WILLIAM HILL PENSION SCHEME ('THE SCHEME')
THE CHAIR'S ANNUAL GOVERNANCE STATEMENT

Introduction

I am pleased to present the Trustee's annual statement of governance for the Defined Contribution ('DC') Section of the Scheme, covering the period 1 October 2022 to 30 September 2023.

Regulations effective from 6th April 2015 require the Trustee of the William Hill Pension Scheme (the 'Trustee' of the 'Scheme') to prepare a statement showing how it has met certain minimum governance standards in relation to Defined Contribution benefits. The Scheme is a hybrid arrangement and as such there are members of the Defined Benefit ('DB') Section who have Additional Voluntary Contributions ('AVCs') with Standard Life and Utmost Life and Pensions ('Utmost') as well as there being members in the Defined Contribution ('DC') Section of the Scheme.

The Scheme's mission is to help members attain a good financial outcome for life after work. This statement describes the work that the Trustee has done to achieve that, and how it seeks to ensure that the Scheme is well-managed and delivers excellent services to members.

This statement covers five key areas:

1. The investment strategy relating to the Scheme's default investment strategies;

2. The processing of core financial transactions;

3. Charges and transaction costs within the Scheme, including the impact of these on investment performance and pot size at retirement;

4. Value for Members considerations; and

5. The Trustee's compliance with the statutory knowledge and understanding ('TKU') requirements.

Chair of William Hill Trustee Limited
April 2024

INVESTORS IN PEOPLE
Mercer Limited is authorised and regulated by the Financial Conduct Authority
Registered in England No. 984275 Registered Office: 1 Tower Place West,
Tower Place, London EC3R 5BU
MARSH & McLENNAN COMPANIES

1. The Scheme's default investment strategies

The assets of the DC Section are invested with Legal & General Investment Management ('LGIM'). Some members also have DB AVC assets in funds managed by Standard Life and Utmost. The DC Section of the Scheme consists of four pools: The Pension Savings Plan 2001 ('PSP'), the Employee Pension Plan ('EPP'), the Transfers In and the AVCs.

The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards its duty as making available a range of investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs.

The Trustee also recognises that members may not believe themselves qualified to take investment decisions. As such the Trustee makes available two default investment strategies – one for PSP members and one for EPP members. The default investment strategies place the emphasis on aiming to deliver a good level of real return over members' working lifetimes (whilst mitigating risk through diversification) and also encompasses de-risking in the years approaching a member's selected target retirement age into asset classes designed to be appropriate for how a member expects to withdraw their benefits in retirement.

In accordance with the Administration Regulations, the Trustee has appended the latest copy of the Statement of Investment Principles (the 'SIP'), dated 13 September 2022. The SIP has been prepared for the Scheme in compliance with Section 35 of the Pensions Act 1995 and regulation 2 / regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005.

The SIP covers the aims and objectives of the default investment strategies as well as its policies in relation to matters such as risk and diversification. It also states why the Trustee believes the default investment strategies to be designed in members' best interests.

These objectives translate to the following principles:

a. Offering members a 'Lifestyle' approach to the default investment strategies and ensuring that the other investment options including additional lifestyle strategies allow members to plan for retirement;

b. Making available a range of pooled investment funds (asset classes to include equities, bonds and alternatives) and lifestyle strategies which serve to meet the varying investment needs and risk tolerances of Scheme members;

c. Actively managed funds will only be included to the extent that the Trustee has a high level of confidence in the respective investment managers achieving their performance objectives, net of active investment management fees;

d. The range of pooled investment funds will have strategies including additional lifestyle strategies that are highly rated by the Trustee's investment adviser unless the Trustee decides there is good reason not to;

e. Providing general guidance as to the purpose of each investment option;

f. Encouraging members to seek financial advice from an appropriate party in determining the most suitable option for their individual circumstances;

g. In determining an appropriate balance between providing flexibility and choice, as well as simplicity and cost control, the Trustee aims to make available a range of options which satisfy the needs of the majority of members; and

h. The Trustee regularly reviews the suitability of the options including additional lifestyle strategies provided and from time to time will change or introduce additional fund choices as appropriate.

The Trustee reviewed and updated the SIP on 13 September 2022 to reflect the changes made as part of the triennial investment strategy review that took place in September 2021. The latest SIP dated 13 September 2022 can be found in the appendix of this Statement. The SIP is also available at https://www.williamhillpensions.co.uk/library. Furthermore, this Chair's Statement will be published on the William Hill Pension Scheme website. Both documents will be discoverable by search engines and signposted in the annual benefit statements.

Investment Strategy Review

The Trustee monitors how the funds within the Scheme's default investment strategies (and the wider self-select fund options) have performed against their targets at each quarterly meeting, taking input from its professional investment advisors. The Trustee also maintains a programme of ongoing reviews of the suitability of the default strategies, considering member demographics including contribution rates, how members withdraw benefits at retirement, the ages at which they do so and the size of their funds.

