

SI Group - UK, Ltd Pension Plan (“the Plan”) - Defined Contribution Section

Chair Statement

1. Introduction

The Occupational Pension Schemes (Charges and Governance) Regulations 2015 (the “Administration Regulations”) require the Trustees to prepare a statement showing how they have met certain minimum governance standards in relation to defined contribution benefits. These standards cover eight principal areas relating to the Plan’s defined contribution benefits, namely:

- The investment strategy and performance relating to the Plan’s default arrangement;
- Underlying asset breakdown of default arrangement and;
- Confirmation of performance based fees;
- The processing of core financial transactions;
- Net investment returns;
- Charges and transaction costs within the Plan;
- Value for Members assessment; and,
- The Trustees’ compliance with the statutory Trustee knowledge and understanding (“TKU”) requirements.

As Chair of Trustees, it is my pleasure to report to you on how the Trustees have embedded these minimum standards over the Plan year ending 5 April 2024 (“the Plan Year”). This Statement will be published at <https://siigroup.com/UK-Ltd-Pension-Plan>.

2. Investment strategy

The Trustee Board is responsible for investment governance. This includes setting and monitoring the investment strategy and the Plan’s default investment option. Details of the investment strategy and investment objectives for the default investment option are recorded in the Statement of Investment Principles (SIP), a copy of which is attached and is available at <https://siigroup.com/UK-Ltd-Pension-Plan>.

The SIP was last signed in September 2020. During the Plan Year, the Trustees did not make any amendments to the Plan’s SIP. An updated SIP has been produced, following the Plan’s year end. In line with regulatory requirements, the Trustees have drafted a SIP Implementation Statement for the Plan year ended 5 April 2024. The SIP Implementation Statement sets out how the policies within the SIP have been followed during the Plan year along with the voting activity of the investment managers. A copy of the SIP Implementation Statement can be found at <https://siigroup.com/UK-Ltd-Pension-Plan>.

