
	GB00B433JR39			Schroder Dynamic Multi Asset (60%)		
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04	0.40	L&G Over 5 Year Index-Linked Gilts Index Fund	0.07	0.68
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.20	2.00	L&G Active Corporate Bonds – All Stocks Fund	0.25	2.50

Source: Mobius

2c Self-select funds

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year for the self-select funds were:

Fund name	Underlying Fund	ISIN	Charges		Transaction Costs	
			% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
L&Q Housing Trust DC L&G UK Equity Index Fund	L&G UK Equity Index Fund	GB00B6V5PX39	0.03	0.30	0.01	0.08
L&Q Global Equity Blended Fund	LGIM Global Equity 50:50 Index Fund (90%)	GB00B6V5TJ74	0.14	1.42	0.05	0.50
	LGIM World Emerging Market Equity Index Fund (10%)	GB00B6V5ZX37				
L&Q Housing Trust DC L&G North America Equity Index Fund	L&G North America Equity Index Fund	GB00B6V5Q308	0.08	0.80	-0.00	-0.01
L&Q Housing Trust DC L&G Europe (ex-UK) Equity Index Fund	L&G Europe (ex-UK) Equity Index Fund	GB00B6V5Q639	0.08	0.80	0.11	1.09
L&Q Housing Trust DC L&G Asia Pacific (ex-Japan) Equity Index Fund	L&G Asia Pacific (ex-Japan) Equity Index Fund	GB00B6V5Q969	0.08	0.80	-0.00	-0.05
L&Q Housing Trust DC L&G Japan Equity Index Fund	L&G Japan Equity Index Fund	GB00B6V5Q076	0.08	0.80	0.01	0.08
L&Q Housing Trust DC L&G World Emerging Markets Equity Index Fund	L&G World Emerging Markets Equity Index Fund	GB00B6V5Z357	0.30	3.00	0.10	0.97
L&Q Housing Trust DC L&G World (ex-UK) Equity Index Fund	L&G World (ex-UK) Equity Index Fund	GB00B6V5QX04	0.08	0.80	0.03	0.27
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.20	2.00	0.25	2.50
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04	0.40	0.07	0.68

Fund name	Underlying Fund	ISIN	Charges		Transaction Costs	
			% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
L&Q Diversified Growth Blended Fund	BlackRock Dynamic Diversified Growth Fund (40%)	JE00B54ZWL01	0.41	4.12	0.16	1.65
	Schroder Dynamic Multi Asset Fund (60%)	GB00B433JR39				
L&Q Housing Trust DC L&G Multi-Asset Fund	L&G Multi-Asset Fund	GB00B6V5PH70	0.15	1.50	0.02	0.21
L&Q Flexible Pre-Retirement Blended Fund	L&Q Global Equity Blended Fund (20%)	GB00B6V5RM63	0.23	2.32	-0.04	-0.42
	L&Q Diversified Growth Blended Fund (30%)					
	L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund (25%)	GB00B6V5V357				
	L&Q Housing Trust DC L&G Active Corporate Bonds – All stocks Fund (25%)					
L&Q Housing Trust DC L&G Cash Fund	L&G Cash Fund	GB00B6V5RJ35	0.05	0.50	0.13	1.27
L&Q Housing Trust DC L&G Managed Property Fund	L&G Managed Property Fund	GB00B6V5QR44	0.63	6.34	-0.04	-0.38
L&Q Annuity Match Blended Fund	LGIM Future World Annuity Aware Fund (75%)	GB00B6V5WQ54	0.10	0.97	0.00	0.00
	L&G Cash Fund (25%)	GB00B6V5RJ35				
L&Q Housing Trust DC L&G Ethical UK Equity Index Fund	L&G Ethical UK Equity Index Fund	GB00B6V5VG81	0.20	2.00	0.02	0.16
L&Q Housing Trust DC HSBC Amanah Global Equity Index Fund	HSBC Amanah Global Equity Index Fund	LU1092475968	0.39	3.90	0.01	0.07

Source: Mobius

2d Additional Voluntary Contributions

The funds' charges (as "Total Expense Ratios") and transaction costs, which are both paid by members, in the last year for the legacy AVC funds are shown below:

Fund name	Charges		Transaction Costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
Utmost Multi Asset Cautious	0.75	7.50	0.39%	3.90
Utmost Multi Asset Moderate	0.75	7.50	0.31%	3.10
Utmost Money Market	0.50	5.00	0.01%	0.10

Source: Utmost

** Charge = the funds' Total Expense Ratio ("TER"), which includes the funds' Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE").