The Trustee reviewed the Scheme's investment strategy on 13 September 2021. This review took into account performance in line with the aims and objectives of the Trustee outlined in the default SIP, recent industry retirement trends and member demographics including age and pot size. As a result of this review, the Trustee decided to change the default for PSP members more than 8 years from their target retirement age to the Drawdown Lifestyle Strategy, leaving PSP members less than 8 years from their target retirement age in the Annuity Lifestyle Strategy.

Some DB members have chosen to contribute into AVCs which are also managed under the DC Section of the Scheme. Members make their own investment decisions on these AVCs assets. Whilst the Trustee monitors the suitability and the performance of these assets regularly, investment decisions are largely the responsibility of the members. No changes were made to the DB Section of the Scheme.

The Scheme's investment strategy and SIP will be reviewed a minimum of every three years or as soon as any significant developments in investment policy or member demographics take place; as a result the next investment strategy review is due to take place in September 2024.

The Trustee currently offers three lifestyle strategies:

- **Drawdown Lifestyle Strategy** - for members planning to leave their DC savings invested and withdraw income flexibly over time. Members who wish to drawdown their savings in retirement would have to transfer their DC savings out of the Scheme at retirement to a drawdown provider. This is the default investment strategy for **PSP** members that were more than 8 years from their target retirement age as at 1 July 2022.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Future World Annuity Aware Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.00	50.00	0.00	0.00
9	50.00	50.00	0.00	0.00
8	50.00	50.00	0.00	0.00
7	50.00	43.75	6.25	0.00
6	50.00	37.50	12.50	0.00
5	50.00	31.25	18.75	0.00
4	50.00	25.00	25.00	0.00
3	50.00	18.75	25.00	6.25
2	50.00	12.50	25.00	12.50
1	50.00	6.25	25.00	18.75
0	50.00	0.00	25.00	25.00

- **Annuity Lifestyle Strategy** – for those planning to buy a level annuity (a fixed pension income for life) at their target retirement date. This is the default investment strategy for PSP members that did not make their own investment decision and were less than 8 years from their target retirement age as at 1 July 2022.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Future World Annuity Aware Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.00	50.00	0.00	0.00
9	50.00	50.00	0.00	0.00
8	50.00	50.00	0.00	0.00
7	50.00	37.50	12.50	0.00
6	50.00	25.00	25.00	0.00
5	50.00	12.50	37.50	0.00
4	50.00	0.00	50.00	0.00
3	37.50	0.00	56.25	6.25
2	25.00	0.00	62.50	12.50
1	12.50	0.00	68.75	18.75
0	0.00	0.00	75.00	25.00

- **Cash Lifestyle Strategy** - for those planning to take their DC savings as a cash lump sum. This is the default investment strategy for **EPP** members that do not make their own investment decision.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Future World Annuity Aware Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.0	50.0	0.0	0.0
9	50.0	50.0	0.0	0.0
8	50.0	50.0	0.0	0.0
7	50.0	37.5	12.5	0.0
6	50.0	25.0	25.0	0.0
5	50.0	12.5	37.5	0.0
4	50.0	0.0	50.0	0.0
3	37.5	0.0	37.5	25.0
2	25.0	0.0	25.0	50.0
1	12.5	0.0	12.5	75.0
0	0.0	0.0	0.0	100.0

Review of the Annuity Lifestyle

In September 2023, the Trustee reviewed the Scheme's default investment strategy for those PSP members who remained invested in the Annuity Lifestyle after 1 July 2022. The Trustee wished to better understand the position of these members in order to decide whether they should continue to be de-risked towards a portfolio that is designed to purchase an annuity at retirement. As at 30 September 2023, the outcome and any potential recommendations were still under review, with any changes happening beyond the Scheme year end.

2. The processing of Scheme financial transactions

As required by the Administration Regulations, the Trustee must ensure that "core financial transactions" are processed promptly and accurately. Core financial transactions are (broadly):

- Investment of contributions made to the Scheme by members and their employer(s);
- Transfers into and out of the Scheme of assets relating to members;
- Switches of members' investments between different funds within the Scheme; and
- Payments from the Scheme to or in respect of members (e.g. payment of death benefits).

The Trustee recognises that delay and error in processing transactions can cause significant losses for members. Delays in processing can also cause members to lose faith in schemes which may in turn reduce their propensity to save and impair future outcomes. The Trustee therefore operates measures and controls aimed at ensuring that all financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately.

The Scheme's administration is outsourced to Capita Pension Solutions ('Capita'). As part of that model, the Trustee has agreed timescales with Capita for the processing of all member-related services, including core financial functions such as benefit quotations, investment switches and benefit payments. These timescales are well within any applicable statutory timescale and are summarised in table 1 below. This records the main measures and controls that the Trustee operates to satisfy themselves that the Scheme's financial transactions are both prompt and accurate, including regular evaluation of Scheme data and reporting of all member complaints to the Trustee. Over the year to 30 September 2023, the average Service Level Agreement (SLA) achievement rate was 89.9%. During the Scheme Year, 36 complaints were received. These related to delays in transfer value payments and documentation being returned by the member, as well as delays in data required or admin processes. Overall, the complaints were not material causes for concern in respect of Capita's service. These were raised with the Trustee and appropriate action was taken to inform impacted members.

