

Avis UK Pension Plan

The Chairman's Annual Defined Contribution ('DC') Governance Statement

This statement has been prepared by the Trustee of the Avis UK Pension Plan ('the Plan') to demonstrate how the Plan has complied with the governance standards introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015. The statement covers the period from 1 April 2020 to 31 March 2021.

General investment principles (for both the default investment strategy and self-select options)

The Trustee's general investment principles are as follows:

- To offer suitable funds for members to have sufficient investment choice to satisfy their differing risk appetites, risk profiles and choice of retirement benefit
- To offer an appropriate default investment strategy for those members who do not wish or feel able to make decisions on how their fund should be invested
- To monitor the fund choices to ensure they are consistent with the strategic objectives

Investment strategy – relating to the Plan's default 10-year Lifestyle strategy

In line with the above principles, as at 31 March 2021, the Trustee provides a 10-year Lifestyle strategy that aligns with a cash lump sum at retirement as the Plan's default investment strategy. This strategy was set following the previous triennial investment review undertaken on 30 August 2018.

The aims and objectives of the default investment strategy (10-year Lifestyle strategy)

The current default investment strategy works by investing members' funds in higher growth (but also higher risk) investments in the early stages and then progressively switches into lower risk investments:

- **Stage 1** - Up until 20 years to retirement, members are wholly invested in the Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund;
- **Stage 2** - From this point until 10 years to retirement, funds are gradually switched to the Fidelity L&G Diversified Fund;
- **Stage 3** - For the final 10 years before a member's selected retirement date, their portfolio switches gradually to a 25% allocation to the Fidelity L&G Diversified Fund and 75% to the Fidelity BlackRock Cash Fund.

Triennial default investment review

The most recent formal triennial review of the Plan's default investment strategy (and the range of lifestyle options supplementing it) and self-selected funds was undertaken in conjunction with the Plan's advisers and finalised on 26 May 2021.

The review followed the Regulator's best practice guidance and included detailed Plan demographic analysis and an assessment of overall risk profile, as well as financial modelling to better understand how, proportionately, members were likely to take their benefits at retirement.

This new Plan demographic analysis resulted in the Trustee noting that there has been a significant change in the composition of the Plan membership since the previous review in 2018. This highlighted a

divergence in the characteristics, risk profile and therefore the needs and expected retirement behaviours of the active and the deferred populations.

The active population (and proportionately, most members further from retirement) are expected to grow savings to a size that the Trustee believes will lead to the majority accessing their Plan savings via income drawdown. Conversely, deferred members (and most members within proximity to retirement with modest Plan savings) are expected to continue to opt to take these as a cash lump sum.

The current default strategy is designed to align with the expectation that most members are likely to draw their funds as a lump sum.

In view of the above and the higher risk tolerance profile of the active membership, the Trustee has decided to adopt the 10-year Drawdown focussed lifestyle strategy for new hires and existing members in excess of 10 years from retirement (this was previously offered as a 'self-select' lifestyle option). Those already in the 10-year de-risking profile of the current default will remain in this strategy, given the expectation that the majority will opt to take a cash lump sum at retirement.

The implementation of these changes is expected to take place during 2021.

The glidepath structures of each of the existing lifestyle options (including defaults) were modelled in terms of risk profile and potential replacement ratio of retirement savings. The Trustee was satisfied the switching profiles of the lifestyle strategies were meeting their objective, with no changes required.

The Trustee will continue to review performance of the default investment strategy quarterly, with a strategic review every three years. The next formal strategic review is expected to take place in February 2024.

Following the publication of the Competition and Markets Authority's final order (June 2019), the Trustee has set strategic objectives for providers of investment consultancy services. The DC Investment Consultant performance has been evaluated against these objectives in December 2020 and will be reassessed at least every three years.

The Trustee maintains a dedicated Statement of Investment Principles (SIP) for the DC Section of the Plan and this is appended with this statement and can also be found at:

<https://www.mypension.com/media/1826/avis-dc-sip-sept-2020.pdf>

Investment Monitoring

In conjunction with its investment adviser, the Trustee formally reviews the net investment performance of all the funds in the Plan against their aims and objectives on a quarterly basis, including the components of the lifestyle strategies. Despite the recent economic and political uncertainty, members invested in stages 2 and 3 of the default investment strategy were less exposed to equity market volatility due to the diversified nature of the L&G Diversified Fund.