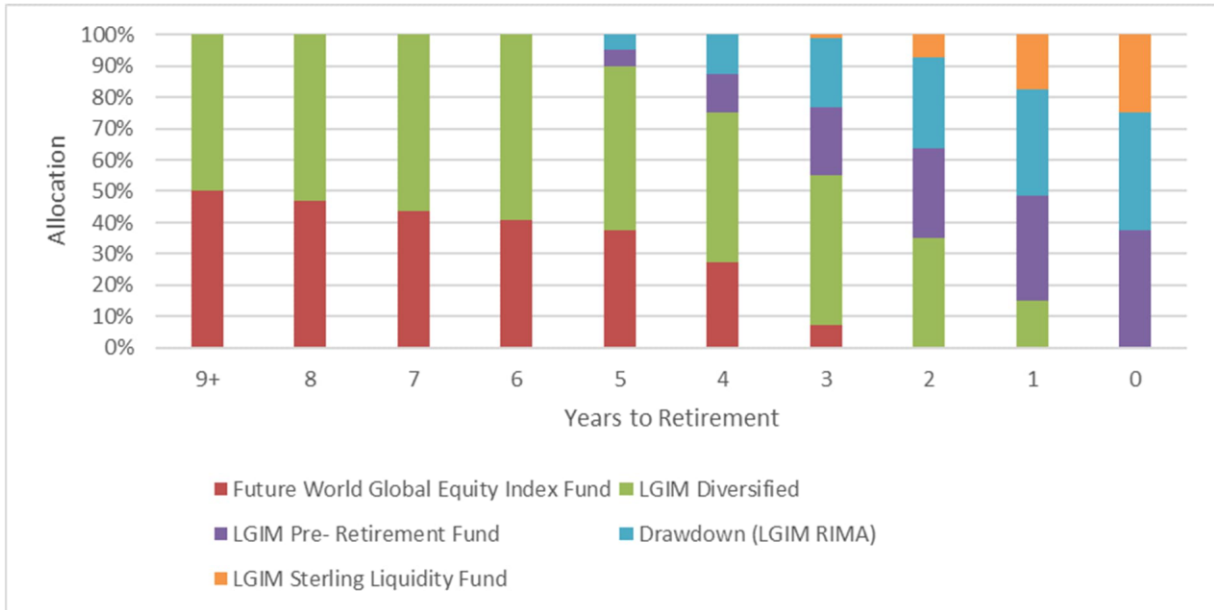
3. Default Investment Arrangement

The Trustees are responsible for setting the Plan’s investment strategy and for appointing investment managers to carry out that strategy. They must also establish a default investment arrangement for members who do not select their own investment options from the fund range that is available, since the Plan utilises auto-enrollment for its members.

Members’ DC assets are all invested with Legal & General Investment Management Limited (“LGIM”). All unit-linked additional voluntary arrangements (‘AVC’s) held with Utmost and ReAssure were consolidated into the DC arrangements in the first half of 2021.

The most recent review of the default investment strategy was presented and discussed at the Trustees' meeting held on 30 March 2022. A summary of the review and changes agreed were summarized in the 2023 Statement.

The structure of the default investment arrangement is shown in the chart below:



The Trustees, on a quarterly basis, review the performance of the default along with the self-select fund range. The Trustees receive reports from the investment manager showing 3 month, 1 year and 3 year performance. Performance is reviewed with consideration of the Trustees' objectives as set out in the SIP.

The Trustees will continue to formally review the strategy at least every three years or without delay following any significant change in investment policy or the demographic profile of the relevant members. The next review will begin in Q4 2024

4. Asset Allocation of the Default Arrangement

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 introduced new requirements for trustees and managers of certain occupational pension schemes. For the first scheme year that ends after 1 October 2023, trustees or managers of relevant occupational pension schemes, are required to disclose their full asset allocations of investments within their default arrangements.

Information on the asset allocation for the default investment arrangement as at 5 April 2024 is set out below:

	Percentage allocation – average 25 years	Percentage allocation – average 45 years	Percentage allocation – average 55 years	Percentage allocation – 65 years (NRD)
Cash	1.3%	1.3%	1.3%	0.0%
Other Bonds	0.0%	0.0%	0.0%	0.0%
Corporate Bonds	19.9%	19.9%	19.9%	42.6%
Government Bonds	1.0%	1.0%	1.0%	18.0%
Listed Equities	74.4%	74.4%	74.4%	11.6%
Private Equity	0.4%	0.4%	0.4%	0.2%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/Real Estate	2.1%	2.1%	2.1%	0.3%
Private Debt/Credit	0.9%	0.9%	0.9%	0.5%
Other	0.0%	0.0%	0.0%	0.0%

Source: LGIM as at 31 March 2024

Notes:

- Normal Retirement Date for the Plan is age 65, members have the opportunity of selecting their own retirement date.
- The following describes the types of investments covered by the above asset classes:
 - Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Plan.
 - Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.
 - Listed Equity – Shares in companies that are listed on global stock exchanges. Owning shares makes the Plan a part owner of the company, entitled to a share of the profits (if any) payable as dividends.
 - Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including:
 - Venture Capital – Small, early stage businesses that may have high growth potential, albeit at significant risk.
 - Growth Equity – Relatively mature companies that are going through a transformational event with potential for growth.
 - Infrastructure – physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons
 - Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.
 - Private Debt – Other forms of loan that do not fall within the definition of a 'Bond'.
 - Other – Any assets that do not fall within the above categories.

5. Performance Based Fees

There are currently no performance-based fees being charged to the Plan as at 5 April 2024.

6. Requirements for processing financial transactions

As required by the Administration Regulations, the Trustees must ensure that “core financial transactions” are processed promptly and accurately. This section covers the DC arrangement and defined benefit AVCs with LGIM along with the With-Profits arrangements with Royal London and ReAssure. The Trustees are satisfied that “core financial transactions” have been processed promptly and accurately over the Plan year. The Trustees have verified the promptness and accuracy of “core financial transactions” processed over the Plan year by reviewing the quarterly administration reports that have been provided by Mercer.