Appendix 3 - Tables illustrating the impact of charges and costs

The following tables show the potential impact of the costs and charges borne by a typical member of the Plan on projected values in today's money at several points up to retirement for a selection of funds and a range of contribution levels. Please note, as members do not pay investment charges, the following illustrations take into account transaction costs only. A typical member has been chosen based on analysis of membership data as at 31 March 2025 and is detailed below:

Typical member characteristics	
Age	47
NRA	65
Pot size	£51,000
Salary	£56,000

3a For the default Arrangement

For the typical member in the default arrangement, paying 3% employee contributions with 6% employer contributions

Years to retirement	Before costs & charges (£)	After all costs & charges (£)
0	£201,080	£194,959
1	£190,243	£184,663
3	£169,618	£165,048
5	£150,311	£146,656
10	£107,239	£105,473
15	£70,460	£69,968
18	£51,000	£51,000

Source: Hymans Robertson using Mobius costs and charges

For the typical member in the default arrangement, paying 6% employee contributions with 12% employer contributions

Years to retirement	Before costs & charges (£)	After all costs & charges (£)
0	£322,958	£314,157
1	£303,269	£295,312
3	£265,809	£259,410
5	£230,760	£225,750
10	£152,635	£150,387
15	£86,096	£85,543
18	£51,000	£51,000

Source: Hymans Robertson using Mobius costs and charges

For the typical young member in the default arrangement, paying 6% employee contributions with 12% employer contributions

The following table shows the potential impact of the costs and charges borne by the youngest member in the Plan on projected values in today's money at several points up to retirement. The representative youngest member has been chosen based on analysis of membership data as at 31 March 2024 and is detailed below:

Youngest member characteristics	
Age	20
NRA	65
Pot size	£0
Salary	£29,000

Years to retirement	Before costs & charges (£)	After all costs & charges (£)
0	£504,715	£488,644
1	£484,261	£469,190
3	£445,620	£432,408
5	£409,141	£397,608
10	£327,928	£319,908
15	£257,581	£252,228
18	£220,036	£215,943
20	£196,788	£193,411
30	£99,368	£98,363
45	£0	£0

3b For an alternative Lifestyle Strategy: Moderate Lifestyle Strategy - Annuity Target

For the typical member in the Moderate Lifestyle Strategy - Annuity Target, paying 6% employee contributions with 12% employer contributions

Years to retirement	Before costs & charges (£)	After all costs & charges (£)
0	£321,138	£317,581
1	£301,890	£298,546
3	£265,089	£262,214
5	£230,455	£228,082
10	£152,635	£151,507
15	£86,096	£85,819
18	£51,000	£51,000

Source: Hymans Robertson using Mobius costs and charges

3c For a selection of the self-select funds**For the typical member in a range of self-select funds, paying 6% employee contributions with 12% employer contributions**

Years to retirement	L&Q Diversified Growth Blended Fund (Fund with highest average transaction costs)		L&Q Managed Property Fund (Fund with lowest average transaction costs)	
	Before costs & charges (£)	After all costs & charges (£)	Before costs & charges (£)	After all costs & charges (£)
0	£288,130	£269,398	£269,398	£269,398
1	£272,317	£255,437	£255,437	£255,437
3	£241,705	£228,204	£228,204	£228,204
5	£212,409	£201,869	£201,869	£201,869
10	£144,625	£139,805	£139,805	£139,805
15	£84,097	£82,855	£82,855	£82,855
18	£51,000	£51,000	£51,000	£51,000

Source: Hymans Robertson using Mobius costs and charges

Assumptions

As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustees have had to make a number of assumptions about what these might be. The assumptions are explained below:

- The “before costs” figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs.
- The “after costs” figures represent the savings projection using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.
- The transaction cost figures used in the illustration are based on those provided by the managers over the past five years.
- The opening DC pot size is £51,000, which was the average pot size for members in the plan as at 31 March 2025
- A contribution in current day terms of either 6% employee and 12% employer or 3% employee and 6% employer. For a member with a salary of £56,000, which was the average salary for members at 31 March 2025, this is equivalent to contributions of £10,080 p.a. or £5,040 p.a. respectively.
- For a young member profile, the opening DC pot size is £0 and the salary is £29,000.
- The level of costs and charges are assumed to remain fixed throughout the illustration period;
- The gross investment return, TERs and average transaction costs for each fund were:

Fund name	Gross investment return (p.a.)	Total Expense Ratio (% p.a.)	Transaction Costs (% p.a.)
L&Q Global Equity Blended Fund	6.00%	0.00%	0.04%
L&Q Diversified Growth Blended Fund	4.00%	0.00%	0.23%
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	7.00%	0.00%	0.07%
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	4.00%	0.00%	0.14%
L&Q Annuity Matching Blended Fund (Lifecycle)	6.00%	0.00%	0.03%
L&Q Housing Trust DC L&G Cash Fund	2.00%	0.00%	0.05%
L&Q Housing Trust DC L&G Managed Property Fund	4.00%	0.00%	0.00%

Source: Mobius

- The rate of inflation was assumed to be 2.5% p.a.
- Real salary growth was assumed to be 1% p.a.
- The rate of increase of costs and charges was 0% p.a.
- The assumptions as used in the Statutory Money Purchase Illustrations included with members' benefit statements have otherwise been used.

