

Waystone Management (UK) Limited
Independent Governance Committee

Annual report of the
WS Stakeholder Pension Scheme
for the period
1st January 2024 to 31st December 2024

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Chair's report

I am pleased to present the report of the Independent Governance Committee ("IGC") of the WS Stakeholder Pension Scheme ("SPS"), formerly known as the LF Stakeholder Pension Scheme, for the period between 1st January 2024 and 31st December 2024.

This report provides you with important information about your pension scheme and how it compares with possible alternatives in the market. It also tells you what the IGC thinks of the Value for Money ("VFM") that you are receiving.

Waystone Management (UK) Limited are the "Provider" of the SPS, and as Provider, they have appointed Equiniti ("EQ") to administer the SPS and appointed an Independent Governance Committee ('IGC') to act in members' interests and to assess the VFM provided by the SPS.

The IGC's objectives are to:

- assess and report annually on the VFM of your pension plan and the quality of services delivered by the Provider and by EQ as the administrator
- consider and report on the Provider's policies on environmental, social and governance ("ESG") issues, member concerns, and stewardship.
- identify areas for improvement and make recommendations to the Provider's Board.
- escalate any concerns to the Financial Conduct Authority ("FCA") and bring them to the attention of members in the event that the Provider fails to address these concerns appropriately.

There are five members of the IGC – details of the IGC members are contained in Appendix 1. During the year, Victoria Mance replaced Naomi L'Estrange as the Vidett representative on the IGC, but the other four members remained unchanged. We use our combined knowledge, experience, and skills to oversee the extent to which the SPS provides value for money in the areas of charges, choice and suitability of funds, communications, and access to information, and how you are able to access your SPS pension savings.

The IGC is required to produce an annual report in accordance with the FCA's rules and guidance. The IGC is fully supportive of the need for transparency when reporting to you, particularly in providing sufficient information to enable you to evaluate the VFM you are receiving.

Background

The "Optimisation Plan" was implemented on 22nd October 2022, designed to give you a more suitable range of funds and default investment strategies whilst benefitting from lower fund costs. As part of the Optimisation Plan the LF Personal Pension Trust ("PPT") was merged into the SPS. At the same time the administration of the SPS was transferred from Capita to EQ to access an effective administration platform for the SPS, to provide better web access, and to reduce overall charges to you.

In October 2023, the provider moved from Link Fund Solutions Limited ("Link") to Waystone Management (UK) Limited ("Waystone").

I am disappointed to report that the IGC has concluded that, in the IGC's opinion, the objectives envisaged by the Optimisation Plan have not been met to the level expected.

Value for Money

The FCA's rules for the assessment of VFM considers the costs and charges incurred by members, the investment performance of the funds underlying the default investment strategy and the quality of the services provided to you, including the member communications issued to you, and in addition considers other relevant factors in assessing VFM.

We have therefore assessed the VFM of the SPS across six key areas using a **Red**, **Amber**, and **Green** (RAG) rating. The dashboard summarising our findings is set out in the next section with more information contained later in this report.

I am disappointed to report that the IGC's rating of overall VFM remains Red, with one area of assessment – the Quality of Customer Service and Core Transactions - improving from Red to Amber, and one area – Investment Solutions and Management - deteriorating from Amber to Red during the year.

The IGC has concluded that the SPS provides poor VFM when compared with similar workplace personal pension plans available on the market.

Pension Freedoms

With effect from April 2015, the Government introduced 'Pension Freedoms' which grants greater flexibility around how you can access your pension benefits.

The SPS does not offer these Pension Freedoms and, as a result, the FCA's requirements for the IGC to assess the VFM of Investment Pathways is not a requirement. Investment Pathways are tailor-made investment options designed to align a member's retirement needs with an investment option when taking drawdown but without taking regulated financial advice.

As the SPS does not offer such Pension Freedoms, members wishing to avail themselves of such flexibility will be required to transfer away from the SPS.

'Vulnerable Persons' Policy

In previous reports we noted concerns regarding the approach to vulnerable members, and that the IGC's proposals and additional wording to enhance the policies and communications to protect vulnerable members had not been implemented. This remains the case at the end of 2024.

The IGC recognise that reporting is now being provided and met with EQ in the last quarter of 2024 regarding the operational process of identification and recording of vulnerable persons. Whilst the meeting provided some encouragement for the IGC, the follow up from EQ was disappointing in that they adopted an approach which the IGC feels is contrary to "best practice".

The FCA has published updated guidance on the fair treatment of vulnerable persons and the IGC continues to urge the Provider and EQ to deliver better support to those who may be in a vulnerable position.

Your views – how we take them into account.

We have adopted the following approach in working in partnership with the Provider:

- Analyse the data that the Provider gives to us to identify and assess any areas of concern raised by the members.

- Analyse any feedback, complaints, etc. that are received from members and request the Provider to take corrective action that is deemed appropriate.

The IGC asked the Provider to carry out additional focused communications exercises with members on areas of concern to the IGC but given the challenges in reviewing the existing communications this initiative was postponed.

Environmental, social and governance (“ESG”) strategy

The IGC is required to consider VFM and the potential to deliver long-term returns, and ESG credentials are having an increasing impact on the risks and the potential future returns.

The Provider’s investment strategy and investment decision making continued to adequately reflect quality ESG policies in relation to financial considerations, non-financial matters, and stewardship.

The IGC has continued to monitor the financial and non-financial performance of the funds and will encourage the wider use of ESG focused funds to enhance the financial outcomes for you.

Transfer of the SPS assets

By the time you read this Report you will have been contacted by the Provider explaining that they intend to transfer your pensions savings in the SPS to the Smart Pension Master Trust (“SPMT”) during October 2025.

Over the past four years, first Link and then Waystone – in the role of Provider of the SPS - has faced challenges in delivering VFM for the members, with a notable decline in the assessed VFM over the last two years. In response, the Provider undertook a strategic review in 2024 to evaluate the future administration of the SPS in its current structure as a Stakeholder Pension Scheme. Following this review, the Provider informed the IGC of the Provider’s plans to seek a transfer of the assets of the SPS to an alternative pension arrangement with a view to subsequently dissolving the SPS to better serve members’ long-term interests.

We welcome the transfer to SPMT where the members should benefit from more comprehensive support through the Smart App, wider investment choices, improved communications and greater flexibility on members accessing their pension benefits. For the majority of the members, the transition to SPMT is expected, in the IGC’s view, to offer improved VFM relative to the existing arrangements within the SPS, but the IGC still believes there remains scope to enhance overall VFM in the SPMT. However, the IGC has expressed concerns to the Provider about a number of cohorts of members who, in the opinion of the IGC, may not receive VFM in the SPMT scheme, and for whom therefore it may not be in their best interests to transfer to the SPMT.

The IGC notes there is a requirement on the Provider for there to be a detailed VFM analysis for all SPS members before and after the transfer to the SPMT – including on a by cohort basis. We have received details of one analysis for the membership overall which led us to conclude that not all SPS members would receive improved VFM in the SPMT. Unfortunately, the one analysis we have received was flawed in that it also did not include the impact of transaction costs on members’ benefits.

For example, from the limited information provided to us, we have identified one cohort of approximately 2,000 members that we are particularly concerned about. Historically these members have taken all their benefits as a lump sum at their Selected Retirement Age.

For this cohort, the majority of the members hold all of their assets in the Cash fund where the charge for the cash fund is currently 0.17% per annum. These members are going to be moved to a default fund within SPMT which targets drawdown benefits, with a higher investment risk profile and a higher charge of 0.56% per annum. As a concession, SPMT have agreed that these members can opt to switch their pension pots to the Smart Cash fund which has a lower charge 0.17% per annum. This switch can only take place provided the members notify SPMT of their request within the first three months after the transfer. We are lead to believe by the Provider that for the significant number of members for whom the Provider does not hold current contact details that they have agreed with SPMT that they will be switched to the cash fund in due course. We have not received details of the execution of these switches, and how they will impact the VFM for these members.

As another example, there is a further cohort of members who are near to, or over, their Selected Retirement Ages and will be taking their benefits soon. These members will not be able to recoup the transaction costs charged on their funds as a result of the transfer to SPMT before taking their benefits. This will impact the VFM for this cohort of members.

We have repeatedly asked to see the detailed analysis of the membership for all of the members to understand the financial impacts, which the IGC believes should have been undertaken by the Provider to confirm the VFM for all members.

We have also been concerned about the short timescale given to members to make their choice as to whether to transfer to SPMT or to an alternative pension provider. Members will need to act quickly if they wish to transfer their benefits to another provider.

The IGC has drawn these points to the attention of the Provider's board in line with our duties under the FCA's rules and guidance, but we have not received a satisfactory response from the Provider.

We have engaged in negotiations in good faith with the Provider during 2025 and we have managed to obtain a number of concessions for the membership. Despite these improvements, we are still not satisfied that the transfer to the SPMT is in the best interests of all the members of the SPS.

The future

Although there is a section later in the report on Areas Requiring Attention, many of these will not be addressed due to the transfer of the SPS to SPMT.

The IGC's main focus for 2025 has been to try and ensure that the transfer to SPMT is in the interests of members and delivers improved VFM, and that the members receive clear communications on the changes in a timely manner and are given sufficient time to make informed decisions.

We are keen to hear what you think about this report, or any aspect of our work. Please do get in touch at SHP.admin@equiniti.com or up until 17 October 2025 - Waystone Management (UK) Limited Customer Service team at SHPAdmin@equiniti.com or on 0371 384 2591.

Following 17 October 2025 any comments should be submitted to Smart Pension Limited at member@smartpension.co.uk or on 0333 666 26 26.

Many thanks for reading our report.

Sarah Farrant
Chair

Value for Money Assessment (“VFM”) Dashboard

The IGC are required to assess the ongoing VFM for members by assessing three main factors: the level of charges and costs, investment performance, and quality of service, and any other relevant factors that the IGC consider relevant.

The Dashboard below gives you a summary of whether we think you are getting VFM from the SPS. Your IGC has identified six factors to assess VFM as detailed in the table below. We are also required to compare the SPS with the most similar and comparable employer pension arrangements in the UK appropriate and proportionate in the circumstances and assess whether these scheme comparators offer better value than the SPS.

To carry out this assessment, we obtain quarterly reports from the Provider and the delegated suppliers on investment performance, ESG and customer care performance. During the Year, the Chair regularly engaged with the Provider to discuss issues and progress. Any concerns were raised directly with the Provider.

Ratings

The IGC has used a proportionate and straightforward approach to the rating of each of the areas that are required to be assessed. This is done on a RAG (Red-Amber-Green) basis, as below.

Assessment	Meaning
RED (R)	The Service or Product does not provide VFM.
AMBER (A)	The Service or Product provides VFM but there are areas that require improvement.
GREEN (G)	The Service or Product provides VFM.

More detailed information on each rating can be found in the pages that follow.

The reporting year is 1st January 2024 to 31st December 2024. The table below also provides a comparison with the ratings that the IGC attributed in the previous reporting year.

		1 January 2024 to 31 December 2024	1 January 2023 to 31 December 2023
Overall level of VFM we think the SPS provided to members		R	R
Quality of Communications and Engagement:	How well does the Provider communicate and engage with you, and are you kept up to date with your pension?	R	R
Quality of Customer Service and Core Transactions:	What is the quality of the services you receive?	A	R
Environmental, Social, and Governance (ESG) Considerations	Does the Provider's investment strategy and investment decision making adequately reflect quality ESG policies in relation to financial considerations, non-financial matters, and stewardship?	G	G
Investment Solutions and Management:	Are your investment options designed and executed in your interests with clear aims and objectives?	R	A
Investment Performance:	How are your investments performing?	G	G
Costs and Charges:	Are the costs and charges you pay reasonable for what you get in return?	R	R

The details of the assessments are set out in other sections of this report and below we summarise the reason for any changes to the ratings from 2023 to 2024.

Quality of Communications and Engagement:

This rating remained as Red. In the experience of the IGC, whilst comparable workplace pension providers have invested significantly in improving member communications and engagement, the quality of the SPS' communications and member engagement has remained poor. No effective action has been taken to improve the risk warnings, the identification of vulnerable persons, and the availability of website access as in previous years. As at the end of 2024, there remained 20% of the members where the Provider and Administrators did not have current addresses and were therefore unable to communicate with those members. This has been recognised by Waystone, and Waystone has now in 2025 undertaken a tracing process on this 20% in an attempt to re-engage with as many of these members as it can, but this exercise was of limited success.

Consequently, in the experience of the IGC, the SPS remains behind comparable workplace personal pension plans, and below the standard expected by the IGC.

Quality of Customer Service and Core Financial Transactions:

The rating has changed from Red to Amber. Although there are many areas of customer service that the IGC believe should be improved, as detailed later in this report, there have been improvements by both the administrator and the Provider, and the previously reported issues with core transactions has been resolved during the year.

Environmental, Social, and Governance (ESG) Considerations:

This rating has remained as Green. The SPS relies on the investment manager's focus on ESG which the IGC considers to be market leading in the UK. In the view of the IGC the most important indicator which needs to improve is the lowering of the implied temperature change for the SPS' funds.

Investment Solutions and Management:

This rating has changed from Amber to Red. Following an extensive investigation by Waystone and the IGC as a result of questions identified when finalising the IGC's 2023 Annual Report, it became apparent that the investment solutions that had been implemented in 2022 were not in line with what had been communicated by Link to the IGC before the Optimisation Plan was implemented. The IGC have concluded that a number of the members are in investment solutions post Optimisation that are unlikely to be suitable for their needs. If the funds were not being transferred to the SPMT, the IGC would be recommending to Waystone a comprehensive review of the investment options.

