

The Fremantle Group Pension Plan ('the Plan')

Governance Statement for the period from 1 January 2023 to 31 December 2023

1. Introduction

This Governance Statement sets out how we have embraced statutory governance standards which are central to the running of the Plan. It explains how the Trustee has met its legal obligations in relation to the management of the Plan over the period 1 January 2023 to 31 December 2023 ("the Plan Year"). As Trustee Directors we recognise the importance of robust governance and adopt good practice standards.

2. Governance of the default arrangement

i) Statement of Investment Principles

Appended to this statement is a copy of the Plan's latest Statement of Investment Principles which governs the Trustee's decisions about investments including its aims, objectives and policies for the Plan's default arrangements (the default arrangement is the investment structure that members were placed into, if they did not make their own choice when they joined the Plan). In particular, it covers the Trustee's policies on risk, return and ethical investing and how default arrangements are intended to ensure that assets are invested in the best interests of the members.

The Trustee updated the Statement of Investment Principles during the Plan Year covered by this Governance Statement to account for changes to the default investment strategy and the Trustee's policy in relation to engagement and voting rights.

ii) Review of the default arrangements

One of our key responsibilities is to ensure that, based on the aims and objectives of the default arrangement, the default strategy is designed in the best interests of members. This duty and other governance issues relating to the default arrangement are explained in our Statement of Investment Principles.

The Trustee reviews the appropriateness of the default arrangements on an ongoing basis and formally at least every three years (or sooner, if there is any significant change in investment policy or member demographics), to ensure that the return on investments is consistent with the Trustee's aims, objectives and policies.

We introduced the Default Lifestyle Option following a review of the default strategy in place prior to then, the 'Legacy Lifestyle Option', with effect from April 2017. The Default Lifestyle Option was designed to take into consideration pension freedoms introduced from April 2015.

To help ensure that the default arrangement, as well as the self-select investments, continue to be appropriate to our membership, we regularly review their suitability. This takes into account the range of investments, their risk profiles and the demographics of our members. We also make sure that all our investment options are clearly labelled.

The Trustee, in conjunction with their investment advisers, undertook the last formal triennial review of the Plan's default investment strategy in December 2021. This included an assessment of the current trends in the market, member activity at retirement, members' appetite for risk and likely outcome at retirement.

Our review of the default took into account guidelines published by the Department for Work and Pensions. Our review included consideration of the following:

- Ongoing suitability, governance arrangements and objectives;
- Default investment strategy; and
- Design of the default arrangement including the suitability of underlying investments.

Following this review, the Trustee agreed to the following changes which were implemented at the start of the Plan Year covered by this Governance Statement:

1. Replace the LGIM Fremantle Global Equity (30/70) Index – 75% GBP Hedged Fund with the LGIM

- Fremantle All World Equity Index Fund. One of the conclusions of the triennial review was that the Global Equity fund within the Default Lifestyle Strategy had a bias towards UK equities. The Trustee was advised that UK equities are not expected to outperform overseas markets over the long-term and there were diversification benefits from taking a more global approach to investing.
2. Retain more exposure to equities as members approach retirement (pre-retirement phase). The Default Lifestyle Strategy now retains a 10% allocation to equities as a member reaches their retirement age, instead of 0%.

The Trustee will next complete a full review of the investment arrangements in Q4 2024, when the formal triennial review is next due.

Each quarter the Trustee also reviews the net performance of the funds underlying the default arrangement with input from our investment managers. The Trustee noted that the Diversified Growth funds (BlackRock ALMA and Legal & General Investment Management ('LGIM') Consensus) have lagged their performance objectives over the longer-term and continue to keep a close eye on the performance of both funds. The use of these funds will also be considered as part of the wider investment review due to be completed in Q4 2024. The passively managed funds broadly tracked their benchmarks over 2023 as expected. Net investment returns for the scheme reporting year are shown in section 5 of this Governance Statement.

In December 2023, the Trustee reviewed the investment managers' policies in relation to Environmental, Social and Governance ('ESG'). Both LGIM and BlackRock have established approaches to considering ESG factors and leverage their significant presence in the asset management space to engage with underlying companies on ESG issues. Isio, on behalf of the Trustee, monitor the managers' approaches on a quarterly basis and report any material changes to the Trustee.

iii) Aims, objectives and policies relating to the Plan's main default arrangement

Currently around 42% of Plan members participate in the Default Lifestyle Option. The Default Lifestyle Option has been designed to provide a lower level of exposure to investment risk for members as they proceed towards retirement. This is commonly referred to as a lifestyle approach, where the member's investments are de-risked as they get closer to retirement.

