Taylor Maxwell Group Limited Pension and Assurance Scheme

Chair’s Statement

1 April 2021 to 31 March 2022

Contents

01 **Introduction**

£11.80m

Total defined contribution funds in the Scheme as at 31 March 2022

This is the Chair's Statement for the Taylor Maxwell Group Limited Pension and Assurance Scheme (the "Scheme") covering the period 1 April 2021 to 31 March 2022.

As the Chair of the Trustees, I provide you with a yearly statement which explains what steps have been taken by the Trustees, with help from our professional advisers, to meet the new governance standards. The law sets out what information has to be included in my Statement and this is designed to help members achieve a good outcome from their pension savings.

The Scheme is a hybrid arrangement with a defined contribution ('DC') section providing benefits to members depending on their membership category. The Scheme is being used as a qualifying scheme to comply with the automatic enrolment legislation in the UK, in relation to current employees.

As such the Scheme has a default investment option and this is explained further in Section 2.

01.01 Governance and Queries

The Trustees are committed to having high governance standards and meet at least quarterly to monitor the controls and processes in place in connection with the Scheme's investments and administration.

I welcome this opportunity to explain what the Trustees do to help ensure the Scheme is run as effectively as it can be. If you have any questions about anything that is set out below, or any suggestions about what can be improved, please do contact the XPS Pensions team.

The DC section of the Scheme was established by the Deed of Amendment dated 31 March 2009, to provide benefits for employees of Taylor Maxwell Holdings Limited.

I, Robert Guilfoyle, was appointed as the Chair of the Trustees in October 2021 and am signing this Statement in that capacity.

02 Default Investment Strategy

Statement of Investment Principles (SIP)

A copy of the SIP, which sets out the objectives for the Scheme's investment strategy, can be found in Appendix A

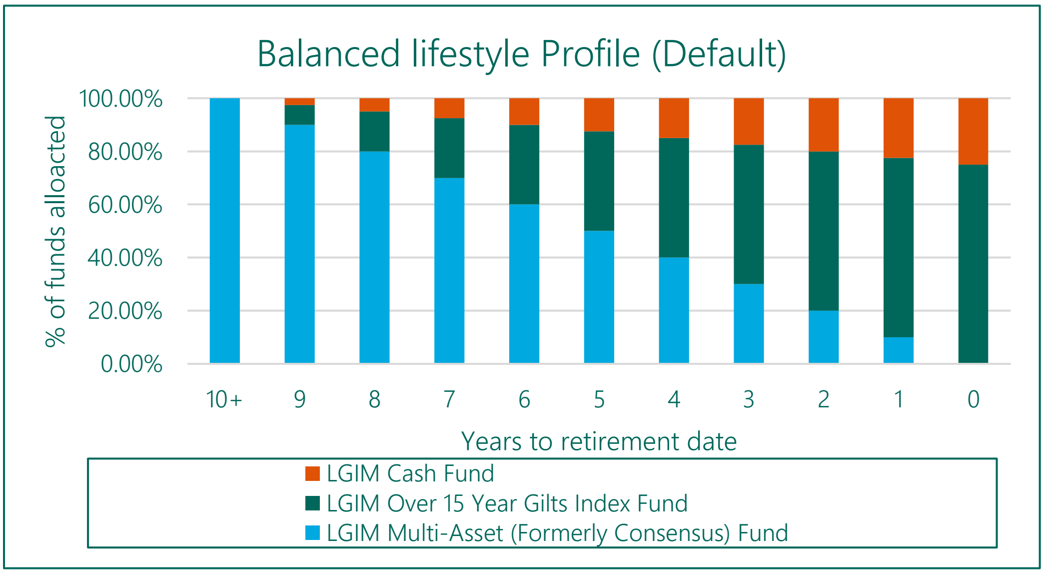
02.01 The default investment option

If members do not make their own investment choices in the Scheme, their funds are invested in the "default investment option". The Scheme operates two default investment strategies, one prior to taking benefits (Pre-Retirement) and a second default strategy for members who move into income drawdown (Post-retirement).

The Scheme's pre-retirement default investment option is called the Balanced Lifestyle Fund. This is what's known as a "lifestyle" strategy, which seeks to switch investments gradually into lower risk funds as members approach retirement and invests in funds managed by Legal & General Investment Management (LGIM). The charges for these funds are well under the charge cap of 0.75%.

When members are more than 10 years from their target retirement date, the Balanced lifestyle Fund is invested entirely in the LGIM Multi-Asset (Formerly Consensus) Fund. This fund invests in a mixture of equities (shares in companies) and bonds, aiming to achieve long-term capital growth whilst avoiding excessive risk. The LGIM Multi-Asset (formerly Consensus) fund is "passively managed", which means it aims to track an index, rather than make regular trades to try to achieve excess returns.

Once members are within 10 years of their target retirement date, the Balanced lifestyle Fund gradually switches their investments into the LGIM Over 15 Year Gilts Index Fund ("Gilts") and the LGIM Cash Fund ("Cash"). This continues until, at their target retirement date, 75% of the investment is in Gilts. The remaining 25% is in Cash.

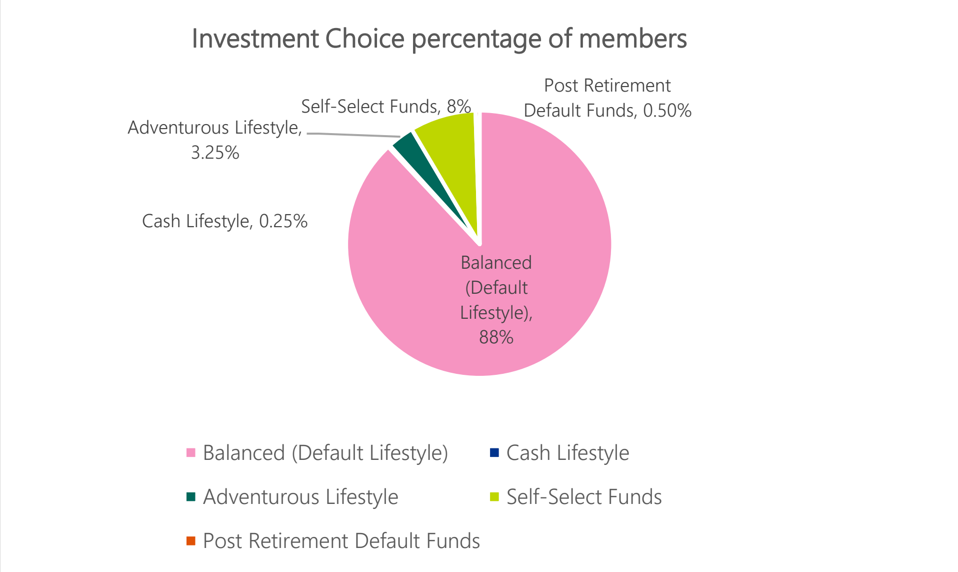


The proportions in the default investment option have been selected to be consistent with members accessing their benefits in the form of an annuity. The Scheme provides three lifestyle options to target different retirement outcomes to suit member's needs.

Members can opt out of the default investment option and invest in either one of the other lifestyle profiles, or any other fund offered by the Trustees.

Default Investment Strategy
continued

Profile options: lifestyle vs self-select



Within the period covered by this report, around 88% (up from 87% last year) of members had their contributions invested in the default investment option. This figure (in comparison to other similar pension schemes) is relatively low and indicates a degree of member engagement in actively selecting their investment choice.