Investment Performance:

This rating has remained as Green. Over the year the investment performance across all of the funds has been satisfactory versus the benchmark indices.

Costs and Charges:

The rating has remained as Red. In the experience of the IGC, the costs and charges of the SPS remain high comparable to other workplace pension arrangements. In addition, given that the quality of service is below the standard expected, and there are serious issues with the investment solutions, overall, the IGC conclude that the costs and charges you pay are not reasonable for what you get in return and therefore represents poor VFM.

Quality of Services

As part of the ongoing VFM assessment the IGC are required to assess the quality of services including whether:

- The communications are fit for purpose and properly take into account the characteristics, needs, and objectives of the members, and
- Core transactions are processed promptly and accurately.

Core transactions include processing contributions, transfers in and/or out of the SPS, and payment of benefits to you or in respect of you on death.

This section of the Report considers; the main methods of communication and member engagement, customer service delivery, and the administrator's processing of core transactions.

Communications

Website and portal

The main focus of the Provider's website is to offer you information about the SPS, retirement planning, and investment risks in order to help you make informed decisions – that information is compliant with relevant regulations.

One of the biggest risks facing all members is investment risk as it will have a material impact on the value of your benefits when you come to access them and ultimately your standard of living in retirement. In the opinion of the IGC, the wording on the website around risk is limited – for example, under Inflation risk the suggestion is that only Cash Funds and cash deposits found in the other funds are exposed to inflation, when inflation impacts the purchasing power of all pension funds wherever they are invested. We have repeatedly raised this point with the Provider over several years and asked it to clarify the wording on Inflation risk.

Since the administration moved to EQ, members also have access to a member-only portal which enables you to access personal information about your own pension plans. The member-only portal that is currently available is a standard solution offered to all EQ clients, with limited ability to update member personal information / contributions, so it lacks the top of the range functionality and communication tools offered by other larger personal pension plan providers.

The IGC considers that to date, member take up rates for registration / use of the member portal are relatively low, which is not unusual noting this product has relatively limited member engagement. The IGC has asked the Provider to remind members of this facility wherever possible.

	2023	2024
<i>Number of members used the Portal in the Year</i>	<i>846</i>	<i>964</i>
<i>Separate log ins during the Year</i>	<i>16,556</i>	<i>19,113</i>

The IGC has noted the gradual increase in the number of members using the portal albeit the figure remains low as a percentage of SPS members.

As at the end of 2024, there remained 20% of the members where the Provider and Administrators did not have current addresses and were therefore unable to communicate with those members, who are therefore unlikely to be aware of the portal. This has been recognised by Waystone, and Waystone has now in 2025 undertaken a tracing process on this 20% in an attempt to re-engage with as many of these members as it can, but this exercise was of limited success.

Correspondence

In our previous report, we reported that the IGC had established a process for the continuous review of the documentation used to communicate with you.

In 2023, EQ had confirmed to the Provider that it had reviewed all of its templates for member correspondence to comply with the Consumer Duty regulations. Whilst the IGC had requested access at that time to EQ's correspondence templates, the Provider has not been able to produce the documentation to enable us to carry out a review. The IGC has continued to ask the Provider for this information in order to carry out our review, but this has not been forthcoming.

In Q4 of 2024, the IGC was provided with some of the EQ SHPS member communication website documents for review. We commenced our review, suggesting some changes to certain documents, and identifying some substantive questions / concerns with others. Where we identified substantive questions / concerns, we raised a number of questions with both EQ and the Provider – and in some cases received some reassurances regarding them. Those discussions remain ongoing, with many of our questions still yet to be answered.

Vulnerable Members

In previous reports we noted concerns regarding the approach to vulnerable members, and that the IGC's proposals and additional wording to enhance the policies and communications to protect vulnerable members had not been implemented. This remains the case at the end of 2024.

The FCA has published up-dated guidance for FCA regulated Firms on the fair treatment of vulnerable customers, including on 7 March 2025 a review of Firms' compliance with that guidance.

Since the transfer of administration to EQ in October 2022, new procedures were put in place in relation to vulnerable customers which the IGC discussed with the Provider at the time. Additional reporting to the IGC was introduced from January 2024 to enable us to monitor the recording of vulnerable customers more closely. That reporting continues to highlight that EQ's records show significantly fewer members being classified as vulnerable than we would expect based on the IGC's experience with other workplace pension schemes offered by other Providers and based on FCA guidance. The IGC continued to raise this with both the Provider and EQ throughout 2024, raising its concerns on a regular basis.

The IGC attended a Vulnerable Customer focused call with EQ in Q4 2024, where the IGC identified discrepancies between EQ's approach to identifying vulnerable customers, and our experience with other providers. The IGC has raised directly with both the Provider and with EQ the need for changes to EQ's systems to identify Vulnerable Customers, and further training for EQ staff; at the Year-End, no update has been provided by EQ around its processes to identify vulnerable customers and any move to align this with market practice, which would likely increase the number of members recorded as vulnerable customers. At present, the IGC remains concerned about the low level of members

recorded as vulnerable customers, and whether member needs are being appropriately addressed by EQ.

If you feel that you could be in a vulnerable position, the FCA provide a helpful explanation on their website: [Ensuring the fair treatment of customers in vulnerable circumstances | FCA](#) and you should make the Administrator or Provider aware of your situation.

Customer Service

Service Levels

Since October 2022 the SPS has been administered by EQ and a number of issues were identified during the course of 2023 that persisted in 2024. Waystone monitored this very closely, with regular reports back to the IGC during 2023 and into the first half of 2024. In February 2023 Waystone conducted an on-site monitoring visit to EQ to assess the situation fully and a follow-up meeting took place in March 2023. The items identified were resolved and monthly service review meetings were also introduced. The IGC were kept informed, with regular updates to the IGC throughout the process, including about Waystone's ongoing dialogue with the FCA regarding the relevant breaches.

In September 2023, Waystone undertook a further monitoring site visit to EQ; that on-site visit identified further breaches by EQ. Waystone continued its ongoing dialogue and oversight activity with EQ to address the breaches identified during 2024.

Throughout the first half of 2024, Waystone continued working with EQ on reviewing all financial transactions since the migration to EQ to identify any disadvantaged members and ensure that any member detriment was made good for the affected members, including where a receiving scheme was unable to accept a subsequent payment in respect of the detriment (the “**Detriment Corrections Exercise**”). This workstream was completed during Q3 2024. Waystone now maintains the same proactive oversight arrangements over EQ's operations, and by Q4 2024 was reporting to the IGC that noticeable improvements had been made to the timely execution of the core financial transactions and other member events, with EQ expanding the team servicing the SPS.

At the Year End, the IGC is satisfied with the improvement in the service provided by EQ in this area but there are still issues to address which the IGC will focus on during 2025.

Call handling experience

A summary of the call handling figures for the Year are shown in the table below. The IGC notes these figures show a slight improvement over the Year in some areas. The IGC understands the increased number of calls handled in July 2024 correlates with the timing of issuing the annual pension statements to members.

Contact	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Calls handled	994	872	704	721	626	548	1,188	627	662	710	511	320	8,483
Calls answered	986	863	688	697	621	546	997	616	647	703	507	316	8,187
% Call answer rate	99.20%	98.97%	97.73%	96.67%	99.20%	99.64%	83.92%	98.25%	97.73%	99.01%	99.22%	98.75%	96.51%
Calls abandoned	8	9	16	24	5	2	191	11	15	7	4	4	296
Calls abandoned rate	0.80%	1.03%	2.27%	3.33%	0.80%	0.36%	16.08%	1.75%	2.27%	0.99%	0.78%	1.25%	3.49%
Calls answered within the SLA (80% of calls within 20 seconds)	849	777	552	526	542	522	523	521	522	667	467	294	6,762
% Calls answered within the SLA rate	85.41%	89.11%	78.41%	72.95%	86.58%	95.26%	44.02%	83.09%	78.85%	93.94%	91.39%	91.88%	79.71%
Emails received	1,571	1,456	1,595	1,356	1,349	1,171	2,049	1,351	1,172	1,317	1,341	961	16,689
Post received	393	334	325	324	243	250	595	360	317	338	212	157	3,848

A summary of the call answer rate Year on Year can be seen in the table below.

Contact	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24
% Call answer rate	97.90%	97.60%	98.40%	98.00%	87.80%	95.40%	97.40%	96.70%
Calls answered within the SLA (80% of calls within 20 seconds)	86.60%	87.00%	88.70%	87.60%	58.40%	77.70%	77.70%	79.70%

Member complaints

Member complaints are included in the table below.

Against the background of the Detriment Corrections Exercise, the number of complaints that were raised during 2024 was significantly lower than in the previous year but still at elevated levels relative to the long-term history. Whilst the number of complaints fluctuated during the course of 2024, the majority of the upheld complaints related to historic servicing issues.

Complaints	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total complaints received	10	3	5	7	13	3	10	11	9	16	13	10
Complaints upheld	12	7	3	2	3	4	4	6	6	5	4	7
Complaints rejected	1	3	1	1	6	3	9	5	2	11	7	5
Complaints outstanding	9	2	3	8	12	8	5	5	6	6	8	6

Complaints	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24
Complaints Received	59	30	34	41	128	144	369	110
Complaints Upheld	15	10	10	6	42	39	380	63

Trading errors

When members buy or sell units the administrator can and has made mistakes and these are referred to as “Trading errors”, and these are set out in the tables below. As you can see there have been fewer trading errors occurring during 2024 than in 2023. Where an error has occurred, this has been investigated and where appropriate rectified.

	31-Dec-23												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
CASS Breaches	2	0	4	4	2	1	0	0	4	2	3	3	25
Non-Cass Breaches	0	8	12	1	10	11	3	2	15	48	18	8	136
Total	2	8	16	5	12	12	3	2	19	50	21	11	161

	31-Dec-24												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<i>CASS Breaches</i>	2	3	2	2	2	1	2	0	2	3	1	1	21
<i>Non-Cass Breaches</i>	4	5	3	3	4	4	1	3	4	1	4	0	36
<i>Total</i>	6	8	5	5	6	5	3	3	6	4	5	1	57

Taking Benefits and Transferring out

There is a regular flow of members taking their benefits from the SPS. During 2024, 1,487 members took their benefits, either as a lump sum, a transfer to another pension plan or as a payment on death. The Provider only collated data on the proportion of members seeking support from MoneyHelper and/or a Financial Adviser in relation to transfers out of the SPS and not other ways of taking benefits despite requests to do so by the IGC. The IGC do not have the records for the whole of the calendar year, as the data was not collected between 31st March to 31st December 2022. However, there are some historic records, where we have amalgamated the data from the original two pension arrangements that merged, the SPS and the Link Personal Pension Trust, so we are able to see the historic patterns in relation to the volume of members taking benefits and the number who also took advice.

	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Dec-23	31-Dec-24
Number of people taking benefits	363	346	314	378	1,535	1,487
Number advised	83	68	45	62	468	270*
Not advised, but pension guided	91	92	89	120	0	0
Unadvised	189	186	180	196	1,067	487*
% unadvised	52%	54%	57%	52%	70%	64%*
No. of members taking >£50,000 benefits	7	7	7	18	256	198*
No. of unadvised members >£50,000 benefits	2	3	3	9	150	87*
% unadvised with >£50,000 benefits	29%	43%	43%	50%	59%	44%

*Notes: * - the data on the number advised is in relation to transfers only, of which there were 757.*

The IGC would like to reflect the trends are moving in the right direction for the larger sums, which is good news. However, it should be noted that there was a single transfer in excess of £500,000 where no advice was taken. The frequency of no advice being sought for smaller transfers was much higher at 57%, less good. Unfortunately, there is no data around members taking their benefits, rather than transfers, available to the IGC, despite multiple requests for the information.

However, the proportion of the membership seeking financial advice or assistance from MoneyHelper is lower than it has been in the past, under the two original pension arrangements, versus taking benefits.

The data shows that out of the 757 transfers out, only 270 were “Pensions Guided”, 302 transfers out were not advised, and there are no records of any advice taken or no advice taken for 185 transfers. However, the proportion of the membership seeking financial advice or assistance from MoneyHelper is significantly lower than it has been in the past, under the two original pension arrangements, versus taking benefits

The amount of money invested by members is not immaterial for the average saver, and therefore there is a need to increase the support given to you to reduce the risks of a poor financial decision being made when you come to take your benefits. The IGC has impressed upon the Provider the importance of providing suitable information which will increase the number of members seeking guidance and help from appropriate sources and taking regulated advice as necessary, and the IGC is disappointed that the number of members seeking advice remains so low, when the data would suggest many of the members would benefit from receiving financial advice or guidance. An example of this is the large number of members taking their benefits as a single lump sum.

Environmental, Social and Governance (“ESG”)

The investment governance of all the funds in the SPS lies with the Provider.

The management of the underlying assets of the SPS is delegated by the Provider to Legal & General Investment Management (“LGIM”). LGIM has an Environmental, Social and Governance (ESG) policy and the IGC receives regular reports on the governance outcomes quarterly.

There is no industry-wide benchmark data on governance and stewardship, which would allow the IGC to measure the quality of the governance undertaken by LGIM.

The IGC is required to consider and report on the Provider’s policies on how ESG considerations are taken into account in the Provider’s investment decisions that impact your pension funds, and to what extent the Provider has implemented these policies. The UK Government has a strategy of ensuring that pension savings play their part in combatting climate change and promoting good outcomes for society as well as good outcomes for pension savers.