“Core financial transactions” generally include (but are not limited to):

- investment of contributions in the Plan by members and their employer
- transfers of assets relating to members into and out of the Plan
- switches of members’ investments between different funds within the Plan
- payments from the Plan to, or in respect of, members.

The Trustees recognise the importance of processing financial transactions promptly and accurately as failure to do so may have an adverse effect on member outcomes and may result in members disengaging with the Plan.

The Trustees have appointed Mercer as their pension administrator and have delegated the day to day running of the Plan and management of the Plan’s bank account to Mercer – which was the position at the start of the Plan year. On 1 January 2024, Aptia purchased Mercer’s UK pension administration services, including the administration services Mercer previously provided to the Plan. Members will now receive documents branded as Aptia. The Trustees have agreed timescales with its administrators for the processing of all member-related services, including core financial functions relating to contribution handling, quoting benefits and paying benefits.

Aptia records all member transactions and benefit processing activities in a work management system which assigns the relevant timescale to the task.

The Trustees receive quarterly administration reports from Aptia which are reviewed at Trustees’ meetings. There were no issues reported over the Plan year and the majority of all cases were completed within the agreed timescales.

The Trustees have a service level agreement (“SLA”) in place with the administrator, which covers various services such as transfers out, new entrants, retirements, deaths and data changes. The administrator has separate dedicated teams for cashflow operations and business as usual operations. Average service levels have been around 96.0% for the core transactions.

The Trustees continue to monitor performance and engage with the administration team to ensure that core transactions are processed accurately and in a timely fashion. The Trustees have taken action to receive greater clarity regarding cases that do not meet SLAs, however there were no issues to address over the Plan year. This information is provided through the quarterly administration reports.

Further details of some of the key service areas are provided in the table below covering the 12 months to 31 March 2024.

SLA	Items	Completed within SLA	Completed within SLA (% p.a.)
CRC Contract	0	0	-
Data Change	23	23	100%
Death	3	3	100%
Death - Settle	0	0	-
Divorce	5	5	100%
DWP	6	6	100%
Enquiry/Query	77	75	97%
Leaver - Deferred Settle	20	20	100%
New entrants	23	23	100%
Pensioner Change	15	15	100%

SLA	Items	Completed within SLA	Completed within SLA (% p.a.)
Retirement – quote	34	27	79%
Retirement – settle	11	11	100%
Transfer out – quote	9	9	100%
Transfer out – settle	3	3	100%
Reflex Transfer out – quote	0	0	-
Transfer in – quote	0	0	-
PPD - Enquiry Query	1	1	100%
PPD - Data Change	14	14	100%
Total	244	235	96%

The retirement quotations completed outside of the SLA were due to delays liaising with plan actuaries, rework at peer review stage, additional GMP calculations, and one incorrect case type being opened. The Enquiry / Query case outside SLA was due to two incorrect case types being opened resulting in shorter SLAs for each case.

7. Net return on investments

From 1 October 2021, trustees of all relevant pension schemes are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.

The tables below set out annualised net performance for the 1, 3, and 5 year periods for the lifestyle arrangements (for age 25, 45, and 55) and for the self-select fund range which have been calculated in accordance with the statutory guidance.

Default Lifestyle

Lifestyle strategies – Default Investment Arrangement	Annualised returns to 31 March 2024 (%)		
	1 year	3 years (% p.a.)	5 years (% p.a.)
Age of member at start of period			
25	16.1	9.4	8.0
45	16.1	9.4	8.0
55	16.1	6.6	6.1

Source: LGIM and Mercer estimates.

Performance shown net of all charges and transaction costs. Performance has been calculated based on a fixed weighted average of underlying fund performance in the lifestyle, with the weightings as at the ages shown.

Due to changes made to the default strategy in November 2022 the 5-year and 3-year performance has been chain linked to reflect the actual performance members encountered.