On 31 March 2023, Capita experienced a cyber security breach and as a result, Capita administration teams have been dealing with a higher volume of work which impacted the Q2 2023 service levels. Action has been taken to identify any exfiltrated data, including working with clients to agree communications to impacted members and provide access to a complimentary 12-month Experian credit monitoring service. Capita has used a third party auditor to review the data that has been used in these exercises in order to ensure that all impacted members have been captured. It is anticipated that the results of the third party audit process will be made available once work has been completed for each impacted client.

Further to this, Capita carried out their own detailed independent audit of all aspects of the cyber-attack. This is meant to serve as a deeper review of Capita's overall response to the attack, which currently has no timescale for completion given the scope of the exercise. They have worked with specialist partners, including Microsoft, in order to rebuild their servers and data infrastructure in response to the attack. This has reportedly closed off any vulnerabilities within the Capita infrastructure. Processes have been put in place to provide support services to members who have had their personal data illegally obtained and used, and Capita is liaising with the Pensions Regulator ("TPR"), the Information Commissioner's Office (ICO) and the wider pensions industry in order to share information and ideas to improve cyber security.

In light of the above, the Trustee is working with Capita to ensure the actions taken are completed and any impacted members are informed.

Table 1: Timescales for benefit processing

Task	Service Level Agreement	Comment
Transfer out	18 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Transfer in	24 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Retirement	20 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Death claim	5 working days	
Investment switch – post or email	8 working days	Subject to receipt of monies and the Fund Manager's own dealing dates

Table 2: Internal Controls

Core financial transaction	Key internal control
Investment switches requested by members	**Promptness** • Administrator's SLA for member initiated switching investments is 1 working day from date of request. • Lifestyle switching is subject to an agreed matrix and is carried out on the 1st day of each quarter (1st January, 1st April, 1st July, 1st October).
	Accuracy • All switches are reconciled by administrator with manager transaction statements. • All members are notified when a member-initiated investment switch is completed. Members are notified when their switch has been completed and provided with a revised unit holding.
Payment of benefits to members, including retirements, transfers and death benefits	**Promptness** • Cash flow preparation includes identification of forthcoming benefit payments. • SLAs for core benefit transactions (retirements, deaths and transfers) help ensure that member wishes are known well in advance of benefit payment date. • Annual appraisal of common data helps ensure that member data is accurate, reducing the likelihood of delay from data gaps. • All member complaints must be reported to the Trustee, even where no breach of agreed timescales has occurred. All member complaints are reported to the Trustee via the quarterly administration report regardless of their origin or outcome.
	Accuracy • Administrator operates peer review system for all benefit calculations. • Data accuracy is subject to regular evaluation and updating.

Other controls that address the promptness and accuracy of core financial controls include:

- The administrators record all member transactions and benefit processing activities in a work management system which assigns the relevant timescale to the task. They must report quarterly to the Trustee their performance against these agreed timescales. These disclosures are considered by the Trustee at its quarterly meetings.

- The Trustee requires additional disclosures in respect of any transactions and benefit processing activity that have not been completed within the agreed timescales including the cause of the delay, the extent to which agreed timescales were breached and the proposed remedial measures. None of the breaches of agreed timescale during the period covered by this statement are regarded as a matter for significant concern.

Furthermore, in producing the Scheme's Annual Report and Accounts, the Trustee and the Auditor (Grant Thornton LLP) also review a sample of core financial transactions. The Auditor also carries out holistic reviews for reasonableness and consistency, and undertakes checks to ensure that the Schedule of Contributions has been adhered to. The audit had been impacted by a number of delays by Capita in providing responses and information to assist the audit which was further exacerbated by the Capita cyber incident. Outside of the Scheme Year, the Trustee is liaising with Capita and Grant Thornton to ensure that the statutory timelines for the annual reports are met.

As part of a wider review of the Scheme's general administration, the Trustee receives the Scheme administrator's assurance report on internal controls, reviewed by Capita's auditor (Ernst Young LLP). For the Scheme Year, the report received covered the period 1 January to 31 December 2022. It was a qualified report but none of the exceptions affected the Scheme. The report included the Independent Service Auditor's opinion that, in all material aspects, its controls were suitably designed and that those tested operated effectively. We note that the cyber security incident that occurred in 2023 will have affected 2023 controls, but the assurance report for the period had not been published at the time of writing.

Following their monitoring activities, the Trustee was satisfied that there were no significant issues with the core administration functions delivered by Capita for the DC Section over the reporting period of this Statement and that core financial transactions were processed promptly and accurately in the Scheme Year.

3. Charges and transaction costs within the Scheme

As required by the Administration Regulations, the Trustee is required to report on the charges and transaction costs for the investments used in the default investment strategies as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members. The Trustee has followed statutory guidance in the preparation of this section.

The table below shows the Total Expense Ratio ('TER') and the transaction costs for each of the funds underlying the Scheme's default investment strategies as well as the wider self-select fund range and AVC arrangements.