There are three key areas of investment considerations around what the Provider intends to do regarding each and how good the Provider is at doing it. The three areas are:

- ESG financial considerations - Environmental, Social and Governance factors (including climate change) that are material to the sustainability of the funds.
- Non-financial matters -the non-financial outcomes of the funds.
- Stewardship – as defined by the FRC (Financial Reporting Council) - Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for you and your beneficiaries leading to sustainable benefits for the economy, the environment and society.

The Provider developed its own Environmental, Social, and Governance (ESG) policy <https://www.waystone.com/environmental-social-and-corporate-governance/>. The objective is to create a code which is comparable to the UK Stewardship Code, but to meet the requirements of the countries where the Provider operates. In addition, the Provider has delivered more detailed analysis around the consumption of Carbon in each of the funds. As with all financial institutions there are challenges around how best communicate the information in a way which changes investor behaviour around the allocation of their capital.

Over the reporting period there has been a material increase in the corporate engagement with the underlying companies, to which the funds are exposed as either as shareholders, deposit takers and bond issuers. Most of the engagement has been around the impact of the companies on the climate. There is the continuing challenge of how much LGIM can do, as they are a minority investor, and they can only instigate change by “teaming up” with other institutions. Despite the significant steps, the IGC is aware of the impact of the geopolitical climate where an increasing number of politicians are pushing back on zero carbon targets, with the main opposition to retaining the targets is around the cost of the transition. Time will tell how this will “play out” over the coming period.

The IGC’s focus is limited to the adequacy and quality of the policies that impact the investment returns that you receive. The prime goal is to ensure that Responsible Investment principles are followed in all aspects of the SPS to the members. The IGC discharges this duty by:

- 1) Reviewing the Provider’s ESG policy annually
- 2) Analysing and discussing the ESG reports of the underlying funds every quarter.

- 3) Arranging an annual meeting with LGIM to discuss their ESG framework and results of their corporate engagement. The IGC have reviewed the resources in place at LGIM and WS. The IGC has plans to collate more in-depth information from LGIM with the goal of completing ongoing studies of the corporate engagement.

The ESG standards are linked to the United Nations Principles for Responsible Investment, which is a helpful reference point as to adequacy and quality, which LGIM has been involved with its inception.

The issue with the ESG policies is measuring the outcomes to make sure the corporate behaviour across the E, S and G are improving. While there is some improvement in the quality and the quantity of the data to measure the outcomes, there is still a huge amount of variance in the methodology to measure the three factors within the industry. The investment management industry appreciates the importance of the standardisation, but it remains very much a work in progress item.

The ESG data for the funds where there is information is set out in Appendix 3.

Task Force on Climate-Related Financial Disclosures – “TCFD”

The Provider has undertaken its responsibilities in publishing the TCFD data for all the funds. The full information on each fund and an explanatory document is set out on the Provider’s website, <https://pensions.fundsolutions.net/pension-products>.

The IGC has identified the Carbon Footprint and the Carbon Intensity Direct as important numbers for this report. Details on the carbon reporting are set out in <https://pensions.fundsolutions.net/media/5iuj4uzz/crr-guide-2023.pdf> and this contains an explanation of the figures in the table above.

Implied Temperature Change

There is a link between the funds that you have invested in and the increase in global temperatures. The IGC monitors the Implied Temperature change for each of the funds, on the grounds that this will provide an objective measure of the climate impact of investing in these funds. All the funds, with the exception of the WS UK Gilt Index fund, have an implied temperature rise in excess of 2.0 degrees centigrade, which will have a material impact on the world, according to scientists.

Please note that although the average fund has an implied temperature change in excess of 2.0 degrees centigrade, these funds are within acceptable limits. The data illustrates how much the world needs to do to stabilise temperatures.

The one observation around the data is that the Implied Temperature changes for many of the L&G funds are falling, which is positive news.

Investment Solutions

Investment Options

The SPS offers different ways to invest your pension pot:

- Choose from any one or more of the funds available and decide on the proportions to invest in ("Self-Select").
- Choose to invest in one of the three lifestyle profiles (see below).
- If you don't choose one of the methods above, then you will automatically be invested in the SPS' default investment strategy (explained below).

The funds available within the SPS are:

WS Global Developed Index Pension Fund

WS Global Multi Index Pension Fund

WS Global Emerging Markets Index Pension Fund

WS Sterling Corporate Bond Index Pension Fund

WS UK Gilt Index Pension Fund

WS Cash Pension Fund

Lifestyle profiles

There are three main lifestyle strategies, which are targeting different strategies in retirement using at least two of the funds from the list above.

Lifestyle Profile 1 – this is designed for members looking to retain a pension fund throughout their retirement and draw an income as and when the cash is needed

Lifestyle Profile 2 – this is designed for members looking to buy an annuity on their retirement age

Lifestyle Profile 3, - is designed for members looking to take all their benefits as cash at the stated retirement ages.

Full details of the Lifestyle profiles and the funds are available by visiting the following site:

https://pensions.fundsolutions.net/media/qsbgy5i/shp_guide-to-ws-investment-funds_pp1002002.pdf and https://pensions.fundsolutions.net/media/ncbhdv1b/shp_guide-to-investment-risk_pp1003002.pdf .

The Lifestyle Profile 1 employed by the Provider is as below:

	<u>Growth Phase</u> <u>(More than 15 years</u> <u>from SRA)</u> <u>Asset Allocation (%)</u>	<u>Consolidation Phase</u> <u>(At 10 years from SRA)</u> <u>Asset Allocation (%)</u>	<u>Drawdown Lifestyle</u> <u>(Fixed allocation</u> <u>between 5 and 0 years</u> <u>to SRA) Asset Allocation</u> <u>(%)</u>
Risk Profile	Higher	Medium	Lower
Equity	65	39	16
LF Global Developed Index Pension Fund	58.2	34.9	16
LF Global Emerging Markets Index Pension Fund	6.8	4.1	0
Multi-Asset	25	32.5	11
LF Global Multi-Index Pension Fund	25	32.5	11
Fixed Income	10	28.5	56
LF Sterling Corporate Bond Index Pension Fund	10	15.5	37
LF UK Gilt Pension Fund	0	13	19
Cash	0	0	17
LF Cash Pension Fund	0	0	17
Total	100	100	100

The Lifestyle flightpath reduces the risk profile of your pension pot during the 15 years before your Selected Retirement Age (SRA). Prior to 15 years before your SRA, your assets in your pension pot are allocated to the funds under the Growth Phase as above. When further contributions are made, the allocations will be made in line with the Growth Phase.

For the period between the 15 years and 10 years before your SRA, every month the Provider will move the benchmark fund allocations to be in line with the Consolidation Phase by 10 years before your SRA. Until when one of the funds has an allocation of plus or minus 2.0% away from the benchmark weightings, at which point all the funds are switched to bring the allocations in line with the benchmark weights.

For the period between the 10th anniversary and the 5th Anniversary before the SRA, every month the Provider will move the fund allocations from the Consolidation Phase to the Drawdown Phase. Again, the Provider will apply the plus or minus 2.0% test before switching the funds.

The members have the choice between the 10th anniversary and the 5th anniversary to select a Cash Lifestyle, an Annuity Lifestyle, or a Drawdown lifestyle. The destination fund allocations are set out in the table below:

	<u>Profile 1 Drawdown Lifestyle</u> <u>(Fixed allocation between 5 and 0 years to SRA)</u>	<u>Profile 1 Annuity Lifestyle</u> <u>(Fixed allocation between 5 and 0 years to SRA)</u>	<u>Profile 1 Cash Lifestyle</u> <u>(Fixed allocation between 5 and years to SRA)</u>
	<u>Asset Allocation (%)</u>	<u>Asset Allocation (%)</u>	<u>Asset Allocation (%)</u>
Risk Profile	Lower	Lower	Lower
Equity	16	11	4
LF Global Developed Index Pension Fund	16	11	4
LF Global Emerging Markets Index Pension Fund	0	0	0
Multi-Asset	11	7	4
LF Global Multi-Index Pension Fund	11	7	4
Fixed Income	56	60	64
LF Sterling Corporate Bond Index Pension Fund	37	44	46
LF UK Gilt Pension Fund	19	16	18
Cash	17	22	28
LF Cash Pension Fund	17	22	28
Total	100	100	100

The above asset allocations will remain the same throughout the 5 years. Over the period, due to investment returns if the allocations move more than 2.0% away from the benchmark weightings, all the funds will be reweighted to bring the allocation in line with the benchmarks.

Default Strategy

The current Default Strategy for members is 100% of monies invested in the WS Global Developed Index Fund, until the member reaches 5 years from their Selected Retirement Age and thereafter, the pension pot is switched into the Profile 1 Drawdown Lifestyle. These members are called “DRWDN – 5” members.

Legacy SPS members

For those Legacy members of the SPS who were already within 5 years of their Selected Retirement Age on 14th October 2022, your funds were already switching solely into the WS Cash fund over a 5-year period. The fund switches were completed annually.

On the 15th October 2022, the de-risking flightpath for these Legacy members was changed to comply with the fund allocation as below:

Pension Funds	Years to the Selected Retirement Age				
	5	4	3	2	1
Global Developed Index	40%	30%	20%	10%	0%
Sterling Corporate Bond Index	40%	30%	20%	10%	0%
Cash	20%	40%	60%	80%	100%

The changes to the benchmark fund allocations are undertaken annually, and the Provider will then apply the 2.0% test, every month, before making any switches. These members were called the Sec-5 members.

Over the course of the year the IGC received information on the flightpaths for all cohorts of members, which was at odds with the IGC's understanding. More detail on this is shown in the Risk Management section below.

The table below sets out the number of members within in each lifestyle pathway as of the 31st December 2024.

<i>Cohort</i>	<i>Number of members</i>	<i>Assets under Management - £</i>
Sec – 5	2,039	56,120,665
Default Strategy	13,453	338,160,850
Profile 1 - Drawdown	1,436	39,771,653
Profile 2 - Annuity	1	101,915
Profile 3 – Cash	0	0

Despite the majority of the members that take their benefits as a cash lump sum, there are no members of the SPS in a lifestyle profile suitable for the provision of a cash lump sum.

The IGC are required to assess whether:

- the default investment strategy is designed and executed in the interests of members and has a clear statement of aims and objectives, and
- the characteristics and net investment performance of the investment strategies are regularly reviewed by the Provider to ensure they remain aligned with the interests of members, and where appropriate the Provider takes action to make any necessary changes.

The IGC regularly reviews the performance of the default investment strategies to ensure that the outcomes for the funds are in line with the goals agreed between the IGC and the Provider. The financial performance outcomes have been in line or ahead of the target returns.

Since the 15th October 2022, the IGC has been requesting details of the lifestyle investments held for each cohort of membership. We are pleased to report that in early 2025, the IGC received sufficient information on the transactions in a format which allowed it to understand that the Provider was following the above tables, albeit this was not the basis communicated by Link to the IGC in 2022. The IGC have expressed their concerns to Waystone about the appropriateness of the investment strategies.

Investment Mandates

Over the last year, the investment mandates for the individual funds (how assets are invested, the objectives and risk profiles) have remained the same. On a quarterly basis, the IGC considers the investment outcomes of the funds and the lifestyle profiles, analysing the financial returns as well as the risk parameters to ensure the mandates remain suitable for the majority of the members.

The SPS should be operated in the interests of members reflecting the current environment for members (which can change over time), rather than assuming it will remain suitable indefinitely. Investment mandates for the SPS are set out in the Appendix 2.

The factors that the Provider considers when designing a suitable Default Investment Strategy includes issues such as -

- 1) Time horizon
- 2) Risk profile
- 3) Financial knowledge and experience
- 4) Liquidity
- 5) Return targets

Investment Performance

This section is divided between return-seeking funds (those assets that aim to provide higher capital growth) and de-risking funds (those assets that are lower risk). Appendix 2 sets out the performance and risk characteristics of the funds.

The investment performance is judged by analysing the performance of each fund versus its stated benchmark, over the life of the funds. Performance is not solely the investment returns but also takes into account two risk measures: 'volatility' and 'maximum drawdowns'. As stated above, the IGC also analyses the non-financial performance of the funds, specifically the levels of corporate engagement, carbon footprint, the carbon intensity, and the Implied Temperature increase.

Return-seeking Funds

WS Global Multi-Index Pension Fund

The WS Global Multi-Index Pension Fund is invested in the L&G Future World Multi-Index 4 fund.

The WS Global Multi-Index Pension fund uses the Investment Association's Mixed Investment 20-60% Sector Median to assess its performance outcomes.

The IGC expects the ESG focus within the fund to reduce risk and potentially lead to enhanced future financial returns, over the long term. The ESG focus for the fund detracted from the returns over the reporting period, by some 0.5%, versus L&G's non ESG mandate with the same risk profile. The variance in returns is within acceptable limits.

However, most of the members invested in this fund have done so for a considerable period of time, and because of poor investment performance from the previous fund managers, these members' outcomes have been less favourable relative to the fund's benchmark.

View – Satisfactory

WS Global Developed Index Pension Fund

The WS Global Developed Index Fund is invested in the L&G Future World ESG Developed Index. The ESG filter for the fund has helped the returns this year by about 1.5% versus a traditional global equity index fund. The IGC is satisfied with the variance in the returns.

View - Satisfactory

WS Global Emerging Markets Index Pension Fund

The Global Emerging Markets Index Fund is invested in the L&G Global Emerging Market Index fund. The IGC is satisfied with the returns, and the variance in the performance is in line with our expectations. The IGC does not have any cause for concern in relation to the investment performance of this fund.

View - Satisfactory

De-risking Funds

WS Cash Pension Fund

The Cash fund has a clear investment strategy. The performance has been in line with expectations.