Please note that:

- These illustrations take account of transaction costs only as these are the only member borne charges. The transaction cost figures used in the illustration are the average of those provided by the managers over the past five years.
- For funds where transaction costs over the reporting period were negative, the calculations assume no transaction costs for prudence.

Please also note that these illustrated values:

- Are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
- Are estimates using assumed rates of future investment returns and inflation which may not be borne out in practice;
- The assumptions used may be differ in the future to reflect changes in regulatory requirements or investment conditions;
- Will be affected by future, and as yet unknown, changes to the Plan's investment options;
- Are not guaranteed;
- Depend upon how far members in the default lifestyle option are from retirement as the funds used change over time;
- May not prove to be a good indication of how your own savings might grow;
- Comply with the Technical Actuarial Standards (TAS) 100: Principles for Technical Actuarial Work

Appendix 4 - Investment performance

This appendix shows the annual return, after the deduction of member borne charges and transaction costs, for all investment options that members are able, or were previously able, to select and in which members were invested during the Plan Year.

For the arrangements where returns vary with age, such as for the default strategy, returns are shown over various periods for a member aged 25, 45, 55 and 65 at the start of the period the returns are shown below.

Self-select funds

The investment performance of the available self-select funds during periods up to 31 March 2025 net of all costs and charges expressed as an annual geometric compound percentage were:

Fund name	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
L&Q Housing Trust DC L&G UK Equity Index Fund	10.0%	10.5%	6.7%	7.2%	12.1%	12.1%
L&Q Global Equity Blended Fund	6.0%	6.9%	6.4%	7.1%	12.3%	12.4%
L&Q Housing Trust DC L&G North America Equity Index Fund	5.4%	6.3%	8.6%	9.5%	17.0%	17.5%
L&Q Housing Trust DC L&G Europe (ex-UK) Equity Index Fund	0.3%	3.2%	6.8%	8.2%	12.0%	12.6%
L&Q Housing Trust DC L&G Asia Pacific (ex-Japan) Equity Index Fund	-5.6%	-5.7%	-1.9%	-1.8%	7.7%	7.8%
L&Q Housing Trust DC L&G Japan Equity Index Fund	-3.1%	-3.4%	6.3%	6.4%	8.3%	8.3%
L&Q Housing Trust DC L&G World Emerging Markets Equity Index Fund	8.4%	10.2%	3.1%	3.7%	8.3%	8.6%
L&Q Housing Trust DC L&G World (ex-UK) Equity Index Fund	3.5%	4.5%	7.5%	8.4%	15.0%	15.5%
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	3.4%	2.4%	-0.1%	-0.8%	1.0%	-0.2%
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	-9.3%	-10.4%	-16.1%	-16.6%	-9.6%	-9.0%
L&Q Diversified Growth Blended Fund	5.9%	8.5%	2.9%	7.5%	6.0%	6.9%
L&Q Housing Trust DC L&G Multi-Asset Fund	3.7%	3.2%	2.2%	2.9%	6.2%	7.7%
L&Q Flexible Pre-Retirement Blended Fund	1.4%	1.7%	-2.1%	-0.8%	2.0%	2.3%
L&Q Housing Trust DC L&G Cash Fund	5.1%	5.0%	4.1%	4.1%	2.5%	2.5%
L&Q Housing Trust DC L&G Managed Property Fund	7.2%	6.4%	-0.1%	-3.3%	4.5%	2.6%
L&Q Annuity Match Blended Fund	-0.6%	-1.5%	-3.9%	-4.8%	-2.9%	-3.4%
L&Q Housing Trust DC L&G Ethical UK Equity Index Fund	11.5%	12.0%	7.2%	7.5%	11.9%	11.8%
L&Q Housing Trust DC HSBC Amanah Global Equity Index Fund	3.6%	3.0%	8.8%	10.1%	16.2%	17.2%

Source: Mobius

AVC funds

The investment performance of the legacy AVC funds during periods up to 31 March 2025 net of all costs and charges expressed as an annual geometric compound percentage were:

Fund name	1 year		3 years (p.a.)		5 years (p.a.)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark
Utmost Multi Asset Cautious	3.7%	4.0%	0.4%	1.9%	2.5%	3.1%
Utmost Multi Asset Moderate	4.9%	4.7%	3.0%	3.6%	6.8%	6.1%
Utmost Money Market	4.7%	4.4%	3.7%	3.3%	2.1%	2.1%

Source: Utmost