02.01 Post Retirement Default

For members who elect to take advantage of the freedoms offered direct from the Scheme a default fund has been set where members move into Flexi Access Drawdown and do not choose their own investment choice. The Post Retirement default is the LGIM Dynamic Diversified Fund which invests in a broad range of assets and aims to deliver long-term growth with reduced risk.

02.02 Reviewing the default investment arrangements

The Trustees are expected to review the investment strategy and objectives of the default investment at regular intervals.

1 June 2021

The most recent review of the fund range and default arrangement's strategy and performance was concluded and signed off effective 1 June 2021

A review of the default investments, including a review of the performance of the underlying funds, is undertaken each year. The review takes into account the needs of the Scheme membership to ensure the default investment arrangements remain appropriate, including looking at where members have chosen their own funds to invest in. The characteristics of members who are enrolled in the default investment option, because they made no investment choice, are given particular consideration.

The lifestyling element of the pre-retirement default investment is kept under review for suitability in light of the choices that members make at retirement. It is noted that the highest proportion of the membership is relatively young, and the lifestyling element of the default investment option will become more relevant as more members approach their target retirement date.

In addition to considering the membership profile, the Trustees also look at the level of risk and number of investment funds offered to members, changing long-term investment market conditions and the investment products and techniques available in the marketplace.

Default Investment Strategy
continued

As required under legislation a full review is due every 3 years and this was carried out, on 1 June 2021.

The review provided to the Trustees from the Scheme's investment advisors, concluded that the current default investment option should be changed to target members drawing their pension pot through flexible drawdown. The Trustees in collaboration with the Company are currently considering this along with other options such as looking whether enhanced benefits could be achieved through a master trust arrangement. However, the current default investment has met its aims and objectives as detailed in the Statement of Investment Principles (SIP) and offers the members good value.

The Trustees continually review the performance of the underlying funds in the default investment option against the aims and objectives set out in the Statement of Investment Principles (SIP). During the period covered by the Statement, the Trustees believe they continue to meet these aims. In addition, this year's review included analysis of the fund returns against 3 other providers as well as the usual comparison of their benchmarks and consideration of general market trends.

The Trustees monitor the investment performance at least quarterly and periodically look at how members are accessing their benefits when assessing the default investment option.

03 **Net Returns**

03.01 Investment Performance

Changes to legislation introduced in October 2021 require trustees of relevant occupational pension schemes to report on the net investment returns for the default arrangement(s) and for each fund which Scheme members are, or have been able to, select, and in which Scheme members are invested during the scheme year.

Net investment returns refer to the returns on funds after the deduction of all transaction costs and charges and including them in this statement is intended to help members understand how their investments are performing.

03.02 Fund Performance

XPS provides the Trustees with quarterly investment performance information to monitor the Default Investment, which it reviews and challenges in Trustees meetings. The Trustees raises performance questions directly with XPS, the appointed investment adviser.

This table shows how the Default Fund has performed for members at three different ages, over the last one, three and five years with a target retirement date of 65.

	Age 45 and under	Age 55	Age 65 and over
Balanced Lifestyle Passive Portfolio			
1 year return to 31 March 2022	4.00%	4.00%	-5.48%
3 year return to 31 March 2022 (% p.a.)	5.90%	5.90%	-0.55%
5 year return to 31 March 2022 (% p.a.)	5.20%	5.20%	0.11%

Source: Legal & General. Figures are net of fees. Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and members may get back less than they invest. Figures are net of fees but members should be aware the Level of charges and transaction costs paid by members on the default strategies The TER appliable to the default strategies may vary throughout a member's lifetime as a result of the changing investment mix.

03.03 Pre-Select Profiles

This table shows how the other pre-select profiles performed for members at three different ages, over the last one, three and five years with a target retirement date of 65.

	Age 45 and under	Age 55	Age 65 and over
Cautious Lifestyle Portfolio			
1 year return to 31 March 2022	0.84%	0.84%	-5.38%
3 year return to 31 March 2022 (% p.a.)	3.75%	3.75%	-0.55%
5 year return to 31 March 2022 (% p.a.)	3.50%	3.50%	0.11%

	Age 45 and under	Age 55	Age 65 and over
Adventurous Lifestyle Portfolio			
1 year return to 31 March 2022	12.90%	12.90%	-5.48%
3 year return to 31 March 2022 (% p.a.)	7.90%	7.90%	-0.55%
5 year return to 31 March 2022 (% p.a.)	6.60%	6.60%	0.11%

	Age 45 and under	Age 55	Age 65 and over
Cash Lifestyle Portfolio			
1 year return to 31 March 2022	4.00%	4.00%	0.00%
3 year return to 31 March 2022 (% p.a.)	5.90%	5.90%	0.20%
5 year return to 31 March 2022 (% p.a.)	5.20%	5.20%	0.20%

Source: Legal & General. Figures are calculated on the i-net price of the fund which is adjusted for the current common product charge applied under the ABI guidelines. Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and members may get back less than they invest

03.04 Self-Select Funds

As self-select funds are constant profiles and unlike the Pre-select funds, they do not lifestyle funds in line with age or time to retirement they can be shown as a single value for each fund. To help members understand how this changes over time, fund performance has be shown for 5 years, 3 years and the last Scheme Year.

	5 year (2017 – 2022)	3 year (2019 – 2022)	1 year (2022)
Self-Select Fund			
LGIM Multi-Asset (formerly Consensus) Fund	5.20%	5.90%	4.00%
LGIM Global Equity (70:30) Index Fund	6.60%	7.90%	12.90%
LGIM UK Equity Index Fund	4.70%	5.30%	13.10%
LGIM Over 15 Year Gilts Index Fund	0.08%	-0.80%	-7.30%
LGIM Managed Property Fund	6.50%	7.40%	22.00%
LGIM Cash Fund	0.20%	0.20%	0.00%
LGIM Dynamic Diversified Fund*	4.60%	4.80%	4.00%

Source: Legal & General. Figures are calculated on the i-net price of the fund which is adjusted for the current common product charge applied under the ABI guidelines. Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and members may get back less than they invest

**This fund is the Post retirement default fund.*

04 Charges and transaction costs

04.01 Investment Manager Charges

Members may self-select their investment strategy, investing in any of these funds in whatever proportions they choose

The Trustees have selected a range of funds which it believes to be appropriate for members of the Scheme. All the funds are managed by Legal & General Investment Mangers (LGIM).

All the funds offered via LGIM, with the exception of the Cash and Property Funds, are "passively managed", which means they aim to track an index, rather than make regular trades to try to achieve excess returns. Members may self-select their investment strategy, investing in any of these funds in whatever proportions they choose, or select one of the lifestyle investment options. Alternatively, if they do not make a choice, their funds will be invested in the default investment.

The charges and other expenses applied to the default investment option (which are averaged across the membership based on the split of their investments), along with the other available portfolio options and self-select funds available to members during the Scheme year, were:

	Annual Management Charges (AMC)	**Other Expenses**	**Total Expense Ratio (TER)**
Fund Name			
Default Investment Option			
Balanced lifestyle Fund (default)+	0.24%	0.00%	0.24%
Self-Select Funds			
LGIM Multi-Asset (formerly Consensus) Fund*	0.26%	0.00%	0.26%
LGIM Global Equity (70:30) Index Fund	0.22%	0.00%	0.22%
LGIM UK Equity Index Fund	0.19%	0.00%	0.19%
LGIM Over 15 Year Gilts Index Fund*	0.10%	0.00%	0.10%
LGIM Managed Property Fund	1.09%	0.63%	1.72%
LGIM Cash Fund*	0.12%	0.00%	0.12%
LGIM Dynamic Diversified Fund+	0.53%	0.03%	0.56%
Other Portfolios			
Lifestyle Option 2 – Cautious	0.19%	0.00%	0.19%
Lifestyle Option 3 – Adventurous	0.21%	0.00%	0.21%
Lifestyle Option 4 – Cash	0.24%	0.00%	0.24%

(Source: Legal & General Investment Managers)

+part of the Default lifestyle

+Post retirement default fund

Members may select any of the funds above and switch between these options should they wish.