View – Satisfactory

WS UK Gilt Index Pension Fund

The UK Gilt Index fund continues to track the FTSE Government Bond All Stocks Index. The performance of the fund is in line with expectations, gross of charges.

The issue the IGC has with this fund is that the actual return profile over the reporting period remains very different to that set out in the documentation issued to you, where the fund is described as a “lower risk” investment. However, during 2024 the FTSE Government Bond All Stocks Index has experienced higher levels of volatility which is not consistent with a low-risk fund, comparable to the outcomes seen in 2023.

For a number of years, the IGC has taken a consistent approach with the Provider in seeking to provide detailed information to you, for you to understand the risks associated with holding units in this fund, especially around your understanding of the impact of inflation on the returns as well as volatility of this market, so far without developments by the Provider.

View – Satisfactory

WS Sterling Corporate Bond Index Fund

The WS Sterling Corporate Bond Index fund has been tracking the iBoxx Non-Gilt AAA to A Index fund. Over the reporting period, the value of this fund has fallen versus inflation; despite this, the performance of the fund is in line with expectations, gross of charges.

The fund documentation for the WS Sterling Corporate Bond Index Fund explains the risks in the fund relative to its benchmark, but not against inflation.

The IGC has taken a consistent approach with the Provider in seeking to provide detailed information to you. This is so you can understand the risks associated with holding units in this fund, especially around the real value of the fund to you taking into account the impact of inflation, so far without developments by the Provider.

View - Satisfactory

Lifestyle Flightpath Stages

There are three stages to the members who selected the Lifestyle Flightpath; the Growth Mandate, the Consolidation Mandate and the Drawdown Mandates, which were made available to the membership on the 21st October 2022.

Growth Mandate

The Growth Mandate continues to outperform the AIC Mixed Investments 40-85% Equity, but the risk profile of the fund is higher than the benchmark. The level of outperformance is of sufficient margin to compensate unit holders for the additional risks.

View – Satisfactory

Consolidation Mandate

The Consolidation Mandate continues to outperform the AIC Mixed Investments 20-60% Equity, but the risk profile of the fund is higher than the benchmark. The level of outperformance is of sufficient margin to compensate unit holders for the additional risks.

View – Satisfactory

Drawdown Mandate

The Drawdown Mandate performs in line with the AIC Mixed Investments 0-35% Equity, but the risk profile of the fund is higher than the benchmark. However, the mandate has been in place for about 2 years which is a relatively short period to make a formal judgement. The IGC will be engaging with the Provider to discuss this.

View – Satisfactory

Those members who have a Lifestyle investment strategy will have a combination of funds making up the strategy. Each member's investment choices will dictate the actual outcomes of their pension pots. Appendix 2 shows the investment returns achieved by members over certain time periods.

The reporting has focused on the largest cohort of members assuming they take their benefits on the 31st December 2024, after 10, 15 and 20 years.

These cohorts are -

- 1) Legacy PPT members, previously Jessops, invested in the WS Global Multi Index Pension fund.
- 2) Legacy SPS members,
- 3) Legacy PPT Profile 1 Flightpath members

The reporting is based upon a single investment of £10,000 and regular savings of £100 per month, including tax relief.

Apart from comparing the investment returns against the benchmark indices for each of the funds, we have also introduced an inflation benchmark, CPI (Consumer Prices Index), to show whether you have secured "real returns" (i.e. returns above inflation).

Overall, the absolute return and real return outcomes for cohort 2) have been positive versus inflation as measured using CPI over the last 10, 15 and 20 years. However, for the Legacy PPT Profile 1 members over all periods, the absolute returns and the real returns have been more challenging.

The legacy PPT members previously solely invested in the WS Global Multi Index Pension fund; this fund has underperformed inflation over the last 10 years, and over 15 years the returns have been just positive versus inflation. For many of these members over the last few years, it has been a struggle for their investments to outperform inflation after the surge in prices in the aftermath of Covid and the Ukrainian war.

Suitability

Return-seeking Funds

There is a limited amount of data on the membership profile of these funds. There is no requirement for the Provider to ask each member about their attitude to risk, time horizons and investment objectives. Neither is there any information available about members' financial knowledge and investment experience.

Some data is available about the number of members invested in each fund, their ages, and the average value of their holding, which is shown in the table below.

Date	Fund	Number of Members	Value	Value per Member	Average Age	Weighted Average Age
31-Dec-22	LF Global Emerging Markets Index	1,221	998,594	818	49.6	49.7
31-Dec-23	WS Global Emerging Markets Index	1,229	1,056,213	859	50.3	50.7
31-Dec-24	WS Global Emerging Markets Index	1,108	937,606	846	50.6	50.7
31-Dec-22	LF Global Multi Index	5,664	99,949,644	17,646	55.1	57.6
31-Dec-23	WS Global Multi Index	5,820	97,683,573	16,784	56.1	58.3
31-Dec-24	WS Global Multi Index	5,913	92,688,569	15,675	57.0	59.0
31-Dec-22	LF Global Developed Index	18,505	281,575,221	15,216	49.5	50.5
31-Dec-23	WS Global Developed Index	17,257	314,236,007	18,209	49.9	50.8
31-Dec-24	WS Global Developed Index	16,202	347,094,213	21,423	50.4	51.1

“Weighted average” is the average age of members, weighted to reflect the value of the assets they hold, i.e., a larger fund will attract a higher weighting. We have used weighted average as the basis for our comments.

As at the Year-End, there are 301 members over age 66 invested in the Global Multi-Index Fund, with an average fund value of £30,300. The IGC has encouraged the Provider to contact these members to ensure that they understand that the profile of this fund is medium risk and may not be suitable for them so far without success.

Turning to the highest real return seeking asset available under the policy, the WS Global Developed Index Pension fund, for the average member the number of years until the normal pension ages is 10 years. The IGC have not identified any concerns with this position.

De-risking Funds

Investment in each of the de-risking funds is shown below as at 31st December 2024, along with an analysis of its membership.

Date	Fund	Number of Members	Value	Value per Member	Average Age	Weighted Average Age
31-Dec-22	LF Cash	4,564	70,063,558	15,351	60.2	63.0
31-Dec-23	WS Cash	4,662	73,101,307	15,680	60.6	63.5
31-Dec-24	WS Cash	4,734	74,208,553	15,676	60.9	63.7
31-Dec-22	LF Sterling Corporate Bond Index	7,098	35,859,004	5,052	52.4	55.9
31-Dec-23	WS Sterling Corporate Bond Index	6,696	40,177,117	6,000	52.7	56.8
31-Dec-24	WS Sterling Corporate Bond Index	6,379	41,478,390	6,502	53.2	57.3
31-Dec-22	LF UK Gilt Index	1,659	8,431,882	5,083	55.1	58.9
31-Dec-23	WS UK Gilt Index	2,240	11,984,157	5,350	56.8	59.6
31-Dec-24	WS UK Gilt Index	2,618	14,297,170	5,461	57.7	59.9

The weighted average age of members is as expected for the WS Cash and the WS UK Gilt Index funds, with funds being held by those members approaching retirement. The IGC notes that there are 615 younger members (under age 50) who have a combined holding in the Cash Fund of £250,000, which we believe is unlikely to be appropriate.

The IGC has been highlighting the inflation risk of holding the WS Cash, WS Sterling Corporate Bond Index and the WS UK Gilt Index funds for a number of years. The IGC has asked the Provider to highlight the risks to those members invested in these funds, specifically those who are not in a Lifestyle Pathway.

Members leaving the SPS

The Provider is collating information on how members are taking their benefits, which is a positive step. For details of how the benefits are being taken, please see the section above. However, the IGC is concerned about the number of members taking their benefits or transferring their pension pots without taking financial advice or referring to MoneyHelper for guidance.

The Provider analyses and publishes the destinations for the transfers to third party pension product providers, and the IGC is not aware that any of the members have become Pension Scam victims.

Costs and Charges

In assessing whether the costs and charges of the SPS represents VFM, the IGC are required to consider the level of administration charges, transaction costs, and any other charges borne by the members including the costs of investing and managing your pension pots.

The costs of the Default Investment Strategy need to be within the Charge Cap of 0.75%.

For the Year under review, the charges for the investment funds offered by SPS have been as shown below, highlighted in blue. The charges are comparable to, or lower than, the average charges for each fund sector, **but higher than comparable workplace personal pension plans**.

The charges for the funds, when compared with each fund's IA Sector Median, are set out as below:

Return-Seeking Funds

Fund	31-Dec-24 Ongoing Charges Figure (OCF)
WS Global Multi Index Pension Fund	0.75%
IA Sector Median	0.76%
WS Global Developed Index Pension Fund	0.72%
IA Sector Median	1.63%
WS Global Emerging Markets Index Pension Fund	0.73%
IA Sector Median	1.70%

De-Risking Funds

Fund	31-Dec-24 Ongoing Charges Figure (OCF)
WS Cash Pension Fund	0.17%
IA Sector Median	0.15%
WS Sterling Corporate Bond Index Pension Fund	0.64%
IA Sector Median	1.01%
WS UK Gilt Index Pension Fund	0.43%
IA Sector Median	0.58%

The ongoing charges for the funds are based upon the VFM assessment for the funds to 31st December 2024.

Ongoing Charges Figure (“OCF”) includes the annual management charge (AMC), the operating costs, administrative costs, and transaction charges resulting from buying and selling units in the funds.

The use of the Investment Association (IA) sector median is determined by the prospectus for the funds but does not reflect the average charges members of a workplace pension scheme. The legal costs of rewording the prospectus are prohibitive. The IGC has challenged the Provider around the false impression this gives the members that the funds offer VFM.

As the charges are higher than comparable workplace personal pension plans, the IGC challenged the Provider to reduce the costs. The Provider did enter negotiations with the administrators and the investment managers but was unable to secure a reduction in the charges.

Other potential charges

All administration costs are included within each fund’s annual management charge. The Provider currently makes no charges for the following core financial transactions:

- Buying and selling units in the funds
- Transfers-in
- Transfers-out
- Fund Switches
- Implementing Pension Sharing Orders on Divorce
- Small pot lump sum payments
- Account closure
- Payment of death benefits
- Annual Statements
- Duplicate copies of correspondence

All investment switches made by members take place on a “bid-to-bid” basis, i.e. they will be made free of charge. Whilst the Provider does not currently charge for any of the above, it reserves the right to do so in the future. The processing of Pension Sharing Orders, for example, can be particularly complex and specialist technical input may be required. The IGC is satisfied with this approach.

Liquidity

All funds that are available to members continue to provide daily liquidity (i.e. can be bought or sold easily) and there are no reports of members being unable to buy or sell funds during the period covered by this report.

Transactional costs

Transaction costs are incurred when a fund manager buys or sells assets on behalf of a fund, e.g. equities or bonds. Transaction costs represent the average charge over prescribed periods and include both Explicit costs (such as brokers' fees, exchange costs, stamp duty and other taxes), and Implicit costs which is an assessment of the cost of entering or exiting the market (in simple terms the difference between the price of the asset at the time the order was placed and the actual price when it was bought). As all the funds invest in other funds, the average transaction costs of those other funds are included as indirect transaction costs (referred to as 'look-through' costs).

Comparing portfolio transaction costs for a range of funds may therefore give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the fund manager's investment decisions are not predictable, transaction costs are also not predictable.
- There can be inconsistency in the calculation method used by different Providers. (the Provider uses the full PRIIPS "Arrival" method to calculate costs).

The transaction costs for the underlying funds to the 31st December 2024 are as below:

Fund	31-Dec-24
	Transaction Costs
WS Cash Pension Fund	-0.1605%
WS UK Gilt Index Pension Fund	-0.0160%
WS Sterling Corporate Bond Index Pension Fund	-0.0528%
WS Global Multi Index Pension Fund	0.0351%
WS Global Developed Index Pension Fund	0.0204%
WS Global Emerging Markets Index Pension Fund	0.0250%

The above WS Stakeholder Pension Scheme Funds all invest into other external funds managed by Legal & General. The above costs therefore include the transaction costs of those other funds on a 'look through' basis as described above. Over the reporting period, the transaction costs for the WS Cash, WS UK Gilt Index and the WS Sterling Corporate Bond Index funds were negative because the funds were bought at a discounted price.

Details of the long-term investment performance are contained in Appendix 2.

The IGC are required to include in this report an illustration of the compounding effect of the administration charges and the transaction costs for a representative range of funds/investment strategies, but despite the IGC's requests for this, the Provider has not given us the necessary information to be able to deliver this information.

Risk Management

Risk Register

The Provider maintains a risk register covering potential operational risks, management risks and investment risks for all products. During the period covered in this report there were red-rated risks relating to the SPS, details of which are included below:

Operational Risks

Over the course of the year, the IGC has learned that there was no benefit specification when the administration was moved to EQ in 2022, and there are no detailed service level standards in place between the Provider and EQ, detailing the administration service EQ would provide to the membership. The absence of a benefit specification and detailed service standards has created a challenging environment for the Provider to enhance policies and systems to improve the service to you as members.

Therefore, the Operational Risks are high, and the absence of a benefit specification and detailed service standards is unsatisfactory.

Management Risks

For several years, the IGC has been reporting their concerns about the level of resources allocated to the management and administration of the SPS. Increased resource was committed to the running of the SPS during the year, and the IGC recognises the commitment of Waystone with the allocation of a number of senior staff and the continuity of those staff members.

However, the IGC, consider that the management risks at EQ remain too high, an example of which was their approach to the treatment of members who may be in a vulnerable position. See the Quality of Services section on page 12.