The TER for members is the same regardless of whether they are in the PSP, the EPP, the Transfers In or the AVC membership pool.

The TER comprises the investment manager's annual charge for managing and operating a fund, but also includes the costs of 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 the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions' taxes and other fees.

DC Section

LGIM Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Funds used in the lifestyle strategies (and default investment strategies)		
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.138	0.051
Diversified	0.254	-0.006
Future World Annuity Aware	0.150	-0.028
Sterling Liquidity	0.136	-0.300
Self-select funds (PSP, EPP, AVCs and Transfers In)		
UK Equity (5% capped) Passive	0.201	0.028
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.138	0.051
Overseas Equity Consensus Index	0.167	0.026
World Emerging Markets Equity Index	0.472	0.116
AAA-AA-A Corporate Bond All Stocks Index	0.150	-0.031
Diversified	0.254	-0.006
Future World Annuity Aware	0.150	-0.028
Future World Inflation Linked Annuity Aware	0.125	0.053
Property	1.129	-0.517
Sterling Liquidity	0.136	-0.300

Source: Legal & General, as at 30 September 2023

Due to the way in which transaction costs are calculated, they can be negative or positive in nature; a negative figure is effectively a gain from trading activity, whilst a positive figure is effectively a cost from trading activity.

The Trustee benchmarks LGIM's charges against comparable alternatives and has negotiated with LGIM accordingly. It regards this process as fundamental to its mission of helping members achieve good outcomes, given the potential for investment-related charges to erode members' fund sizes. At the same time, the Trustee does not regard value as solely about achieving the lowest costs - rather, it is a measure of the extent to which economic outlays (or 'price') are converted to provide the performance targets (or 'performance') for members that the Trustee seeks to achieve.

Standard Life Unit Linked AVC funds

Standard Life Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Managed Fund	1.02*	**

Source: Standard Life, As at 30 September 2023.

**Includes annual management charge and additional expenses.*

***Transaction costs have been requested but were not available at the time of writing. The Trustees will work with their advisors to ensure that this information is included in next year's Chair's Statement.*

Members also received further discounts from Standard Life based on the following fund value structure for the managed fund:

Fund Value Threshold (£)	Rate (% p.a.)
0	0.00
10,000	0.10
20,000	0.20

Members also have investments in With Profits funds with Standard Life via the AVC section. The actual performance received by members, net of charges, is only ever known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of 'smoothing'. Payouts on surrender and maturity will reflect all charges incurred, though they are not separately identified.

Standard Life With-Profits Funds

There is no explicit charge or additional expenses for the Standard Life Millennium (With-Profits) and Standard Life With-Profits funds as the manager allows for these when calculating the final bonus rates. These charges will be consistent with that for an equivalent investment-linked investment. Standard Life also make deductions for the cost of with profits guarantees and these vary depending on the fund guarantee and when the fund was launched, for example the With-Profits Fund has a 0.75% p.a. deduction. Currently, deductions are made at a rate of 1% per annum in new and existing business illustrations for unitised with profits funds before any discounts. The below table illustrates what this looks like for the With-Profits funds.

Standard Life Funds	Guarantee (%) p.a.	Total Charge (%) p.a.*
With-Profits Fund	4.00	1.25
Millennium With-Profits Fund	0.00	1.05

Source: Standard Life, as at 30 September 2023

**Includes annual management charge and cost of guarantee.*

Standard Life confirmed they are unable to provide Transaction Costs for the With Profits funds.

Utmost AVC Fund

Utmost Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Money Market Fund	0.50	0.0085

Source: Utmost Life & Pensions, TER as at November 2023 and Transaction Costs as at 30 June 2023.

Reporting of Costs and Charges

Using the charges and transaction cost data provided by LGIM, and in accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the 2018 Regulations, the Trustee has prepared illustrations detailing the impact of the costs and charges typically paid by members of the Scheme on their retirement savings pots. The statutory guidance provided has been considered when providing these examples.

The below illustration has taken into account the following elements:

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

Due to the diverse Scheme demographics, the Trustee has presented two sets of illustrations to represent the members in the PSP and EPP. Other than the illustration of the most popular fund/arrangement (in this case the default investment strategies for the respective sections), the illustration also should show a representative range of assumed investment returns and charges (in respect of both DC and AVC investments), including the funds with the lowest charge and highest charge respectively.

With exception of the Default Investment Strategies, we have used the member assumptions of the EPP section for the “youngest” and “typical” member to prepare the illustrations, as the EPP population represents the majority of the DC Scheme membership.

