

## Syngenta UK Pension Fund

### Trustee's Annual DC Governance Statement 2024/25

Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The Trustee of the Syngenta UK Pension Fund (the Fund) is required to produce a yearly statement (which is signed by the Chair of the Trustee) to describe how these governance requirements have been met in relation to:

- The investment options in which members' funds are invested (this means the "default arrangements" and other funds members can select or have assets in, such as self-select funds)
- The requirements for processing financial transactions
- The charges and transaction costs borne by members
- An illustration of the cumulative effect of these costs and charges
- A 'value for members' assessment
- Trustee knowledge and understanding

This Statement relates to the period 1 April 2024 – 31 March 2025 (the Fund Year) and covers the Investment Account (IA), which also includes Additional Voluntary Contributions (AVCs) made by Retirement Account (RA) members.

As Chair of the Trustee, I welcome this opportunity to explain what the Trustee does to ensure that the Fund operates as effectively as possible. If you have questions or comments about anything in this statement, please contact Amit Roychoudhury via email at [Pensions.UK@Syngenta.com](mailto:Pensions.UK@Syngenta.com) or telephone on 01483 900840.

#### 1. Investment Strategy and the default arrangement

The Statement of Investment Principles (SIP) is a document which governs decisions about investments and sets out the aims and objectives of the IA's investment strategy. The most recent SIP, dated July 2025, is attached to this document and was prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005. It includes information on:

- The Trustee's investment policy, including policies on risk and expected return
- The design of the investment strategy
- The approach to the statutory default arrangement

The SIP is reviewed at least every three years, or sooner if there is an update to relevant regulations or a change in the Trustee's investment policy.

#### ***Default arrangements***

The Fund is closed to new joiners and has not been used to auto-enroll employees. However, it is a 'qualifying scheme' for existing active members of the Fund, meaning that it must meet certain auto-enrolment requirements in relation to any investment options classified as 'default arrangements'.

Although the Fund is closed, RA members can still be admitted to the IA to invest Additional Voluntary Contributions, or where, for example, a RA member puts their RA into payment having taken flexible retirement and opened an IA for future service contributions. All members joining the IA (in the limited circumstances noted above) have the opportunity to select the funds in which their contributions will be invested. If members do not make a choice, their contributions will be automatically allocated to the Lump Sum Lifestyle Investment Option. Under the Charges and Governance Regulations 2015, the Drawdown Lifestyle Investment Option and the Syngenta LGIM Cash Fund are also statutory default arrangements due to previous mapping exercises.

The strategic review of the default arrangements (including performance analysis) is undertaken at least every three years.

The Trustee, with advice from its investment adviser, completed its last formal review of the Fund's DC investment strategy (including the default options previously noted) on 23 June 2023. In considering this review, the Trustee assessed the extent to which the strategic profile and performance of the funds were consistent with the aims and objectives of the SIP by considering the following factors:

- The membership profile of the Fund
- The choices and needs of Fund members
- Market practice
- Investment performance of the Fund's funds over the year
- The charges associated with each fund

Following the review, the Trustee was satisfied that the objectives and requirements for the Fund's established default funds were consistent with their aims and objectives (as described above) and no changes in the headline strategy or its objective were required.

However, the Trustee did agree to two changes to the funds utilised under the Fund:

1. The Fund's Blended Diversified Growth Fund (DGF) which is a key component within the lifestyle strategies (including defaults). This fund was comprised of the LGIM Diversified Fund (50%) and the Schroder DGF (50%). The Trustee had concerns over the performance of the Schroder DGF against its benchmark over the long term and relative to the fees charged. The Trustee undertook the review including considering alternative DGF options and this concluded in November 2023. The Trustee decided to remove the Schroder element within the Blended DGF and update the holding to a 100% allocation to the LGIM Diversified Fund. The Trustee agreed to rename the fund the 'Syngenta UK Pension Diversified Growth Fund'. These changes took place in April 2024.
2. Sustainable Global Equity Index Hedged Fund - the Trustee became aware of some concerns about the potential closure of the Robeco Sustainable Multi-Factor Equity Fund in early 2024. This was the underlying fund of the Sustainable Global Equity Index Hedged Fund and was a core part of the growth phase of the lifestyle strategies (including defaults) as well as being a self-select investment option. Following a review and selection process, a decision was taken in February 2024 to replace the Robeco Sustainable Multi-Factor Equity Fund with the currency hedged version of the LGIM Future World Global Equity Index Fund. As a result, the Sustainable Global Equity Index Hedged Fund now invests 100% in the LGIM Future World Global Equity Index Fund (GBP hedged). This change took place in May 2024. After the Fund Year end the Sustainable Global Equity Index Hedged Fund has been renamed to now be the 'Syngenta Global Equity Index with ESG tilt – GBP Hedged' and so this name has been used throughout the rest of this Statement.

More detail on how these changes were made and any costs incurred are set out in the Section 3 (Charges and transaction costs) of the Statement

The default arrangements do not operate with performance-based fees.

Further information on the range of funds available, including the lifestyle and default strategies, is included in the attached SIP.

### ***Asset allocation assessment***

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 ("the 2023 Regulations") requires trustees and managers of certain occupational pension schemes to disclose their full investment asset allocations for all default arrangements. The results are shown below:

| Drawdown lifestyle     | Percentage allocations (%) |                 |                 |                    |
|------------------------|----------------------------|-----------------|-----------------|--------------------|
|                        | 25 years of age            | 45 years of age | 55 years of age | 1 day prior to SPA |
| Cash                   | 1.9%                       | 1.9%            | 5.4%            | 13.5%              |
| Bonds                  | 0.1%                       | 12.4%           | 43.0%           | 46.8%              |
| Listed equities        | 98.0%                      | 83.4%           | 44.9%           | 34.5%              |
| Private equity         | 0.0%                       | 0.3%            | 0.9%            | 0.7%               |
| Infrastructure         | 0.0%                       | 0.0%            | 0.0%            | 0.0%               |
| Property / real estate | 0.0%                       | 1.4%            | 4.2%            | 3.3%               |
| Private debt / credit  | 0.0%                       | 0.5%            | 1.6%            | 1.2%               |
| Other                  | 0.0%                       | 0.0%            | 0.0%            | 0.0%               |

| Cash lifestyle         | Percentage allocations (%) |                 |                 |                    |
|------------------------|----------------------------|-----------------|-----------------|--------------------|
|                        | 25 years of age            | 45 years of age | 55 years of age | 1 day prior to SPA |
| Cash                   | 1.9%                       | 1.9%            | 1.9%            | 29.0%              |
| Bonds                  | 0.1%                       | 12.4%           | 41.4%           | 54.0%              |
| Listed equities        | 98.0%                      | 83.4%           | 49.3%           | 14.8%              |
| Private equity         | 0.0%                       | 0.3%            | 1.0%            | 0.3%               |
| Infrastructure         | 0.0%                       | 0.0%            | 0.0%            | 0.0%               |
| Property / real estate | 0.0%                       | 1.4%            | 4.7%            | 1.4%               |
| Private debt / credit  | 0.0%                       | 0.5%            | 1.7%            | 0.5%               |
| Other                  | 0.0%                       | 0.0%            | 0.0%            | 0.0%               |

| Cash fund | Percentage allocations (%) |                 |                 |                    |
|-----------|----------------------------|-----------------|-----------------|--------------------|
|           | 25 years of age            | 45 years of age | 55 years of age | 1 day prior to SPA |
| Cash      | 40.6                       | 40.6            | 40.6            | 40.6               |
| Bonds     | 59.4                       | 59.4            | 59.4            | 59.4               |

**Notes:**

- Source: LGIM
- Allocations as at 31 March 2025
- Allocations under the lifestyle strategies are based on a retirement age of 62.

**Ongoing investment monitoring**

The Trustee also reviews the performance of the IA funds against their aims, objectives and policies, typically on a quarterly basis. This review includes an analysis of fund performance and member activity to check that the risk and return levels meet expectations and is carried out in conjunction with the Trustee's investment adviser using their manager ratings. Aside from the Trustee's concerns over the Robeco Sustainable Multi-Factor Equity Fund (within the Syngenta Global Equity Index with ESG tilt – GBP Hedged Fund) and the Schroder DGF allocation (within the Syngenta UK Pension Diversified Growth Fund'), which have been addressed as described earlier in this statement, the Trustee's reviews that took place during the previous Fund Year concluded that the default arrangements were performing broadly as expected and were consistent with the aims and objectives of the defaults as stated in the SIP.

## Net investment returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduced new requirements for trustees of relevant occupational pension schemes. From 1 October 2021 trustees are required to calculate and state in the Chair's Statement the return on investments from their default and self-select funds, net of transaction costs and charges.