Charges and transaction costs
continued

Transaction costs are costs associated with buying and selling of investments and include for example stamp duty and brokerage fees. Transaction costs are incurred when contributions are invested, on switching between funds and when selling investments to take benefits. The following table indicates transaction costs incurred by each of the funds available for investment over assessment periods monitored by the investment manager: -

Fund Name	Implicit	Indirect	Anti-dilution	Transaction costs
Default Investment Option				
Balanced lifestyle Fund	-0.0025%	0.0165%	-0.0023%	0.0163%
Self-Select Funds				
LGIM Multi-Asset (formerly Consensus) Fund*	-0.0029%	0.0121%	-0.0026%	0.0118%
LGIM Global Equity (70:30) Index Fund	0.0107%	0.0174%	0.0106%	0.0175%
LGIM UK Equity Index Fund	0.0055%	0.0215%	0.0055%	0.0215%
LGIM Over 15 Year Gilts Index Fund*	0.0000%	0.0536%	0.0000%	0.0536%
LGIM Managed Property Fund	0.5313%	-0.2504%	0.5300%	-0.2491%
LGIM Cash Fund*	0.0000%	0.0202%	0.0000%	0.0202%
LGIM Dynamic Diversified Fund	-0.0106%	0.0413%	-0.0104%	0.0411%
Other lifestyle Funds				
Lifestyle Option 2 – Cautious+	-0.0017%	0.0261%	-0.0015%	0.0259%
Lifestyle Option 3 – Adventurous+	0.0099%	0.0194%	0.0098%	0.0195%
Lifestyle Option 4 – Cash+	-0.0025%	0.0132%	-0.0023%	0.0129%

(Source: Legal & General Investment Managers)

+part of the Default lifestyle

04.01 Administration Charge

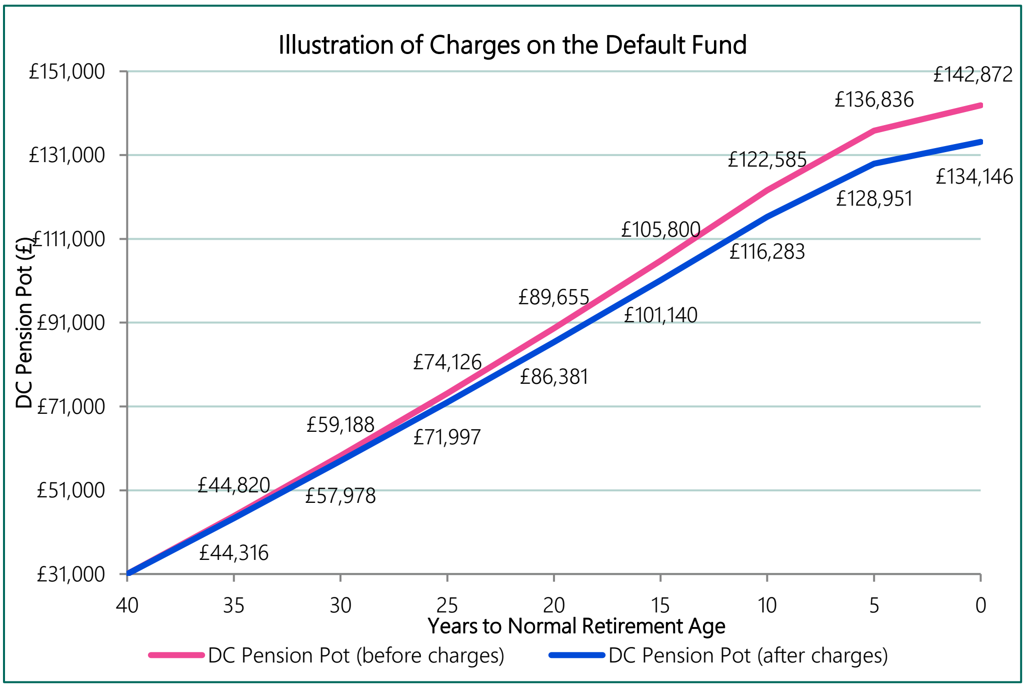
The Employer pays all administration charges with the exception of the Post-Retirement Flexi-Access Drawdown fee (noted below) and the small transaction costs detailed in this statement. The Employer also pays the cost of the death in service benefits as part of the Scheme.

Member charges Post Retirement
If you choose to place your funds in Flexi-Access Drawdown or leave the whole fund invested and make withdrawals throughout retirement, you will be charged a fixed administration charge of 0.4% of your fund plus £50 p.a. These charges will be deducted directly from your post retirement investment fund(s) on 1 January each year.

Charges and transaction costs
continued

04.02 An illustration of the charges levied on members

Below you can find an illustration of the effect of the Total Expense Ratio and transaction costs met by members. The below is an example pension pot, invested in the default investment strategy, and is in real money terms. Further information is in Appendix B.



Please note that this is for illustration purposes only. The actual returns received are likely to differ over time, as will individual member pension pot sizes. This illustration is based on:

> The Scheme's default investment option used by circa 88% of members (see Section 2).

> An initial pension pot of £31,000 – which was the average pot size in the period.

> Contributions of 10% throughout the period, on earnings of £25,000 pa.

> Investment returns estimated as 3.30% pa / 3.03% pa (gross/net of charges) for the LGIM Multi Asset Fund in which all monies are invested until 10 years before the member's Normal Retirement Date.

> Investment returns estimated as 1.14% pa / 0.99% pa (gross/net of charges) for the LGIM Over 15 Year Gilts Index Fund and 0.00% pa / -0.14% pa (gross/net of charges) for the LGIM Cash Fund. Monies are gradually switched into over the 10 years before the member's Normal Retirement Date.

> Inflation of 2.5% pa and salary increases of 2.5% pa.

> The Investment Manager Charges as stated in the above section, which are correct as at 31 March 2022 and so may have changed since then.

04.03 What are the assumptions based on?

In preparing these illustrations, the Trustees have had regard to:

> The Department for Work and Pensions' 'Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes';

> Actuarial Standards Technical Memorandum 1 (AS TM1 v4.2) issued by the Financial Reporting Council; and

> The Financial Conduct Authority (FCA) Transaction cost disclosure in workplace pensions Policy Statement PS17/20.

05 **Core financial transactions**

05.01 Assessing Core Transactions

During the year, the Trustees ensured the requirements of Regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 were met and that the Scheme's core financial transactions were processed promptly and accurately by:

> having an agreement in place with XPS Pensions (as "Scheme Administrator" or "Administrator"), committing them to defined service level agreements ("'SLAs"'). Amongst other matters, this covers the accuracy and timeliness of all core financial transactions;

> having XPS Pensions report on their performance against the SLAs above as a means of monitoring that the SLA requirements are being met and to cover what they do to ensure no issues arise; and

> having the Scheme auditor independently test a sample of financial transactions for accuracy and timeliness as part of the annual audit process.