The majority of the Plan's funds are passively managed by BlackRock and Legal & General. The Trustee is satisfied that these funds met their aims and objectives by tracking their respective benchmarks over the reporting period. The Trustee noted that the Diversified Fund was well below its long-term global equity-based benchmark but well above its 'cash plus 3.5%' target. It also met its objective to manage volatility over the period.

The Trustee remains confident in its current Investment Managers but can decide to replace an Investment Manager in the future if it feels it is appropriate.

Financial transactions

The Plan's administration is undertaken by XPS Administration ("XPS") and Fidelity operate the investment platform (through which the underlying investment funds are offered). The Plan's accounts are audited annually by the Plan's appointed auditors, Nexia Smith & Williamson.

The Trustee has in place an Agreement for Provision of Pension Administration Services whereby XPS must report to the Trustee on a set of performance metrics in respect of each of the Service Level Agreements (SLA) listed in the Agreement on a quarterly basis. Performance against SLAs is also recorded quarterly as part of the Trustee's Key Performance Indicator reporting and monitoring against its own overarching Plan objectives.

The Trustee regularly monitors the core financial transactions of the Plan through consideration of performance against the SLAs – this includes (but is not limited to) close focus on investment of contributions, investment of transfers in and payment of transfers out, all of which have a SLA target of three days. Investment switches have a SLA target of two days.

XPS provides a Service level report of tasks due over each quarter covering the activity it relates to, the number of tasks completed in time, those completed out of time and those outstanding. XPS also provides a detailed report on the tasks that were not completed in time according to the set target dates.

SLA Performance

XPS has reported a SLA tasks completion rate of 77.5% during the reporting period, which represents a notable decrease with respect of the previous reporting period (91.4%). The SLA completion rate fell below the benchmark of 90% in three of the four quarters considered (the second, third and fourth quarters of 2020). The Trustee was disappointed with this underperformance and as a result, implemented a period of close monitoring and engagement with XPS, during which it entered into regular dialogue and received monthly updates against SLA performance.

The Trustee noted that the SLA performance had been particularly impacted by a number of contribution issues that arose as a result of the implementation of furlough and unexpected long-term absences, as well as the broader remote working challenges that arose during the pandemic. The Trustee was reassured by XPS that additional resources had been secured to rectify the underperformance and the Trustee was pleased to note SLA performance in Q1 2021 returning to within target at 92%.

No member satisfaction questionnaires were received by XPS over the reporting period. The Trustee has asked XPS to request member feedback questionnaires online instead of a paper-based version with the intention of increasing the response rate. The feedback is included in the quarterly reporting and helps the Trustee gauge the accuracy and the quality of service members receive. The Trustee is aware of a small number of members expressing dissatisfaction as a result of administration delays experienced, but no large scale material issues were encountered over the period.

The performance of XPS and a review of the appropriateness of the SLAs is undertaken periodically and at each contract renewal.

Contributions

Contribution payments for the substantial majority of Plan members have been invested each month in a timely fashion and ahead of statutory deadlines. The Trustee monitors this closely each month by reference to the quarterly administration reporting provided by XPS. During the reporting period, in instances where contributions were not invested within the expected timeframe, the member impact was investigated and any loss of investment of contributions compensated. As an example, in December 2020 contributions were delayed for a proportion of the membership due to short-term resourcing issues

due to the pandemic. XPS undertook analysis of any potential member loss and compensated accordingly.

The Trustee notes that although recent data and contribution queries are resolved, there remains some historic outstanding contribution queries for resolution. XPS continue working with the Company to resolve the issues and the Company has undertaken a full review of the contribution remittance process and to ensure any affected members' records are correctly updated and contributions fully reconciled. As at November 2020, a compensation payment was made to most of the affected individuals' Pension Accounts within the Plan. The remaining individual cases are being investigated based on legal advice received by the Trustee. To help the Trustee effectively monitor this issue, XPS is reporting monthly on the number cases resolved and those still outstanding. The Trustee has a statutory duty to report any instances of late contribution payments to the Pensions Regulator and has complied with this duty.