| Investment option                                            | 1 year (%) | 3 years (% pa) | 5 years (% pa) |
|--------------------------------------------------------------|------------|----------------|----------------|
| <b>Lifestyle strategies</b>                                  |            |                |                |
| Drawdown Lifestyle (2021) (default)                          |            |                |                |
| Member aged 25                                               | 6.88       | 8.17           | Not available  |
| Member aged 45                                               | 6.00       | 4.99           | Not available  |
| Member aged 55                                               | 4.71       | 2.01           | Not available  |
| Annuity Lifestyle (2021)                                     |            |                |                |
| Member aged 25                                               | 6.88       | 8.17           | Not available  |
| Member aged 45                                               | 6.00       | 4.99           | Not available  |
| Member aged 55                                               | 0.53       | -4.40          | Not available  |
| Annuity Lifestyle (2016) (now closed to new investors)       |            |                |                |
| Member aged 25                                               | 6.88       | 8.17           | Not available  |
| Member aged 45                                               | 4.67       | 1.75           | Not available  |
| Member aged 55                                               | 0.53       | -4.40          | Not available  |
| Lump Sum Lifestyle (2021) (default)                          |            |                |                |
| Member aged 25                                               | 6.88       | 8.17           | Not available  |
| Member aged 45                                               | 6.00       | 4.99           | Not available  |
| Member aged 55                                               | 4.67       | 1.76           | Not available  |
| <b>Self-select Funds</b>                                     |            |                |                |
| Syngenta LGIM World Emerging Markets Equity Index Fund       | 8.02       | 2.72           | 7.94           |
| <i>Benchmark</i>                                             | 9.93       | 3.57           | 8.61           |
| Syngenta LGIM World (ex-UK) Equity Index Fund                | 3.34       | 7.30           | 14.87          |
| <i>Benchmark</i>                                             | 3.87       | 7.59           | 15.12          |
| Syngenta LGIM World Equity Index Hedged Index Fund           | 6.65       | 7.44           | 15.72          |
| <i>Benchmark</i>                                             | 7.36       | 7.82           | 16.09          |
| Syngenta Global Equity Index with ESG tilt – GBP Hedged Fund | 6.88       | 8.17           | 8.54           |
| <i>Benchmark</i>                                             | 7.57       | 8.37           | 8.63           |
| Syngenta LGIM UK Equity Index Fund                           | 9.94       | 6.86           | 12.20          |
| <i>Benchmark</i>                                             | 10.06      | 6.88           | 12.20          |
| Syngenta LGIM Inflation linked Fund – (Annuity Aware)        | -5.67      | -11.34         | -6.86          |
| <i>Benchmark</i>                                             | -6.61      | -11.43         | -6.37          |
| Syngenta LGIM Inflation-Linked Gilt Fund                     | -9.33      | -16.17         | -9.68          |
| <i>Benchmark</i>                                             | -9.25      | -16.11         | -9.61          |
| Syngenta LGIM All Stocks Gilt Fund                           | -0.79      | -6.11          | -5.93          |
| <i>Benchmark</i>                                             | -0.72      | -6.04          | -5.85          |

|                                                                     |       |               |               |
|---------------------------------------------------------------------|-------|---------------|---------------|
| Syngenta LGIM Active Corporate Bond Fund                            | -1.50 | -5.93         | -3.03         |
| <i>Benchmark</i>                                                    | -2.85 | -6.29         | -3.69         |
| Syngenta LGIM Managed Property Fund                                 | 6.69  | -2.71         | 2.77          |
| <i>Benchmark</i>                                                    | 6.43  | -3.31         | 2.67          |
| Syngenta LGIM Cash Fund (default)                                   | 5.02  | 4.02          | 2.39          |
| <i>Benchmark</i>                                                    | 5.03  | 4.10          | 2.47          |
| Syngenta LGIM Diversified Fund                                      | 4.55  | 2.31          | 6.58          |
| <i>Benchmark</i>                                                    | 5.95  | 7.94          | 15.64         |
| Syngenta Schroder Diversified Growth Fund (closed to new investors) | 3.64  | 0.79          | 5.40          |
| <i>Benchmark</i>                                                    | 9.87  | 8.76          | 7.99          |
| Syngenta HSBC Islamic Global Equity Index Fund                      | 3.57  | Not available | Not available |
| <i>Benchmark</i>                                                    | 3.69  | Not available | Not available |

**Notes:**

- Returns are shown net of all costs and charges.
- The net returns reflect the current Fund charges. These charges could vary in the future.
- For age specific returns, these are based on an individual retiring in line with the Fund's normal retirement age of 62.
- Where returns are not available this is due to the specific investment option having not been in place for the relevant period. The Trustee will include performance for the missing periods in future statements once this is available.

## 2. Processing of core financial transactions

The Trustee is required to ensure that core financial transactions are processed promptly and accurately, both at a Fund level and a member level. Core financial transactions include the investment of contributions, transfer of assets relating to members into and out of the Fund, investment fund switches and payments out of the Fund to and in respect of members. Additionally, the Pensions Regulator expects trustees to treat all transactions relating to the handling of member and employer contributions, and assets relating to them, once received by the Fund, as 'core financial transactions'.

The Trustee has delegated the day-to-day administration of the Fund to its administrator, WTW, who regularly monitors the core financial transactions of the Fund. The administrator operates automated processing for the investment of contributions, payment and taxation of benefits. Online transactions are processed in real time (same day) via the administrator's ePA (electronic Pensions Administration) system and members receive email acknowledgement that transactions have been processed. Furthermore, bank accounts are monitored daily, there is a dedicated contribution processing team, and at least two individuals checking all banking transactions. The Trustee has agreed service level agreements (SLAs) with the Fund's administrator which specify the number of working days to complete tasks (with a minimum target of 95% tasks processed within the SLA). The SLAs agreed for core financial transaction tasks are set out in the table below:

| Task                     | SLA (working days) |
|--------------------------|--------------------|
| Death benefit settlement | 4                  |
| Retirement settlements   | 5                  |
| Transfer out payments    | 5                  |
| Transfer in receipts     | 5                  |
| Investment decision      | 5                  |

The employer's payroll department is responsible for paying contributions across promptly. Any issues with timely payment are raised with the Trustee secretariat. No issues arose during the Fund Year.

The Trustee's Administration Committee monitors the performance of the Fund's administrator against the SLAs through reviewing quarterly reports received from the administrator. These reports also enable the Trustee to measure the performance of the Fund's administrator against the agreed SLAs. 95% of all tasks (covering both RA and IA related tasks) were completed within SLA, which is in line with the SLA target noted above. 92% of core financial transaction related tasks were completed within the SLA. However, this also includes RA/DB related payment tasks and the majority of the cases completed outside of the SLA related to DB rather than DC payments. The Trustee felt the overall performance was satisfactory and demonstrates a continued level of performance from the previous Fund Year. The Trustee continues to monitor performance and press for further improvements (notwithstanding the expected SLA targets noted above). A monitoring scorecard is considered and reviewed at each Administration Committee meeting to support this oversight further.

Performance against the administrator's internal SLA for accuracy is also built into the administration team's personal objectives and is monitored closely by the administrator on a quarterly basis to ensure internal accuracy SLAs are met. Any instances of member dissatisfaction, administration errors or breaches are recorded and monitored through the quarterly administration report. Three IA member complaints were received over the Fund Year, each of which was resolved.

The Fund's common data score is monitored on a quarterly basis by the Trustee via the quarterly administration reporting. At the end of the Fund Year, the Fund's common data score was 98% (with 99% of Post June 2010 data complete). The conditional data score was 92%. These scores cover both the IA and RA benefits under the Fund and the gaps do not relate to items that would impact on the Trustee's ability to accurately pay a DC related core financial transaction.

The Trustee is satisfied, based on the processes outlined above, that it has processed core financial transactions related tasks promptly and accurately throughout the Fund Year.

### **3. Charges and transaction costs**

The Trustee is required to set out the ongoing charges paid by members. These charges can vary by investment fund and comprise annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs. Collectively these are referred to as the total expense ratio ("TER"). The TER is reflected in the unit price of the funds and therefore the cost is borne by members. The stated charges exclude day to day administrative costs of running the Fund as these are not met by the member but instead paid for by Syngenta Limited ("the Company").

The Trustee is also required to separately disclose transaction cost figures that are paid by members. In the context of this statement, the transaction costs shown are those incurred when the Fund's fund managers buy and sell assets within investment funds.

The annual charges and transaction costs have been supplied by Legal and General Investment Managers (LGIM), the Fund's investment platform provider. When preparing this section of the statement, the Trustee has taken account of the relevant statutory guidance and can confirm the Trustee has not deviated from this and that the transaction cost data is complete.

The TER (total expense ratio – as explained above) and the transaction costs for all the lifestyle options and individual funds held by members during the Fund Year are set out in the tables below.

| Years to target retirement age                     | Transaction costs | TER  | Transaction costs        | TER |
|----------------------------------------------------|-------------------|------|--------------------------|-----|
|                                                    | % per annum       |      | £ per annum <sup>2</sup> |     |
| <b>Lifestyle strategies</b>                        |                   |      |                          |     |
| Drawdown Lifestyle (2021) (default)                |                   |      |                          |     |
| 20 or more years to retirement                     | 0.22              | 0.15 | 220                      | 150 |
| 15 years to retirement                             | 0.20              | 0.17 | 200                      | 170 |
| 10 years to retirement                             | 0.17              | 0.19 | 170                      | 190 |
| 5 years to retirement                              | 0.16              | 0.18 | 160                      | 180 |
| At retirement                                      | 0.16              | 0.16 | 160                      | 160 |
| Annuity Lifestyle (2021)                           |                   |      |                          |     |
| 20 or more years to retirement                     | 0.22              | 0.15 | 220                      | 150 |
| 15 years to retirement                             | 0.20              | 0.17 | 200                      | 170 |
| 10 years to retirement                             | 0.17              | 0.19 | 170                      | 190 |
| 5 years to retirement                              | 0.08              | 0.15 | 80                       | 150 |
| At retirement                                      | 0.03              | 0.10 | 30                       | 100 |
| Annuity Lifestyle (2016) (closed to new investors) |                   |      |                          |     |
| 30 or more years to retirement                     | 0.22              | 0.15 | 220                      | 150 |
| 20 years to retirement                             | 0.17              | 0.18 | 170                      | 180 |
| 15 years to retirement                             | 0.17              | 0.18 | 170                      | 180 |
| 10 years to retirement                             | 0.17              | 0.18 | 170                      | 180 |
| 5 years to retirement                              | 0.08              | 0.14 | 80                       | 140 |
| At retirement                                      | 0.03              | 0.10 | 30                       | 100 |
| Lump Sum Lifestyle (2021) (default)                |                   |      |                          |     |
| 20 or more years to retirement                     | 0.22              | 0.15 | 220                      | 150 |
| 15 years to retirement                             | 0.20              | 0.17 | 200                      | 170 |
| 10 years to retirement                             | 0.17              | 0.19 | 170                      | 190 |
| 5 years to retirement                              | 0.17              | 0.19 | 170                      | 190 |
| At retirement                                      | 0.14              | 0.13 | 140                      | 130 |