Where any error or issue is identified, the Trustees take appropriate steps to resolve and take action as required. We can confirm there were no material issues in the Statement period on which to report. As part of the journey-planning, a risk register is maintained in order minimise the occurrence of any issues and to understand any root cause.

The core financial transactions include:

> **The investment of contributions** - The Scheme Administrator monitors the payment of contributions to the Scheme by the Company, ensuring that these are paid within statutory timescales. Any late payment outside these timescales is reported directly to the Trustees and appropriate action taken. The settlement of all DC funds is actioned promptly by the Administrator and the Trustees monitor the service standards of the Administrator.

> **The transfer of assets relating to members into and out of the Scheme** – The Administrator maintains and reconciles comprehensive records of individual member's contributions and fund values. Contributions are invested within 5 working days of receipt. Any investments withdrawn or transferred to another scheme are processed within 12 working days following receipt of all relevant paperwork, subject to any investigations required where there is evidence of a pensions scam.

> **The transfer of assets relating to members between different investments within the Scheme** – Transfers between Scheme investments take place annually in December and are accomplished as quickly as possible usually in a matter of days.

> **Monitoring of bank accounts** – There is a dedicated contribution processing team, checking investment and banking transactions.

> **Payments to members** – All payments out of the Scheme in respect of members' benefits are made in line with standard checks. This includes agreed processes and authorisation levels to ensure any payment made is calculated correctly and in line with the Scheme rules and legislation and also complies with HMRC rules and guidance. In addition, every effort is made to check for possible pension scams.

Noting the requirement for accurate member data to process contributions and payments correctly, the Trustees are taking steps to continually review and where necessary, correct any problems with the member data which is held by the Scheme Administrator. This is reported each year to the Pensions Regulator in the online scheme return.

06 **Value for Members**

06.01 Assessment of Value

When assessing the charges and transaction costs which are payable by members, the Trustees are required to consider the extent to which the investment options and the benefits offered by the Scheme represent good value for members when compared to other options available in the market.

The Trustees have concluded that the charges and transaction costs shown in this Statement represent good value for members having considered the following elements:

> the **processes that are in place** to ensure the efficient administration and governance of the Scheme (which include those explained in the 'Core financial transactions' and the 'Knowledge and understanding of the Trustees' sections of this Statement);

> the **returns achieved by the investment funds** compared to the charges and transaction costs that are met by members (as set out in this Statement);

> the **type and range of investment options** that are offered do allow members to target the most popular retirement choice(s). In addition, a range of self-select funds, covering a broad range of asset types, are available for those who wish to manage their own investment approach. The Trustees regularly monitor both the performance and appropriateness of the funds and can take action to make changes when required. Each year, the Trustees review at a meeting the member investment choices to look at how members' funds are invested. The Trustees discuss whether it is satisfied that the investment funds offered and communications concerning those investment funds are appropriate and offer members the opportunity to maximise the value of contributions to the Scheme;

> the **quality of communications** and other services provided to members on an annual and ad-hoc basis which are provided by the Scheme Administrator within the legal timescale;

> the Scheme is a **contributory** defined contribution pension Scheme. The majority of active members contribute, through their own contributions or those of the Company, 10% of the member's annual pensionable earnings each year;

> the **Company pays directly** for most services with the exception of a small transaction costs and an administration charge for members accessing Flexi Access Drawdown which can be complex to administer.

In addition, the Trustees' review looked at wider areas that add value to members but are paid for by the Company. This includes some of the areas detailed below.

06.02 Service Providers

In addition to assessing the costs charged by service providers, the Trustees keep providers' service levels under review. This is to ensure that the services provided reflect the SLAs and continue to meet the needs of the members.

As an example, quarterly meetings are held with XPS representatives to discuss their performance as third-party administrator in order to ensure that administrative performance meets the standards set by the Trustees.

In order to ensure the services provided remain the most appropriate and offer value for members, the Company and Trustees will from time to time put services out to tender.

06.03 Communications

Good member communications are crucial to achieving good value. The Trustees and Company are engaged in ongoing efforts to improve communications with members. This includes the possibility of providing web-based communications for members. Another aim of the Trustees is that their service providers introduce, where possible, more user-friendly and online communications for the membership.

As an example, the Trustees remind all members annually whether they are invested in the default strategy and stresses the importance of reviewing their investments on a regular basis to make sure they remain appropriate to their needs.

The Value for Members review highlighted areas that the Trustees are considering which go beyond the legal requirements but could improve member outcomes through education. This includes the potential move to master trust which will further enhance the members communications.

06.04 COVID-19

Throughout 2021, the global pandemic caused by the Covid-19 virus continued to have an impact on members' benefits. Whilst the markets have now stabilised somewhat, members continue to face periods of volatility in the short to medium term which could still have an impact on their retirement planning.

The Trustees carry out an annual assessment to ensure that they effectively carry out their duties to govern the Scheme. This includes seeking assurances that all providers continue to be able to maintain their services.

It is important to note that in periods of market volatility that members are unlikely to have permanently lost money during this volatility and members are reminded that pensions are long-term investments, the chances are that markets will rise again in the future.

The Trustees board reviews the Scheme risk register at least annually to ensure that all services remain effective and reminds members to be vigilant around the effects of market volatility and the increased awareness of cases of Pension Scams.

06.05 Flexibility - accessing benefits

The Trustees offer members direct access to Flexi Access Drawdown direct from the Scheme. In addition, members (who meet prescribed conditions under legislation) also have the option to take an Uncrystallised Funds Pension Lump Sums.

The benefits of membership include (amongst other things): the design of the default arrangement and how this reflects the interests of members in matching the investment profile to their desired retirement choice. As detailed in the is statement the Trustees continually monitor this and following the investment review is being considered whether any changes to the current default investment is required.

06.06 Conclusion

Assessment of value for members is an ongoing process and the Trustees undertake a review each year to ensure the Scheme continues to offer good value, and that any changes in legislation, market conditions or member views are reflected for benefits of members.

07 Trustees Knowledge and understanding

07.01 Knowledge and understanding of the Trustees

The Trustees are satisfied that it has complied with the knowledge and understanding requirements set out in section 248 of the Pensions Act 2004.

The Trustees have knowledge of the law relating to pensions and trusts, principles of investment and the requirements for funding a pension scheme. This is evidenced by the Trustees interaction with its advisers as shown in the Trustees Meeting minutes, and the governance framework established by the Trustees.

The Trustees have access to key Scheme documentation through a central portal.

The Trustees have exercised their discretions and powers in line with the Trust Deed and Rules, current legislation and, where required, legal advice has been taken, demonstrating its working knowledge of the Scheme's Trust Deed and Rules.

07.02 Trustees Training

In-house training is offered, use of the Pensions Regulator's (TPR's) online Trustees Toolkit is encouraged, and trustees attend external seminars and updates. Any new trustee would be expected to carry out this training and be fully conversant with the Scheme's documentation within 6 months. A log of Trustees participation in training is maintained by the Trustees, and trustees are regularly polled regarding the training that they would find most valuable and to identify any gaps in knowledge.

The Trustees' lawyers provide in-meeting training on new legislation and literature published by TPR relating to its Codes of Practice, in particular Code of Practice no 13.

During the period covered by this Statement the Trustees had several training sessions, which covered areas such as the Buy-out process, price locks, full benefit specification review and pension legal advice.

The Trustees also make use of a team of expert advisers. Investment advisers, representatives from the third-party administrator, and other experts including legal advisors regularly attend meetings of the Trustees.