PSP Youngest Member:

Age	Default investment strategy: Drawdown Lifestyle Strategy		Most expensive fund: Property Fund		Least expensive fund: LGIM Sterling Liquidity	
	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
24	£25,801	£25,744	£25,579	£25,291	£25,147	£25,113
25	£33,205	£33,073	£32,684	£32,025	£31,681	£31,604
30	£73,126	£72,325	£69,837	£66,058	£63,864	£63,446
35	£118,351	£116,303	£109,862	£100,699	£95,250	£94,289
40	£169,585	£165,576	£152,979	£135,958	£125,860	£124,165
45	£227,626	£220,780	£199,429	£171,846	£155,712	£153,104
50	£293,378	£282,631	£249,469	£208,375	£184,825	£181,136
55	£367,867	£351,928	£303,376	£245,557	£213,217	£208,288
60	£452,167	£429,548	£361,450	£283,402	£240,907	£234,589
61	£470,282	£446,148	£373,592	£291,052	£246,362	£239,749
62	£487,654	£462,010	£385,917	£298,729	£251,790	£244,877
63	£504,175	£477,036	£398,426	£306,433	£257,191	£249,972
64	£519,744	£491,135	£411,124	£314,165	£262,564	£255,034
65	£534,261	£504,219	£424,011	£321,923	£267,911	£260,065

PSP Typical Member:

Age	Default investment strategy: Drawdown Lifestyle Strategy		Most expensive fund: Property Fund		Least expensive fund: LGIM Sterling Liquidity	
	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
47	£64,031	£63,889	£63,416	£62,701	£62,219	£62,134
50	£84,125	£83,450	£81,209	£77,930	£75,758	£75,386
55	£121,146	£119,166	£112,686	£103,675	£97,877	£96,918
60	£163,056	£159,176	£146,597	£129,879	£119,448	£117,775
61	£172,067	£167,734	£153,688	£135,176	£123,698	£121,867
62	£180,864	£176,065	£160,884	£140,491	£127,926	£125,933
63	£189,396	£184,122	£168,189	£145,825	£132,133	£129,974
64	£197,614	£191,859	£175,603	£151,179	£136,320	£133,988
65	£205,469	£199,232	£183,129	£156,551	£140,485	£137,977

PSP Legacy Typical Member:

Age	Default investment strategy: Annuity Lifestyle Strategy	
	No Charges	Charges deducted
61	£55,980	£55,980
62	£59,708	£59,596
63	£63,529	£63,303
64	£67,446	£67,107
65	£71,461	£71,008

EPP Youngest Member:

Age	Default investment strategy: Cash Lifestyle Strategy		Most expensive fund: Property Fund		Least expensive fund: LGIM Sterling Liquidity	
	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
21	£3,615	£3,607	£3,586	£3,546	£3,530	£3,525
25	£9,516	£9,442	£9,219	£8,857	£8,665	£8,623
30	£17,771	£17,521	£16,748	£15,602	£14,940	£14,816
35	£27,122	£26,574	£24,859	£22,467	£21,060	£20,815
40	£37,716	£36,716	£33,596	£29,455	£27,028	£26,626
45	£49,717	£48,080	£43,009	£36,568	£32,849	£32,254
50	£63,313	£60,811	£53,150	£43,808	£38,526	£37,706
55	£78,715	£75,076	£64,074	£51,177	£44,062	£42,986
60	£96,127	£91,049	£75,842	£58,678	£49,461	£48,102
61	£99,859	£94,463	£78,303	£60,194	£50,524	£49,105
62	£102,931	£97,259	£80,800	£61,716	£51,583	£50,102
63	£105,281	£99,384	£83,335	£63,242	£52,636	£51,093
64	£106,859	£100,794	£85,908	£64,775	£53,684	£52,078
65	£107,636	£101,462	£88,520	£66,313	£54,726	£53,056

EPP Typical Member:

Age	Default investment strategy: Cash Lifestyle Strategy		Most expensive fund: Property Fund		Least expensive fund: LGIM Sterling Liquidity	
	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
42	£9,708	£9,687	£9,619	£9,510	£9,445	£9,432
45	£15,064	£14,951	£14,592	£14,044	£13,708	£13,646
50	£24,932	£24,565	£23,391	£21,707	£20,672	£20,491
55	£36,111	£35,336	£32,869	£29,507	£27,463	£27,122
60	£48,757	£47,399	£43,081	£37,447	£34,087	£33,545
61	£51,471	£49,978	£45,216	£39,051	£35,392	£34,805
62	£53,863	£52,246	£47,383	£40,662	£36,690	£36,057
63	£55,887	£54,162	£49,582	£42,278	£37,982	£37,302
64	£57,507	£55,693	£51,815	£43,900	£39,267	£38,538
65	£58,695	£56,813	£54,081	£45,528	£40,546	£39,766

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. The transaction costs are an average of the years for which data is available (up to five years).
3. Values are estimates and are not guaranteed.
4. The projected growth rates use the SMPI assumptions relevant to the Scheme year plus any transaction costs.
5. The Transaction Costs relate to the actual transaction costs incurred in the Scheme Year. Negative transaction costs are assumed 0% as a prudent measure.

Assumptions

The above illustrations have been produced for a "young" member and a "typical" member of the PSP and EPP sections based on the Scheme's membership data. This also includes those PSP members who are invested in the PSP Legacy Default Investment Strategy, the Annuity Lifestyle Strategy. The illustration for the Default Investment Strategies of both sections assumes the member's asset allocation remains fully invested in the current Default Investment Strategy. The individual fund illustrations assume 100% of the member's assets are invested in that strategy up to the Scheme retirement age. The results are presented in real terms, i.e. in today's money, to help members have a better understanding of what their pension pot could buy in today's terms, should they invest in the funds above as shown. The values shown are estimated projections and are not guaranteed.