| Self-select Funds                                                   | Transaction Costs <sup>1</sup> | TER  | Transaction Costs        | TER |
|---------------------------------------------------------------------|--------------------------------|------|--------------------------|-----|
|                                                                     | % per annum                    |      | £ per annum <sup>2</sup> |     |
| Syngenta LGIM Cash Fund                                             | 0.13                           | 0.10 | 130                      | 100 |
| Syngenta LGIM UK Equity Index Fund                                  | 0.01                           | 0.08 | 10                       | 80  |
| Syngenta LGIM World (ex-UK) Equity Index Fund                       | 0.02                           | 0.15 | 20                       | 150 |
| Syngenta LGIM All Stocks Gilt Fund                                  | 0.02                           | 0.08 | 20                       | 80  |
| Syngenta LGIM Inflation Linked Gilt Fund                            | 0.07                           | 0.08 | 70                       | 80  |
| Syngenta LGIM Managed Property Fund                                 | 0.00                           | 0.65 | 0                        | 650 |
| Syngenta LGIM Inflation linked Fund – (Annuity Aware)               | 0.00                           | 0.10 | 0                        | 100 |
| Syngenta LGIM World Emerging Markets Equity Index Fund              | 0.00                           | 0.35 | 0                        | 350 |
| Syngenta LGIM World Equity Index - GBP Hedged Fund                  | 0.06                           | 0.18 | 60                       | 180 |
| Syngenta LGIM Active Corporate Bond Fund                            | 0.09                           | 0.15 | 90                       | 150 |
| Syngenta LGIM Diversified Fund                                      | 0.03                           | 0.18 | 30                       | 180 |
| Syngenta Schroder Diversified Growth Fund (closed to new investors) | 0.67                           | 0.61 | 670                      | 610 |
| Syngenta HSBC Islamic Global Equity Index Fund                      | 0.00                           | 0.35 | 0                        | 350 |
| Syngenta Global Equity Index with ESG tilt – GBP Hedged Fund        | 0.22                           | 0.15 | 220                      | 150 |

## Notes

1. *When preparing this section of the statement the Trustee has taken into account the relevant statutory guidance and not deviated from this.*
2. *Transaction costs are to 31 March 2025 and have been calculated using the 'slippage' methodology. This is impacted by market moves between instructing and executing a trade so can result in negative costs if the price of the stock moves in the fund's favour before the trade is completed. In line with guidance from the DWP, any negative transaction costs are shown as zero.*
3. *All '£' figures are provided for illustration purposes only and have been calculated using an example fund value of £100,000.*
4. *All transaction costs have been provided by LGIM.*

A maximum charge, known as the statutory charge cap, of 0.75% pa, is imposed on default arrangements. The IA's default arrangements comply with the charge cap.

As noted earlier in the Statement, during the Fund Year changes were made to two funds under the Fund. Details of the transaction costs that arose are below:

- Syngenta Global Equity Index with ESG tilt – GBP Hedged Fund - the change of underlying fund from the Robeco Sustainable Multi-Factor Equity Fund to the LGIM Future World Equity Index Fund (GBP hedged) resulted in transaction costs of £43,236.
- Syngenta UK Pension Diversified Growth Fund – transfer of the Fund's holdings in the Schroder Diversified Growth Fund to the LGIM Diversified Fund resulted in transaction costs of £14,229 which equates to a cost of 0.09% of the overall assets transferred.

The Trustee and its investment advisor were comfortable that the above costs were reasonable.

## **Pound and pence illustrations**

The following tables give a summary of the projected pension pot and impact of costs and charges up to a normal retirement age of 62. The figures are presented against three example members of the Fund (see notes below the tables). These illustrations have been prepared in accordance with the relevant statutory guidance and reflect the impact of costs and charges, for example members and a range of investment funds.

As each member has a different amount of savings within the Fund and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustee has had to make a number of assumptions about what these might be. The assumptions are explained in the "Assumptions and notes" section below the illustrations. The funds shown in the illustration are:

- Default: Drawdown Lifestyle Strategy
- Default: Lump Sum Lifestyle Strategy
- Default: Syngenta LGIM Cash Fund
- Fund with the highest costs and charges: Syngenta Schrodgers Diversified Growth Fund
- Fund with the lowest costs and charges: Syngenta LGIM UK Equity Index Fund

The illustrations below show the projected fund values based on certain assumptions (including future investment growth) before and after charges so that the potential impact of charges is clearly shown. Members should be aware that these are simply illustrations, and so the actual fund values, investment returns and the level of charges for members' investments may be different if members' personal details or investment choices differ from those shown or the assumptions are not borne out. In addition, it is important to note that higher expected growth is typically associated with higher risk and volatility. Members should carefully consider the level of risk they are comfortable with when making investment decisions. This means that the information contained in these tables is not a substitute for the individual and personalised illustrations which are provided to members each year by the Fund.

| Example Member                   | Projection period (years) | Drawdown Lifestyle |               | Lump Sum Lifestyle |               | Syngenta LGIM Cash Fund |               |
|----------------------------------|---------------------------|--------------------|---------------|--------------------|---------------|-------------------------|---------------|
|                                  |                           | Before charges     | After charges | Before charges     | After charges | Before charges          | After charges |
| Example active member - youngest | 1                         | £123,500           | £123,200      | £123,500           | £123,200      | £117,900                | £117,800      |
|                                  | 3                         | £152,300           | £151,100      | £152,300           | £151,100      | £133,700                | £133,200      |
|                                  | 5                         | £183,800           | £181,400      | £183,800           | £181,400      | £149,300                | £148,400      |
|                                  | 10                        | £275,200           | £268,600      | £275,200           | £268,600      | £187,700                | £185,500      |
|                                  | 15                        | £385,400           | £372,000      | £385,400           | £372,000      | £225,200                | £221,500      |
|                                  | 20                        | £490,600           | £468,200      | £490,600           | £468,200      | £261,700                | £256,300      |
|                                  | 25                        | £575,300           | £542,800      | £576,300           | £543,700      | £297,400                | £290,000      |
|                                  | 30                        | £653,500           | £610,300      | £658,500           | £614,600      | £332,200                | £322,700      |
| 33                               | £697,900                  | £648,300           | £691,400      | £642,800           | £352,600      | £341,800                |               |
| Example active member - average  | 1                         | £238,700           | £238,000      | £238,900           | £238,100      | £234,400                | £234,000      |
|                                  | 3                         | £266,300           | £264,000      | £267,200           | £264,800      | £253,000                | £251,900      |
|                                  | 5                         | £294,000           | £290,000      | £296,400           | £292,200      | £271,400                | £269,600      |
|                                  | 10                        | £362,700           | £353,900      | £359,100           | £350,700      | £316,700                | £312,700      |
| Example deferred member          | 1                         | £26,100            | £26,000       | £26,100            | £26,000       | £24,900                 | £24,800       |
|                                  | 3                         | £28,400            | £28,200       | £28,400            | £28,200       | £24,600                 | £24,500       |
|                                  | 5                         | £31,000            | £30,500       | £31,000            | £30,500       | £24,400                 | £24,200       |
|                                  | 10                        | £38,400            | £37,300       | £38,400            | £37,300       | £23,800                 | £23,400       |
|                                  | 15                        | £47,500            | £45,400       | £47,500            | £45,400       | £23,200                 | £22,700       |
|                                  | 20                        | £55,600            | £52,400       | £55,600            | £52,400       | £22,700                 | £22,000       |
|                                  | 25                        | £60,800            | £56,400       | £60,900            | £56,400       | £22,100                 | £21,300       |
|                                  | 30                        | £64,700            | £59,100       | £65,300            | £59,600       | £21,600                 | £20,600       |
| 34                               | £67,200                   | £60,700            | £66,600       | £60,200            | £21,200       | £20,100                 |               |

| Example Member                   | Projection period (years) | Syngenta Schroder Diversified Growth Fund |               | Syngenta LGIM UK Equity Index Fund |               |
|----------------------------------|---------------------------|-------------------------------------------|---------------|------------------------------------|---------------|
|                                  |                           | Before charges                            | After charges | Before charges                     | After charges |
| Example active member - youngest | 1                         | £120,200                                  | £119,000      | £122,400                           | £122,300      |
|                                  | 3                         | £141,000                                  | £137,100      | £148,500                           | £148,200      |
|                                  | 5                         | £162,400                                  | £155,400      | £176,400                           | £175,800      |
|                                  | 10                        | £218,700                                  | £201,900      | £254,900                           | £253,200      |
|                                  | 15                        | £279,200                                  | £249,400      | £347,800                           | £344,500      |
|                                  | 20                        | £344,400                                  | £297,900      | £457,600                           | £452,000      |
|                                  | 25                        | £414,400                                  | £347,600      | £587,500                           | £578,600      |
|                                  | 30                        | £489,700                                  | £398,300      | £741,200                           | £727,800      |
| 33                               | £537,600                  | £429,300                                  | £846,600      | £829,700                           |               |
| Example active member - average  | 1                         | £238,900                                  | £236,500      | £243,400                           | £243,200      |
|                                  | 3                         | £267,200                                  | £259,700      | £282,000                           | £281,300      |
|                                  | 5                         | £296,400                                  | £283,100      | £323,300                           | £322,100      |
|                                  | 10                        | £373,200                                  | £342,500      | £439,500                           | £436,500      |
| Example                          | 1                         | £25,400                                   | £25,100       | £25,900                            | £25,800       |

|                 |    |         |         |         |         |
|-----------------|----|---------|---------|---------|---------|
| deferred member | 3  | £26,100 | £25,300 | £27,600 | £27,600 |
|                 | 5  | £26,900 | £25,600 | £29,600 | £29,500 |
|                 | 10 | £28,900 | £26,100 | £35,000 | £34,700 |
|                 | 15 | £31,100 | £26,700 | £41,400 | £40,900 |
|                 | 20 | £33,400 | £27,300 | £48,900 | £48,100 |
|                 | 25 | £35,900 | £27,900 | £57,900 | £56,700 |
|                 | 30 | £38,700 | £28,600 | £68,500 | £66,800 |
|                 | 34 | £41,000 | £29,100 | £78,300 | £76,200 |

