

Chair's statement

The QVF Pension Plan

Annual statement regarding governance

The Trustees of the QVF Pension Plan Defined Contribution ("DC") Section (the "Plan") are required to produce a yearly statement which is signed by the Chair of the Trustee Board. This explains what steps have been taken by the Trustees, with help from its professional advisers, to meet the required governance standards. The law sets out what information must be included in this statement, and this is covered in sections below.

The Trustees are committed to having high governance standards and have quarterly meetings during the year to monitor the controls and processes in place in connection to the operation of the Plan. These governance standards have been established not only to meet the requirements set out in law but also to ensure the Plan provides a secure and valuable arrangement for our members to save for their future. At each meeting the Trustees review investment performance and the administration service provided to the membership with the Plan's administrator, investment managers, sponsoring employer and the appointed adviser, in compliance with the Pension Regulator's requirements.

The Trustees welcome this opportunity to explain what they do to help to ensure the Plan is run as effectively as it can be.

The Statement covers the period 6 April 2024 to 5 April 2025.

The DC section is closed to new members.

The default investment option

The default investment arrangement was provided for members who joined the Plan and did not choose an investment option for their contributions. Existing members can also choose to invest in the default investment arrangement which is set up by the Trustees. This year 100% of members had their contributions invested in funds used within the default investment arrangement, albeit only 1 deferred member is utilising the lifestyling functionality.

The Trustees are responsible for investment governance of the default and wider fund range. This includes setting and monitoring the investment strategy for the Plan's default arrangement.

The Trustees have selected the QVF Default Lifestyle Strategy as the Plan's default investment strategy. This default investment strategy is the *default arrangement* of the Plan, and there are no other default arrangements within the Plan's investment options.

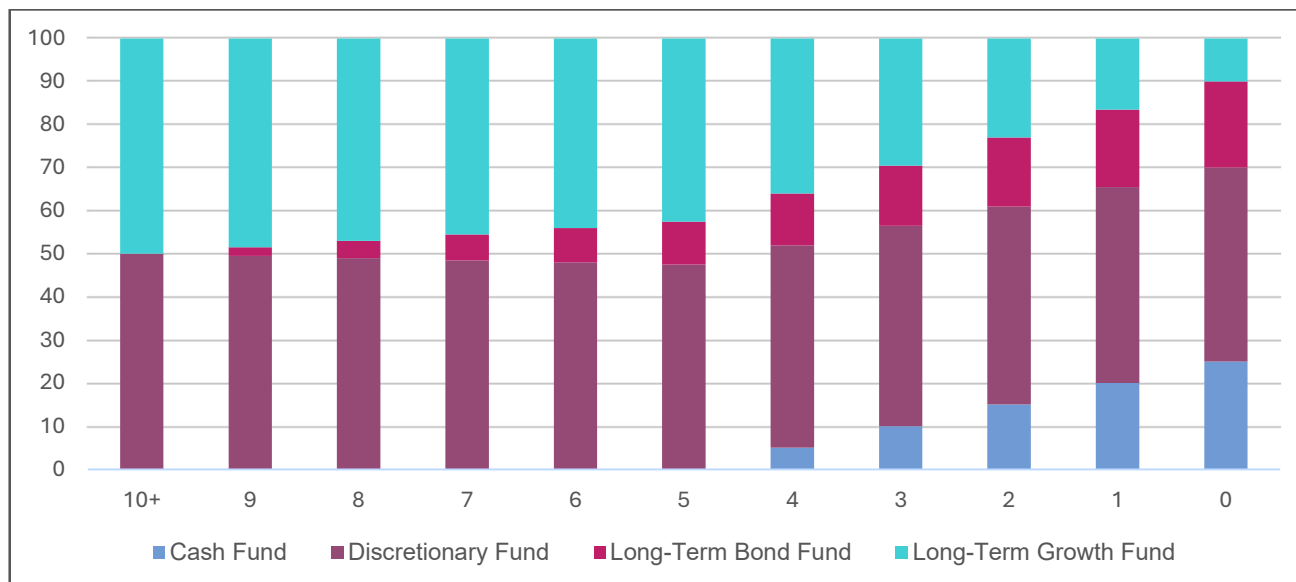
Details of the investment strategy and investment objectives of the default arrangement are recorded in a document called the Statement of Investment Principles (the "SIP"). The SIP as at October 2023 and August 2024 are included as Appendices A and B, being the SIPs in place during the year covered by this Statement.