The Default Lifestyle Option invests 50% in Global Equities and 50% in Diversified Growth until 10 years before the member's retirement date. As members approach retirement, assets are gradually and automatically switched into lower-risk bond funds. At the start of the Plan Year covered by this Governance Statement, at a member's retirement age, the funds were invested 40% in Diversified Growth, 30% in Corporate Bonds and 30% in Gilts. During Q1 2023, members were then moved to a new strategy at a member's retirement age that's invested in 10% Global Equities, 40% in Diversified Growth, 25% in Corporate Bonds and 25% in Gilts.

The mix of Diversified Growth and Global Equity is intended to maximise long-term returns, while providing some protection against fluctuations in market value. The switch of assets in the last 10 years before retirement aims to further reduce the level of investment risk members are exposed to and is likely to be suitable for members who are planning to take a single lump sum, or series of lump sums (drawdown) at retirement.

All the assets held in the Default Lifestyle Option are readily realised. As all the assets held are chosen to meet criteria based upon the likely rates of return, levels of risk and charges, they are not selected with a view to optimising social, environmental or ethical impact of the investments.

iv) Aims, objectives and policies relating to the Plan's other default arrangements

The Legacy Lifestyle Option invests wholly in the Consensus Index Fund until 6 years before the member's retirement date. As members approach retirement, assets are gradually and automatically switched into a mixture of fixed interest bonds and cash. At a member's retirement age, the funds are invested 75% in fixed interest bonds and 25% in cash.

The Consensus Index Fund is intended to maximise long-term returns, while providing some protection against market fluctuations. The switch of assets in the last 6 years before retirement aims to lead to a mix of assets,

at retirement, whose value will vary in approximately the same way as the cost of purchasing an annuity with 75% of the fund and using the remaining 25% of the funds to provide a cash sum.

3. Asset allocation of the default arrangement

The Trustees are required to disclose a breakdown of the asset allocation of the default investment strategy for the Plan. The below table sets out the asset allocation of the default strategy across the core asset classes noted as:

- Cash
- Bonds
- Listed Equities
- Private Equities
- Infrastructure
- Property
- Private debt
- Other (any assets which do not fall into the above)

Within the below table, the Trustees have provided a further breakdown within some of these broader categories.

Asset Class	Strategic asset allocation (%) – as at 31/12/2023			
	25 years old	45 years old	55 years old	1 day prior to State Pension Age
Cash	0.0	0.0	0.0	0.0
Bonds	30.0	30.0	30.0	74.0
<i>Fixed Interest Government bonds</i>	6.9	6.9	6.9	5.5
<i>Index-linked government bonds</i>	10.7	10.7	10.7	33.6
<i>Investment grade bonds</i>	2.0	2.0	2.0	26.6
<i>Non-investment grade bonds</i>	10.5	10.5	10.5	8.4
<i>Securitised credit</i>	-	-	-	-
Listed equities	62.7	62.7	62.7	20.1
<i>UK equities</i>	1.9	1.9	1.9	0.4
<i>Developed Market equities</i>	50.0	50.0	50.0	14.1
<i>Emerging markets</i>	10.8	10.8	10.8	5.7
Private equities	-	-	-	-
<i>Venture capital</i>	-	-	-	-
<i>Growth equity</i>	-	-	-	-
<i>Buyout / Leveraged funds</i>	-	-	-	-
Infrastructure	-	-	-	-
Property	2.7	2.7	2.7	2.1
Private debt	-	-	-	-
Other	4.7	4.7	4.7	3.8
Total	100.0	100.0	100.0	100.0

Note: Asset allocations based on fund holdings of the default strategy as at 31/12/2023.