Data

The Trustee is expected to report on the measurement of the quality of common and conditional data and to improve the quality of records. The Common and Conditional Data checks are conducted and reported in the Plan Return. As at 26 April 2021, XPS tested the common data score and reported a score of 92% for new data and 77% for legacy data (deferred members who left before June 2010). This shows that the score for common data has fallen short of the targets and improvements are targeted for the next reporting period, including a mortality and address tracing exercise, and this will be monitored closely by the Trustee by reference to quarterly reporting.

Investment Administration Platform

The Trustee continues to monitor Fidelity's investment platform as part of its annual governance policy and review of value for members.

Based on the above, the Trustee is satisfied that the vast majority of the Plan's core financial transactions have been processed promptly and accurately during the Plan year as required under the 1995 Pensions Act and according to the current Schedule of Contributions. Where contribution issues have been identified, they have been recorded and the Trustee would note that the Company is undertaking a full rectification project, with input from the Trustee, XPS and advisers.

Charges and transaction costs

The level of charges applying to members as at 31 March 2021 are set out in the appendix.

Transaction costs

Transaction costs and gains are those incurred by fund managers as result of buying, selling, lending or borrowing investments. These costs are allowed for within the unit price of each of the Plan's funds.

Following its consultation in October 2016, the Financial Conduct Authority published its final policy statement 'PS17/20: Transaction cost disclosure in workplace pensions' in September 2017. This includes rules and guidance on improving the disclosure of transaction costs and administration charges in workplace DC Pensions.

Details on the aggregated transaction costs for each of the Plan's funds (including for the default investment strategy) over the period are set out in in the appendix.

The Trustee also conducted a benchmark analysis of the Plan's aggregated fund transaction costs against the market average cost in equivalent sectors, across different providers' platforms. The analysis shows that the majority of the Plan's transaction costs were below the market average.

Costs & charges Illustration

The Occupational Pension Schemes (Scheme Administration) Regulations 1996, as amended in 2018 require the Trustee to produce an illustration showing the compounded effect of costs and charges.

Statutory guidance sets out the elements that must be taken into account but there is some flexibility to reflect plan experience albeit illustrations do not have to be personalised. In preparing its illustration, the Trustee has taken account of the statutory guidance and carefully considered the use of different representative members of the Plan's membership. These essentially represent an early career member, a mid-career member and a mature career member. The funds for the illustration were selected on the basis of being the most prevalent among members (i.e. the default investment strategy), as well as for having the highest and lowest expected returns, costs and charges.

This "pound and pence" illustration is presented in full in the appendix to this statement and shows the projected value, over different time horizons, for selected investment funds and representative members.

Value for Members (VFM)

The Trustee acknowledges the legal requirement for pension arrangements to assess their plan against the value of services and features that members pay for through costs and charges, or where members share the cost with the employer. The Trustee is committed to ensuring that members receive value from the Plan and it is worth noting that it has gone beyond the legal requirements.

The Trustee's VFM assessment has continued to centre on investment costs (and charges) since this is the only aspect of the Plan that members bear the cost of. However, it has also considered the value derived from the wider features of membership which the Company meets the cost of, such as the quality of Plan administration, communication, governance and management. To assess this on an ongoing basis, the Trustee has constructed an assessment framework which mirrors the Regulator's illustrative approach as set out in its 'How to' guide for value for members. In summary, this considers the relative member need and the quality of service through the Plan to meet that need.

The Trustee continually seeks to ensure the Plan provides VFM and will continue to review this on an annual basis. The results of its most recent review, conducted in June 2021 to reflect on the reporting period, are summarised below.

Charges

The 'weighted combined average' Annual Management Charge (AMC) of the Plan was 0.26% as at 31 March 2021. To benchmark the charges members pay, the Plan's advisers (Willis Towers Watson) assisted the Trustee to compare the Plan against the wider market.