### Assumptions and notes

1. Projected fund values are shown in today's terms on the basis that the assumed rate of inflation has been discounted from any future investment returns.
2. Projected fund values are rounded to the nearest hundred pounds.
3. Contributions are assumed to be paid halfway through the year.
4. Investment returns and the total member costs and charges are deducted at the end of the year.
5. The costs and charges used in preparing these illustrations are based on the total charges and transaction costs set out earlier in this Statement. Charges and costs are deducted before applying investment returns. A zero cost has been used where there are negative transaction costs (i.e. an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). This is because it is not expected that transaction costs will always be negative. It is important to note that using a negative or zero cost during any one Fund Year may not accurately represent the actual transaction costs a member may expect to see in any future Fund Year.
6. Switching costs are not considered in the lifestyle strategies.
7. Inflation is assumed to be 2.5% each year and this is deducted from the below returns as part of the calculation of the values shown.
8. Contributions are assumed from age 29 to 62 for the youngest active member and from age 52 to 62 for the average active member and are assumed to increase in line with the above inflation assumption.
9. Values shown are estimates and are not guaranteed.
10. Transactions costs and other charges have been provided by LGIM. These costs Transaction costs have been averaged by WTW using a time-based approach and covered the period:
  - 1 April 2021 to 31 March 2025 for the Syngenta Global Equity Index with ESG tilt – GBP Hedged Fund (one of component funds under the Drawdown and Lump Sum lifestyles)
  - 1 April 2020 to 31 March 2025 for Syngenta LGIM UK Equity Index Fund, Syngenta UK Pension Diversified Growth Fund' (one of component funds under the Drawdown and Lump Sum lifestyles), Syngenta LGIM Cash Fund and Syngenta Schroder Diversified Growth Fund.

11. The projected growth rates (gross of inflation and costs and charges) for each investment option are as follows:

| Fund                               | Projected growth rate (p.a.)                                        |
|------------------------------------|---------------------------------------------------------------------|
| Drawdown Lifestyle Strategy        | From 3.40% to 7.00% p.a. (adjusted depending on term to retirement) |
| Lump Sum Lifestyle Strategy        | From 2.60% to 7.00% p.a. (adjusted depending on term to retirement) |
| Syngenta LGIM Cash Fund            | 2.00%                                                               |
| Schroder Diversified Growth Fund   | 4.00%                                                               |
| Syngenta LGIM UK Equity Index Fund | 6.00%                                                               |

We note the above returns are based on a prescribed methodology (set out in Actuarial Standard Technical Memorandum 1 v.5.1) that the Trustee is required to use. The investment assumptions above were determined by the volatility of the funds over a 5 year period to 30 September 2023 and may not reflect the actual returns the funds will deliver. We note the above investment assumptions are aligned with those used within your annual benefit statement issued as at 31 March 2025.

12. The below example members have been selected to provide representation of different members. For example the average active member values assumed are based on the average age, contribution level and pot size of all active members.

- Youngest active: age 29, total annual contribution: £8,500, starting fund value: £110,000
- Average active: age 52, total annual contribution: £10,500, starting fund value: £225,000
- Example deferred: age 28, no ongoing contributions, starting fund value: £25,000

13. The Fund's normal retirement age is 62 and the above example members are assumed to retire at this age.

#### 4. Value for members

The Trustee is required to assess the extent to which member borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of "good value", but the Trustee considers that it broadly means that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Fund membership as a whole, when compared to other options available in the market.

The Value assessment was undertaken in line with the Pensions Regulator's latest guidance and the relevant legislation. The Trustee reviews all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Fund. The date of the last review was June 2025 for the Fund Year ending 31 March 2025. The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The review focused on evaluating the value of the investment services that members pay for, whilst also considering the broader value delivered to members but which the Company meets the cost of, such as services members receive in relation to administration, communications and the wider governance of the Fund.

The Trustee assessment was supported by a report prepared by the Fund's advisers, WTW, grading value for members as good, fair or poor.

To assess the total value that members receive from the Fund, the Trustee considered three distinct pillars that broadly mirror the DWP guidance:

1. The level of the charges and transaction costs members pay.
2. The investment returns of the Fund's investment range. This included a market comparison of the main default strategy (Drawdown Lifestyle) against other schemes (including master-trusts) and a review of the performance of each individual self-select fund against its chosen benchmark.
3. The services and features offered by the Fund, compared to those found in market leading DC arrangements including:
  - The performance of the administration service, covering the service standards achieved, data quality and interactions with members.
  - The range of communication services provided to members.
  - The governance and risk management processes that the Trustee has in place.

Consistent with last year's report, the assessment found that the Fund offers good value for members. Below we have provided a summary of the key findings:

- The returns of the default strategy at different stages of the glidepath were shown to be either higher than the comparators or above the average position.
- The vast majority of the self-select funds had delivered performance in line with their benchmarks
- The current charges remain below the average charges payable within the own trust-based arrangements compared against and the market more broadly.
- The transaction costs for the majority of funds were below the market averages for comparable funds.
- The Fund offers a range of investment choices that are designed with the membership in mind (as confirmed as part of the latest investment strategy review).
- The Trustee offers a wider range of solutions to support members with their decision making including:
  - Online access via WTW ePA system allowing members to easily review their investments and make changes if they wish
  - A bespoke Fund website which provides information on key aspects including investment and retirement considerations.
  - A bespoke investment guide
  - Regular updates being shared with members covering key developments within the Fund and more widely.
- WTW has a strong administration proposition which should allow it to manage members' savings in a reliable and efficient manner. This is supported by the performance levels seen over the period which were in line with expectation.
- The Trustee undertakes regular monitoring of the services provided to members of the Fund, this includes engaging with service providers to address any service issues that are identified.
- The Trustee monitors the Fund's investment options on an ongoing basis to ensure they continue to meet their performance objectives.
- The Fund offers an internal annuity conversion option at retirement which allows members to have an inflation linked annuity/pension provided through the Fund which is offered at better than standard market rates. This offers a valuable benefit for members who wish to access their savings this way.

In accordance with the Pensions Regulator's guidance and with the relevant legislation, the Trustee concluded that the Fund represents good value for money for its members.

The Trustee will continue to carry out annual assessments to ensure that value for members is maintained or enhanced.

## 5. Trustee Knowledge and Understanding

The Fund's Trustee Directors are required to maintain appropriate levels of knowledge and understanding to run the Fund effectively. Each Director must:

- Be conversant with the Trust Deed and Rules (Rules) of the Fund, the Fund's SIP and any other document recording policy for the time being adopted by the Trustee relating to the administration of the Fund generally; and
- Have, to the degree that is appropriate to enable the Director to carry out his or her functions as a Trustee, the knowledge and understanding of the law relating to pensions and trusts and the principles relating to investing the assets of occupational pension schemes.

The Trustee has measures in place to comply with the legal and regulatory requirements regarding conversance and knowledge and understanding. Details of how the conversance and knowledge and understanding requirements have been met during the period covered by this statement are set out below.

The Trustee of the Fund is Syngenta Pensions Trustee Ltd, which has a Board of nine Directors. When vacancies on the Board arise, care is taken to assess candidates against the needs for effective governance of the Fund, aiming to ensure the Board includes individuals with a range of skills, knowledge and experience appropriate to the management of the Fund. The combined knowledge and understanding of the Trustee as described below, together with the advice that is available to it, enables the Trustee to properly exercise its function as trustee of the Fund:

- The combined experience of the Trustee Board includes expertise in financial matters, risk management, employee/member communications, HR, treasury, investment and legal matters.
- Specialist legal, actuarial and investment advisers attend Trustee meetings to advise on specific matters on the agenda and may contribute more generally to discussions.
- The Board includes an independent professional firm. Various individuals represent the independent Trustee at meetings based on each individual's advanced technical knowledge and expertise.
- The Board is conversant with the Fund's Rules, SIP and other key administrative documents such as Fund policies and has appropriate knowledge of pensions and trust law and matters relating to the Fund's funding and investment.

The Trustee has met the legal and regulatory requirements regarding conversance and knowledge and understanding by:

- Reviewing the Fund documentation during the Fund Year including:
  - Reviewing the Rules
  - Reviewing the Fund SIP as part of its consideration around its annual implementation Statement which sets out the Trustee's compliance with the policies set out in the SIP
  - Reviewing the Fund Business Plan and Conflicts of Interest at each meeting
  - Considering the applicable Sub-Committees terms of reference at each meeting
- Maintaining a rolling programme of bespoke Trustee training (at both Board and Committee level) which is delivered through training days and within Trustee meetings. Training is often linked to topical matters or matters of particular relevance and is reviewed regularly. Topics during the Fund Year included:
  - Legal and regulatory updates
  - Market developments in relation to supporting member decision making
  - Ombudsman cases
  - New Shariah complaint investment options

- Cyber security including incident response plan
- The potential impact of artificial intelligence on pensions
- Where a new Trustee Directors is appointed, a process is in place to support with them obtaining the required knowledge. This includes:
  - The expectation they complete TPR's trustee toolkit within six months of appointment. This toolkit is a series of learning modules covering some of the key information that is relevant to trustees, for example the trustee's role, pensions law and an introduction to investment. All other Trustee Directors are expected to keep up to date with the trustee toolkit and all Directors were up to date with this training during the Fund Year.
  - Receiving training from the Trustee advisors and the Fund Secretary on aspects such as key Fund documents including the Trust Deed and Rules and the SIP in addition to Fund policies.

There was one new Trustee Director appointed during the Fund Year and they completed the training process set out above.

- Receiving appropriate legal, investment and other advice, as required, from the Trustee's appointed advisers. The advice topics during the Fund Year included:
  - Monitoring investment performance
  - Monitoring of administration performance
  - Receiving updates on the Fund's DC investment managers
  - TPR's General Code of Practice and the Fund's activity to meet compliance with this
  - Receiving regular legal and regulatory updates from the Trustee's advisers
  - Attending seminars from external providers according to individual needs
  - Reviewing the training programme annually following an effectiveness assessment including Trustee knowledge, understanding and skills to address any identified gaps.
  - Having Fund documents available to the Trustee Board online through a dedicated secure site.
  - Recording all training and attendance at relevant seminars in the Trustee training log.