4. Financial transactions

i) *Service Level Agreement (SLAs)*

The Trustee appointed Isio (1 August 2020) as its third-party administrator replacing Capita. When appointing Isio, service levels were agreed for the required turnaround times of all core member requests. The Trustee works to hold Isio to account for delivery of services within these SLAs and seeks further detail, if required. For the Plan Year, the Trustee have agreed suitable and relevant timescales and the administrator has regularly met these timescales.

ii) *Monitoring*

The processing of core financial transactions is regularly monitored (quarterly) by the Trustee via our administrators, who have implemented internal control procedures that help ensure that member activities and core financial transactions are processed promptly and accurately. These include controls and procedures to manage the accuracy of investment allocations, payments of benefits as well as the individual transfers out and investment switches managed as part of the life-styling arrangements. As the Plan is closed there are no new contributions received.

To help gain assurances that administration is dealt with promptly and accurately we undertake the following exercises with input from our administrator:

- Monitoring services against service level agreements;
- Review administration reports on a quarterly basis; and
- Monthly reconciliation of investments.

In addition, the administrator holds an AAF report, a Business Continuity Plan and an external accreditation in respect of Information Security.

The Trustee, having considered these reports, has concluded that to the end of 2023, the Plan's core member requests and financial transactions had overall been processed promptly and accurately during the period covered by this statement. Isio have continued to make improvements to their service delivery and there is regular dialogue with the Pensions Manager regarding any outstanding actions. The Trustee is monitoring the improvements in service delivery closely with reference to individual member experiences and the SLAs.

The Trustee introduced online member access to information about individual member investments within the Money Purchase section of the Plan in November 2022.

iii) Accuracy of record keeping and data security

The Trustee reviews the accuracy of record keeping on an ongoing basis. As part of the administration service transition, a full review was undertaken and presented to the Trustee in a review dated November 2020. The Trustee put in place plans for any areas of improvement identified, documented any risks identified and agreed processes with the Plan administrator for ongoing data monitoring, reporting and dealing with errors. Amongst other things, a number of member tracing endeavours were undertaken, and the contact details of the Plan's membership were refreshed, as well as the updating of several other elements of member data which were noted to be incomplete. The Trustee has agreed to do a conditional data assessment to further ensure data security.

From 25 May 2018, legislation was introduced in relation to data protection, ownership of data and data privacy, EU General Data Protection Regulation ('GDPR'). The Trustee, in conjunction with its legal advisers, Plan administrator and Fremantle, initiated a workstream devoted to preparing for its introduction and ongoing compliance. The Trustee actioned the following in order to have all processes and procedures in place from 25 May 2018:

- Issued data processing questionnaires to the Plan administrator
- Updated the Trustee privacy statement (which is reviewed annually)
- Reviewed Plan administrator and external advisers, auditors and provider contracts
- Updated wording in member communications
- Reviewed and updated processes for member consent, where required
- Drafted and adopted a Trustee data protection policy
- Considered and complied with on implementation of the new member website

The Trustee continues to test the policy to ensure ongoing compliance. All the above is captured in the Trustee's risk register.

5. Charges and Transaction costs

i) Charges borne by the members

The Trustee calculated the Total Expense Ratio charges and, as far as they were able to do so, the transaction costs, borne by members during the Plan Year. Transaction costs and charges borne by members may have a significant impact on their pension savings, so it is important that the Trustee keeps the levels of these

deductions under review.

The administration charges for the Plan are met by Fremantle and therefore are not charged to individual members' investment accounts. The expenses which are met by the members are the investment management charges levied by the investment managers.

The member borne charges for the Plan's default arrangements complied with the charges cap during the Plan Year.

Default Lifestyle Option arrangement

During the Plan Year the Total Expense Ratio charges that applied to the Default Lifestyle Option:

- were a total of 0.26% per annum in the period prior to 10 years before the member's selected retirement date.
- ranged from 0.26% to 0.21% per annum over the de-risking period for the 10 years before the member's selected retirement date.

Legacy Lifestyle Option arrangement

During the Plan Year the Total Expense Ratio charges that applied to the Legacy Lifestyle Option:

- were a total of 0.26% per annum in the period prior to 6 years before the member's selected retirement date.
- ranged from 0.26% to 0.13% per annum over the de-risking period for the 6 years before the member's selected retirement date.