Self-Select Funds

Self-select funds	Annualised returns to 31 March 2024 (%)		
	1 year	3 years	5 years
LGIM Global Equity Market Weights (30:70) Index – 75% GBP Hedged	19.0	8.6	9.7
LGIM Over 5 Year Index Linked Gilts Index Fund	-6.9	-12.2	-6.6
LGIM Future World Global Equity Index ⁽¹⁾⁽²⁾	24.1	-	-
LGIM Diversified ¹	8.3	2.8	4.3
LGIM Future World Annuity Aware ¹	3.4	-8.1	-3.4
LGIM Retirement Income Multi-Asset ¹	6.7	2.3	3.6
LGIM Sterling Liquidity ¹	5.1	2.4	1.6

Source: LGIM. Performance shown net of charges. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format to the lifestyle performance.

¹ Fund makes up part of the default investment strategy as at 5 April 2024.

² Fund was inception on 15 February 2022 and therefore performance is not shown over 3-year and 5-year periods.

There is one remaining member invested in the ReAssure AVCs fund and one remaining member invested in a with-profit fund with Royal London. Performances for the AVC funds is shown in the table below.

AVC Funds	Annualised returns to 31 March 2024 (%)		
	1 year	3 years	5 years
ReAssure Unitised-With Profits Pen Gen 2 Pension Accumulator ^(a)	-	-	-
ReAssure Cash 6 Pension Accumulator ^(b)	4.7	2.0	1.2
ReAssure Index-Linked Gilt 6 Pension Accumulator ^(b)	-6.9	-9.9	-5.2
Royal London Crest Secure Fund	1.1	0.8	1.0

Source: ReAssure and Royal London.

Data as at 31 March 2024.

^(a) Annualised returns directly comparable to the unit-linked funds are not provided for ReAssure with-profit funds

^(b) There are residual assets remaining in these funds that are awaiting disinvestment

The Trustees acknowledge the requirement to publish these net investment returns on a website and this page will be available in time for the deadline of 7 months following the Plan year-end. The annual benefit statements will include the web address in order to inform members where they can access this information.

8. Assessment of member borne charges and transaction costs

Level of member-borne charges and transaction costs

The Trustees are required to report on the charges and transaction costs for the investments used in the default arrangement as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members. The Trustees have taken account of statutory guidance when producing this section.

The Total Expense Ratio (“TER”) consists principally of the manager's annual charge for managing and operating a fund, but also includes the costs for other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, it excludes other costs that are also member borne and which can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

Transaction costs are those incurred by fund managers as a result of buying, selling, lending or borrowing investments. These costs are taken into account by the fund managers when calculating the unit price for each of the funds. The transaction costs shown are calculated on a methodology known as ‘slippage cost’. This compares the price of the stocks being traded when a transaction was executed with the price at which the transaction was requested. Market movements during any delay in transacting may be positive or negative and may also outweigh other explicit transaction costs. For this reason, overall transaction costs calculated on the slippage method can be negative as well as positive.

The total member-borne charges (quoted in the following table as TERs) applicable to the Plan’s DC funds are detailed below. The charges on the funds used in the default options all fall below 0.75% p.a. and therefore comply with the charge cap legislation requirements. Members of the Plan bear the Total Expense Ratio (TER) and the transaction costs quoted below.

Funds	TER (% p.a.)	Transaction Costs as at 31 March (% p.a.)					
		2024	2023	2022	2021	2020	Average
LGIM Global Equity Market Weights (30:70) Index – 75% GBP Hedged	0.22	0.057	0.077	0.032	0.039	0.042	0.049
LGIM Over 5 Year Index Linked Gilts Index Fund	0.10	0.065	0.102	0.040	0.289	0.045	0.108
Future World Global Equity Index ⁽¹⁾⁽²⁾	0.25	0.060	0.088	-	-	-	0.074
LGIM Diversified ¹	0.33	0.004	-0.002	-0.028	0.001	-0.017	-0.008
LGIM Future World Annuity Aware ¹	0.15	-0.050	0.029	-0.012	0.037	-0.02	-0.003
LGIM Retirement Income Multi-Asset ⁽¹⁾⁽²⁾	0.37	0.075	0.118	-	-	-	0.097
LGIM Sterling Liquidity ¹	0.13	-0.103	-0.039	-0.014	-0.149	-0.037	-0.068

Source: LGIM

¹ Fund makes up part of the default investment strategy.