In summary, aims and objectives of the default investment arrangement, as stated in the SIP are as follows:

- good long-term real rates of return (i.e. in excess of price and wage inflation) so that the value of members' assets can be reasonably expected to grow over the long-term.
- protection for members' accumulated assets against sudden (and sustained) reductions in capital values or in the amount of pension that can be purchased.
- strong positive Stewardship and Environmental, Social, and Governance (ESG) characteristics

The default investment strategy is a lifestyle strategy that changes the members investments over the 10 years prior to their target retirement age. The investment funds utilised at the end of the lifestyle glidepath reduces the investment risk members are exposed to whilst still seeking to deliver growth.

The default investment strategy glidepath is as follows and the approximate asset allocation of the underlying funds is detailed in the table below:



Years to SRA	10+	9	8	7	6	5	4	3	2	1	0
Cash Fund	0	0	0	0	0	0	5	10	15	20	25
Discretionary Fund	50	49.5	49	48.5	48	47.5	47	46.5	46	45.5	45
Long-Term Bond Fund	0	2	4	6	8	10	12	14	16	18	20
Long-Term Growth Fund	50	48.5	47	45.5	44	42.5	36	29.5	23	16.5	10

Asset Class	M&G PP Discretionary Fund	M&G PP Cash Fund	M&G PP Long Term Bond	M&G PP Long Term Growth Fund
Cash	2%	100%	-	-
Bonds	21%	-	100%	-
Listed Equities	47%	-	-	94%
Private Equity	-	-	-	-
Infrastructure	-	-	-	-
Property	7%	-	-	-
Private Debt	-	-	-	-
Other	23%	-	-	6%

The SIP was last updated in August 2024 to reflect changes to the default strategy and the requirement of the Trustees to measure the effectiveness of the Plan's investment manager in implementing the investment strategy, its policy on illiquid assets, and the investment manager's actions in respect of Environment, Social and Corporate Governance (often referred to as "ESG").

With respect to ESG, the Trustees considered the voting activity of the investment managers within the SIP and has confirmed that these continue to align with the view of the Trustees. As the Plan uses pooled funds provided by M&G, which also uses a number of standard unitised funds which are managed to a specific remit

determined by the respective fund manager, the Trustees are limited in directly influencing ESG policy. However, the Trustees acknowledge how important an issue this is, therefore, the Trustees have established a policy of monitoring the ESG policy of M&G (and any underlying managers used by M&G) in respect of the investment funds available to the Plan's membership.

The monitoring of the Investment Managers' approach to ESG has been described in the Implementation Statement covering the same period as this Statement and which is available online at <http://theqvfpensionplan.co.uk>

The Trustees are required to carry out a detailed review of the default investment strategy and fund range at least once every three years or immediately following any significant change in investment policy or the Plan's member profile. The last review was completed on 15 August 2022. The next full triennial review of the default investment strategy and wider fund range was therefore completed in August 2025, and this will also review the existing Standard Life and Clerical Medical AVC arrangements.

Plan members, and also AVC members, were last reminded of their investment options in the November 2024 newsletter DC supplement, and have received subsequent SMPI annual statements.

The monitoring that took place quarterly during the period covered by the Statement concluded that the default investment strategy maintained positive returns against its benchmarks whilst taking an appropriate level of investment risk.

Requirements for processing core financial transactions

The Trustees have received assurance from the Scheme's administrator XPS that there were adequate internal controls in place to support prompt and accurate processing of core financial transactions relating to the Scheme during the Scheme Year.

These include:

- Investment of contributions paid to the Plan.
- Transfer of members' assets into and out of the Plan.
- Transfers of members' assets between different investment options available in the Plan, and
- Payments from the Plan to, or in respect of, members.

This information is detailed within the annual transaction summaries produced by XPS, the Plan's administrator, (including accuracy and timescales for delivery) which are reviewed by the Trustees. The Trustees hold regular meetings and in the normal course of events meet quarterly. Reviews of financial transactions and service level performance provided by XPS, and the Sponsor take place at each meeting.

The Plan's risk register details the risks in relation to the Plan and the corresponding controls in place. This is monitored at each meeting and is reviewed on at least an annual basis.

The deduction and payment of contributions is reviewed by the Trustees at each Trustee meeting. The Trustees conclude that whilst there were instances of slight delays there are currently no concerns regarding the processing of contributions. The Trustees will continue to monitor contributions as part of business-as-usual processes.

Members can switch their contributions to one or more of the funds available under the Plan by writing to the Plan's administrator or telephoning the administrator.

Members who wish to change their contributions are required to contact the Sponsoring employer's HR and Payroll team to make the required change.

Following the Trustees' review of XPS's administration reports as well as the controls within XPS's processes and the Trustees' risk register, the Trustees have concluded that during the year core financial transactions have been, for the most part, processed in an accurate fashion but with some minor delays which are being addressed.