Self-select funds

The Total Expense Ratio charges and transaction costs for the self-select funds currently available are set out in the table below:

Fund Name	Total Expense Ratio Charges (% p.a.)	Average transaction costs (% p.a.)
LGIM Fremantle World (ex UK) Index	0.224	0.022
LGIM Fremantle UK Equity Index	0.176	-0.014
LGIM Fremantle BlackRock Aquila Life Market Advantage (ALMA) Fund	0.320	0.258
LGIM Fremantle All World Equity Index	0.199	0.027
LGIM Fremantle Global Equity MW (50:50)	0.205	0.006
LGIM Fremantle Ethical UK Equity Index	0.205	0.013
LGIM Fremantle All Stocks Index-Linked Gilts	0.100	0.036
LGIM Fremantle Investment Grade Corporate Bond All Stocks Index	0.151	-0.037
LGIM Fremantle Bond	0.129	-0.023
LGIM Fremantle Cash	0.125	0.105
LGIM Fremantle Consensus Index	0.261	0.024
LGIM Fremantle Over 5y Index-Linked	0.155	0.043

Source: LGIM. Isio calculations.

ii) Transaction costs

With effect from 3 January 2018, firms that manage money on behalf of DC workplace pension schemes were required, on request, to provide information about administration charges and transaction costs. In addition to this, new measures require the disclosure of costs, charges and investments in occupational DC schemes.

The Trustee has requested, via its advisers, transaction costs information, covering each of the past five scheme years, for every fund in the Plan's fund range, from the Plan's investment platform provider, LGIM.

Where the transaction cost is a negative number, this means the returns on the fund have been positively affected by the transaction costs.

iii) Illustrations of the effect of costs and charges on members' retirement outcomes

In order to achieve greater transparency about costs, new regulations came into force on 6 April 2018 which require the Trustee to provide members with additional information in relation to investment charges and core transaction costs. These must be set out as example member illustrations that have been prepared with regard to the relevant statutory guidance: Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes.

The illustrations for Plan members are set out and explained on pages 10-11 of this Chair's Statement.

6. Net investment returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) Amendment Regulations 2021 introduced new requirements for Trustees of DC pension schemes. From 1 October 2021, the Trustee is required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.

Below are the annualised net investment returns to 31 December 2023 for all funds where no lifestyling takes place.

Fund Name	1 year (%)	5 years (% p.a)
LGIM Fremantle World (ex UK) Index	17.2	13.2
LGIM Fremantle UK Equity Index	7.7	6.6
LGIM Fremantle BlackRock Aquila Life Market Advantage (ALMA) Fund	10.0	1.6
LGIM Fremantle All World Equity Index	15.3	10.4
LGIM Fremantle Global Equity MW (50:50)	12.4	10.0
LGIM Fremantle Ethical UK Equity Index	8.0	6.2
LGIM Fremantle All Stocks Index-Linked Gilts	2.2	-4.0
LGIM Fremantle Investment Grade Corporate Bond All Stocks Index	8.7	0.3
LGIM Fremantle Bond	5.8	-1.4
LGIM Fremantle Cash	4.5	1.3
LGIM Fremantle Consensus Index	8.1	5.0
LGIM Fremantle Over 5y Index-Linked	1.6	-5.1

Source: LGIM, Isio calculations

Below are the annualised net investment returns to 31 December 2023 for all funds where lifestyling takes place.

Default lifestyle

Time period	1 year (%)	5 years (% p.a)
31/12/2022-31/12/2023	31/12/2018-31/12/2023	
Age of member at beginning of period (years)		
25	12.7	6.3
45	12.7	6.3
55	12.7	4.9

Legacy lifestyle

Time period	1 year (%) 31/12/2022-31/12/2023	5 years (% p.a) 31/12/2018-31/12/2023
Age of member at beginning of period (years)		
25	8.1	5.0
45	8.1	5.0
55	8.1	4.9

Source: LGIM, Isio calculations

Notes:

- Returns calculated as the annual geometric average.
- Age-related returns for members in lifestyle strategies assume annual switching in the glidepath.