Governance and Oversight Risks

It came to light during the year that the sign-off process of the changes as part of the Optimisation Plan and merger of the SPS and the Personal Pension Trust had failed because different investment strategies were implemented to those communicated by Link to the IGC. The IGC is disappointed with the inadequate communication by Link to the IGC prior to the Optimisation Plan being put in place.

The communications between Waystone and the IGC greatly improved during 2024, but the IGC identified the need for a formal governance and reporting framework.

Investment Risks

The membership of the SPS is diverse, with members having joined in the past through a large number of routes. Some of the members took regulated advice when they joined in relation to their investment choices, but the majority did not take or were not given any advice.

With the merger of the SPS and the PPT, the proportion of members with lifestyle investment strategies has increased.

Date	Number of Lifestyle Members	Total Number of Members	% of Members Lifestyled
31-Dec-19	21,317	27,546	77.4%
31-Mar-21	20,479	26,440	77.5%
31-Dec-21	19,506	25,394	76.8%
31-Dec-22	18,949	23,577	80.4%
31-Dec-23	17,885	21,573	82.9%
31-Dec-24	17,150	20,959	81.8%

The latest data shows the proportion of members with a Lifestyle investment strategy moves closer to other workplace pension schemes.

While the headline numbers look attractive, the lack of member engagement means that too many members have a Lifestyle investment strategy which is unlikely to be suitable for their specific needs, which the IGC remains concerned about.

There is still a substantial number of members who the Provider has classified as “Self-Select” where members have chosen their own investment strategy. The IGC has raised a question whether these “Self-Select” members were suitably informed when making decisions on the investment of their pension fund. The IGC notes that there has been limited engagement by these members in relation to their investments and a significant number where we would have expected investment switches to have taken place.

The IGC has encouraged the Provider to ensure that you are given sufficient information to make informed decisions in relation to your pension. The objective of the increased focus on education and financial matters is to reduce the risk to you of experiencing inappropriate and/or excessive volatility in the value of your pension funds as you approach the time you wish to take your benefits.

Areas Requiring Attention

The areas that the IGC has identified during 2024 that require further attention are set out below.

Administration

There were a significant number of problems during 2023 with the administration of the SPS following the transfer to EQ. These were reported to the FCA and subsequently where appropriate to the Pensions Regulator. Waystone has continued to work very closely with EQ during 2024 to rectify these problems and this focus needs to continue during 2025 to ensure that you receive a satisfactory service.

Value for Money

The rating of the VFM for the SPS remains 'Red' when compared to other workplace personal pension plans. The IGC do not have sufficient details to assess whether the planned transfer to the SPMT will improve the VFM for all members.

Investment Options – lifestyle investment solutions

During the preparation of the 2023 Annual Report, the IGC identified potential anomalies in relation to investment solutions under the SPS. Following an extensive investigation by Waystone and the IGC, it became apparent that the investment solutions that had been implemented in 2022 were not in line with what had been communicated by Link to the IGC before the Optimisation Plan was implemented.

Whilst it was felt that what was communicated to members was broadly in line with the investment solutions in which they have been invested, the standard of Link's communications to the members of the SPS and the PPT at the time of the merger, and their communication with the IGC, was considered by Waystone and the IGC to be sub-standard. This was because there were a number of groups of members who were not explicitly covered by the communications, some poor wording around certain investment choices which might have led to confusion, and some investment choices that were not explained at all.

The IGC has concluded that, in the IGC's view, a number of the members are in investment solutions post the Optimisation Plan that are unlikely to be suitable for their needs. But for the transfer to the SPMT, the IGC would be recommending to Waystone a comprehensive review of the investment options.

Lifestyle Investment Solutions communications

Following the implementation of the Optimisation Plan in 2022, there are now four lifestyle options available to you (including the Default). These are available to those members who wish to target cash at retirement, an annuity at retirement and also those who wish to transfer to a drawdown arrangement. For the previous two years the IGC requested that the Provider implement a targeted and concerted communication campaign to ensure that you are adopting the right lifestyle flightpath for your individual circumstances. This is still to be implemented. However, the IGC are hopeful that the transfer to the SPMT should improve the standard of communications to members.

Portal Access

Most product providers in the marketplace offer their members online servicing to their accounts via a dedicated member portal. However, while there has again been further uptake in 2024 by the membership, the IGC feels the overall take-up of the member portal is very low. We have previously asked the Provider to implement a communication programme to raise awareness of the portal to the membership. This has not happened. The IGC are hopeful that the transfer to SPMT will improve the awareness of portal access to the members.

Communications

In 2020, the IGC implemented a strategy to review the communications issued to you to ensure that they were clear and concise, and they could be easily understood by you. Regrettably, the suggested changes highlighted by the IGC are still yet to be implemented in full.

The 2024 Communications project to implement these changes did not progress and following the proposed transfer of the SPS to the SPMT this project will not now proceed.

The IGC has continued to encourage the Provider to ensure all documents are accurate and up-to-date, and available to you on the website.

Vulnerable Member Assessment

One of the most significant risks facing the Provider is the increasing number of members who could be classified as vulnerable following the FCA research on vulnerability.

Throughout 2024 [and 2025 to date], the Provider has produced regular reporting on the destination of the transfers out, and the amounts. The IGC is not aware that any of the members have become Pension Scam victims. The only issue is that the IGC has noted that the number of members seeking advice is low, suggesting that the communications needed to be improved.

Data provided to the IGC shows that there are still a large number of individuals taking all their pension funds as a lump sum, many of whom are likely to incur income tax on their benefits, which, in some circumstances, could be avoided. For many years the IGC has been asking the Provider to improve the communications, so the members make more informed decisions.

Over the last three reports, the IGC advised that it had asked the Provider for ongoing analysis of those members taking benefits and the funds sold to help inform the IGC whether the investment strategies are suitable. The IGC has asked the Provider to provide this data regularly, ideally quarterly, to allow for more in-depth analysis and to identify trends so issues do not become problems and has followed up regularly with why this has not been provided. Regrettably, the requested data is still not forthcoming.

Provision of information

During 2024, whilst there has again been an improvement in the IGC receiving management information from the Provider there are still too many delays. This created a challenge for the IGC to provide the effective governance required for the SPS. At the year end the IGC and the Provider continued to discuss a framework for the provision of appropriate and timely information going forward.

Provision of Advice

As in previous years, the IGC would like to see an increasing number of members seeking advice or guidance, either through services such as MoneyHelper, or directly through regulated advice, to reduce the risks that you make poor decisions in relation to your pension funds. The goal is that 100% of the members seek advice or guidance when taking their pension scheme benefits. Some of the areas of particular concern are highlighted in the Vulnerable Member Assessment section above, but our concern regarding the low level of advice and guidance is not restricted to members that may be in a vulnerable position.

At each of the quarterly meetings, the IGC has sought information on the behaviour of the members when taking their benefits or transferring them to third parties. For the IGC the provision of support is of vital importance for members. The number of members taking advice is still too low.

Cost and Charges Illustrations

The IGC is required to include in this report an illustration of the compounding effect of the administration charges and the transaction costs for a representative range of funds/investment strategies, but the Provider has not responded to requests to provide these illustrations. The IGC will continue to engage with the Provider to try and rectify this omission.

Appendix 1 - Constitution of the IGC

The IGC is comprised of four independent members and one member appointed by the Provider. FCA guidance was observed over selection of the Provider-appointed member.

Under the FCA's Conduct of Business Sourcebook (COBS 19.5.12(g)) the IGC's four other members are deemed to be independent by the fact that they are not an employee of the Provider, they were not an employee of any company within the Provider's group in the last five years and they do not have a serious business relationship with the Provider.

The IGC has been constructed to have knowledge and experience in the actuarial, legal, investment and pensions arenas. IGC members during the Year were:



Sarah Farrant (Chair)

Ms Farrant was a qualified actuary for over 30 years. She has been Scheme Actuary to many schemes, including a number of FTSE 100 and FTSE 250 companies and has enjoyed senior roles with national employee benefit consultancies and a "Big four" firm of Chartered Accountants.



Mark Garnett

Director of Advisory Investment Services Limited

Professional qualifications

- Fellow of the Chartered Institute for Securities & Investment
- Fellow of the Chartered Insurance Institute

Mr Garnett provides investment management and advice for pension schemes and is a former Partner of Smith & Williamson Investment Management LLP.

He advises employers and boards of trustees, and regularly presents on the economy and investment markets.

**Gareth Sawyer**

Director, EP Trust Corporation Ltd, Evelyn Partners Financial Services Ltd and S&W Partners Trust Corporation Limited

Evelyn Partners Financial Services Ltd is an independent member of the IGC.

Gareth is Evelyn Partners Financial Services Ltd.'s representative on the IGC. He is a financial services and fintech solutions specialist with over 40 years industry experience. A Chartered Practitioner, Fellow of the Chartered Insurance Institute, and Associate of the Pensions Management Institute.

Having worked at major product providers and advisory firms, and established/owned/managed fintech, financial services and trustee businesses, he brings to the IGC over 35-years' experience of advising and supporting employers, trustees, and pension scheme members on all aspects of pensions and retirement, and over 20 years establishing and advising personal pension governance IGCs, and acting as professional trustee to defined benefit and defined contribution pension schemes, as well as establishing and managing personal pensions products and a master pension trust.

**Andrew Berry**

Director, Investment Management Supervision Team, WMUK

Andrew heads the UK ACD business within the London operation. Andrew is responsible for overseeing all aspects of the UK ACD business and its day-to-day client service delivery across UCITS and non-UCITS funds in the UK. He is responsible for the management of the risk, valuation, due diligence and audits for the UK ACD and its funds and appointed delegates.

Andrew has over 29 years of experience in accounting and financial services, working in retail funds, fund platforms, fund accounting, administration, and investment oversight. Prior to joining Host Capital, Andrew was Associate Director at DST Systems (formerly IFDS), the UK's largest transfer agent. Andrew has also held positions at Bank of New York Mellon and Cofunds Ltd.

Andrew is IAQ qualified, and his previous roles have involved the set up and operation of UK ACD Companies. Andrew also has extensive experience of fund launches, onboarding and migration projects.



Victoria Mance

Client Director, Vidett Trustee Services Limited

Vidett Trustee Services Limited is an independent member of the IGC. Victoria is Vidett's representative on the IGC. Victoria is a pensions specialist, with over 25 years industry experience. She is an Accredited Member of the Association of Professional Pension Trustees, a member of the Association of Pension Lawyers, and a solicitor.

Having worked as a pensions lawyer with City firms for 20+ years before becoming a trustee, including secondments to the Pensions Regulator and the Pension Protection Fund, Victoria brings to the IGC a wealth of experience and advising employers, providers, trustees and regulatory authorities on all aspects of pension and retirement regulation. As a trustee she is particularly interested in governance related matters and the member experience. Victoria sits on a number of trustee and IGC boards, including both defined benefit and defined contribution pension schemes.

Appendix 2 – Investment

This appendix sets out the performance of the funds available in the SPS as at 31 December 2024.

Fund Details

The available fund range is shown below:

- WS Global Multi-Index Pension Fund
- WS Global Developed Index Pension Fund
- WS Global Emerging Markets Index Pension Fund
- WS Sterling Corporate Bond Index Pension Fund
- WS Cash Pension Fund
- WS UK Gilt Index Pension Fund

There are two elements to the recording of the investment performance. This Appendix 2 reports on the percentage returns of the current and the previous funds, i.e. those which existed prior to the merger of the Personal Pension Trust and the Stakeholder Pension Scheme in October 2022.

Appendix 3 illustrates the actual outcomes for members.

Return-Seeking Assets

Fund Objectives

The WS Global Multi-Index Pension fund is invested in the L&G Future World Multi Index 4 fund, whose objective is “to provide a combination of growth and income within a pre-determined risk profile. The Fund’s potential gains and losses are likely to be constrained by the aim to stay within the risk profile. The Fund also aims to incorporate environmental, social and governance considerations into the investment strategy.”

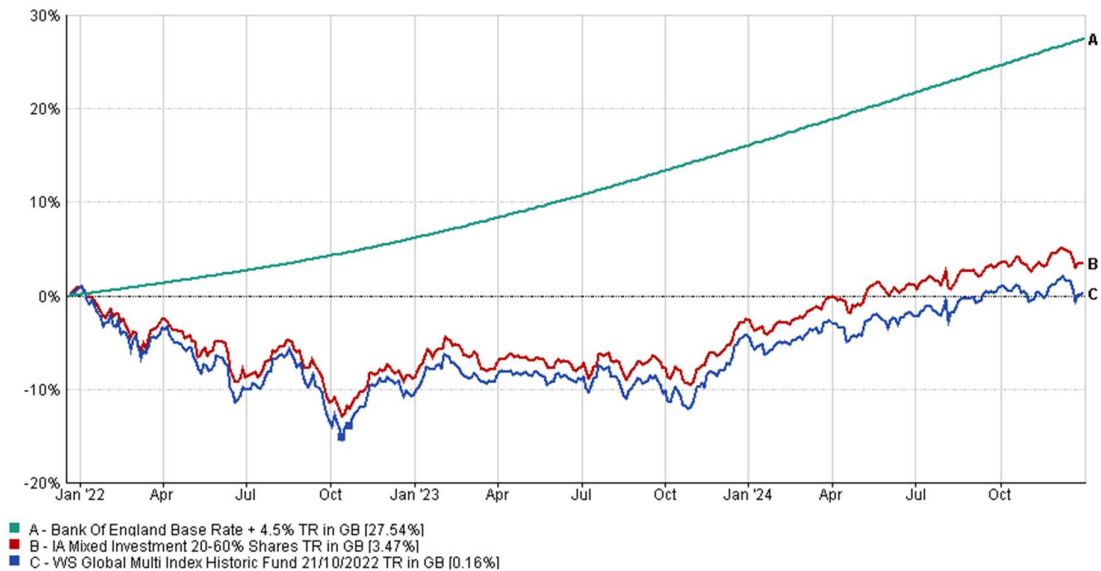
The WS Global Developed Index Pension Fund is invested in the L&G Future World ESG Developed Index fund whose objective is “to provide a combination of growth and income by tracking the performance of the Solactive L&G Enhanced ESG Developed Index NTR (the “Benchmark Index”) “.