Period December 2024 to April 2025

Reporting Group	Due	Due/ Completed	Target Days	Average days to complete	Due Completed in time	Due Completed out of time	Due Outstanding at end	% Completed in time
Death	12	12	12	16	5	1	0	100%
Expression of wish	3	3	20	20	2	0	0	100%
Member/Trustee/ Employer enquiry	5	5	30	24	4	0	0	100%
Other enquiry	1	1	10	10	1	0	0	100%
Retirement	12	11	10	9	4	0	1	100%
Transfer out	3	3	10	8	1	0	0	100%
Total	36	35			17	1	1	100%

During the Plan year the Trustees were reassured that XPS's service levels have remained at a reasonable level.

Member-borne Charges and transaction costs

As required by the regulations, the Trustees are required to report on the charges and transaction costs for the investments used in the Plan's default arrangements and funds used by members of the Plan. In addition, the Trustees must report on its assessment of the extent to which the charges and costs represent good value for members.

The Trustees confirm that there are no performance-based fees relating to funds that the Plan has invested within.

The Annual Management Charge (AMC) consists principally of the manager's annual charge for managing and operating an investment fund but also includes the costs for other services paid for by the Plan, such as the administration costs, registration fees and custodian fees. Additional expenses are also incurred as well as transaction costs and details are set out below. These charges and transaction costs are all deducted from a member's fund. The charges of operating the Plan in relation to its professional independent trustee, consultants, legal advisers, and auditors as well as statutory levies are ultimately met by DDPS Limited, the Sponsor of the Plan.

In accordance with FCA & DWP regulations, governance bodies of workplace pension schemes must perform a value for members assessment for their scheme which includes looking at the costs involved in managing pension funds. This table shows the administration and transaction costs for each fund in your scheme and is provided to assist with value for member assessments. The Trustees have taken account of statutory guidance when preparing this section of the Statement.

The data in the table below has been provided by the Plan's administrator and investment management team and shows the charges applied to individual members earmarked policy:

Total Transaction Costs	The total annual fund transaction costs. This is the total of the 'Buying and Selling' costs and 'Lending and Borrowing' costs.
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Fund Name	Charges (AMC and other charges and expenses)	Total Transaction Cost	Illustrative cost of charges per £1,000 invested during the
Default strategy			
QVF default lifestyle strategy - 10+ years from	0.48%	0.0018%	£3.72
QVF default lifestyle strategy - 5 years from retirement	0.46%	0.0016%	£4.63
QVF default lifestyle strategy - At retirement	0.37%	0.0009%	£4.84
Default component funds			
M&G PP Discretionary Fund	0.48%	0.08%	£5.01
M&G PP Cash Fund	0.11%	0.01%	£1.20
M&G PP Long Term Bond Fund	0.22%	0.02%	£2.39
M&G PP Long Term Growth Index Fund	0.30%	0.10%	£4.06
Non-default funds			
M&G PP Index-Linked Passive Fund	0.11%	0.01%	£0.97
M&G PP Long Term Gilt Passive Fund	0.11%	0.01%	£1.24
M&G PP Overseas Equity Passive Fund *	0.34%	0.01%	£6.10
M&G PP Total Return Credit Investment Fund	0.47%	0.14%	£4.80
M&G PP Positive Impact Fund**	0.61%	0.01%	£6.10

* The Overseas Equity Passive Fund closed in Q2 2024.

** The Positive Impact Fund is available to be added to the fund range if required.

The Plan's investment manager does not apply a charge to switching investments between unitised funds and switches are made on a bid-to-bid basis.

No active member discount charging structures apply to the Plan.

Illustration of charges and transaction costs

This section provides a detailed illustration of the likely impact of charges for a short-, medium- and long-term member invested in the default fund compared to the charge cap requirements of a qualifying workplace pension scheme with a starting pot of £0. The Trustees have taken account of the statutory guidance when preparing this Statement.

Active members

	Total expense ratio (TER)	Short term (5 years)	Medium term (15 years)	Long term (25 years)
The QVF default investment strategy. No charges.	0.00%	£25,022	£83,762	£156,356
The QVF default investment strategy. Plan charges – growth phase	*0.39%	£24,771	£81,219	£148,311
The QVF default investment strategy. Plan charges – at retirement	*0.32%	£24,816	£81,668	£149,716
M&G PP Cash Fund – Lowest fund charge in Plan	*0.11%	£23,750	£71,551	£119,757
M&G PP Discretionary Fund – Highest fund charge in the Plan	*0.48%	£24,714	£80,647	£146,531
Charge cap for qualifying workplace pension scheme	0.75%	£24,542	£78,960	£141,350

*Inclusive of scheme charge and transaction costs

Starting assumptions:

- Starting salary: £25,000
- Contributions: £400 per month
- Salary increases: 2.8% p.a.
- Nominal fund growth:
 - Default investment strategy: 5% p.a.
 - Highest charging self-select fund: 5% p.a.
 - Lowest charging self-select fund: 3% p.a.
- Figures in today's terms based on an assumed inflation rate of 2.8% p.a.