The reduction of the investment charges negotiated by the Trustee with Fidelity (noted in last year's Statement) was implemented during this reporting period and has placed the Plan's weighted average AMCs below the average for similar Willis Towers Watson unbundled schemes. When compared to all trust-based schemes, including 'bundled' arrangements (i.e. those where administration and investment services are provided by the same supplier) the charges members are further below average and well below the charge cap of 0.75 bps.

Overall, the Trustee's VFM assessment concluded that the core Plan investment offering offers excellent member value for the charges paid and sufficient to excellent broader value. Some of the key aspects that led to this conclusion included:

Core member value (where members meet the cost)

- The Trustee has a strong track-record of analysing the Plan's membership demographics to inform investment design and considering the varying risk profiles and retirement objectives of members.
- The weighted average AMC of the Plan is below the market average for schemes of similar size and with plans with predominately passive investment management. Moreover, Fidelity has implemented a further reduction of its Platform fee of 5 basis points in May 2021 which will be reflected in the 2021/22 Plan year assessment.
- The transaction cost information provided by Fidelity indicates that for most funds these are below the market average.
- The Plan provides a range of investment options that are designed with the needs of the membership in mind. This is reflected in the recent triennial formal review of the Plan's default investment strategy and self-selected funds.
- Net performance of the funds was considered by the Trustee formally on a quarterly basis. Although performance was mixed throughout the wider fund range, all funds have performed in line with their objectives and expectations over medium and long-term periods. The two key components of the lifestyle options (in which most members are invested) have both performed strongly in absolute terms (net of fees) over the period. The 30/70 Currency Hedged Global Equity Fund returned 41.9%, the LGIM Diversified Fund has returned 20.2%.

Broader value

In terms of Broader Value (i.e. aspects of the Plan members do not meet the cost of), the Trustee's review also highlighted the value generated by:

- The continued overall depth of governance and the Trustee's approach to formally align this with its objectives for the Plan (which are in turn founded on seeking to achieve good member outcomes), the progress against which is evaluated quarterly against relevant Key Performance Indicators (KPIs).
- Robust investment governance processes are in place, designed to identify any potential issues early and thereby increase the likelihood that each of the Plan's funds meet the agreed objectives.
- Regular Plan member communication materials supported by employer sponsored specific Trustee communications (bespoke investment guides and an updated online member website) and access to a dedicated retirement support service.

The Trustee acknowledge a decrease in the performance of XPS against SLAs over the period, coupled with an increase in member complaints. This has seen the Trustee reduce its rating of administration services from 'Good' to 'Sufficient' for administration services. The Trustee has been working closely with XPS to improve service levels, which is reflected in the improvement of SLA since Q1 2021.

Trustee's knowledge and understanding (TKU)

The Trustee Directors have a TKU process in place which enables them, together with the advice available to them, to exercise their functions as Trustee Directors of the Plan.

The Trustee's approach to meeting the TKU requirements includes:

- A regular training programme, generally timed to coincide with relevant important decisions, incorporated into planned meetings and reviewed regularly.