7. Value for members ('VfM')

In accordance with the Pensions Regulator's DC Code of Practice and with the relevant legislation available at the time of this statement, the Trustee has concluded that the Plan's overall benefits and options represent value for money for the following reasons:

- The members are not charged for the administration costs of the Plan and the Total Expense Ratio of the investments available is relatively low. Detailed information on the make up of costs and charges are captured in the annual Chair Statement.
- Administration quality and turnaround times are reviewed against stated service levels with further detail sought and challenge made, when necessary.
- Members can access information on their own benefits via online access and receive communications from time to time to provide an understanding of legislative changes.
- Charges for the Plan's Legacy and Default Lifestyle Option investment strategies are below the charge cap of 0.75% a year.
- Investment performance is regularly reviewed and action is taken where regular underperformance is observed.
- Investment managers' ESG policies are reviewed regularly. All of the funds considered are currently rated "above satisfactory" or "satisfies requirements" across all of the ESG factors considered. The Trustee advisers monitor the managers' approaches on a regular basis and report any material changes to the Trustee.
- Investment strategy is reviewed on a triennial basis or before if required, action is taken where the current strategy is underperforming, not compliant with legislation and/or does not meet the needs of the membership.
- Members have access to various asset classes
- Governance, risk management and training plans are in place for the Trustee to support them oversee the running of the Plan.

The Value for Member assessment was undertaken by a subset of the Trustee directors. It measured six key elements of a DC scheme aligned to the Pensions Regulator's ("TPR") DC Code of Practice and guidance on DC schemes. The assessment process and weightings will be considered at each future review following discussions amongst the Trustee and Isio. The most recent assessment included the use of a detailed scoring mechanism to determine the outcomes, which were documented and any areas for improvement were captured in the Trustee's remit for the year ahead. The outcome of the assessment was that the Plan scored well and provided good value to Plan Members.

8. Trustee knowledge and understanding ('TKU')

i. Trustee training

Upon appointment and subsequently, we are required to maintain appropriate levels of trustee knowledge and understanding, both individually and collectively. The Trustee reviews current pension developments at each meeting and receives training from the advisers. In summary the Trustee has met the requirements of the Pensions Act 2004 for trustee knowledge and understanding by:

- Meeting periodically with advisers in attendance to ensure the Trustee remains abreast of key issues and developments;
- Receiving bespoke formal training periodically for example Code of Practice, DC governance including Value for Member assessments, ESG investing, investment strategy training; and
- Having the objective to work through some or all of the Pensions Regulator's Trustee toolkit.

ii. Trustee experience and skills

The Trustee board directors collectively have a wealth of knowledge and expertise across a number of areas. Each member of the Board has different skills which provide for an overall strong composition, enabling the Trustee to address the following areas:

- Finance: experience of adopting a methodical approach to business strategy (including outside the Trustee role), enabling the Trustee to consider how to monitor and develop the Trustee's relationship with Fremantle and third parties such as the Plan administrator;
- HR and member insights: looking at all Trustee decisions from a member perspective, enabling the Trustee to consider the impact of their decisions on members and to challenge existing processes, procedures and communication channels to meet member needs.
- Pensions Trusteeship: experience of liaising with investment managers and advisers on expectations and actual experience of changes to funding, covenant and asset values including understanding the impact for members, Fremantle and Trustee;
- Legal: understanding of legal obligations and also entitlements as regards the Trustee, its trust law duties and contractual commitments, enabling the Trustee to challenge third parties (including Fremantle and advisers).

In addition to the skills within the Trustee board, we have also appointed a number of professional advisers who provide specialist support and advice. This includes our Plan's actuaries, lawyers, auditors and investment consultants.

- Actuarial, investment, administration and DC pension advisers – Isio
- Legal advisers – Shoosmiths
- Auditor – Crowe

Pooling all these resources means that the Trustee board is well equipped to exercise our functions as trustees and manage the Plan effectively.

Signed by the Chair of the Trustee on behalf of the Trustee

Name:



Bob McCourt

July 1, 2024

Appendix

Illustrations of the effect of costs and charges

Background

The next few pages contain illustrations about the cumulative effect of costs and charges on member savings within the Plan over a period of time. The illustrations have been prepared having regard to statutory guidance.

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

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future. This means that the information contained in this Chair's Statement is not a substitute for the individual and personalised illustrations which are provided to members each year by the Plan.

Key points to note

The tables below illustrate the potential impact that costs and charges might have on different investment options provided by the Plan. Not all investment options are shown - the Trustee has chosen a number of illustrations which they believe will provide an appropriate representative sample of the different investment choices that members can make.