The evaluation of the Trustee Director's knowledge and understanding is primarily carried out and assessed via a Trustee effectiveness review which is undertaken annually using Trustee questionnaires or interviews, discussions during Trustee meetings and a periodic review by an independent external assessor. This identifies any additional training gaps and improvements that can be made to improve the effectiveness of the Trustee Board and these are incorporated into the training schedule and system of governance for the following Fund Year.

Further to the latest Trustee effectiveness review undertaken over Q4 2024, some improvements have been made to the presentation of quarterly Trustee Board meeting packs to make them easier to navigate and a succession planning policy has been put in place. No significant knowledge gaps were identified but the Trustee agreed that training on the latest developments in cyber security and the impact of artificial intelligence in pensions would be beneficial and these were addressed via the training noted above during the Fund Year and subsequent training at the 2025 Trustee training day.

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

Kirsten Elce – Chairman of the Trustee.

# Statement of Investment Principles

Syngenta UK Pension Fund – Investment Account  
section

*June 2025*

# Statement of Investment Principles

## Syngenta UK Pension Fund

The Statement of Investment Principles contains the following Sections and Appendices.

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# 1

## Introduction

- 1.1 Sections 1 to 8 of this document constitute the Statement of Investment Principles (Investment Account section). The Appendices to this document are included for information only and are relevant as at June 2025.

### *Background*

- 1.2 Under the Pensions Act 1995, subsequently amended by the Pensions Act 2004, trustees are required to prepare a statement of the principles governing investment decisions. This document contains that statement and describes the investment policy pursued by Syngenta Pensions Trustee Limited (the Trustee) of the Syngenta UK Pension Fund (the Fund) in respect of the Investment Account section.
- 1.3 Before preparing this document, the Trustee has consulted the Employer and the Trustee will consult the Employer before revising this document. However, the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.
- 1.4 Before preparing this document, the Trustee has sought advice from the Fund's Investment Consultant. In preparing this document, the Trustee has had regard to the requirements of the Pensions Act concerning diversification of investments and suitability of investments and the Trustee will consider these requirements in any review of this document or any change in their investment policy. The Trustee will refer to this document where necessary to ensure it exercises its power of investment so as to give effect to the principles set out in it as far as is reasonable.
- 1.5 In accordance with the Financial Services and Markets Act 2000, the Trustee will set the general investment policy, but delegate the responsibility for selection of specific investments to appointed Investment Managers.
- 1.6 The Trustee has assessed its compliance against the Pensions Regulator's General Code of Practice, issued in March 2024, and intends to monitor its adherence to this Code on a regular basis.
- 1.7 When choosing investments, the Trustee and the Investment Managers (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 and the principles contained in this statement.

### *Fund details*

- 1.8 Until 5 April 2012, the Fund was contracted out of the State Second Pension under a certificate issued by the Contributions Agency. From 6 April 2012, members of the Investment Account section have had to be contracted in to the State Pension arrangements. Exempt approval has been granted by the Inland Revenue under Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988. Since 6 April 2006, the Syngenta UK Pension Fund has been treated by HM Revenue and Customs (HMRC) as a registered pension scheme in accordance with Schedule 36 of the Finance Act 2004.

## 2 Governance

2.1 The Trustee has ultimate responsibility for decision-making on investment matters. However, an Investment Committee handles the majority of investment matters and makes recommendations to the Trustee where decisions are required to be taken by the Trustee. The DC Committee also handles the majority of the governance matters relating to the DC scheme and makes recommendations to the Trustee where decisions are required to be taken by the Trustee. Before implementing any material or strategic investment decisions, the Trustee will consult with the Employer.

The Trustee's investment responsibilities include:

- Reviewing, at least every three years and immediately after any significant change in investment policy, the content of this Statement of Investment Principles (SIP) and modifying it if deemed appropriate, in consultation with the Employer and with written advice from the Investment Consultant
- Assessing the quality of the performance and processes of the Investment Managers by means of regular, but no less than annual, reviews of the investment results and other information in consultation with the Investment Consultant
- Consulting with the Employer when reviewing investment policy issues
- Appointing (and dismissing) Investment Managers
- Monitoring compliance with this Statement on an ongoing basis

2.2 As noted above, the Trustee has delegated a number of investment responsibilities to an Investment Committee.

2.3 Decisions affecting the Fund's investment strategy are taken with appropriate advice from the Fund's Investment Consultant and the Trustee's other advisers where appropriate.

2.4 Only persons or organisations with the necessary skills, information and resources are actively involved in taking investment decisions affecting the Fund. The Trustee of the Fund draws on the expertise available from external advisers, including the Investment Managers, Investment Consultant and Legal Advisers, and consults the Employer.

2.5 A schedule of the respective responsibilities of each party is provided in Appendix B.

## 3 Overall investment strategy

- 3.1 The Trustee's strategy is to provide sufficient, cost effective, investment options to allow the DC members' investment in secure assets of appropriate liquidity which will generate income and capital growth which, together with new contributions from members and the Employer, will provide a fund at retirement with which they can purchase a pension annuity, take a cash lump sum or enter an income drawdown arrangement. The pension annuity and cash lump sum are available from the Fund, or all three options are available via the open market with other authorised pension providers.

### *Default Investment Arrangements*

- 3.2 The Fund is closed to new joiners and has not historically been used to auto-enrol employees. All existing members were required to select an investment strategy upon joining. (N.B Retirement Account section members are able to take flexible retirement by putting their defined benefit pension into payment and opening a new defined contribution pension account if they do not already have one.)

In 2011, the Trustee undertook a fund mapping exercise which involved members who did not make an individual decision being automatically transferred from the Equitable Life With-profits Fund to the L&G Cash Fund. The Trustee selected the L&G Cash Fund as the investment default to prioritise capital protection for these members' funds.

The Trustee has also elected to use the L&G Cash Fund as a short-term vehicle in circumstances where a member's investment instruction is still to be clarified due to an administration issue, or if a member's instructions cannot be implemented due to an issue with investment markets (for example in March 2020 the L&G Managed Property Fund was suspended and as a result contributions were redirected to the Cash Fund). Again, with the primary objective of capital preservation. The L&G Cash Fund is therefore a technical default arrangement.

In September 2019 the Trustee changed its default fund policy and elected to use the Cash Lifestyle Strategy instead of the L&G Cash Fund in circumstances where a member has not made an investment instruction. This is with the objective of continuing to prioritise capital protection for these members' funds by automatically investing in lower risk assets (diversified assets and cash) as members get closer to their target retirement age but investing in higher risk assets (global equities) with greater potential for growth for members who are further away from retirement.

Following a review of the Fund's investment strategy in 2020 the Trustee agreed to switch all IA only members invested in the Annuity lifestyle who were further than 10 years from their target retirement age to the New Drawdown lifestyle to match the expected retirement objectives of this group of members. The aim is to offer greater potential for growth, by investing in higher risk assets (global equities) further away from retirement and then gradually switching to lower risk assets (diversified assets and cash) as members get closer to their target retirement age whilst still offering an element of growth potential in line with a member who wishes to keep the majority of their savings invested to provide an income during retirement. The Trustee agreed that affected members should be able to opt out of this switch and remain in the Annuity lifestyle as part of the implementation of these changes in April 2021. Due to this investment mapping the New Drawdown lifestyle became a default arrangement.

- 3.3 The Trustee's policies set out in this document apply equally (to the extent relevant) to

these default arrangements (and the technical default arrangement mentioned above) and the Trustee believes that the objectives and policies together ensure that the assets in the default arrangements are invested in the best interests of members. The Trustee has appointed Legal & General Investment Management to provide an investment platform through which the members can access a pooled fund platform that allows members to invest in a range of active and passive funds. Within the fund range offered to members there are different managers (“Investment Managers”), which are listed in Appendix A.

3.4 The Trustee wishes to give members a reasonable degree of freedom over the investment policy of their accounts. Consequently, the Trustee has selected a balanced range of investment options to allow members to match their investment choice against their own risk tolerance and the different ways they can take their benefits on retirement. The following asset classes have been made available for members to choose their own customised asset mix:

- UK equities (passive)
- Overseas equities (passive)
- Global equities (passive) - from April 2021 this fund is open only to those members already investing in this fund
- Global equities (passive) i.e. LGIM Future World Global Equity Index – GBP Currency Hedged
- Global Islamic equities (passive) i.e. HSBC Global Islamic Equity Index Fund
- Emerging markets equities (passive)
- Government and corporate bonds (passive and active options, including funds aiming to track the price of annuities)
- Property (active)
- Diversified growth fund – range of traditional and alternative asset classes
- Cash.

Details of the investment options available and their aims and objectives are provided in Appendix D.

3.5 In addition to the above funds, the Trustee offers the members a number of lifestyle options catering for those members who wish to target drawdown, annuity or lump sum at retirement. These options are consistent with the increased pension freedoms that came into effect from April 2015. By taking these options, members are automatically switched between passive global equities (i.e. LGIM Future World Global Equity Index – GBP Currency Hedged), diversified growth fund, and depending on the retirement approach targeted the lifestyle will move into funds aiming to track the price of annuities and/or cash as they approach their target retirement date.

In 2020 the Trustee reviewed the Investment Account (IA) investment strategy and agreed a new growth phase design for each of the Annuity, Drawdown and Cash lifestyles. The new lifestyle strategies expose members to more investment risk early in their career, by holding equities for 10 years longer than the previous lifestyle growth phase. The strategies transition into diversified assets as members get nearer to retirement, reducing investment risk whilst still offering the potential for growth. All three lifestyle strategies de-risk towards the respective at-retirement portfolios over the 10 years prior to a member’s target retirement age.