07.03 Conclusion

As a result of the training activities completed by the Trustees (both individually and collectively), and taking into account the professional advice available, I am confident that the combined knowledge and understanding of the Trustees have enabled them to properly exercise its function.

08 Conclusion

"Overall, the conclusion is that the Scheme is continuing to deliver value for money to the members"

The annual production of this Statement provides members with a narrative of how the Trustees look after members' interests, especially in the areas of the 5 key elements within this Statement listed below.

> Default investment strategy

> Charges and transaction costs

> Core financial transactions

> Providing Value for Members

> Trustees Knowledge and Understanding

The Trustees will continue to monitor these key areas and report to members both via the annual Chair's Statement and other communications as appropriate. In conclusion, with the continual monitoring and the reviews detailed here, I am pleased to be able to submit this report in accordance with the Chair's Statement requirements. I believe that the Scheme was operated and governed appropriately during the reporting period.

Signature	Date

Name	Qualification
Robert Guilfoyle	Chair of the Trustees Taylor Maxwell Group Limited Pension and Assurance Scheme

Appendix A
Statement of Investment Principles

XPS Investment

Statement of Investment Principles

For the Trustees of the Taylor Maxwell Group Limited Pension and Assurance Scheme (DB and DC Sections)

January 2022

Contents

01 Introduction

Purpose

This document constitutes the Statement of Investment Principles ('the SIP') required under Section 35 of the Pensions Act 1995 for the Taylor Maxwell Group Limited Pension and Assurance Scheme ('the Scheme'). It describes the investment policy being pursued by the Trustees of the Scheme and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the Myners Principles"). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

Scheme details

The exclusive purpose of the Scheme is to provide retirement and death benefits to eligible participants and beneficiaries. It qualifies as a registered pension scheme, registered under Chapter 2 of Part 4 of the Finance Act 2004.

The Scheme previously consisted of two distinct sections, the Defined Benefit ('DB') Section and the Defined Contribution ('DC') Section. The DB Section of the Scheme was bought out in July 2021. This SIP now covers the assets held relating to DC Section members of the Scheme, and the surplus of funds held as part of the DB Section following the buy-out.

Advice and consultation

Before preparing this Statement, the Trustees sought advice from the Scheme's Investment Consultant, XPS Investment Limited. The Trustees also consulted the Principal Employer. The Trustees will consult the Principal Employer on any future changes in investment policy as set out in this Statement.

Investment powers

The Scheme's Trust Deed and Rules set out the investment powers of the Trustees. This Statement is consistent with those powers. Neither this Statement nor the Trust Deed and Rules restricts the Trustees' investment powers by requiring the consent of the Principal Employer.

In accordance with the Financial Services and Markets Act 2000, the Trustees set general investment policy but delegates responsibility for the selection of the specific securities and any financial instruments in which the Scheme invests to the Investment Managers.

Review of the Statement

The Trustees will review this Statement and their investment policy at least every three years in conjunction with each triennial valuation or immediately following any significant changes in investment policy.

The Trustees will also review this Statement in response to any material changes to any aspect of the Scheme, its liabilities, finances and attitude to risk of either the Trustees or Principal Employer which it judges to have a bearing on the stated investment policy.

The Trustees will receive confirmation of the continued appropriateness of this Statement annually, or more frequently, if appropriate.

Definitions

Capitalised terms in this document mean the following:

Act - The Pensions Act 1995 (as amended by section 244 of the Pensions Act 2004);

AVCs - Additional Voluntary Contributions;

Investment Manager – An organisation appointed by the Trustees to manage investments on behalf of the Scheme;

Principal Employer – Taylor Maxwell Holdings Limited;

Recovery Scheme - The agreement between the Trustees and the Principal Employer to address the funding deficit;

Scheme – The Taylor Maxwell Group Limited Pension and Assurance Scheme;

Statement - This document, including any appendices, which is the Trustees' Statement of Investment Principles;

Technical Provisions - The amount required, on an actuarial calculation, to make provision for the Scheme's liabilities;

Trust Deed and Rules - the Scheme's Trust Deed and Rules dated 20 September 2016, as subsequently amended;

Trustees – the collective entity responsible for the investment of the Scheme's assets and managing the administration of the Scheme;

Value at Risk - a technique which uses historical correlations of asset class returns and volatilities to estimate the likely worst-case scenario loss for a given portfolio of assets.

02 Strategic investment policy and objectives

Choosing investments

The Trustees rely on professional Investment Managers for the day-to-day management of the Scheme's assets. However, the Trustees retain control over some investments. In particular, the Trustees makes decisions about pooled investment vehicles in which the Scheme invests and any AVC investment vehicles.

The Trustees' policy is to regularly review the investments over which they retain control and to obtain written advice about them when necessary. When deciding whether or not to allow any new investment opportunities in the DC Section, the Trustees will obtain written advice and consider whether future decisions about those investments should be delegated to the Investment Managers. The written advice will consider suitability of the investments, the need for diversification and the principles within this Statement. The adviser will have the knowledge and experience required under Section 36(6) of the Act.

Long-term objectives: DB Section

Since the DB Section has been bought out, the Trustees no longer aim to grow their assets to ensure the Scheme is able to meet benefit payments as they fall due. Instead, this is guaranteed through the bulk annuity buy-in policy which the Scheme entered with Aviva Annuity UK Limited. The DB Section currently holds excess cash following the buy-out in the LGIM Sterling Liquidity Fund.

Long-term objectives: DC Section

The Trustees' long-term objectives are to provide members with investment options that will enable them to optimise the real return on investments in order to build a fund which will be used at retirement to invest in an income drawdown product, purchase an annuity and/or be taken as a cash lump sum.

The Trustees have therefore selected the investment options intended to be in the interests of members in a manner designed to provide an appropriate level of security, quality, liquidity, and profitability. The Trustees recognise that the available investment options directly impact the Scheme members and their expectation for their retirement provision.

The Trustees have therefore set three investment objectives for the Scheme:

Fiduciary To ensure members are given an appropriate range of investment vehicles and guidance on the suitability of these vehicles;

Funding To give members investment opportunities that enable them to maximise the returns achieved at acceptable levels of risk;

Stability To provide members with some investment options which offer some protection against volatility in the capital value of their fund.

Expected returns

For the DC Section, the Trustees anticipate that the investment options and the associated future absolute investment returns will allow members to maintain or increase the real value of their fund whilst at the same time providing them with the opportunity to invest in assets which are closely aligned to the way in which they expect to convert their fund at retirement.

The Trustees expect the long-term return on investment options that invest predominantly in equities to exceed price inflation. The long term returns on bond and cash options are expected to be lower than returns on predominantly equity options. Cash funds provide protection against changes in short-term capital values and may be appropriate for members wishing to take part or all of their DC benefits in the form of a cash lump sum.

02 Strategic investment policy and objectives (continued)

Investment Policy – DB Section

The DB Section has been bought out. The Trustees no longer have an investment policy since the Scheme is guaranteed to satisfy its remaining benefit payments through Aviva Annuity UK Limited. The DB Section still holds a surplus of cash following the buy-out which is held in the LGIM Sterling Liquidity Fund, as specified in Appendix I.

Investment Policy – DC Section

In order to meet the above objectives, the Trustees have made available a range of investment funds with different risk-reward characteristics. Further details are provided in Appendix II.

The individual funds available and their characteristics are given in Appendix III.