² Fund introduced to the Plan in November 2022.

Following the transfer of the unit-linked DB AVCs to LGIM, the member-borne costs and charges for the AVCs are as set out in the table above.

Fees for the legacy AVCs funds are shown in the table below.

Funds	AMC (% p.a.)	TER (% p.a.)	Transaction Costs as at 5 April 2024 (%, p.a.)
ReAssure Unitised-With Profits Pen Gen 2 Pension Accumulator	0.50	0.50	0.10
ReAssure Cash 6 Pension Accumulator ^(b)	0.50	0.51	-0.46
ReAssure Index-Linked Gilt 6 Pension Accumulator ^(b)	0.50	0.51	-0.41
Royal London Crest Secure Fund ^(a)	2.25	N.A.	0.00

Royal London was not able to provide the TER information.

^(a) The Management Charge for the Crest Secure Fund is 2.25%, however due to the interest rate enhancement this is reduced to 1.45%. All costs and charges are incorporated into the Management Charge.

^(b) There are residual assets remaining in these funds that are awaiting disinvestment.

Costs and Charges Illustrations

Using the charges and transaction cost data provided by LGIM and in accordance with regulation 23(1)(ca) of the Administration Regulations, the Trustees have prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Plan on their retirement savings pot.

The statutory guidance has been considered when providing these examples.

The below illustration has taken into account the following elements:

- Initial savings pot size;
- Contributions;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

To illustrate the impact of charges on a typical member's pension pot, we have provided examples below. This includes all member costs, including the TER, transaction costs and inflation. These illustrations are designed only to show the cumulative impact that investment charges and transaction costs can have on accumulated fund values at retirement age, in line with legal requirements. They are not intended to provide information or guidance to members on whether a particular fund is best suited to their requirements. In selecting funds, members should have regard not only to charges and potential transaction costs but also to factors such as expected future returns and their capacity for and tolerance of risk.

With respect to the With-Profits policies, payouts on surrender and maturity will reflect all charges incurred, though they are not separately identified. Moreover, the actual performance received by members, net of charges, is only known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of any 'smoothing'. This places limitations on what can be shown in member illustrations and hence the illustrations have been excluded.

The Trustees acknowledge the requirement to publish these illustrations on a website (which are produced in line with the statutory guidance) and this page will be available in time for the deadline of 7 months following the Plan year end. The annual benefit statements will include the web address in order to inform members where they can access this information.

Active member illustration

Youngest Active Member (Age 21)

Age	Most popular fund: Default Lifestyle		Highest cost fund: LGIM Retirement Income Multi-Asset		Lowest cost fund: LGIM Sterling Liquidity	
	Pot Size With No Charges Incurred	Pot Size with Charges Incurred	Pot Size With No Charges Incurred	Pot Size with Charges Incurred	Pot Size With No Charges Incurred	Pot Size With Charges Incurred
21	£3,130	£3,130	£3,130	£3,130	£3,130	£3,130
25	£7,747	£7,666	£7,544	£7,433	£7,108	£7,078
30	£14,209	£13,922	£13,471	£13,090	£11,970	£11,874
35	£21,534	£20,897	£19,886	£19,072	£16,711	£16,519
40	£29,837	£28,675	£26,831	£25,398	£21,335	£21,019
45	£39,248	£37,347	£34,348	£32,088	£25,845	£25,379
50	£49,916	£47,017	£42,486	£39,162	£30,243	£29,601
55	£62,008	£57,800	£51,295	£46,643	£34,532	£33,692
60	£75,433	£69,563	£60,831	£54,554	£38,715	£37,654
65	£89,154	£81,386	£71,153	£62,920	£42,794	£41,493