	PSP Section	**PSP Legacy**	**EPP Section**
Age • "Youngest" member • "Typical" member	23 *(the youngest age of the Scheme members)* 46 *(the average age of the Scheme members)*	*N/A* 61 *(the average age of the Scheme members)*	20 *(the youngest age of the Scheme members)* 41 *(the average age of the Scheme members)*
Scheme Retirement Age	65		
Starting Pot Size • "Youngest" member • "Typical" member	£18,580 *(the average pot size for the youngest 10% of members)* £57,660 *(the average pot size of the Scheme's members)*	N/A £55,980 *(the average pot size of the Scheme's members)*	£2,230 *(the average pot size for the youngest 10% of members)* £8,010 *(the average pot size of the Scheme's members)*
Starting Salary • "Youngest" member	£44,500 *(the median salary for the youngest 10% of members)*	N/A	£13,140 *(the median salary for the youngest 10% of members)*
	PSP Section	**PSP Legacy**	**EPP Section**
Starting Salary (Continued) • "Typical" member	£37,370 *(the median salary of the Scheme's members)*	£20,930 *(the median salary of the Scheme's members)*	£16,430 *(the median salary of the Scheme's members)*
Inflation	2.5% p.a.		
Rate of Salary Growth	2.5% p.a.(in line with inflation)		

	PSP Section	PSP Legacy	EPP Section
Total annual contributions • "Youngest" member • "Typical" member	15.0% p.a. *(the median rate for the youngest 10% of members)* 13.0% p.a. *(the median rate of the Scheme's members)*	N/A 11.0% p.a. *(the median rate of the Scheme's members)*	10.0% p.a. *(the median rate for the youngest 10% of members)* 9.0% p.a. *(the median rate of the Scheme's members)*
The projected growth rate (SMPI only) for each fund are as follows:			
Drawdown Lifestyle Strategy (PSP default):	2.53% p.a. before de-risking to 1.50% p.a. at the end of the de-risking phase, gross expected real return above inflation.		
Cash Lifestyle Strategy (EPP default):	2.53% p.a. before de-risking to -0.50% p.a. at the end of the de-risking phase, gross expected real return relative to inflation.		
Annuity Lifestyle Strategy (PSP legacy default):	2.50% p.a. gross expected real return above inflation.		
Most expensive – LGIM Property Fund:	1.50% p.a. gross expected real return relative to inflation.		
Least expensive – LGIM Sterling Liquidity:	0.5% p.a. gross expected real return below inflation.		

Return on Investments

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduce new requirements for trustees of "relevant" occupational pension schemes.

From 1 October 2021 trustees of all relevant pension schemes are required to calculate and state the return on investments from their default investment strategies and self-select funds, net of transaction costs and charges. This information must be recorded in the annual chair's statement and published on a publicly accessible website. This Statement confirms that the statutory guidance has been followed for the Scheme.

The tables below show performance, net of all charges and transaction costs, for members invested in PSP and EPP default investment strategies:

PSP's Default Investment Strategy: Drawdown Lifestyle

PSP's Default Investment Strategy – Drawdown	Annualised returns to 30 September 2023 (%)	
Age of the member at start of period	1 year	5 years
25	9.7	4.7
45	9.7	4.7
55	9.7	3.7

Source: LGIM

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. This strategy englobe every PSP new member and all the members that had more than 8 years until the selected retirement age. Therefore, the return is expected to be consistent over the ages shown.

PSP's Legacy Default Investment Strategy: Annuity Lifestyle

PSP's Legacy Default Investment Strategy – Annuity	Annualised returns to 30 September 2023 (%)	
Age of the member at start of period	1 year	5 years
25	9.7	4.7
45	9.7	4.7
55	9.7	2.8

Source: LGIM

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. This strategy englobes every PSP members that had less than 8 year to retirement at 1/1/2022 remain in the Annuity lifestyle. Therefore, the return is expected to be consistent over the ages shown.

EPP's Default Investment Strategy: Cash Lifestyle

EPP's Default Investment Strategy – Cash	Annualised returns to 30 September 2023 (%)	
Age of the member at start of period	1 year	5 years
25	9.7	4.7
45	9.7	4.7
55	9.7	2.8

Source: LGIM

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. This strategy englobes all EPP members. Therefore, the return is expected to be consistent over the ages shown.

Self-Select Funds

The tables below show performance, net of all charges and transaction costs, for members that decided to invest and selected the funds by themselves:

LGIM Self-Select Fund	Annualised returns to 30 September 2023 (%)	
	1 year	5 years
UK Equity (5% Capped) Passive	13.8	3.9
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	15.6	6.2
Overseas Equity Consensus Index	10.6	8.4
World Emerging Markets Equity	1.1	2.9
AAA-AA-A Corporate Bond All stocks Index	5.3	-1.5
Diversified	4.0	3.0
Future World Annuity Aware	1.1	-4.1
Future World Inflation Linked Annuity Aware	-7.2	-5.2
Property	-14.7	1.5
Sterling Liquidity	4.0	1.1

Source: LGIM
Performance shown net of all charges and transaction costs.
Performance of standalone self-select options is independent of age.