The WS Global Emerging Markets Index Pension Fund is invested in the L&G Global Emerging Markets Index Fund whose objective is “to provide growth by tracking the performance of the FTSE Emerging Market Index. This objective is after the deduction of charges and taxation “.

Performance Commentary

WS Global Multi-Index Pension Fund

Prior to December 2021, abrdn was responsible for the management of the fund so we have only shown the performance since L&G took over the management of the fund. The chart shows investment returns relative to the fund's peer group, IA Mixed Investment 20-60% and the prime benchmark



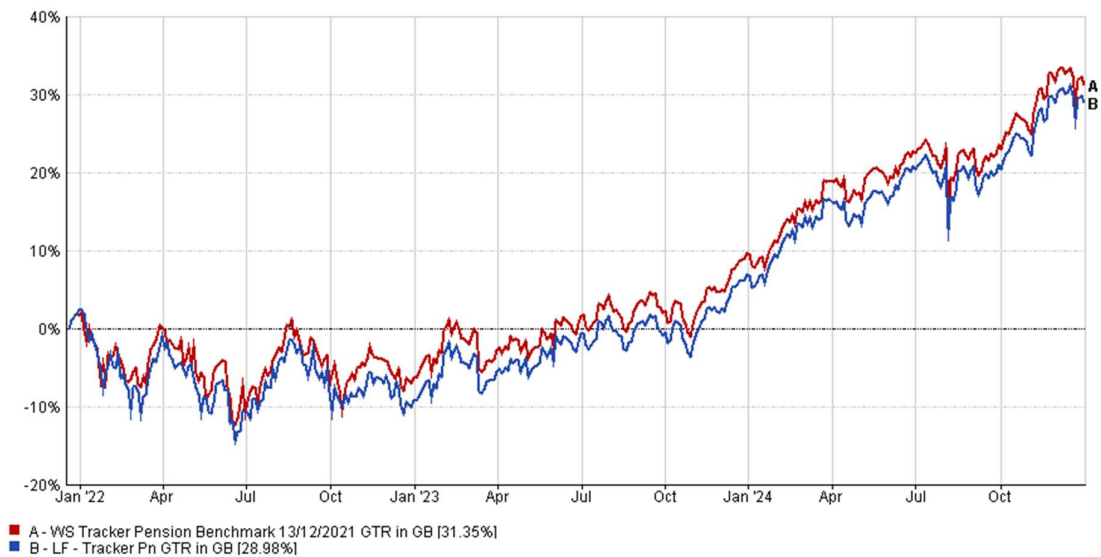
21/12/2021 - 31/12/2024 Data from FE fundinfo 2025

For the members invested in this fund, the average term until the Selected Retirement Age is approximately 10 years, and when weighted for the value of the funds, the average age falls to 7.5 years. Therefore, for the average member of this fund the new mandate remains appropriate.

Over the reporting period, the application of the ESG filters detracted the returns for this mandate, by some 0.50%, versus the traditional L&G Multi Index 4 fund. Since the 21st December 2021 to the 31st December 2024, the ESG filter reduced returns by some 1.0% cumulatively. This illustrates how the ESG filters are not explicitly designed to outperform the benchmarks.

WS Global Developed Index Pension Fund

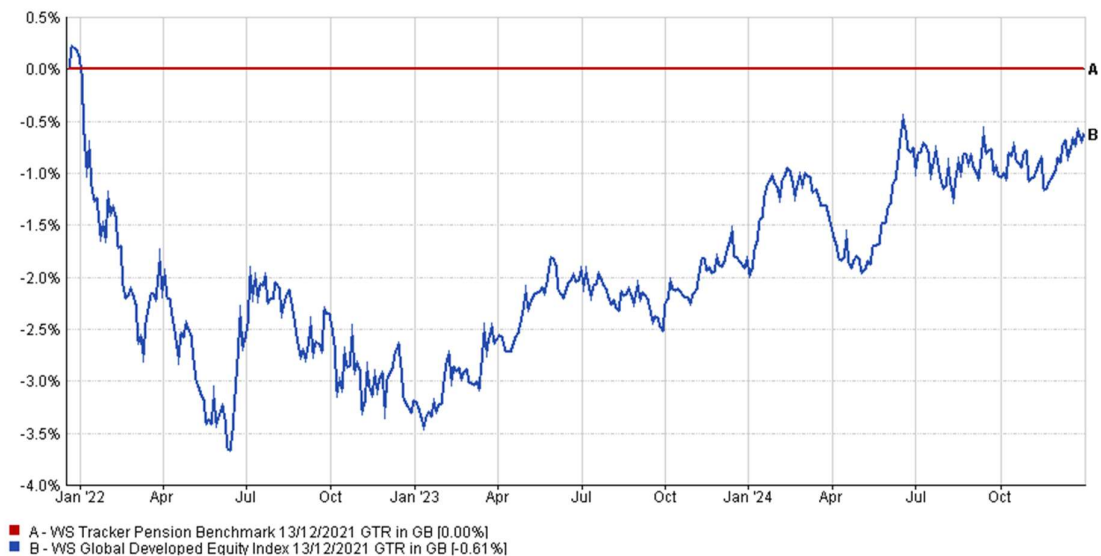
This fund has performed in line with expectations. The mandate for this passive fund has changed over time. Until December 2021 the fund tracked the FTSE All Share Index, and then the mandate of the fund switched to tracking the FTSE Global Developed Solactive Index, which is a composite index created by LGIM and Solactive. There is no published data for this benchmark index, so we have used the FTSE Global Developed Index since the 14th December 2021.



21/12/2021 - 31/12/2024 Data from FE fundinfo 2025

Note: 1) Financial Express has not changed the name of the LF Tracker fund to the WS Global Developed Equity Index

In the chart below the report has used the FTSE Global Developed Index, which illustrates the impact of the ESG filters employed by Solactive and LGIM. The benchmark indices have been flatlined to show the relative returns more clearly.

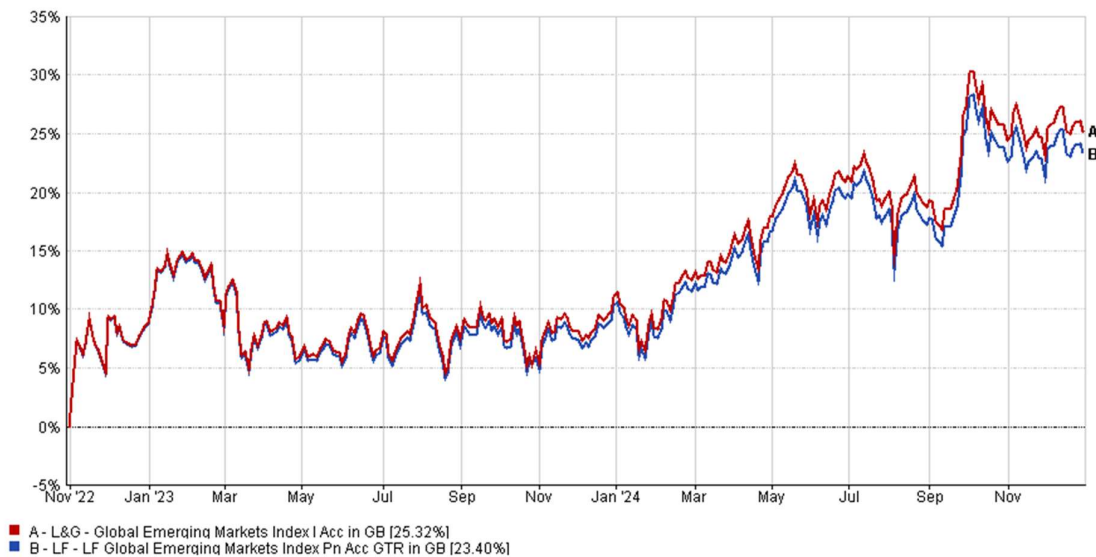


21/12/2021 - 31/12/2024 Data from FE fundinfo 2025

Over the reporting period the outperformance of the Provider's fund against the FTSE Developed Index fund is down to the natural overweight positions in its "growth" sectors, which have bounced back. We would expect the ESG filter to have a positive impact on the long-term relative returns. For the reporting period the Provider's fund outperformed its benchmark by some 1.50%. Therefore, the IGC remains comfortable with the financial performance of the fund.

WS Global Emerging Markets

The WS Global Emerging Markets Index Pension Fund is a new fund with a 27 month track record. The fund is invested in the L&G Global Emerging Markets Index, which has been in place since 2010. The Provider's fund has slightly underperformed the L&G fund, as expected, reflecting the costs of the pension fund.



31/10/2022 - 31/12/2024 Data from FE fundinfo 2025

Note: 1) Financial Express has not changed the name of the LF Global Emerging Markets Index fund to the WS Global Emerging Markets Index fund.

The impact of the costs is illustrated in the chart below, and the short-term swings in the pricing of the funds is down to the different pricing points during the day.



31/10/2022 - 31/11/2024 Data from FE fundinfo 2025

De-Risking Funds

Fund Objectives

The de-risking funds are the WS Cash Fund, the WS UK Gilt Fund and the WS Sterling Corporate Bond Index Pension Fund.

The WS Cash Pension Fund is invested in the LGIM Sterling Liquidity Plus Fund, and its objectives are *“the principal investment objective of the Sterling Liquidity Plus Fund is to provide capital stability, liquidity and diversification while providing a competitive level of return. The Fund invests in high quality short term fixed income and variable rate securities listed or traded on one or more Recognised Exchanges, across a range of financial institutions, sovereign, and corporate issuers.”*

WS UK Gilts Pension Fund is invested in the L&G UK Gilts All Stocks Index, and the Fund objective is *“to provide a combination of income and growth (if the income is reinvested) by tracking the performance of the FTSE Actuaries British Government All Stocks Index. The fund will invest in bonds (a type of loan which pays interest). The fund's investments will closely match those that make up the Index. This Index consists of bonds which are issued by the UK Government (known as gilts). The gilts that the fund invests in will be investment grade bonds (rated as lower risk). Investment grade bonds are bonds that have achieved a higher credit rating from a rating agency. Credit ratings give an indication of how likely it is that the issuer of a bond will be able to pay back interest and the loan on time. 35% or more of the fund can be invested in bonds issued by the UK Government. The fund may use derivatives (contracts which have a value linked to the price of another asset) to: • reduce risk or cost; or • generate additional capital or income with no, or an acceptably low, level of risk. If you hold accumulation units, income from investments held by the fund (interest) will be reinvested into the value of your units. If you hold distribution units, income from investments held by the fund will be paid out to you every six months (as interest).”*

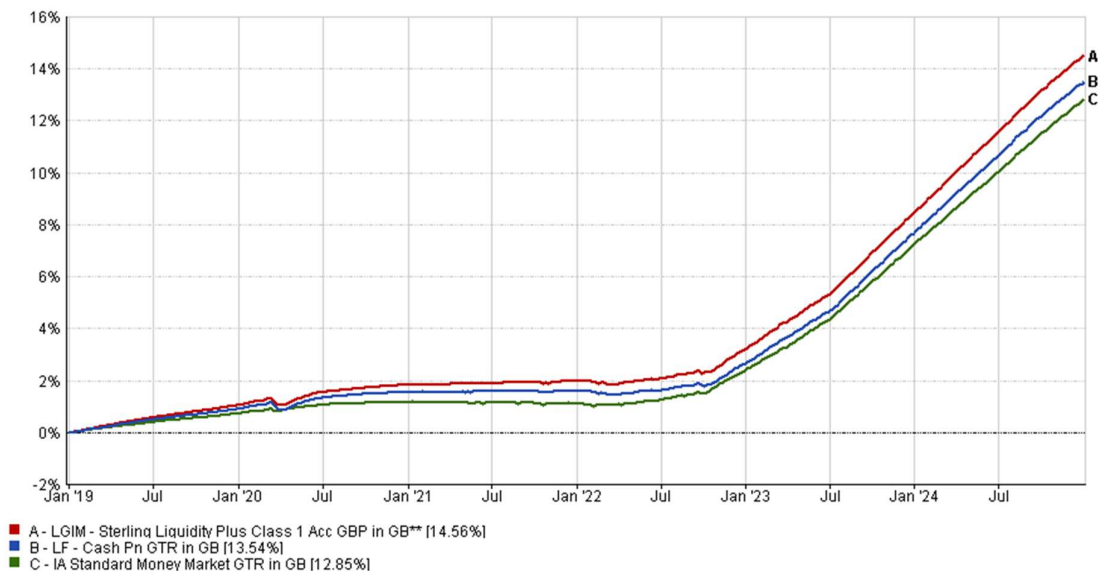
The WS Sterling Corporate Bond Index Personal Pension Fund is invested in the L&G Sterling Corporate Bond Index Fund, and the Fund objective *“is to provide income by tracking the performance of the Markit iBoxx Sterling Non-Gilts ex BBB Index. The fund will invest between 70% and 100% in bonds (a*

type of loan which pays interest) included in the Index. The fund's investments will closely match those that make up the Index. The Index consists of bonds which are issued in Sterling by UK or overseas companies. The bonds that the fund invests in will be almost entirely investment grade (rated as lower risk). Investment grade bonds are bonds that have achieved a higher credit rating from a rating agency. Credit ratings give an indication of how likely it is that the issuer of a bond will be able to pay back interest and the loan on time. The fund may use derivatives (contracts which have a value linked to the price of another asset) to reduce risk or cost; or generate additional capital or income with no, or an acceptably low, level of risk. The fund may also invest in deposits, money market instruments and cash. Money market instruments are a type of security where cash can be deposited for short periods of time. This fund may not be appropriate for members who plan to withdraw their money within five years. "

Performance

The absolute and relative returns, versus their benchmark indices in each IA peer group and the underlying L&G fund returns are set out in the charts below, over the maximum period over which there is data. As stated above, Financial Express has not changed the name of the funds, reflecting the sale of the business by LFSL to Waystone.