Typical Active Member (Age 46)

Age	Most popular fund: Default Lifestyle		Highest cost fund: LGIM Retirement Income Multi-Asset		Lowest cost fund: LGIM Sterling Liquidity	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
46	£10,420	£10,420	£10,420	£10,420	£10,420	£10,420
50	£24,968	£24,707	£24,308	£23,948	£22,888	£22,791
55	£45,330	£44,407	£42,954	£41,731	£38,126	£37,818
60	£68,079	£66,054	£63,137	£60,537	£52,987	£52,375
65	£91,952	£88,481	£84,986	£80,423	£67,480	£66,475

Notes

1. Projected pension pot values are shown in today's terms and net of average transaction costs, and do not need to be reduced further for the effect of future inflation.
2. Inflation is assumed to be 2.5% per year.
3. The starting pot size is assumed to be £3,130 for the youngest member. The starting pot size is assumed to be £10,420 for the typical member; this is representative of the median for the Plan.
4. Annual contributions of £1,020 are assumed for the youngest member illustration. Annual contributions of £3,200 are assumed for the typical member illustration. Salaries used are representative of the youngest and typical active members in the Plan, respectively.
5. For the default arrangement, which is a lifestyle strategy, the projections take into account the changing proportion invested in the different underlying funds over time and the growth rates may be a blend of those shown below where there is a blend of different asset classes.
6. Charges, transaction costs and estimated growth rates are assumed as follows:

	TER	Transaction costs	Growth rate assumptions
Default Lifestyle	0.29% p.a. for members 4 or more years from retirement, decreasing to 0.23% p.a. for members at retirement	0.04% p.a. for members 9 or more years from retirement; 0.04% for members at retirement	4.7% p.a. before inflation for members 9 or more years from retirement, falling to 4.0% p.a. before inflation for members at retirement
LGIM Retirement Income Multi-Asset	0.37% p.a.	0.10% p.a.	3.60% p.a. before inflation
LGIM Sterling Liquidity	0.13% p.a.	Nil	1.9% p.a. before inflation

Charge and costs figures provided by LGIM; growth rate assumptions provided by Mercer. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. The transaction costs shown above are an average of the costs provided for the 5 year period to 31 March 2024. Exceptions are the Future World Global Equity Index Fund and Retirement Income Multi Asset Fund, which were introduced to the Plan in 2022.

For funds that have reported a negative transaction cost over the period of this Statement; it is assumed these costs to be nil, as negative costs are not expected to continue consistently over time.

Values are estimates and are not guaranteed. Funds with greater growth opportunities may be more volatile than others.

Deferred member illustration

Youngest Deferred Member (Age 26)

Age	Most popular fund: Default Lifestyle		Highest cost fund: LGIM Retirement Income Multi-Asset		Lowest cost fund: LGIM Sterling Liquidity	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
26	£8,800	£8,800	£8,800	£8,800	£8,800	£8,800
30	£9,728	£9,601	£9,376	£9,202	£8,625	£8,579
35	£11,027	£10,705	£10,150	£9,732	£8,412	£8,310
40	£12,499	£11,937	£10,987	£10,291	£8,204	£8,050
45	£14,168	£13,310	£11,893	£10,883	£8,001	£7,798
50	£16,060	£14,841	£12,875	£11,508	£7,803	£7,554
55	£18,204	£16,549	£13,937	£12,170	£7,609	£7,317
60	£20,556	£18,383	£15,086	£12,869	£7,421	£7,088
65	£22,835	£20,104	£16,331	£13,609	£7,237	£6,866

Typical Deferred Member (Age 47)