There are some members of the DB section that started to contribute into AVCs under the DC section of the Scheme. They are subject to the same net performance returns as EPP and PSP members.

In addition there are legacy AVCs and the following section notes the annualised return of the AVCs funds available:

Fund	Annualised returns to 30 September 2023 (%)	
	1 year	5 years
Standard Life Managed Pension Fund	3.8	2.1
Standard Life Millennium (With Profits) Fund	-6.3	2.0
Standard Life With Profits Fund	-11.4	-0.2

Source: Standard Life
Performance shown net of all charges and transaction costs for the Managed Pension Fund.
Performance for the With-Profits funds are shown gross of all charges. Note these are unsmoothed returns meaning they do not allow for tax, charges or expenses.

Fund	Annualised returns to 30 September 2023 (%)	
	1 year	5 years
Utmost Money Market Fund	3.7	0.7

Source: Utmost
Performance shown net of all charges and transaction costs.
Performance of standalone self-select options is independent of age.

4. Value for Members considerations

The Trustee is committed to ensuring that members receive good value in respect of the DC and AVC arrangements in place within the Scheme. In conjunction with their professional advisors, they undertook a value for members assessment, in accordance with regulation 25(1)(b). The assessment was presented to the Trustee at the Q1 2024 meeting, covering the period 1 October 2022 to 30 September 2023.

There is no legal definition of "good value", so the process of determining good value is a subjective one. Therefore, the Trustee assessment examines the current investment management charges relative to fees charged on DC investment platforms, Mercer Manager Research Ratings and historical performance. The review concluded that the Scheme's overall DC benefits and options represent **good value for money** in comparison to the costs payable by members. The reasons underpinning this conclusion include:

Price – reasonable value for money

- The underlying funds that form the default investment strategies are all competitively priced and sit well below the charge cap of 0.75%;
- 3 of the 10 funds sit at or below the median of their respective peer groups. All 3 funds are components of the default lifestyle strategies for the EPP and PSP members;
- 3 of the 10 funds sit within the median to upper quartile range of their respective peer groups;
- The fees have not changed materially since last year's assessment however, index providers have continued to make passive funds available at more competitive prices which has resulted in tighter quartile ranges in this year's assessment.

Performance – good value for money

- The performance of the majority of the Scheme's funds over the 3 and 5 years to 30 September 2023 compare favourably relative to the performance benchmarks set by the Trustee.
- The LGIM Diversified Fund, LGIM Future World Inflations Linked Annuity Aware and LGIM Managed Property Fund have underperformed their benchmarks over the 3 and 5 year periods. From a forward-looking perspective the funds continue to be highly-rated by Mercer. Net of fee performance for these funds will continue to be monitored.
- The funds used by the Scheme are all highly rated by its investment advisors as having good prospects of achieving their risk and return objectives.

Productivity – good value for money

- The Scheme has a strong governance structure, including working closely with the Company.
- The Company pays for all administration, member communication and advisory costs associated with operating the Scheme.
- The Trustee has appointed a specialist pensions communication agency to help it develop a communications strategy.
- The Trustee may wish to consider obtaining member feedback on communications to determine areas for improvement.
- Capita has experienced a cyber security breach early this year. As a result, service levels were impacted however actions has been taken to identify any exfiltrated data.

As mentioned previously some members also have AVC assets in funds managed by Standard Life, Utmost and LGIM. The 2023 assessment concluded that the Standard Life Managed Fund and Utmost Money Market Funds provided reasonable value for money when taking into account the charges paid by members for AVCs in the market more generally.

Assessing the value for money of a With-Profits fund is directly related to an individual's attitude towards, and capacity for, investment risk. An individual may find comfort in the fact that a with-profits fund provides guarantees; whether that is a guaranteed pension, investment return or "just" capital security. Therefore, we consider it inappropriate to reach a general conclusion on value for money from the With-Profits Funds, as this will vary by member.

The Pensions Regulator expects Trustees to have an understanding of the types and levels of transaction costs that are incurred by different investments and include them in a Value for Members' assessment. However, no assessment of value in relation to transaction costs has been undertaken at this time, due to the absence of wider market data that would enable appropriate comparative assessment. The Trustee intends to build transaction costs into future Value for Member assessments when this data is available.

5. Trustee's Knowledge and Understanding (TKU)

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

As at 30 September, the Trustee board comprised three Trustee Directors, with two member-nominated and one Independent Trustee.

The Independent Trustee, Judith Fish, has 20 years of experience in the pensions industry. In addition to her Scheme conversance (as detailed below), she is also a qualified actuary and has held roles at several pension consultancies. The board benefits from the range of her experience in the pensions arena, which enables her to challenge the Trustee's advisors.

The Trustee Directors must also be conversant with the Scheme's own documentation. These are described in legislation as the Trustee Memorandum and Articles of Association, Trust Deed and Rules, Statement of Investment Principles. The Trustee Directors must also be conversant with any other document recording current policy relating to the Scheme generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustee is able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee.