- All training and attendance at appropriate seminars is recorded via the Trustee training log.
- Training from advisers on topical items, provided on a quarterly basis. For example:
 - Buck: An introduction to DC pensions (27 August 2020), Investment of Pensions Scheme Assets (20 August 2020), and Investment Beliefs & Objectives (21 October 2020)
 - Willis Towers Watson: Buy-in, buy-out, Master Trust, Superfunds & Long-term Funding Target (25 September 2020)
 - BlackRock: Sustainable Investing (16 March 2021)
- Trustee Directors receiving general ad-hoc updates and 'hot topics' updates from their advisers about matters relevant to the Plan. Over the reporting period, the Trustee Directors received specific training on legislative updates (including the DWP consultation on DC consolidation and charge cap proposals, the results of the Government consultation and DWP's proposals on simpler annual benefit statements, Government consultation on managing the effects of climate change, DWP confirmation of a 'stronger nudge' towards pension guidance, the Pensions Administration Standards Association (PASA) scheme administration guidance, additional disclosure and investment changes for 2020, and the Pensions Regulator's (tPR) statements on COVID-19, including scheme administration, governance, investment, communications, reporting duties and enforcement activity).
- Other sessions were linked to keeping abreast of the latest pension news and market insights, such as the findings from the 2020 Willis Towers Watson DC FTSE 350 survey, the Pensions Regulator's call to make a pledge to combat pension scams, update on the Pension Dashboard initiative, the PLSA Retirement Living Standards and the Small Pots Working Group report.
- A formal DC governance plan which sets out long-term objectives and annual activities. This is monitored with reference to completion of KPIs – which were considered and discussed at each quarterly meeting during the reporting period. Adhering to the framework enables the Trustee to ensure its governance approach is aligned with its objectives and assess its own performance against meeting these objectives as well as the effectiveness of their advisers.
- All Plan documents are reviewed by the Trustee and its advisers in line with the Business Plan or sooner if required for specific reason.
- The Trustee Directors have a good working knowledge of the Plan's documentation and sufficient knowledge and understanding of the legal and investment aspects of pension trusteeship. The Trustee's approach is to undertake refreshment (or more in depth) training when key decisions are required. Notable examples of this over the reporting period would be training on the DC disclosure and investment changes and more in-depth training on investment items (notably in terms of evolving DC investment/retirement behaviour and incorporating ESG policy) before updating the Plan's SIP.
- New Trustee Directors' needs are assessed and appropriate training is provided within the first 6 months of their appointment. There were no new Trustee Directors appointed over the reporting period.
- The Trustee Directors carry out periodic self-assessment sessions to identify knowledge gaps and to plan how to address these. This is monitored quarterly through maintenance of the Trustee training log and more formally triennially through the Trustee Effectiveness Survey.
- When new vacancies for Directors arise, the Trustee invites applicants from all parts of the business, seeking to prioritise candidates that will compliment the Board's skill set.
- All Plan documents are available online via a dedicated Trustee site, which all Trustee directors have secure access to.
- All Trustee Directors have either completed or are in the process of completing the tPRs Trustee Toolkit. Completion of the trustee toolkit is anticipated within 12 months of appointment.

Signed:

Date:

**Trustee Chairman
Avis UK Pension Plan**

Appendix

Charges and transaction costs

For the default investment strategy (the 10-year Lifestyle strategy shaded in the tables below), and the other lifestyle strategies offered by the Trustee, the allocation of the underlying assets between the components will change as the member approaches their selected retirement date, and hence the minimum and maximum range of charges which apply to members is shown.

Lifestyle strategy	% Total member borne deductions (Annual Management Charge plus additional expenses)*
10-Year Lifestyle Strategy (Cash Target)	0.24 – 0.34 (0.24 - 0.34)
5-Year Lifestyle Strategy (Annuity Target)	0.18 – 0.25 (0.18 - 0.25)
10-Year Lifestyle Strategy (Drawdown Target)	0.25 – 0.34 (0.25 - 0.34)
10-Year Lifestyle Strategy (Annuity Target)	0.19 – 0.34 (0.20 - 0.34)

* Charges reported in the 2019/2020 Chairman's Statement in brackets.

Alternative Funds

The table below shows the level of charges applying for all other funds. The shading denotes those funds which make up the default 10-Year Lifestyle Strategy (Cash Target).

Fund	Asset Class	% Total member borne deductions (Annual Management Charge plus additional expenses)*
Fidelity Avis BlackRock 30/70 Currency Hedged Global Equity Fund	Equity	0.25 (0.25)
Fidelity Avis L&G Diversified Fund	Diversified	0.34 (0.34)
Fidelity Avis BlackRock Corporate Bond Index Over 15 Years Fund	Bond	0.20 (0.22)
Fidelity Avis BlackRock Over 15 Years UK Gilt Index Fund	Gilt	0.14 (0.14)
Fidelity Avis BlackRock Cash Fund	Money	0.20 (0.20)
Fidelity Avis BlackRock UK Equity Index Fund	Equity	0.21 (0.21)
Fidelity Avis BlackRock World (ex-UK) Equity Index Fund	Equity	0.21 (0.21)
Fidelity Avis BMO Responsible UK Equity Growth Fund	Equity	0.71 (0.71)
Fidelity Avis HSBC Islamic Pension Fund	Equity	0.45 (0.45)
Fidelity Avis BlackRock Over 5 Years Index Linked Gilt Fund	Gilt	0.14 (0.14)

* Charges reported in the 2019/2020 Chairman's Statement in brackets.