Age	Most popular fund: Default Lifestyle		Highest cost fund: LGIM Retirement Income Multi-Asset		Lowest cost fund: LGIM Sterling Liquidity	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
47	£12,050	£12,050	£12,050	£12,050	£12,050	£12,050
50	£12,991	£12,864	£12,637	£12,461	£11,870	£11,822
55	£14,726	£14,343	£13,679	£13,177	£11,576	£11,452
60	£16,628	£15,933	£14,808	£13,935	£11,290	£11,093
65	£18,472	£17,425	£16,030	£14,736	£11,010	£10,746

Notes

1. Projected pension pot values are shown in today's terms and net of average transaction costs, and do not need to be reduced further for the effect of future inflation.
2. Inflation is assumed to be 2.5% per year.
3. The starting pot size is assumed to be £8,800 for the youngest member. The starting pot size is assumed to be £12,050 for the typical member; this is representative of the median for the Plan.
4. No contributions are assumed for deferred members.
5. For the default arrangement, which is a lifestyle strategy, the projections take into account the changing proportion invested in the different underlying funds over time and the growth rates may be a blend of those shown below where there is a blend of different asset classes.
6. Values are estimates and are not guaranteed. Funds with greater growth opportunities may be more volatile than others
7. Charges, transaction costs and estimated growth rates are assumed as follows:

	TER	Transaction costs	Growth rate assumptions
Default Lifestyle	0.29% p.a. for members 4 or more years from retirement, rising to 0.23% p.a. for members at retirement	0.04% p.a. for members 1 or more years from retirement; 0.04% for members at retirement	4.7% p.a. before inflation for members 9 or more years from retirement, falling to 4.0% p.a. before inflation for members at retirement
LGIM Retirement Income Multi-Asset	0.37% p.a.	0.10% p.a.	3.6% p.a. before inflation
LGIM Sterling Liquidity	0.13% p.a.	Nil	1.9% p.a. before inflation

Charge and costs figures provided by LGIM; growth rate assumptions provided by Mercer. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. As LGIM is unable to provide historic transaction costs for these funds, the transaction costs shown above are an average of the costs provided for the 5 year period to 31 March 2024. Exceptions are the Future World Global Equity Index Fund and Retirement Income Multi Asset Fund, which were introduced to the Plan in 2022.

For funds that have reported a negative transaction cost over the period of this Statement; it was assumed these costs to be nil, as negative costs are not expected to continue consistently over time.

Values are estimates and are not guaranteed. Funds with greater growth opportunities may be more volatile than others.

Value for Members' assessment

When assessing the charges and transaction costs which are payable by members, the Trustees are required to consider the extent to which these represent good value for members.

The Trustees with support from their advisers, Mercer, have undertaken a value for members' assessment.

The Trustees concluded that the Plan's overall benefits and options represent **good value** for money in comparison to the costs payable by members, when considered across a number of measures. Good value for money being the highest possible rating.

Charges for the Plan's default investment arrangement are significantly below the charge cap of 0.75% per annum.

The assessment, considered the following areas:

1. Costs and charges;
2. Net investment returns; and
3. Administration and governance

For the first two areas, the assessment is based on a comparison with three comparator arrangements (NEST Master Trust, The People's Pension Scheme, and Aviva Master Trust). These comparators were chosen as they can be a viable destination if the Plan ever winds up.

For the third area, the Trustees' assessment is carried out considering the Plan's governance and administration arrangements.

An overview of the results of the Trustees' assessment against the three areas is shown below.