As part of the implementation of the new growth phase design in each of the lifestyle strategies in April 2021, members with more than 10 years prior to their target retirement age in the previous lifestyle strategies had the option to stay where they were in the growth phase of the

previous lifestyle strategies. These members would have to actively select this as a choice, otherwise were moved to the new growth phase (New lifestyle strategies). Whilst some members elected to stay in the Current Annuity lifestyle, none elected to stay in either the Current Cash or Current Drawdown lifestyles. Therefore there are four lifestyles in force: the New Annuity, Drawdown and Cash lifestyles, and the Previous Annuity lifestyle. Following the implementation of these changes in April 2021, members are not able to switch back into any of the “Previous” lifestyle strategies.

As part of the 2020 investment strategy review, the Trustee reviewed the IA membership characteristics and retirement experience. This review highlighted that IA only members appeared more likely to target income drawdown at retirement. Based on the expected retirement objectives of these members, the Trustee agreed to switch all IA only members invested in the Annuity lifestyle further than 10 years from their target retirement age to the New Drawdown lifestyle. The Trustee agreed that affected members should be able to opt out of this switch and remain in the Annuity lifestyle as part of the implementation of these changes in April 2021. It was agreed that members who were within 10 years of their target retirement age at the time of this change should remain in the Annuity lifestyle.

The investment strategy was last reviewed in June 2023. The Trustee agreed the current range of lifestyle strategies, including the default option, remained appropriate for the membership based on Fund demographics.

## 4 Investment manager structure

- 4.1 The Fund assets that relate to the payment of defined contribution benefits are managed separately from those assets that support the defined benefit liabilities.
- 4.2 The Trustee has the responsibility for appointing Investment Managers from time to time to manage the assets of the defined contribution (Investment Account) section of the Fund.

## 5 Corporate governance and Socially Responsible Investment (SRI)

- 5.1 The Investment Committee (IC) reviews their Environmental, Social and Governance (ESG) policy with the investment strategy at least every three years whilst the Trustee Directors discuss ESG policies with their respective fund managers at regular Trustee and IC meetings.
- 5.2 The Trustee considers long-term sustainability to be an important and relevant issue to consider throughout the investment process.
- 5.3 The Trustee recognises that an investment's financial success can be influenced by a number of factors including (but not limited to) approach to stewardship and Environmental, Social and Governance (ESG) issues, including climate change. The Trustee assesses that ESG risks, and in particular climate change, pose a financial risk to the Fund and that focusing on these issues is ultimately consistent with the Trustee's fiduciary duties and the financial security of its members.
- 5.4 The Trustee also recognises that its actions can contribute to systemic risk, giving it an additional responsibility to act sustainably.
- 5.5 The Trustee considers these issues as part of their broader risk management framework, when reviewing and monitoring the Fund's investment strategy (including the default strategy, as appropriate). Within the lifestyle strategies, the allocation to global equities uses a fund that has a greater focus on companies that score well against ESG issues. This global sustainable equity fund (i.e. LGIM Future World Global Equity Index – GBP Currency Hedged) is also available to members as part of the self-select fund range.
- 5.6 The Trustee's policy is to delegate responsibility for the selection, retention and realisation of investments to the Investment Managers, and, as all investments are made via pooled funds, the Trustee is unable to exercise direct control over the Investment Managers' policies on socially responsible investment or voting rights. This delegation includes consideration of all financially material factors, including financially material ESG issues and climate changes explicitly. Whilst the Trustee's policy is to delegate a number of stewardship activities to the Investment managers, the Trustee recognises that the responsibility for these activities remains with the Trustee. The Trustee incorporates an assessment of how well the Investment Managers exercise these responsibilities as part of its overall assessment of their performance.
- 5.7 When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations, but has identified climate change, biodiversity and corporate governance as stewardship priorities, and consequently, these are key areas of focus for the Trustee.
- 5.8 The exercise of ownership rights is also an integral part of the investment management role. Whilst the actions taken are ultimately the Trustee's responsibility, it delegates the implementation of all stewardship activities (including voting and engagement activities with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and the ESG impact of underlying holdings) attaching to investments to its Investment Managers.
- 5.9 The Trustee periodically monitors its managers to ensure that the Trustee's stated policies as outlined above are being met and will explore and challenge managers on issues that arise as part of its ongoing monitoring of the sustainability credentials of its managers.

- 5.10 At present, the Trustee does not explicitly take account of non-financial matters in the overall decision making or setting of default fund strategies but will continue to monitor and review its approach in this area. In the provision of suitable DC self-select options, the Trustee will consider the particular religious and moral stances of its membership and this may lead to the provision of self-select options that take non-financial factors into consideration. An example is the Sharia compliant fund available to members.

## 6 Investment Manager arrangements

- 6.1 The Fund uses different Investment Managers and mandates to implement its investment policies. The Trustee ensures that, in aggregate, the investment options are consistent with the policies set out in this Statement, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee will also ensure that the investment objectives and guidelines of any particular pooled vehicle are consistent with its policies, where relevant to the mandate in question.
- 6.2 To maintain alignment, Investment Managers are provided with the most recent version of this Statement of Investment Principles on an annual basis and are required to confirm the extent to which management of the assets is consistent with those policies relevant to the mandate in question. To the extent there is any misalignment between the management of assets and the relevant policies in the Statement of Investment Principles, Investment Managers are required to report this to the Trustee as part of this process. Investment Managers are asked to include written details of the extent to which management of the assets is consistent with those policies in this Statement of Investment Principles, as relevant to the mandate in question, when presenting to the Investment Committee.
- 6.3 Should the Trustee's monitoring process reveal that an Investment Manager's fund is not aligned with the Trustee's policies, the Trustee will engage with the Investment Manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the fund and the Investment Manager's engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the Investment Manager will be considered for termination.
- 6.4 For most of the Fund's investment funds, the Trustee expects the Investment Managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods. The Trustee may select certain investment funds where such engagement may be not deemed appropriate, due to the nature of the strategy and/or the investment time horizon underlying decision making.
- 6.5 The Trustee appoints its Investment Managers (via the Platform Provider) with an expectation of a long-term partnership, which encourages active ownership of the Fund's assets. When assessing an Investment Manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate an Investment Manager's appointment based purely on short-term performance. However, an Investment Manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.
- 6.6 Investment Managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement.
- 6.7 The Trustee reviews the costs incurred in managing the Fund's assets regularly, which includes the costs associated with portfolio turnover, including regular engagement with Investment Managers on this subject and through the receipt of cost and charges reporting. There is no broad targeted portfolio turnover (how frequently assets within a fund are bought and sold by Investment Managers) which the Trustee adheres to. The Trustee, with the help of the Investment Consultant, will monitor that the level of portfolio turnover remains appropriate in the context of the Investment Managers' strategy and the Fund's investment strategy.

## 7 Monitoring

- 7.1 The appointment of the Investment Managers is reviewed by the Trustee from time to time, based on the results of the Trustee's monitoring of their performance and investment process and of the Investment Managers' compliance with the requirements in the Pensions Act concerning diversification and suitability, where relevant.
- 7.2 The Trustee measures the Investment Managers' performance against objectives.
- 7.3 The Investment Committee of the Trustee holds regular meetings (normally on an annual basis) with each Investment Manager to satisfy themselves that the Managers continue to carry out their work competently and have the appropriate knowledge and experience to manage the investments of the Fund.
- 7.4 The Trustee recognises that there are investment risks that are specific to the Investment Account section. These are:
- 'Inflation risk' – the risk that the investment return over members' working lives does not keep pace with inflation and does not therefore secure an adequate pension. This risk is managed by ensuring members have access to asset classes which have the potential to keep track or outpace inflation, such as equities.
  - 'Retirement objective mismatch' risk – the risk that members' investment allocation in the years prior to retirement does not match their retirement objectives, exposing members to inefficient or uncertain outcomes. This risk is managed by ensuring members are aware of the investment options and how the lifestyle strategies are designed with specific retirement choices in mind and are encouraged to consider their personal retirement objectives when making their choices.
  - 'Sequencing' risk – the risk that unfavourable investment returns close to retirement can result in less money for retirement. This risk is particularly pronounced in the immediate weeks pre and post retirement when a member is transacting their retirement options and moving their assets out of the Investment Account section. This risk is managed by ensuring members have access to a wide range of investment options and strategies so as to be able to spread their savings across different asset classes, should they wish.
  - 'Shortfall' or 'opportunity cost' risk – the risk that members end up with insufficient funds at retirement with which to secure a reasonable income. This risk is addressed through member communication and education, as well as the construction of the investment options and lifestyle strategies.
  - 'Capital risk' – the risk of a fall in the value of the member's fund. This risk is managed by ensuring the investment options are appropriately diversified and members are able to construct a balanced and diverse portfolio using a number of different asset classes. Lifestyle options are also available to help mitigate this risk.

The varying nature of the risks faced by a DC member through time means that no single investment product would adequately meet the needs of the investor throughout the investing period. Therefore suitable funds are provided for effective management of the risks faced by DC members.

The Trustee aims to provide a range of funds, which allows members of the Investment Account section to manage the various risks to which they are exposed.

Specifically, the Trustee will provide funds across the following asset classes which have the following risk and expected return characteristics:

- Equity and diversified growth funds for members seeking real returns over the long-term. Capital values may be volatile in the short term, although for diversified growth funds this is expected to be less than for equities.
- Property for members seeking real returns over the long-term via diversified exposure, with less reliance on equity market returns.
- Long-dated bond and pre-retirement funds for members seeking to manage the risk of annuity rate fluctuations. Capital values are likely to be less volatile than equities but tend to produce lower returns in the medium to long term. A cash fund for members who wish to focus on capital preservation. Limited investment returns are associated with the low-risk nature of the assets

## **8** Other policies

### ***Diversification***

- 8.1 The choice of funds is designed to ensure that members' investments are adequately diversified. As the Fund invests via pooled funds the Trustee is not in a position to ensure the assets are diversified within asset classes. However, this issue will feature in the selection criteria for new Investment Managers and monitoring process for ongoing Investment Managers, and from the use of passive funds.