Range of assets

For the DC Section, the amounts allocated to any individual asset class will be influenced by the choices made by the members and may vary through the Investment Managers' tactical asset allocation preferences at any time, within the restrictions imposed under individual fund investment parameters.

The Trustees will ensure that the investment options made available to Members hold a suitably diversified range of securities, avoiding an undue concentration of assets. In addition, the Trustees will ensure the range of assets is otherwise suitable to meet the investment objectives, as set out in Appendix II.

Based on the structure set out in Appendix II, the Trustees consider the arrangements with the Investment Managers to be aligned with DC Members' overall strategic objectives. Details of each specific mandate are set out in agreements and pooled fund documentation with each Investment Manager. The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Managers' tactical asset allocation preferences at any time, within any scope given to them through asset allocation parameters set by the Trustees or governing the pooled funds in which Members are invested.

The Trustees will ensure that the Scheme's assets are invested in regulated markets to maximise their security.

Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Scheme's investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustees' expectations, including the selection / deselection criteria set out in Section 6.

The Trustees encourage Investment Managers to make decisions in the long-term interests of the Scheme. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights. This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns. As covered in more detail in Section 3, the Trustees also require the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustees believe these factors could have a material financial impact in the long-term. The Trustees therefore make decisions about the retention of Investment Managers, accordingly.

03 Responsible investment

The Trustees have considered their approach to environmental, social and corporate governance ("ESG") factors for the long-term time horizon of the Scheme and believe there can be financially material risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's Investment Managers. The Trustees require the Scheme's Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees will seek advice from the Investment Consultant on the extent to which their views on ESG and climate change risks may be taken into account in any future Investment Manager selection exercises. Furthermore, the Trustees, with the assistance of the Investment Consultant, will monitor the processes and operational behaviour of the Investment Managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this Statement.

As the Scheme invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the Investment Managers. The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees.

If the Trustees become aware of an Investment Manager engaging with the underlying issuers of debt in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees' expectation, then the Trustees may consider terminating the relationship with that Investment Manager.

When considering the selection, retention or realisation of investments, the Trustees have a fiduciary responsibility to act in the best interests of the beneficiaries of the Scheme, although they have neither sought, nor taken into account, the beneficiaries' views on matters including (but not limited to) ethical issues and social and environmental impact. The Trustees will review this policy if any beneficiary views are raised in future.

The DB assets are held with an Insurer where there is a very low risk that ESG risks will impact the policy, prior to the Scheme wind-up.

04 Risk measurement and management

The Trustees recognise a number of risks involved in the investment of the assets of the Scheme. The Trustees measure and manage these risks as follows:

Market risk – For the DC Section, the risk of exposure to volatile markets, which may be less acceptable to some members, particularly near retirement, is addressed through the availability of non-equity-orientated funds.

Liquidity risk - The risk that assets cannot be sold quickly enough to enable benefits to be paid or that the Trustees cannot exit a particular investment is addressed through the process by which the administrator estimates the benefit outgo and ensures that sufficient cash balances are available, and through the Trustees' policy on realisation of assets (see below).

Inappropriate investments - The risk that an Investment Manager invests in assets or instruments that are not considered to be appropriate by the Trustees is addressed through the Trustees' policy on the range of assets in which the Scheme can invest (see section 2).

Currency risk - The risk of losses through depreciation of non-sterling currencies is measured by reference to the exposure of the Scheme to pooled funds with unhedged currency risk and is managed by investing predominantly in sterling assets and only taking currency risk where it increases the level of diversification.

Counterparty risk - The risk that a third party fails to deliver cash or other assets owed to the Scheme is addressed through the Investment Managers' guidelines with respect to cash and counterparty management.

Political risk - The risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

Custodian risk - The risk that the custodian fails to provide the services expected is addressed through the agreement with the third-party custodian and ongoing monitoring of the custodial arrangements. In pooled arrangements this is invariably delegated to the Investment Managers.

Manager risk - The risk that an Investment Manager fails to meet their stated objective is addressed through the performance objectives set out in Appendix I and Appendix III and through the monitoring of the Investment Managers as set out in section 6. In monitoring the performance of the Investment Managers, the Trustees measure the returns relative to the benchmark, objective and the volatility of returns. In addition, the Trustees will regularly review each Investment Manager's approach to risk within each fund in order to highlight any unintended risk being taken.

Fraud/Dishonesty - The risk that the Scheme assets are reduced by illegal actions is addressed through restrictions applied as to who can authorise transfer of cash and the account to which transfers can be made.

05 Realisation of assets and investment restrictions

Realisation of investments

In recognition of the fact that funds may need to be realised for a number of unanticipated reasons at any time, and the desirability of retaining as high a degree of flexibility as possible to cater for unexpected changes in circumstances, the Trustees will monitor closely the extent to which any assets not readily realisable are held by the Investment Managers and will limit such assets to a level where they are not expected to prejudice the proper operation of the Scheme.

The Trustees have considered how easily investments can be realised for the types of assets in which the Scheme is currently invested. As such, the Trustees believe that the Scheme currently holds an acceptable level of readily realisable assets to ensure that members can easily make withdrawals from their invested funds, as and when required.

For the DB Section, the Trustees hold enough cash to meet the expenses of the Scheme which are currently held in one fund.

Investment restrictions

The Trustees have established the following investment restrictions:

> The Trustees or the investment managers may not hold in excess of 5% of the Scheme's assets in investments related to the Principal Employer;

> Whilst the Trustees recognise that borrowing on a temporary basis is permitted, this option will only be utilised where it is deemed absolutely necessary or where the Trustees have received advice from the Investment Consultant that the Scheme's overall exposure to risk can be reduced through temporary borrowing, e.g. during an asset transfer;

> Investment in derivative instruments may be made only insofar as they contribute to the reduction in risk or facilitate efficient portfolio management.

The Investment Managers impose internal restrictions that are consistent with their house style. In some instances, the Trustees may impose additional restrictions and any such restrictions are specified in Appendix I and Appendix III.

06 Investment Manager Arrangements and fee structure

Delegation to Investment Manager(s)

In accordance with the Act, the Trustees have appointed one or more Investment Managers and delegated to them the responsibility for investing the Scheme's assets in a manner consistent with this Statement.

The Investment Managers are authorised and regulated to provide investment management services to the Scheme. Within the UK, the authorisation and regulation of the Investment Managers falls under the Financial Conduct Authority (FCA). Specific products in which the Scheme invests may also be regulated by the Prudential Regulatory Authority (PRA). For non-UK Investment Managers, authorisation and regulation is undertaken by the home state regulator.

Where Investment Managers are delegated discretion under section 34 of the Pensions Act 1995, the Investment Managers will exercise their investment powers with a view to giving effect to the principles contained in this Statement so far as reasonably practicable. In particular, the Investment Managers must have regard to the suitability and diversification of the investments made on behalf of the Scheme.

The Investment Managers will ensure that suitable internal operating procedures are in place to control individuals making investments for the Scheme.

Performance objectives

The individual benchmarks and objectives against which each investment mandate is assessed are given in Appendix I and Appendix III.

Review process

Appointments of Investment Managers are expected to be long-term, but the Trustees will review the appointment of the Investment Managers in accordance with their responsibilities. Such reviews will include analysis of each Investment Manager's performance and processes and an assessment of the diversification of the assets held by the Investment Manager. The review will include consideration of the continued appropriateness of the mandate given to the Investment Manager within the framework of the Trustees' investment policies.