WS Cash Pension Fund



31/12/2018 - 31/12/2024 Data from FE fundinfo 2025

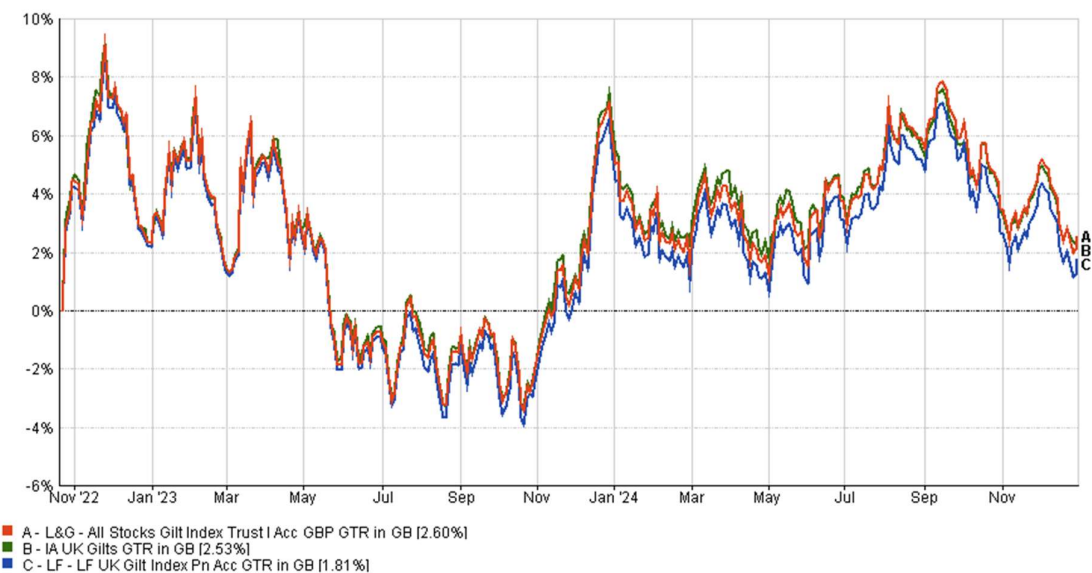


31/12/2018 - 31/12/2024 Data from FE fundinfo 2025

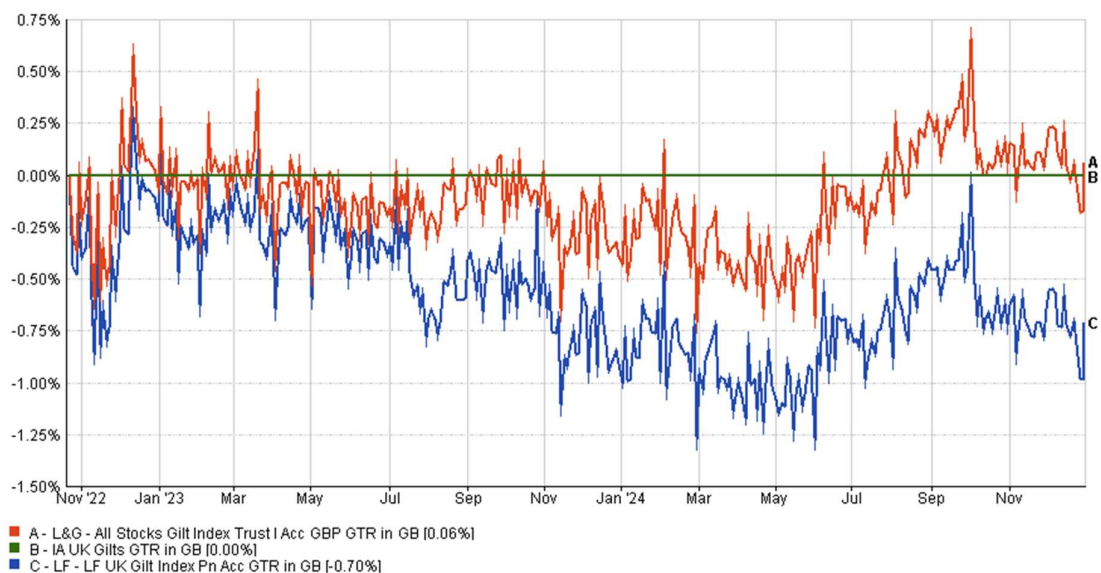
Since the instigation of the fund's holding in the L&G Sterling Liquidity Plus fund in January 2019, the performance has been in line with expectations.

WS UK Gilt Index Pension Fund

The charts show the absolute returns of the funds since the current strategy has been in place, in this case 21st October 2022, as well as relative to the Investment Association benchmark, which has been flatlined in the second chart.



21/10/2022 - 31/12/2024 Data from FE fundinfo 2025

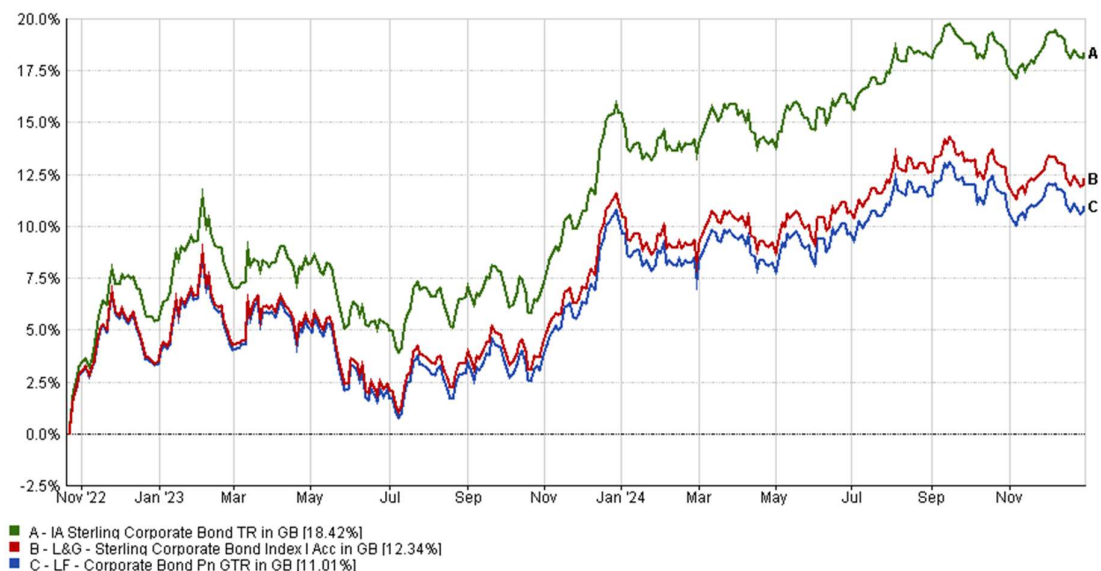


21/10/2022 - 31/12/2024 Data from FE fundinfo 2025

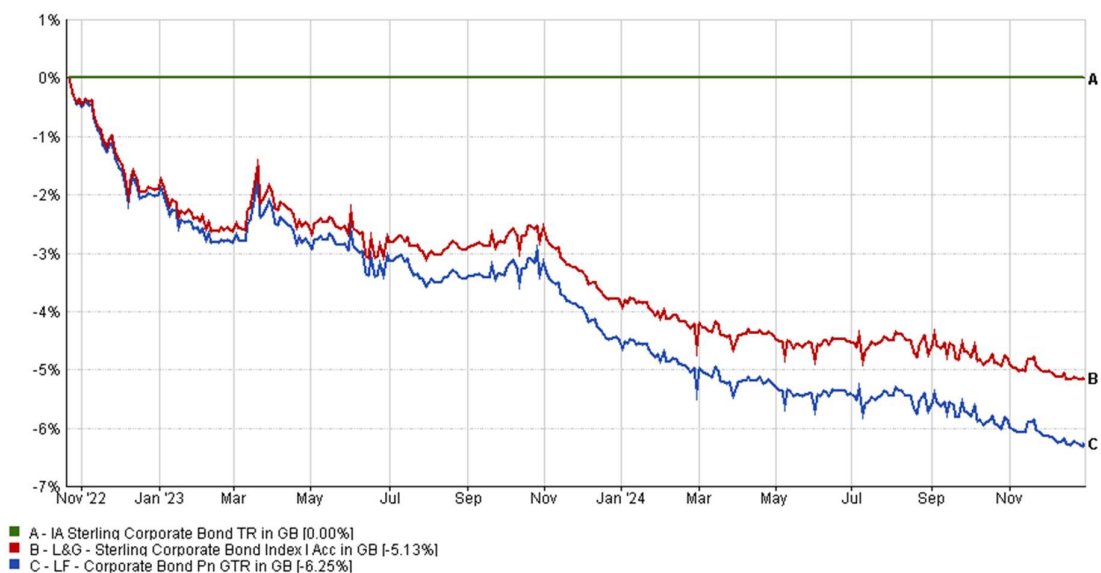
The volatility of the returns is down to the differential pricing points of the funds and the benchmark indices. The underperformance of the fund is down to the impact of the charges.

WS Sterling Corporate Bond Index Pension Fund

The charts show the absolute returns of the funds since the current strategy has been in place, in this case 1st January 2022, as well as relative to the Investment Association benchmark, which has been flatlined in the second chart.



21/10/2022 - 31/12/2024 Data from FE fundinfo 2025



21/10/2022 - 31/12/2024 Data from FE fundinfo 2025

The underperformance against IA universe was down to the fund's allocation to corporate bonds with a credit rating of between AAA and A, while the wider market will have held BBB bonds, which outperformed the wider corporate market. The only time when the LF fund will outperform its peers is when there is a sell-off in the corporate bond markets, which is likely to be significant and short lived.

Lifestyle Flightpaths

There are a number of stages to the flightpaths available to members.

Fund Objectives

The future behaviour of the Growth, Consolidation and Drawdown lifestyle mandates is unknown, as the future behaviour will depend upon the individual decisions with all investors, over which Link has no control. The target returns will only be realised over a stock market cycle, which is normally over 7-10 years. The Growth and Consolidation mandates have targeted annual performance of 5.5% and 4% respectively.

Therefore, the Provider and the IGC are going to measure the short-term risk profile of the mandates. The two forms of measurement are volatility and drawdowns. The table below sets out the target ranges for the two mandates.

Mandate	Standard Deviation	Max. Drawdown from Peak
Growth	+/- 3% of 5 year rolling Volatility of the IA Mixed Investments 40-85% shares	Targeting similar drawdown to the 5-year rolling IA Mixed Investments 40-85% shares
Consolidation	+/- 3% of 5 year rolling Volatility of the IA Mixed Investments 20-60% shares	Targeting similar drawdown to the 5-year rolling IA Mixed Investments 20-60% shares
Drawdown	+/- 3% of 5 year rolling Volatility of the IA Mixed Investments 20-60% shares	Targeting similar drawdown to the 5-year rolling IA Mixed Investments 20-60% shares

It is understood the benchmark asset allocations and the resultant investment returns from these mandates is not a guide to the actual returns the members will experience as a result of the variation in the percentage allocation to each of the funds.

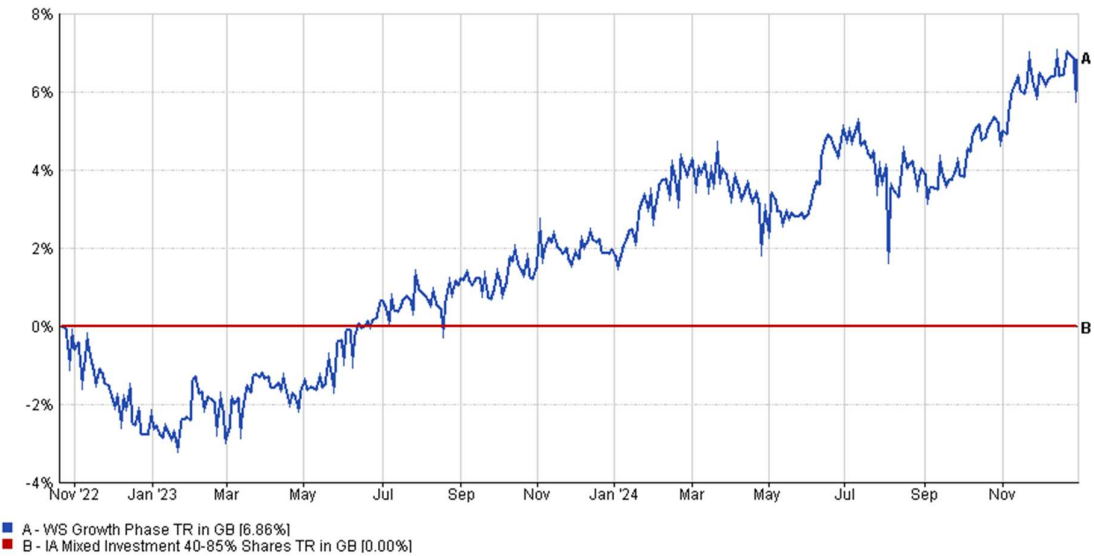
Performance

WS Growth Mandate

The WS Growth Mandate outperformed the benchmark index. When the benchmark index is flatlined, the chart shows when the performance arose, pretty consistent over most periods, driven by the equity market performance.