Trustees are also required to have sufficient knowledge and understanding of the law relating to pensions and trusts as well as the relevant principles relating to the funding and investment of occupational schemes.

These requirements have been met during the course of the Scheme Year as the Trustee Directors have undertaken ongoing training, both as a group and individually to keep abreast of relevant developments. During the year, the Trustee completed the following:

Requirement	How met
Trustees must have sufficient knowledge and understanding of the law relating to pensions and trusts and the relevant principles relating to the funding and investment of occupational pension schemes	The Trustee Directors consider their annual training plan on a quarterly basis at each meeting, which includes specific consideration of whether any further training is required in respect of these statutory areas. In addition, the Trustee Directors receive updates from their advisors at regular Trustee meetings and throughout the year to keep abreast of recent developments in these areas. They are also required to complete the Pension Regulator's Trustee Tool Kit and any new/revised relevant modules released. At each of their meetings, the Trustee Directors consider a report that summarises forthcoming changes to regulations, their potential impact on the Scheme and the actions that are required to ensure compliance. The Trustee view these regular and ongoing training opportunities as an essential part of expanding their combined knowledge to exercise their functions as Trustee of the Scheme. During the Scheme Year the Trustee Directors undertook ongoing training both as a group within the regular meetings and individually including: - Considered the Scheme's Annuity Lifestyle for PSP members including the industry trends and potential members' outcomes. - Briefings on forthcoming changes to Pensions law and their possible impact on the Scheme, for example, the General Code to be published, Equality, Diversity and Inclusion (EDI) guidance published by The Pensions Regulator, and Pensions Dashboard.

Requirement	How met
	- Publication of Scheme documents on a publicly accessible website and illustration of costs and charges. - Regular training on the financial principles and philosophy from investment managers, for example, buy-out training in order to develop projects with Capita. - Investment market update on recent events, for example, central banks raising interest rates and the impact on the bond market and the continued conflict in Ukraine/Russia.
Trustees must have a working knowledge of the Scheme's own documentation including the Trust Deed and Rules, the current Statement of Investment Principles and of all documents setting out the trustees' current policies	The Trustee Directors undertake an annual evaluation of training requirements, which includes specific consideration of whether any further training is required in respect of these documents, further details are outlined in the last section of the table. The Trustee Directors have access to all key Scheme documentation and as part of their gap analysis a number of the Trustee Directors will be reviewing the Scheme documentation. During the Scheme Year the Trustee Directors: - Prepared an Implementation Statement in light of the regulatory requirements to include in the latest Annual Trustee Report and Account, which considered the most significant votes undertaken by managers in respect of the Trustee's stewardship priorities. As per the Business Plan the Trustee reviewed the Scheme documents incrementally on a quarterly basis. - Reviewed the member's annual benefit statements and SMPI assumptions. - Reviewed member communications. - Reviewed the Chair's Statement layout and considered publication of corresponding Scheme documents. - Exercised their discretion regarding member cases, liaising with their lawyers and referring to Scheme Trust Deed and Rules as appropriate. - Reviewed Scheme Rules as part of the buy-out project when receiving forfeiture advice. - Reviewed the CMA Objectives which were signed on 30 March 2023. - Reviewed cyber security processes with the internal Risk & Audit team. - Reviewed membership of Annuity Lifestyle Strategy and recent retirement industry trends. - The risk register is included in each Trustee Meeting pack, which sets out the potential risks and steps the Trustee has

Requirement	How met
	taken to mitigate those risks. The last review was on 28 September 2023.
Knowledge and resources generally	The Trustee Board comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the challenges that its governance must address. The Trustee's pension advisors attend each of their quarterly meetings and input into the agenda. They also help the Trustee prepare its annual business plan. The Trustee's investment advisor reports quarterly on the performance of the Scheme's investments and on their views regarding the Scheme's funds and their managers. The Trustee regularly receive email bulletins and quarterly updates from its advisors including the latest developments affecting money purchase benefits and industry trends, as a means to upkeep the Trustee's regulatory knowledge and understanding. The Trustee believes that their combined knowledge and understanding, together with the available advice, enables them to properly exercise their function.

The table above shows how these duties have been fulfilled and how the combined knowledge and understanding, together with the advice which is available to the Trustee Directors, enables them to properly exercise their duties and responsibilities.

As part of the evaluation of the performance and effectiveness of the board as a whole, all of the Trustee Directors in office during the period have completed the Pension Regulator's Trustee Toolkit. New Trustee Directors are required to complete the toolkit within six months of their appointment.

Taking into account the various reviews and actions carried out by the trustee body, and the professional advice available to them, the Trustee Board consider they are properly enabled to exercise their function as Trustee of the Scheme.

The Trustee will also, on an ongoing basis, review and assess whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice 13.

Chair's declaration
I confirm that the above statement has been produced by William Hill Trustee Limited.

Chair of William Hill Trustee Limited

April 2024

Appendix
I. Statement of Investment Principles