Any significant changes relating to the criteria below that the Investment Consultant is aware of will be raised with the Trustees and may lead to a change in the Investment Consultant's rating for a particular mandate. These ratings help to determine an Investment Manager's ongoing role in implementing the investment strategy. If there are concerns, the Trustees may carry out a more in-depth review of a particular Investment Manager. Investment Managers will also attend Trustees meetings as requested.

Fund manager remuneration is considered as part of the manager selection process. It is also monitored regularly with the help of the Investment Consultant to ensure it is in line with the Trustees' policies and with fee levels deemed by the Investment Consultant to be appropriate for the particular asset class and fund type.

Selection / Deselection Criteria

The criteria by which the Trustees will select (or deselect) the Investment Managers include:

Parent - Ownership of the business;
People - Leadership/team managing the strategy and client service;
Product - Key features of the investment and the role it performs in a portfolio;
Process - Philosophy and approach to selecting underlying investments including operational risk management and systems;
Positioning - Current and historical asset allocation of the fund;
Performance - Past performance and track record;
Pricing - The underlying cost structure of the strategy;
ESG – Consistency and extent to which ESG analysis is incorporated into the process of selecting underlying investments.

06 Investment Manager Arrangements and fee structure (continued)

An Investment Manager may be replaced, for example (but not exclusively), for one or more of the following:

- The Investment Manager fails to meet the performance objectives set out in Appendix I and Appendix III;
- The Trustees believe that the Investment Manager is not capable of achieving the performance objectives in the future;
- The Investment Manager fails to comply with this Statement.

Investment Managers' fee structure

The Investment Managers are remunerated by receiving a percentage of the Scheme's assets under management and, in some cases, through the application of a flat fee. Details of the fee arrangements are set out in Appendix I and Appendix III. It is felt that this method of remuneration provides appropriate incentives for the Investment Managers to target the agreed level of outperformance whilst adhering to the level of risk specified by the Trustees.

Portfolio turnover

The Trustees require the Investment Managers to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence.

Investment Consultant's fee structure

The Investment Consultant is remunerated for work completed on a fixed fee basis, a time-cost basis or via a project fee. It is felt that this method of remuneration is appropriate because it enables the Investment Consultant to provide the necessary advice and information to facilitate the Trustees in undertaking their responsibilities.

07 Compliance Statement

Confirmation of advice

Before a Statement of Investment Principles, as required by the Pensions Act 1995, is prepared or revised by the trustees of a pension scheme, it must have consulted with the principal employer and obtained and considered the written advice of a person who is reasonably believed by it to be qualified by his ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes.

The Investment Consultant hereby confirms to the Trustees that they have the appropriate knowledge and experience to give the advice required by the Act.

Trustees' declaration

The Trustees confirm that this Statement of Investment Principles reflects the Investment Strategy they have decided to implement. The Trustees acknowledge that it is their responsibility, with guidance from the Advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

Signatures

On behalf of XPS Investment Limited:

Sophie Tennison, CFA

Head of Investment - Bristol

Date: 13th January 2022

On behalf of the Trustees:

Date:

Appendix I: DB Section Investment Structure

Current structure

The majority of the assets of the Scheme's DB Section are invested in a buy-in policy with Aviva Annuity UK Limited. This insurance policy exactly covers the liabilities of the DB Section. The remaining surplus assets of the DB Section are held in the LGIM Sterling Liquidity Fund.

Legal and General Investment Management (LGIM)

LGIM Sterling Liquidity Fund

Benchmark	SONIA
Objective	Provide diversified exposure and a competitive return in relation to SONIA
Fees	AMC: 0.13% p.a. OCF: 0.14% p.a.
Execution cost	Bid/Offer spread 0.00%

Note: AMC: Annual Management Charge
OCF: Ongoing Charges Figure
ADL: Anti-Dilution Levy

Any execution costs and OCFs stated above are the latest available at the time of writing and are subject to change

Appendix II: DC Section Investment Strategy & Structure

Overall strategy

The Trustees have decided to offer a range of appropriate funds to members to enable them to choose investments appropriate to their individual circumstances, whilst not offering too many funds which may deter some members from making a choice. In accordance with best practice guidance from the Pensions Regulator, particular attention has been placed on the default strategy to be used where members do not make their own investment choice.

The range of investment options is as follows:

Default strategy:

The aim of the default strategy is to maximise the value of members' retirement savings while managing the risks including volatility over the member's investment timeline, with a particular focus on the period leading up to retirement age. The Trustees, with their Investment Consultant, assessed the suitability of the default investment arrangement considering the regulations governing how members can access their benefits at retirement. This assessment considered the Scheme's membership profile and members' expected fund values at retirement.

The default strategy is operated in accordance with the policies described in the Statement and is intended to ensure investment in the best interests of members and beneficiaries as further described in the Statement.

Growth Phase

100% of the assets are invested in multi-asset during the accumulation phase. Depending on the lifestyle selection the member chooses, determines when the member switches begin:

15 years before retirement 100% Multi-Asset Fund	**Cautious Lifestyle** Gradually switch to 75% gilts and 25% cash
10 years before retirement 100% Multi-Asset Fund	**Balanced Lifestyle** Gradually switch to 75% gilts and 25% cash
5 years before retirement 100% Equities	**Adventurous Lifestyle** Gradually switch to 75% gilts and 25% cash
10 years before retirement 100% Multi-Asset Fund	**Cash Lifestyle** Gradually switch to 100% cash

Self-Select Options:

Lifestyle Options

Cautious Lifestyle

LGIM Multi Asset (formerly Consensus) Fund
LGIM Over 15 Gilts Index Fund
LGIM Cash Fund

Balanced Lifestyle

LGIM Multi Asset (formerly Consensus) Fund
LGIM Over 15 Gilts Index Fund
LGIM Cash Fund

Adventurous Lifestyle

LGIM Global Equity (70:30) Index Fund
LGIM Over 15 Year Gilts Index Fund
LGIM Cash Fund

Cash Lifestyle

LGIM Multi Asset (formerly Consensus) Fund
LGIM Cash Fund

Appendix II: DC Section Investment Strategy & Structure (continued)

Equity Funds	
Global Equity Fund	
	LGIM Global Equity (70:30) Index Fund
UK Equity Fund	
	LGIM UK Equity Index Fund
Multi Asset Funds	
	LGIM Multi Asset (formerly Consensus) Fund
	LGIM Dynamic Diversified Growth Fund
Bond Funds	
	LGIM Over 15 Gilts Index Fund
Property Fund	
	LGIM Managed Property Fund
Cash Fund	
	LGIM Cash Fund

Note: LGIM refers to Legal & General Investment Management Limited

Appendix III: DC Section fund benchmarks, objectives & fees

Legal and General Investment Management (LGIM)

Multi Asset (formerly Consensus) Fund

Benchmark	ABI UK Mixed Investment 40%-85%
Objective	Provide long-term investment growth through exposure to a diversified range of asset classes, excluding physical property.
Fees	AMC: 0.25% p.a.
	OCF: 0.25% p.a.
Execution cost	Bid/Offer spread 0.50%

Global Equity (70:30) Index Fund

Benchmark	Composite of FTSE All-Share Index (UK) and FTSE All-World Index (ex-UK)
Objective	Provide diversified exposure to UK and overseas equity markets.
Fees	AMC: 0.16%
	OCF: 0.16%
Execution cost	Bid/Offer spread 0.74%

UK Equity Index Fund

Benchmark	FTSE All-Share Index
Objective	Track the performance of the benchmark to within +/-0.25% p.a. for two years out of three
Fees	AMC: 0.10%
	OCF: 0.10%
Execution cost	Bid/Offer spread 1.00%