### ***Suitability***

- 8.2 The Trustee has taken advice from its Investment Consultant to ensure that the funds provided are suitable for the Investment Account section of the Fund. Individual members are themselves responsible for ensuring that the funds in which their own contributions, and contributions paid on their behalf by the Employer are invested, are suitable given their own specific risk profile.
- 8.3 The Trustee will, on a regular basis at least annually, review the range of funds' available for their suitability, either individually or as part of the lifestyle arrangements.
- 8.4 The Trustee will assess the fees and value for money of the investment choices.

### ***Liquidity and realisation of investments***

- 8.5 The members' accounts are held in funds that trade regularly, typically daily, which can be realised promptly to provide pension benefits from the Fund or transferred to another pension arrangement.
- 8.6 In the default arrangement, the Trustees indirectly invest in illiquid assets through the Diversified Growth Fund and consider the Diversified Growth Fund to be appropriate in terms of risk and return for the default lifestyle. This allocation is at the discretion of the investment manager and they invest in property, infrastructure and private equity assets.
- 8.7 The Diversified Growth Fund is used within the Default Lifestyle strategy, with members starting to invest in it from 20 years from their target retirement age. The allocation builds up to 100% allocation over the next 10 years, and then reduces to zero over the final 10 years leading up to the member's target retirement age.
- 8.8 In the self-select range, members have the ability to invest in the LGIM Managed Property fund which invests in illiquid assets.
- 8.9 The Trustee's policy is to invest in assets that are sufficiently liquid to allow them to be realised readily and typically daily dealt. The Trustee have decided not to invest directly in illiquid assets at this time.

## **A** Current Advisers and Investment Managers

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|                                |                                                                                                         |
|--------------------------------|---------------------------------------------------------------------------------------------------------|
| <i>Fund Actuary:</i>           | Colin Smith FIA                                                                                         |
| <i>Investment Consultant:</i>  | WTW Investment                                                                                          |
| <i>DC Investment Managers:</i> | Legal & General Investment Management<br>Schroder Investment Management<br>HSBC Global Asset Management |
| <i>Platform provider:</i>      | Legal & General Investment Management                                                                   |
| <i>Solicitors:</i>             | Allen & Overy LLP                                                                                       |
| <i>Fund Auditors:</i>          | Grant Thornton LLP                                                                                      |
| <i>Administrator:</i>          | WTW Outsourcing GB                                                                                      |

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## **B** Division of responsibilities

### **1.1.1 Platform Provider and Investment Managers**

The Plan Provider and underlying Investment Managers' responsibilities include:

- For active Managers at their discretion, but within any guidelines given by the Trustee, implementing changes in the asset mix and selecting securities within each asset class.
- Providing the Trustee with quarterly statements of the assets along with a quarterly report on actions and future intentions, and any changes to the investment processes applied to their portfolios.
- Informing the Trustee of any material changes in the internal objectives and guidelines of any pooled funds used by the Fund and managed by the Investment Manager or an associated company.

Arranging the independent safekeeping of the assets and appropriate administration (including income collection and corporate actions) within any pooled funds used by the Trustee Directors.

- Having regard to the need for diversification of investments so far as appropriate and to the suitability of investments.
- Giving effect to the principles contained in the Statement as far as reasonably practicable.

### **1.1.2 Investment Consultant**

The role of the Investment Consultant is to make recommendations or give advice to the Trustee and Investment Committee in the following areas:

- The formulation of an efficient governance structure
- The regular updating of the Statement of Investment Principles
- The development of a clear investment strategy for the Fund
- The construction of an overall investment management structure that meets the objectives of both the Trustee and Employer
- The selection and appointment of appropriate investment management organisations
- The Consultant's current views of the Investment Managers employed by the Fund
- Potential new areas or tools of investment
- Commentary on investment performance and risk taken by the Investment Managers
- Trustee education
- General advice in respect of the Fund's investment activities.

Certain predictable services provided by the Investment Consultant are included in a fixed fee agreed between WTW and the Trustee. Other fees will be calculated primarily by reference to the time spent on any particular assignment. The Trustee believes that this time-based fee arrangement is suitable for professional advisors as it provides a framework for ensuring a suitable amount of attention is paid to the Fund's matters while allowing the Trustee appropriate control over fees. Where new investment managers are appointed, basis point fees (based on the assets invested) are charged to reflect a contribution to the cost of researching the universe of products to identify 'best in class' opportunities.

## *Administrator*

The Administrator's responsibilities include:

- Ensuring efficient record keeping and timely investment of contributions for Investment Account members.

Investment Committee

The Investment Committee's responsibilities include:

- Monitoring of investment performance, including compliance with guidelines
- Setting asset allocation for the lifestyle strategies
- Choice of number and identity of Managers within each asset class (including active/passive decisions)
- Designing and setting Manager benchmarks and targets; Manager agreements.
- Assessing performance of Investment Consultant
- Fee structure negotiations

The Investment Committee consists of two management appointed Trustee Directors, a member selected Trustee and a representative of The Law Debenture Pension Trust Corporation plc. The Trustee Board is ultimately responsible for Investment Committee decisions.

The Investment Committee is advised by the Investment Consultant. Employer representatives attend Investment Committee meetings.

## **C** Current manager mandates

Measurable objectives have been developed for the Investment Managers consistent with the overall longer-term objectives of the investment options offered through the Fund.

## D Fund Range aims and objectives

| <b>Investment Manager Description</b>                                                  | <b>Member Title</b>                                 | <b>Management style</b> | <b>Invests in</b>                         | <b>Aims</b>                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>L&amp;G World Emerging Markets Equity Index</b>                                     | World Emerging Markets Equity Index                 | Passive                 | 100% in emerging market equities          | Provide good growth over the medium to long term by tracking the performance of the FTSE Emerging Index.                                                                                                                                  |
| <b>L&amp;G World (ex UK) Equity Index</b>                                              | World (ex UK) Equity Index Fund                     | Passive                 | 100% in overseas equities                 | Provide good growth over the medium to long term by tracking the performance of the FTSE World (ex UK) Index. Returns will be affected by currency exchange rates.                                                                        |
| <b>L&amp;G World Equity Index – GBP Hedged</b>                                         | World Equity Index Hedged Fund                      | Passive                 | 100% in global equities                   | Provide good growth over the medium to long term by tracking the performance of the FTSE World Index. Returns will not be affected by currency exchange rates.                                                                            |
| <b>L&amp;G Future World Global Equity Index Fund – GBP Currency Hedged<sup>1</sup></b> | Global Equity Index with ESG tilt – GBP Hedged Fund | Passive                 | 100% in global equities                   | Provide good growth over the medium to long term by tracking the performance of the Solactive L&G ESG Global Markets Index. Returns will not be affected by currency exchange rates for the majority of the exposure to overseas markets. |
| <b>HSBC Islamic Global Equity Index Fund</b>                                           | Shariah Fund                                        | Passive                 | 100% in global equities (with exclusions) | Provide good growth over the medium to long term. The Fund aims to track as closely as possible the performance of the Dow Jones Islamic Market Titans 100 Index.                                                                         |
| <b>L&amp;G UK Equity Index Fund</b>                                                    | UK Equity Index Fund                                | Passive                 | 100% in UK equities                       | Provide good growth over the medium to long term by tracking the performance of the FTSE All-Share Index.                                                                                                                                 |
| <b>L&amp;G Diversified Fund</b>                                                        | Diversified Fund                                    | Passive                 | Multiple asset classes                    | Provide equity like growth over the medium to long term, with less of the associated volatility.                                                                                                                                          |

|                                                               |                                             |         |                                                          |                                                                                                                                                   |
|---------------------------------------------------------------|---------------------------------------------|---------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Schroders Intermediated Diversified Growth<sup>2</sup></b> | Schroder Diversified Fund                   | Active  | Multiple asset classes                                   | Provide equity like growth over the medium to long term, with less of the associated volatility by investing in a diverse range of asset classes. |
| <b>L&amp;G Diversified Fund<sup>1</sup></b>                   | Syngenta UK Pension Diversified Growth Fund | Passive | Multiple asset classes                                   | Provide equity like growth over the medium to long term, with less of the associated volatility by investing in a diverse range of asset classes. |
| <b>Managed Property Fund</b>                                  | Managed Property Fund                       | Active  | 100% in UK commercial property                           | Aims to provide growth in the medium to long term.                                                                                                |
| <b>Active Corporate Bonds - Over 10 years</b>                 | Active Corporate Bond Fund                  | Active  | Long-dated corporate bonds with credit ratings of AAA-BB | Aims to provide steady growth over the medium to long term by investing primarily in high quality corporate bonds.                                |
| <b>Inflation Linked Fund – (Annuity Aware)<sup>1</sup></b>    | Inflation Linked Fund – (Annuity Aware)     | Passive | Corporate Bonds and UK Government Bonds                  | Aims to track underlying assets for inflation linked annuity purchase.                                                                            |
| <b>All Stocks Gilts Index</b>                                 | All Stocks Gilt Index Fund                  | Passive | 100% in UK Government Bonds                              | Provide steady growth over the medium to long term by tracking the FTSE Actuaries UK Conventional Gilts All Stocks Index.                         |
| <b>Over 5 year Index-Linked Gilts Index</b>                   | Inflation-Linked Gilt Fund                  | Passive | 100% in UK Government inflation-linked bonds             | Provide steady growth over the medium to long term by tracking the performance of the FTSE Actuaries UK index Linked Gilts Over 5 year Index.     |
| <b>Cash<sup>1</sup></b>                                       | Cash Fund                                   | Active  | 100% in UK and overseas money market investments         | Aims to provide capital security and income by holding short term deposits with a range of high-quality financial institutions.                   |

Notes:

Fund charges are published annually in the Chair's Statement.

The World Equity Hedged Index fund and Schroders Intermediated Diversified Growth remain open as a self-select option but only for members already invested in the funds at their respective points of closure.

<sup>1</sup> These funds are used within the lifestyle strategies.

<sup>2</sup> This fund is only available to members who already invest in it.