Transaction costs

Details on the aggregated transaction costs for each of the Plan's funds over the period available are set out in the table below (the default fund components are shaded):

Fund	% Aggregate Transaction Costs	Latest data available
Fidelity Avis BlackRock Corporate Bond Index Over 15 Years Fund	-0.01	31/03/2021
Fidelity Avis BMO Responsible UK Equity Growth Fund	0.68	30/09/2020*
Fidelity Avis BlackRock 30/70 Currency Hedged Global Equity Fund	0.09	31/03/2021
Fidelity Avis BlackRock Cash Fund	0.02	31/03/2021
Fidelity Avis BlackRock Over 15 Years UK Gilt Index Fund	-0.04	31/03/2021
Fidelity Avis BlackRock Over 5 Years Index Linked Gilt Fund	-0.01	31/03/2021
Fidelity Avis BlackRock UK Equity Index Fund	0.05	31/03/2021
Fidelity Avis BlackRock World (ex-UK) Equity Index Fund	0.00	31/03/2021
Fidelity Avis HSBC Islamic Pension Fund	-0.30	31/03/2021
Fidelity Avis L&G Diversified Fund	0.00	31/03/2021

** Transaction costs as at 31 March 2021 were not obtainable at the time this document was finalised despite several attempts to obtain this information. This issue has been escalated to the head of Distribution and head of Product Development of BMO Global Asset Management. The Trustee will endeavour to keep this under review and work with its advisers to obtain figures as 31 March for next year's statement.*

Where the Trustee has been provided with negative transaction costs, these have been used in the calculations of the 'Pounds & Pence' illustration below. Negative costs are a feature of price movements in a fund as members trade in and out of the fund and are not a reflection of explicit costs paid by members. Because of this, it is not expected that transaction costs for the affected funds will always be negative.

The transaction costs reported in the table above were benchmarked against the market average cost of funds in equivalent sectors across the range of funds offered on 12 providers' platforms. The analysis shows that the majority of the Plan's transaction costs are below the market average.

Pounds & Pence illustration

Example member	Years to Normal Retirement Age	10-year Lifestyle Strategy (Cash target)		Fidelity Avis BMO Responsible UK Equity Growth Fund		Fidelity Avis BlackRock World (ex-UK) Fund		Fidelity Avis BlackRock Cash Fund		Fidelity Avis BlackRock Over 5 Years Index Linked Gilt Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Early career member (aged 20)	1	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800
	3	£5,700	£5,700	£5,700	£5,600	£5,700	£5,700	£5,400	£5,300	£5,300	£5,300
	5	£9,900	£9,900	£9,800	£9,600	£9,900	£9,900	£8,900	£8,800	£8,700	£8,700
	10	£22,000	£21,700	£21,500	£20,500	£22,000	£21,800	£17,600	£17,400	£16,900	£16,800
	15	£36,800	£35,900	£35,300	£32,800	£36,800	£36,100	£26,000	£25,600	£24,600	£24,300
	20	£54,700	£53,000	£51,800	£46,900	£54,700	£53,400	£34,300	£33,500	£31,800	£31,400
	25	£76,400	£73,500	£71,300	£62,800	£76,400	£74,100	£42,300	£41,200	£38,600	£37,900
	30	£101,500	£96,600	£94,500	£80,800	£103,000	£99,100	£50,100	£48,600	£45,000	£44,000
	35	£128,600	£121,100	£122,100	£101,300	£135,200	£129,200	£57,800	£55,700	£51,000	£49,700
Mid-career member (aged 35)	40	£153,300	£142,900	£154,800	£124,600	£174,400	£165,500	£65,200	£62,600	£56,600	£55,000
	45	£170,600	£157,700	£193,700	£151,000	£222,200	£209,100	£72,500	£69,200	£61,900	£59,900
	1	£24,500	£24,400	£24,400	£24,200	£24,500	£24,400	£23,500	£23,400	£23,300	£23,300
	3	£34,000	£33,700	£33,600	£32,800	£34,000	£33,800	£30,400	£30,300	£29,900	£29,700
	5	£44,200	£43,700	£43,400	£41,900	£44,200	£43,900	£37,300	£37,000	£36,200	£36,000
	10	£73,700	£72,200	£71,200	£66,700	£73,700	£72,600	£54,100	£53,400	£51,500	£50,900
	15	£108,100	£105,000	£104,200	£94,900	£109,500	£107,100	£70,600	£69,200	£65,800	£64,800
	20	£145,900	£140,300	£143,400	£126,900	£153,100	£148,800	£86,600	£84,400	£79,200	£77,800
	25	£182,200	£173,500	£189,900	£163,200	£206,200	£198,900	£102,200	£99,100	£91,800	£89,900
Mature career member (aged 55)	30	£210,200	£198,700	£245,200	£204,400	£270,800	£259,200	£117,500	£113,300	£103,700	£101,100
	1	£46,100	£46,000	£46,400	£46,000	£46,600	£46,600	£44,700	£44,600	£44,400	£44,300
	3	£58,500	£58,000	£60,000	£58,600	£60,800	£60,400	£54,100	£53,800	£53,100	£52,900
	5	£70,800	£70,000	£74,500	£71,800	£76,000	£75,300	£63,500	£62,900	£61,500	£61,200
	10	£99,800	£97,900	£115,500	£107,800	£119,800	£117,900	£86,300	£85,000	£81,800	£80,900