Dynamic Diversified Fund

Benchmark	Bank of England Base Rate + 4.5% p.a. over a full market cycle
Objective	Provide long-term investment growth through dynamic exposure to a diversified range of asset classes
Fees	AMC: 0.50%
	OCF: 0.51%
Execution cost	Bid/Offer spread 0.63%

Over 15 Year Gilts Index Fund

Benchmark	FTSE Actuaries UK Conventional Gilts Over 15 Years Index
Objective	Track the performance of the benchmark to within +/-0.25% p.a. for two years out of three
Fees	AMC: 0.10%
	OCF: 0.10%
Execution cost	Bid/Offer spread 0.00%

Managed Property Fund

Benchmark	MSCI/AREF UK Quarterly All Balanced Property Funds Index (UK PFI)
Objective	To outperform the benchmark over three and five year periods
Fees	AMC: 0.70%
	OCF: 0.72%
Execution cost	Bid/Offer spread 6.30%

Cash Fund

Benchmark	SONIA
Objective	To perform in line with the benchmark, without incurring excessive risk
Fees	AMC: 0.13%
	OCF: 0.13%
Execution cost	Bid/Offer spread 0.00%

Note: Single swinging price basis: dealing price on any given day will be the bid or offer price depending on net cashflow

AMC: Annual Management Charge
OCF: Ongoing Charges Figure

Any execution costs and OCFs stated above are the latest available at the time of writing and are subject to change

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Appendix B - Projections

B.01 Projection assuming future contribution

	Balanced Lifestyle (default)		LGIM Multi-Asset (formerly Consensus) Fund		LGIM Global Equity (70:30) Index Fund		LGIM UK Equity Index Fund		LGIM Over 15 Year Gilts Index Fund		LGIM Managed Property Fund		LGIM Cash Fund		LGIM Dynamic Diversified Fund	
Investment Return	2.97%	2.72%	3.30%	3.03%	4.00%	3.76%	4.00%	3.79%	1.14%	0.99%	2.50%	0.78%	0.00%	-0.14%	3.30%	2.70%
Charges	0.00%	0.26%	0.00%	0.27%	0.00%	0.24%	0.00%	0.21%	0.00%	0.15%	0.00%	1.72%	0.00%	0.14%	0.00%	0.60%
Years to Normal Retirement Age	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)
40	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000
35	£44,820	£44,316	£44,820	£44,316	£46,144	£45,688	£46,144	£45,746	£40,941	£40,676	£43,348	£40,316	£39,014	£38,775	£44,820	£43,711
30	£59,188	£57,978	£59,188	£57,978	£62,429	£61,302	£62,429	£61,445	£50,239	£49,658	£55,695	£48,875	£46,097	£45,597	£59,188	£56,546
25	£74,126	£71,997	£74,126	£71,997	£79,941	£77,900	£79,941	£78,158	£58,937	£57,995	£68,043	£56,738	£52,358	£51,584	£74,126	£69,507
20	£89,655	£86,381	£89,655	£86,381	£98,773	£95,544	£98,773	£95,950	£67,073	£65,735	£80,390	£63,961	£57,891	£56,836	£89,655	£82,594
15	£105,800	£101,140	£105,800	£101,140	£119,023	£114,300	£119,023	£114,892	£74,683	£72,921	£92,738	£70,597	£62,782	£61,446	£105,800	£95,810
10	£122,585	£116,283	£122,585	£116,283	£140,799	£134,239	£140,799	£135,058	£81,802	£79,590	£105,085	£76,693	£67,105	£65,490	£122,585	£109,154
5	£136,836	£128,951	£140,036	£131,820	£164,216	£155,435	£164,216	£156,527	£88,461	£85,782	£117,433	£82,293	£70,925	£69,039	£140,036	£122,629
0	£142,872	£134,146	£158,178	£147,763	£189,397	£177,966	£189,397	£179,382	£94,689	£91,530	£129,780	£87,438	£74,302	£72,153	£158,178	£136,235

Appendix B – Projections continued

B.02 Projection assuming no further contribution

	Balanced Lifestyle (default)		LGIM Multi-Asset (formerly		LGIM Global Equity (70:30)		LGIM UK Equity Index Fund		LGIM Over 15 Year Gilts		LGIM Managed Property		LGIM Cash Fund		LGIM Dynamic Diversified	
Investment Return	2.97%	2.72%	3.30%	3.03%	4.00%	3.76%	4.00%	3.79%	1.14%	0.99%	2.50%	0.78%	0.00%	-0.14%	3.30%	2.70%
Charges	0.00%	0.26%	0.00%	0.27%	0.00%	0.24%	0.00%	0.21%	0.00%	0.15%	0.00%	1.72%	0.00%	0.14%	0.00%	0.60%
Years to Normal Retirement Age	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)
40	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000	£31,000
35	£31,720	£31,329	£32,229	£31,808	£33,336	£32,954	£33,336	£33,003	£28,997	£28,777	£31,000	£28,479	£27,399	£27,202	£32,229	£31,303
30	£32,457	£31,662	£33,506	£32,636	£35,847	£35,031	£35,847	£35,135	£27,124	£26,714	£31,000	£26,163	£24,217	£23,869	£33,506	£31,609
25	£33,212	£31,999	£34,834	£33,487	£38,548	£37,239	£38,548	£37,405	£25,372	£24,798	£31,000	£24,035	£21,404	£20,944	£34,834	£31,918
20	£33,984	£32,339	£36,215	£34,359	£41,453	£39,587	£41,453	£39,821	£23,732	£23,020	£31,000	£22,081	£18,918	£18,378	£36,215	£32,230
15	£34,773	£32,682	£37,651	£35,254	£44,576	£42,082	£44,576	£42,394	£22,199	£21,369	£31,000	£20,285	£16,721	£16,126	£37,651	£32,545
10	£35,581	£33,029	£39,143	£36,173	£47,934	£44,735	£47,934	£45,132	£20,765	£19,837	£31,000	£18,635	£14,779	£14,150	£39,143	£32,863
5	£36,408	£33,380	£40,695	£37,115	£51,546	£47,555	£51,546	£48,048	£19,424	£18,415	£31,000	£17,120	£13,063	£12,416	£40,695	£33,184
0	£37,254	£33,735	£42,308	£38,082	£55,429	£50,552	£55,429	£51,152	£18,169	£17,094	£31,000	£15,727	£11,545	£10,895	£42,308	£33,509

Assumptions and other notes

> These projected pension pot values are show in today's monetary terms, therefore need no further reduction to allow for inflation.

> The projections in table B.01 assume a 10% contribution rate. The total of Employee + Employer.

> Inflation is assumed to be 2.5% each year.

> Pension pot value at the start of the projection period is £31,000.

> All values, including contributions and charges, are estimates for "the average member". These cannot be guaranteed to apply for the future. Given the general nature of this projection, individual pots could accumulate differently.

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Registration

XPS Pensions Consulting Limited, Registered No. 2459442.

XPS Investment Limited, Registered No. 6242672.

XPS Pensions Limited, Registered No. 3842603.

XPS Administration Limited, Registered No. 9428346.

XPS Pensions (RL) Limited, Registered No. 5817049.

XPS Pensions (Trigon) Limited, Registered No. 12085392.

All registered at: Phoenix House, 1 Station Hill, Reading, RG1 1NB.

Authorisation

XPS Investment Limited is authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774).