There are four lifestyle strategies in force. The different lifestyles target an annuity at retirement, income drawdown and lump sum at retirement. The three new lifestyles were introduced from April 2021 with a new growth phase design. As part of the implementation of these changes in April 2021, members with more than 10 years to their target retirement age in the previous (Pre 2021 ) lifestyle had the option to stay where they were in the growth phase of this lifestyle which some members opted to do. Whilst some members elected to stay in the Pre 2021 Annuity lifestyle, none elected to stay in either the Pre 2021 Cash or Pre 2021 Drawdown lifestyles. Therefore, only the four lifestyles shown below are in force. From April 2021 members switching strategies are only able to select the three new lifestyles as a lifestyle investment choice. The tables below show the allocations to each fund up until retirement at age 65 (for example). Members are able to elect a target retirement age.

Pre 2021 Annuity lifestyle:

| Age | Equities (LGIM Future World Global Equity Index – GBP Currency Hedged) | DGF (LGIM Diversified Fund) | Annuity matching (Inflation Linked Fund – (Annuity Aware)) | Cash (Cash Fund) |
|-----|------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------|------------------|
| 25  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 26  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 27  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 28  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 29  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 30  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 31  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 32  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 33  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 34  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 35  | 100%                                                                   | 0%                          | 0%                                                         | 0%               |
| 36  | 90%                                                                    | 10%                         | 0%                                                         | 0%               |
| 37  | 80%                                                                    | 20%                         | 0%                                                         | 0%               |
| 38  | 70%                                                                    | 30%                         | 0%                                                         | 0%               |
| 39  | 60%                                                                    | 40%                         | 0%                                                         | 0%               |
| 40  | 50%                                                                    | 50%                         | 0%                                                         | 0%               |
| 41  | 40%                                                                    | 60%                         | 0%                                                         | 0%               |
| 42  | 30%                                                                    | 70%                         | 0%                                                         | 0%               |
| 43  | 20%                                                                    | 80%                         | 0%                                                         | 0%               |
| 44  | 10%                                                                    | 90%                         | 0%                                                         | 0%               |
| 45  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 46  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 47  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 48  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 49  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 50  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 51  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 52  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 53  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 54  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 55  | 0%                                                                     | 100%                        | 0%                                                         | 0%               |
| 56  | 0%                                                                     | 90%                         | 10%                                                        | 0%               |
| 57  | 0%                                                                     | 80%                         | 20%                                                        | 0%               |
| 58  | 0%                                                                     | 70%                         | 30%                                                        | 0%               |
| 59  | 0%                                                                     | 60%                         | 40%                                                        | 0%               |
| 60  | 0%                                                                     | 50%                         | 50%                                                        | 0%               |
| 61  | 0%                                                                     | 40%                         | 60%                                                        | 0%               |
| 62  | 0%                                                                     | 30%                         | 70%                                                        | 0%               |
| 63  | 0%                                                                     | 20%                         | 72%                                                        | 8%               |
| 64  | 0%                                                                     | 10%                         | 73%                                                        | 17%              |
| 65  | 0%                                                                     | 0%                          | 75%                                                        | 25%              |

**Post 2021 Annuity lifestyle:**

| <b>Age</b> | <b>Equities (LGIM Future World Global Equity Index – GBP Currency Hedged)</b> | <b>DGF (LGIM Diversified Fund)</b> | <b>Annuity matching (Inflation Linked Fund – (Annuity Aware))</b> | <b>Cash (Cash Fund)</b> |
|------------|-------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------|-------------------------|
| 25         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 26         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 27         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 28         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 29         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 30         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 31         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 32         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 33         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 34         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 35         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 36         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 37         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 38         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 39         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 40         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 41         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 42         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 43         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 44         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 45         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 46         | 90%                                                                           | 10%                                | 0%                                                                | 0%                      |
| 47         | 80%                                                                           | 20%                                | 0%                                                                | 0%                      |
| 48         | 70%                                                                           | 30%                                | 0%                                                                | 0%                      |
| 49         | 60%                                                                           | 40%                                | 0%                                                                | 0%                      |
| 50         | 50%                                                                           | 50%                                | 0%                                                                | 0%                      |
| 51         | 40%                                                                           | 60%                                | 0%                                                                | 0%                      |
| 52         | 30%                                                                           | 70%                                | 0%                                                                | 0%                      |
| 53         | 20%                                                                           | 80%                                | 0%                                                                | 0%                      |
| 54         | 10%                                                                           | 90%                                | 0%                                                                | 0%                      |
| 55         | 0%                                                                            | 100%                               | 0%                                                                | 0%                      |
| 56         | 0%                                                                            | 90%                                | 10%                                                               | 0%                      |
| 57         | 0%                                                                            | 80%                                | 20%                                                               | 0%                      |
| 58         | 0%                                                                            | 70%                                | 30%                                                               | 0%                      |
| 59         | 0%                                                                            | 60%                                | 40%                                                               | 0%                      |
| 60         | 0%                                                                            | 50%                                | 50%                                                               | 0%                      |
| 61         | 0%                                                                            | 40%                                | 60%                                                               | 0%                      |
| 62         | 0%                                                                            | 30%                                | 70%                                                               | 0%                      |
| 63         | 0%                                                                            | 20%                                | 72%                                                               | 8%                      |
| 64         | 0%                                                                            | 10%                                | 73%                                                               | 17%                     |
| 65         | 0%                                                                            | 0%                                 | 75%                                                               | 25%                     |

**Alternative – Cash lifestyle**

| <b>Age</b> | <b>Equities (LGIM Future World Global Equity Index – GBP Currency Hedged)</b> | <b>DGF (LGIM Diversified Fund)</b> | <b>Annuity matching (Inflation Linked Fund – (Annuity Aware))</b> | <b>Cash (Cash Fund)</b> |
|------------|-------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------|-------------------------|
| 25         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 26         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 27         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 28         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 29         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 30         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 31         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 32         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 33         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 34         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 35         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 36         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 37         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 38         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 39         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 40         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 41         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 42         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 43         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 44         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 45         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 46         | 90%                                                                           | 10%                                | 0%                                                                | 0%                      |
| 47         | 80%                                                                           | 20%                                | 0%                                                                | 0%                      |
| 48         | 70%                                                                           | 30%                                | 0%                                                                | 0%                      |
| 49         | 60%                                                                           | 40%                                | 0%                                                                | 0%                      |
| 50         | 50%                                                                           | 50%                                | 0%                                                                | 0%                      |
| 51         | 40%                                                                           | 60%                                | 0%                                                                | 0%                      |
| 52         | 30%                                                                           | 70%                                | 0%                                                                | 0%                      |
| 53         | 20%                                                                           | 80%                                | 0%                                                                | 0%                      |
| 54         | 10%                                                                           | 90%                                | 0%                                                                | 0%                      |
| 55         | 0%                                                                            | 100%                               | 0%                                                                | 0%                      |
| 56         | 0%                                                                            | 100%                               | 0%                                                                | 0%                      |
| 57         | 0%                                                                            | 100%                               | 0%                                                                | 0%                      |
| 58         | 0%                                                                            | 100%                               | 0%                                                                | 0%                      |
| 59         | 0%                                                                            | 100%                               | 0%                                                                | 0%                      |
| 60         | 0%                                                                            | 100%                               | 0%                                                                | 0%                      |
| 61         | 0%                                                                            | 86%                                | 0%                                                                | 14%                     |
| 62         | 0%                                                                            | 72%                                | 0%                                                                | 28%                     |
| 63         | 0%                                                                            | 58%                                | 0%                                                                | 42%                     |
| 64         | 0%                                                                            | 44%                                | 0%                                                                | 56%                     |
| 65         | 0%                                                                            | 30%                                | 0%                                                                | 70%                     |

**Alternative – Drawdown lifestyle**

| <b>Age</b> | <b>Equities (LGIM Future World Global Equity Index – GBP Currency Hedged)</b> | <b>DGF (LGIM Diversified Fund)</b> | <b>Annuity matching (Inflation Linked Fund – (Annuity Aware))</b> | <b>Cash (Cash Fund)</b> |
|------------|-------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------|-------------------------|
| 25         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 26         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 27         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 28         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 29         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 30         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 31         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 32         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 33         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 34         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 35         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 36         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 37         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 38         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 39         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 40         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 41         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 42         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 43         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 44         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 45         | 100%                                                                          | 0%                                 | 0%                                                                | 0%                      |
| 46         | 90%                                                                           | 10%                                | 0%                                                                | 0%                      |
| 47         | 80%                                                                           | 20%                                | 0%                                                                | 0%                      |
| 48         | 70%                                                                           | 30%                                | 0%                                                                | 0%                      |
| 49         | 60%                                                                           | 40%                                | 0%                                                                | 0%                      |
| 50         | 50%                                                                           | 50%                                | 0%                                                                | 0%                      |
| 51         | 40%                                                                           | 60%                                | 0%                                                                | 0%                      |
| 52         | 30%                                                                           | 70%                                | 0%                                                                | 0%                      |
| 53         | 20%                                                                           | 80%                                | 0%                                                                | 0%                      |
| 54         | 10%                                                                           | 90%                                | 0%                                                                | 0%                      |
| 55         | 0%                                                                            | 100%                               | 0%                                                                | 0%                      |
| 56         | 0%                                                                            | 97%                                | 0%                                                                | 3%                      |
| 57         | 0%                                                                            | 94%                                | 0%                                                                | 6%                      |
| 58         | 0%                                                                            | 91%                                | 0%                                                                | 9%                      |
| 59         | 0%                                                                            | 88%                                | 0%                                                                | 12%                     |
| 60         | 0%                                                                            | 85%                                | 0%                                                                | 15%                     |
| 61         | 0%                                                                            | 82%                                | 0%                                                                | 18%                     |
| 62         | 0%                                                                            | 79%                                | 0%                                                                | 21%                     |
| 63         | 0%                                                                            | 76%                                | 0%                                                                | 24%                     |
| 64         | 0%                                                                            | 73%                                | 0%                                                                | 27%                     |
| 65         | 0%                                                                            | 70%                                | 0%                                                                | 30%                     |