Assessment area	Rating	Key comments
1. Costs and charges	GOOD	The Trustees have assessed the Plan as offering good value from a costs and charges perspective. It was concluded, charges are competitive relative to the three comparator schemes.
2. Net investment returns	GOOD	<p>The Plan's net investment returns across all ages assessed have been higher than those of the comparator arrangements.</p> <p>The current default arrangement has provided growth over all periods to 31 March 2024, with competitive fees.</p> <p>The LGIM Diversified Fund outperformed the Aviva market comparator and although the fund underperformed in the 1-year period against People's Pension comparator it has been keeping in line in the 3-year and 5-year periods. However, compared to NEST Higher Risk Fund the LGIM Diversified Fund has underperformed over all periods. This can be explained by the high equity allocation (c.70%) within the Nest fund and hence it is not a direct comparison.</p> <p>The LGIM Future World Global Equity Index Fund has an inception date of November 2022 so the 3 year and 5-year performance is unavailable. The LGIM Future World Global Equity Index Fund has outperformed all of its comparators in the 1-year period.</p> <p>Overall, the Trustees have assessed the Plan as offering good value from a performance perspective.</p>
3. Administration and governance	GOOD	The Trustees have assessed the Plan as offering good value from a governance and administration perspective. The Plan's governance and administration arrangements have been assessed as adequate to ensure the well-running of the plan although higher data controls could be put in place.
Overall	GOOD	Overall, the Trustees have assessed the Plan as offering good value for members. Based on the assessment criteria outlined above, the Trustees believe the current Plan offers better value for members than winding up the Plan and transferring members' assets to a larger occupational scheme, such as a Master Trust. However, the Trustees also note that the assessment criteria is not exhaustive.

7. Trustee Knowledge and Understanding

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustees are required to maintain an appropriate level of knowledge and understanding that, together with professional advice available to them, enables them to properly exercise their functions and duties in relation to the Plan.

To support the Trustees, the secretariat function is outsourced to professional advisors. The meeting agendas are prepared by professional advisors who do so with a view to ensuring compliance and best practice. The professional advisors attend all formal meetings.

In addition, the Trustees receive advice and recommendations on investment and other issues from Mercer Limited and on legal issues from Berwin Leighton Paisner LLP.

The Trustees knowledge and understanding requirement has been met during the period to which this Statement relates as follows:

- The Trustees have not undertaken in person training over the Plan year to 5 April 2024. However, there was in person training carried out in Q2 2024 covering tPR General Code of Practice as well as Valuation Training. Additionally, the Trustee Knowledge and Understanding and Trustee Effectiveness will be considered further as part of the TPR’s General Code of Practice, now it is finalised. Additionally, two of the Trustees carried out Toolkit training after year end in Q2 2024. The training can be carried out collectively as a group or individually in order to keep the Trustees abreast of pension legislation and regulations, and relevant developments; all such training is recorded on a training log, which is kept up to date with guidance released by The Pensions Regulator. Time is allocated at Trustees’ meetings for the provision of relevant training.
- The Trustees have demonstrated their knowledge and understanding of the aforementioned laws, principles and documentation during training sessions undertaken over the Plan year and recorded in the training log. Examples of how this has been demonstrated are provided below:
 - o The Trustees are conversant with the key documentation described in legislation as the Trust Deed and Rules and the Statement of Investment Principles and have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational schemes. The Trustees are also conversant with Plan policies and other important documentation, such as investment and administration reports to assess whether the Plan is working effectively.
 - o The Trustees monitor the investments in line with the principles and objectives set out in the SIP. The Trustees have drafted a SIP Implementation Statement which sets out how the policies within the Plan’s SIP have been followed during the Plan year along with information on the engagement and voting activities of the investment manager. The SIP has been updated to include a policy on illiquid assets, after year end.
- The advisers provide the Trustees with updates and current topics in relation to DC Plans and the Trustees have taken action where needed.
- The Risk Register is reviewed at every meeting and methods to mitigate the risks are discussed. There have been no new Trustees appointed over the Plan year, but new Trustees are advised to complete online training via tPR’s Toolkit and plan-specific training / training on other relevant topics is provided at trustee meetings.

Taking into account the actions taken individually and as a group, the knowledge and experience of the Trustees, and the professional advice available to them the Trustees consider that they are able to exercise their responsibilities appropriately.

Barbara Dias

1 November 2024

Barbara Dias

Date

For and on behalf of the Trustees of the SI Group-UK, Ltd Pension Plan