Source: SecondSight Pension Calculator

Deferred members

Below incorporates a table assuming members have ceased active membership of the Plan and are no longer paying regular contributions. This is on the assumption they have an accrued pot of £10,000.

	Total expense ratio (TER)	Short term (5 years)	Medium term (15 years)	Long term (25 years)
The QVF default investment strategy. No charges.	0.00%	£11,117	£13,739	£16,979
The QVF default investment strategy. Plan charges – growth phase	*0.39%	£10,902	£12,958	£15,401
The QVF default investment strategy. Plan charges – at retirement	*0.32%	£10,940	£13,095	£15,673
M&G PP Cash Fund – Lowest fund charge in Plan	*0.11%	£10,042	£10,127	£10,213
M&G PP Discretionary Fund – Highest fund charge in the Plan	*0.48%	£10,853	£12,784	£15,058
Charge cap for qualifying workplace pension scheme	0.75%	£10,708	£12,276	£14,075

*Inclusive of scheme charge and transaction costs

Starting assumptions:

- Contributions: £0 per month
- Nominal fund growth:
 - Default investment strategy: 5% p.a.
 - Highest charging self-select fund: 5% p.a.
 - Lowest charging self-select fund: 3% p.a.
- Figures in today's terms based on an assumed inflation rate of 2.8% pa

Source: Second sight Pension Calculator

Investment performance

The below table sets out the performance, net of the Plan's charges, of the default investment strategy as well as those funds within the wider fund range that are offered to the Plan's membership. When preparing this section of the statement the Trustees have taken account of the relevant statutory guidance. The Trustees comment further on the performance under the following value for members' section:

Fund name	1 year to 31/03/25	3 years to 31/03/25	5 years to 31/03/25
M&G PP Cash Fund	5.15%	4.12%	2.48%
M&G PP Discretionary Fund	4.60%	3.44%	8.56%
M&G PP Long Term Bond Fund	-6.09%	-11.32%	-8.33%
M&G PP Long Term Growth Index Fund	4.67%	5.99%	11.90%
M&G PP Index-Linked Passive Fund	-10.73%	-16.56%	-8.97%
M&G PP Long Term Gilt Passive Fund	-7.90%	-14.84%	-12.47%
M&G PP Positive Impact Fund	-5.29%	1.08%	9.11%
M&G PP Overseas Equity Passive Fund	1.37%	5.18%	11.86%
M&G PP Total Return Credit Investment Fund	8.42%	7.69%	7.98%

For the QVF Default Investment lifestyle strategy, where returns vary with age, net returns are shown for a member aged 45, 55 and 60 (to reflect the age profile of the membership) at the start of the period to Plan year-end.

Age of member at the start of the period	1 year to 31/3/25	5 years to 31/3/25 (% pa)
45	4.64%	10.23%
55	3.56%	8.29%
60	2.61%	4.00%

Value for Members

The Trustees are required to undertake a review of the charges and transaction costs to ascertain whether these represent good value for money to the members of the Plan. The Trustees are also required to undertake additional assessments of value for members including consideration of net investment returns, administration and their own governance practices.




To assist the Trustees in determining whether the Plan provides value for members, the Trustees commissioned the appointed specialist defined contribution consultancy, SecondSight, to undertake a value for members assessment.

This year the Trustees, working with SecondSight, undertook a value for members assessment that includes:

- A review of the Plan's charges and investment performance, against three established Master Trusts that have been through the authorisation process implemented by the Pensions Regulator.
- A review of the Plan's administration and governance practices and processes.

The three comparators used were Master Trusts that operate in the following markets: specialist auto enrolment providers that focus in providing pension saving solutions to employers with highly transient workforces, a Master Trust that has a long-established reputation for providing pension savings to companies with a large number of employees.