In each of the illustrations, the "Before charges" column gives the hypothetical value of the investments if members were able to invest in funds at no cost. However, there will always be some cost to investing. This is because the organisations which manage the funds charge fees for their services, and also because buying and selling the stocks and shares which drive the funds' performance also has a cost. The "After all costs and charges deducted" column reflects the performance of the funds after these costs have been deducted.

The Financial Reporting Council introduced a new method for calculating Statutory Money Purchase Illustrations (SMPIs) with effect from 1 October 2023. The new methodology is prescriptive and uses historic volatility to calculate the growth rate (i.e. SMPI) to apply to each fund.

In the illustrations, we have shown the projections for the following:

1. The default lifestyle strategy
2. The fund with the highest expected return (LGIM Fremantle Over 5y Index-Linked)
3. The fund with the highest charge (LGIM Fremantle BlackRock Aquila Life Market Advantage (ALMA))
4. The fund with the lowest charge (LGIM Fremantle Investment Grade Corporate Bond All Stocks)
5. The fund with the lowest expected return (LGIM Fremantle Cash)

Member projections – the default lifestyle strategy

The table below sets out how the pension pot of a member currently aged 34 will increase over time, with and without charges. Please see the Notes below for more details.

	34-year-old, with a starting pot of £53,000 and no future contributions	
Years from 31/12/2023	Before charges	After all costs and charges deducted
1	£53,933	£53,726
3	£55,847	£55,207
5	£57,830	£56,730
10	£63,100	£60,721
15	£68,850	£64,994
20	£75,124	£69,568
25	£81,885	£74,401
30	£88,584	£79,083
31	£89,896	£79,988

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £53,000
4. Inflation is assumed to be 2.5% each year
5. No future contributions are included within the illustration
6. Values shown are estimates and are not guaranteed
7. The charges and transaction costs assumed for each fund are those as shown in the Chair's Statement
8. The projected growth rates (gross of charges) in relation to inflation for the default strategy at various periods to retirement are 1.8% for periods up to 10 years to retirement, gradually reducing to 1.4% at retirement age as the strategy de-risks.

Member projections – Individual fund projections

The tables below set out how the pension pot of a member currently aged 34 will increase over time, with and without charges for a range of the Plan's funds. Please see the Notes below for more details.

Years from 31/12/2023	LGIM Fremantle Over 5y Index-Linked		LGIM Fremantle BlackRock Aquila Life Market Advantage	
	Before Charges	After all costs and charges deducted	Before Charges	After all costs and charges deducted
1	£55,467	£55,333	£53,435	£53,138
3	£60,752	£60,312	£54,315	£53,415
5	£66,540	£65,738	£55,210	£53,694
10	£83,539	£81,538	£57,512	£54,396
15	£104,882	£101,135	£59,911	£55,108
20	£131,676	£125,442	£62,409	£55,829
25	£165,316	£155,590	£65,011	£56,560
30	£207,550	£192,985	£67,722	£57,300
31	£217,212	£201,480	£68,278	£57,449

Years from 31/12/2023	LGIM Fremantle Investment Grade Corporate Bond All Stocks		LGIM Fremantle Cash	
	Before Charges	After all costs and charges deducted	Before Charges	After all costs and charges deducted
1	£53,345	£53,279	£52,271	£52,184
3	£54,041	£53,841	£50,843	£50,590
5	£54,747	£54,409	£49,455	£49,044
10	£56,551	£55,856	£46,147	£45,384
15	£58,415	£57,342	£43,060	£41,997
20	£60,340	£58,867	£40,179	£38,862
25	£62,329	£60,432	£37,492	£35,962
30	£64,383	£62,040	£34,984	£33,278
31	£64,802	£62,366	£34,503	£32,766

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £53,000
4. Inflation is assumed to be 2.5% each year
5. No future contributions are included within the illustration
6. Values shown are estimates and are not guaranteed
7. The charges and transaction costs assumed for each fund are those as shown in the Chair's Statement
8. The projected growth rates (net of inflation) for each fund are shown in the table below:

Fund	Gross return assumption above inflation (% p.a.)
LGIM Fremantle Over 5y Index-Linked	4.7
LGIM Fremantle BlackRock Aquila Life Market Advantage (ALMA) Fund	0.8
LGIM Fremantle Investment Grade Corporate Bond All Stocks	0.7
LGIM Fremantle Cash	-1.4