To be read in conjunction with the commentary overleaf

All figures are rounded to the nearest £100

The aim of this Pounds and pence illustration is to show the cumulative effect of the costs and charges incurred by members when investing in a selection of funds provided by the Plan through the Fidelity investment platform. The costs and charges considered in the 'After charges' column in the table above take into consideration the Annual Management Charge plus additional expenses and the aggregated transaction costs.

The assumptions used are intended to model the behaviour of assets and market conditions over the long term. They are not meant to be reflective of the possible, or even likely, course of those investment markets in the short term. The return forecasts are not intended to imply, nor should be interpreted as conveying, any form of guarantee or assurance of the future performance of the funds in question, either favourable or unfavourable.

Neither the Trustee, the Administrator or Fidelity can give you financial advice. You should seek advice from an independent financial adviser if you are unsure about your investment choices. For help with finding a financial adviser in your area, please contact the Money and Pensions Service using www.maps.org.uk.

Notes:

1. Projected pension account values are shown in today's terms.
2. Inflation is assumed to be 2.5% each year.
3. Contributions are assumed from age 20 to 65 and increase in line with assumed earnings inflation of 0% per year in real terms.
4. Values shown are estimates and not guaranteed.
5. The real projected growth rates for each fund are as follows:
 - a. 10-year Lifestyle Strategy (Cash target) – from 0.55% to 4.00% (adjusted depending on term to retirement)
 - b. Fidelity Avis BMO Responsible UK Equity Growth Fund – 3.50%
 - c. Fidelity Avis BlackRock World (ex-UK) Fund – 4.00%
 - d. Fidelity Avis BlackRock Cash Fund – -0.50%
 - e. Fidelity Avis BlackRock Over 5 Years Index Linked Gilt Fund – -1.25%
6. Transaction costs and other charges have been provided by Fidelity and cover the period from 1 April 2018 to 31 March 2021 (except for the Fidelity Avis BMO Responsible UK Equity Growth Fund – from 1 Oct 2015 to 30 Sep 2020). Transaction costs have been averaged by Willis Towers Watson using a time-based approach. The transaction costs for blended funds were estimated by Willis Towers Watson based on the transaction costs for the underlying assets.
7. The Plan's normal retirement age (NRA) is 65.
8. Example members:
 - a. Early career member: age 20, initial salary: £20,000, total initial contribution: £1,800, contribution rate: 9%, starting fund value: nil
 - b. Mid-career member: age 35, initial salary: £40,000, total initial contribution: £3,600, contribution rate: 9%, starting fund value: £20,000
 - c. Mature career member: age 55, initial salary: £55,000, total initial contribution: £4,950, contribution rate: 9%, starting fund value: £40,000