Following a report prepared by SecondSight alongside the Trustees' knowledge of the Plan and its membership, the Trustees considered the review by its advisers. This provided insights into the wider DC market as well as its own knowledge of the Plan and its members. The Trustees concluded that the Plan's overall benefits and options represent value for members. A summary of the assessment and the value provided to members of the Plan can be found in the table below:

<p>Costs & Charges</p> <p>Two of the three AMC charges provided by the comparator Master Trusts were higher than the charges operated by the Plan for the default investment strategy. One of the comparator Master Trusts was able to quote a marginally lower AMC than the existing Plan. The Plan charges are competitive when compared to the market averages and the charge cap introduced in April 2015. However, lower charges are not necessarily the key driver to value and so what is provided to members for these charges has also been considered.</p>	<p>Costs and Charges</p> 
<p>Investment Performance</p> <p>The performance of the Plan's default investment strategy (net of actual charges experienced by members of the Plan) over one year, three years and five years to 31 March 2025 have been in absolute performance terms broadly in line with the expected returns during the growth and consolidation periods.</p> <p>The default investment strategy has performed in line, when compared to the three comparators' default investment strategies over the longer term.</p> <p>The Trustees also considered the performance of the wider fund range. Albeit, noting that whilst there are a number of members that have "self-selected", they have selected the funds used within the default strategy but with no lifestyling applied. No members have selected funds not used within the default strategy. The performance of the available self-select funds was in line with comparable funds from the comparator schemes.</p>	<p>Net Investment Returns</p> 
<p>Governance & Oversight</p> <p>The administration capabilities of XPS are reasonably well rated when compared to the wider market and there have been no issues during the last year.</p> <p>The Trustees' governance of the Plan is in line with the recommended level of best practice set out by The Pensions Regulator, and the Trustees can demonstrate each of the requirements expected in terms of governance, investment governance and conflict management.</p> <p>M&G produce quarterly investment reporting to the Trustees and the Trustees consider these at each meeting. The Trustees have good processes in place to monitor and review the Plan's investments and reviews and maintain appropriate Plan documentation such as the SIP, Trust Deed and Rules, Business plan, Risk register and conflicts policy.</p> <p>Conflict management - as the opening item on every Trustee meeting agenda, any conflicts are requested to be shared and evidence of this recorded in the meeting minutes.</p> <p>The Trustees concluded that the overall governance and oversight is good but that the current level of member communication and engagement is a limiting factor and is likely to detract from the overall value for members provided by the Plan. This is particularly due to the lack of online access to member accounts and member pension modelling tools.</p>	<p>Governance & Oversight</p> 

Further details of the Trustees' value for members assessment can be provided on request.

The overall view, considering the quality of management services provided, the charges and performance above, is that members receive value for money that is broadly comparable with the three comparator schemes. However, the Trustees have previously agreed an action plan to address some areas where the value for members of the Plan could be improved and will continue to monitor and implement over the coming 12 to 24 months.

Trustee knowledge and understanding

The Trustees are required to maintain an appropriate level of knowledge and understanding which, together with professional advice available to us, enables us to properly exercise our functions and duties in relation to the Plan. This requirement has been met during the scheme year as follows:

- The Trustee Chair is a professional independent trustee.
- The Trustees have also undertaken trustee training at trustee meetings on key agenda items and are kept abreast of pension legislation and relevant developments.
- The Trustees fully utilise the knowledge of the appointed professional advisers who are present at each Trustee meeting.
- The Trustees training is logged and reviewed annually.
- Training during the year relevant to the Plan included: updates to SMPI requirements, DC requirements, TPR's General Code, ESG, the new funding code, cyber security, sustainable investing, the future of pensions under Labour, buyout readiness training, Government's DB surplus plans and fiduciary managers. The Trustees are conversant with and have an understanding of the Plan's Trust Deed and Rules, taking advice from the Plan's legal advisers where needed, as well as the Plan's other documents including the SIP and have knowledge and understanding of pension and trust law and knowledge of funding and investment principles, as required by section 248 of the Pensions Act 2004.
- Work is undertaken by the Trustees to ensure sufficient knowledge and understanding to effectively manage the Plan but this is likely to not be equivalent to that operated by established and authorised master trusts, such as the 3 comparators.

Therefore, the Trustees concludes that the Trustees' knowledge, combined with the support of the sponsoring employer and appointed advisers is adequate to meet the Trustees' duties and to support good member outcomes.

Approved by the Trustees on 17 September 2025

Signed: Ann Mitchell, Atkin Trustees Ltd

On behalf of the Trustees of the QVF Pension Plan

Date 8 October 2025

Appendix A – Statement of Investment Principles

The SIP as at October 2023, being the SIP in place during the year covered by this Statement, is part of this Statement and can be found online at <http://theqvfpensionplan.co.uk>.

Appendix B – Statement of Investment Principles

The SIP as at August 2024, being the SIP in place during the year covered by this Statement, is part of this Statement and can be found online at <http://theqvfpensionplan.co.uk>.