21/10/2022 - 31/12/2024 Data from FE fundinfo 2025

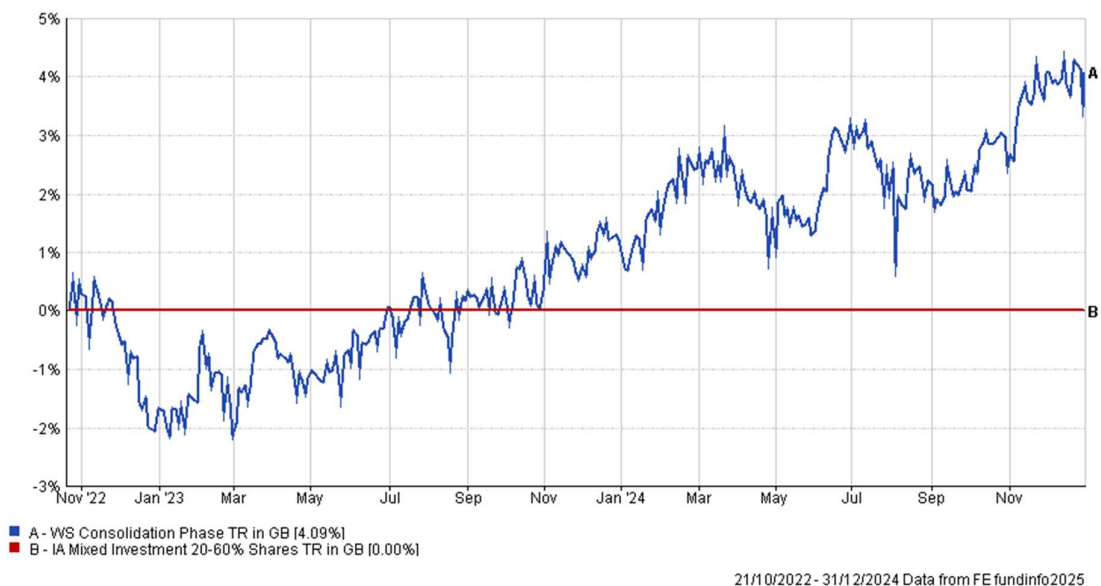


21/10/2022 - 31/12/2024 Data from FE fundinfo 2025

The volatility of the mandate since the 22nd October 2022 to 31st December 2024 has been 8.77, versus 7.30 for the benchmark, within the risk parameters set down. The expectation is that the fund will underperform the benchmark in falling markets.

WS Consolidation Mandate

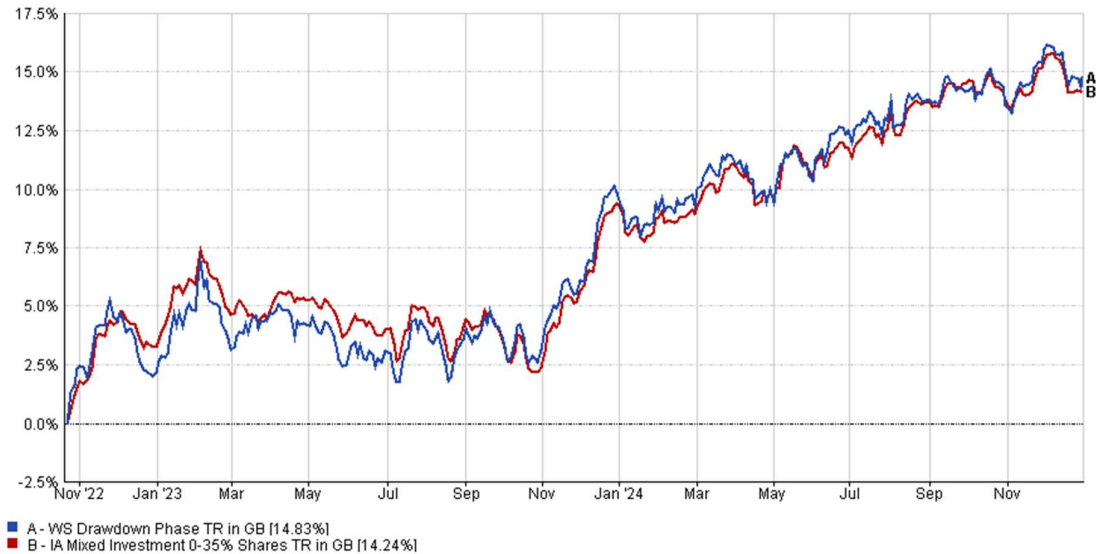
The WS Consolidation Mandate outperformed the benchmark index. When the benchmark index is flatlined, the chart shows when the performance arose, pretty consistent over most periods, driven by the equity market performance.



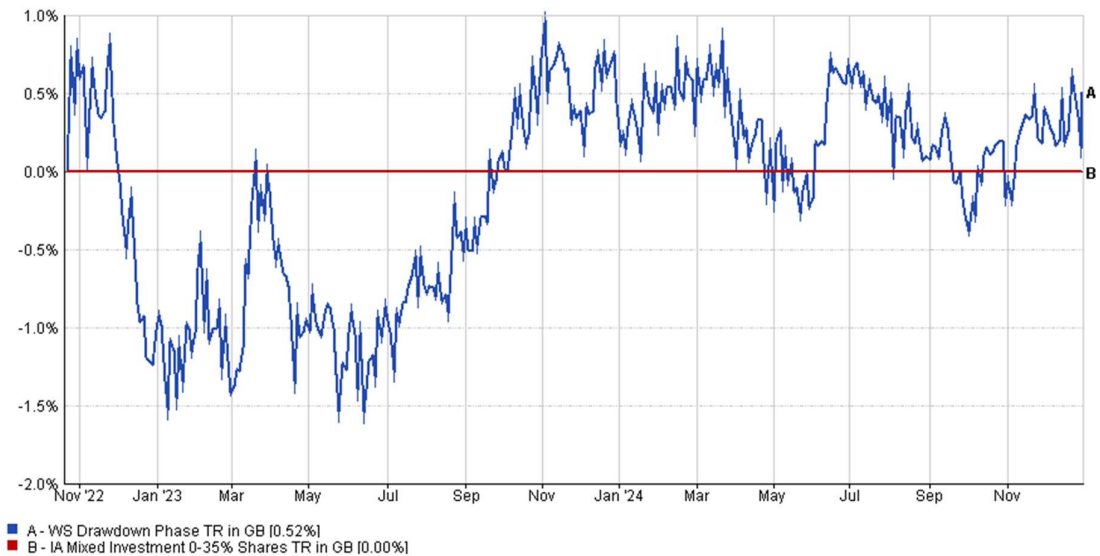
The volatility of the mandate since the 22nd October 2022 to 31st December 2024 has been 7.38, versus 5.72 for the benchmark, within the risk parameters set down. The expectation is that the fund will underperform the benchmark in falling markets.

WS Drawdown Mandate

The WS Drawdown Mandate in line with the benchmark index. When the benchmark index is flatlined, the chart shows how the performance has come and gone.



21/10/2022 - 31/12/2024 Data from FE fundinfo2025



21/10/2022 - 31/12/2024 Data from FE fundinfo2025

The volatility of the mandate since the 22nd October 2022 to 31st December 2024 has been 5.48, versus 4.74 for the benchmark, within the risk parameters set down. The existing arrangements have given investors a more volatile portfolio, and yet the actual outcomes are comparable, not an ideal scenario, but the time frame for the mandate is short.

Appendix 3: Long Term Performance

Our report is designed to show the long-term outcomes for you. The IGC has selected three cohorts of members, which represent a significant proportion of the membership.

The analysis is based upon a single investment of £10,000, and a regular savings of £100 per month. In all cases we have benchmarked the outcome against inflation. We have used the Consumer Prices Index, CPI, as the inflation measure.

Cohort 1 – Legacy PPT members, previously Jessops Members

The Legacy Jessops members were predominantly invested in the LF Multi Asset Personal Pension fund until October 2022, when the fund was merged with the LF Multi Index Personal Pension Fund under the SPS.

Lump Sum - £10,000 – 10 years

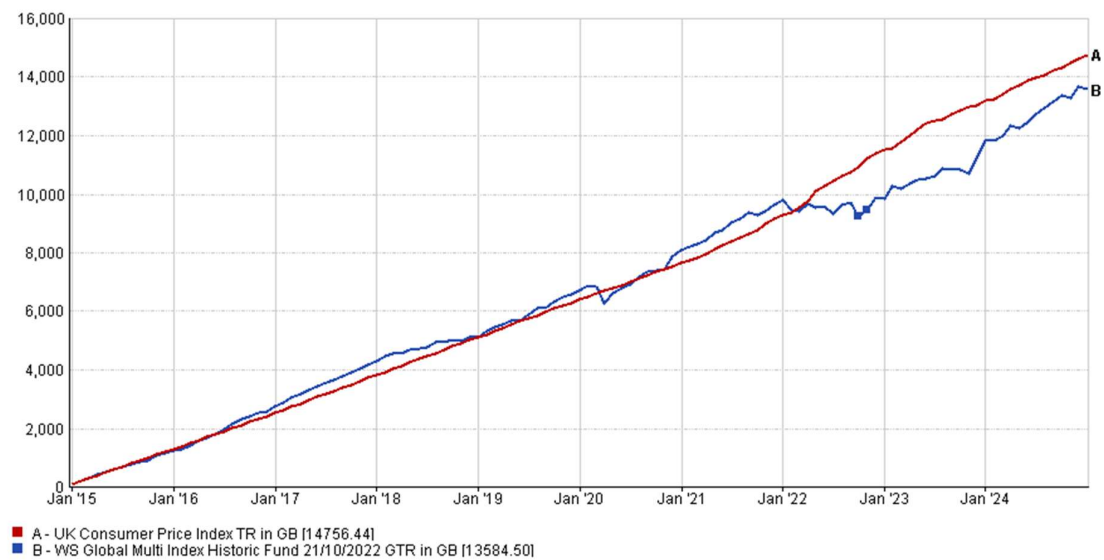


31/12/2014 - 31/12/2024 Data from FE fundinfo2025

Lump Sum - £10,000 – 15 years

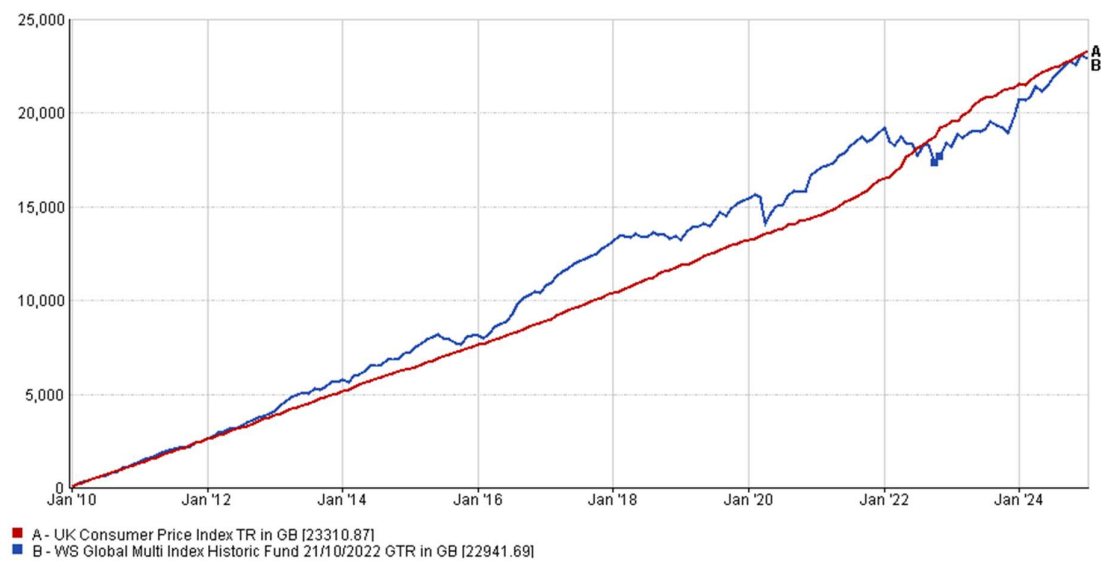


Regular Savings - £100 per month – 10 years



31/12/2014 - 31/12/2024 Data from FE fundinfo 2025

Regular Savings - £100 per month – 15 years



31/12/2009 - 31/12/2024 Data from FE fundinfo 2025

Cohort 2 Legacy Nationwide Members

The Legacy Nationwide members were predominantly invested in the LF Passive fund, which for the majority of its life was itself invested in the L&G UK Index fund, tracking the FTSE All Share Index. In December 2021 the underlying fund was switched to the L&G Future World Developed Index fund, which tracks a composite global equity market index designed by Solactive and Legal & General Investment Management.

In the five years prior to the Selected Retirement Age, the portfolio was de-risked in line with the table as below:

Date	Fund		
	Link Tracker	Link Cash Pension Fund	LF Sterling Corporate Bond
Prior	100	0%	0%
31/12/2019	80%	20%	0%
31/12/2020	60%	40%	0%
31/12/2021	40%	60%	0%
21/10/2022	20%	60%	20%
31/12/2022	10%	80%	10%
31/12/2023	0%	100%	0%

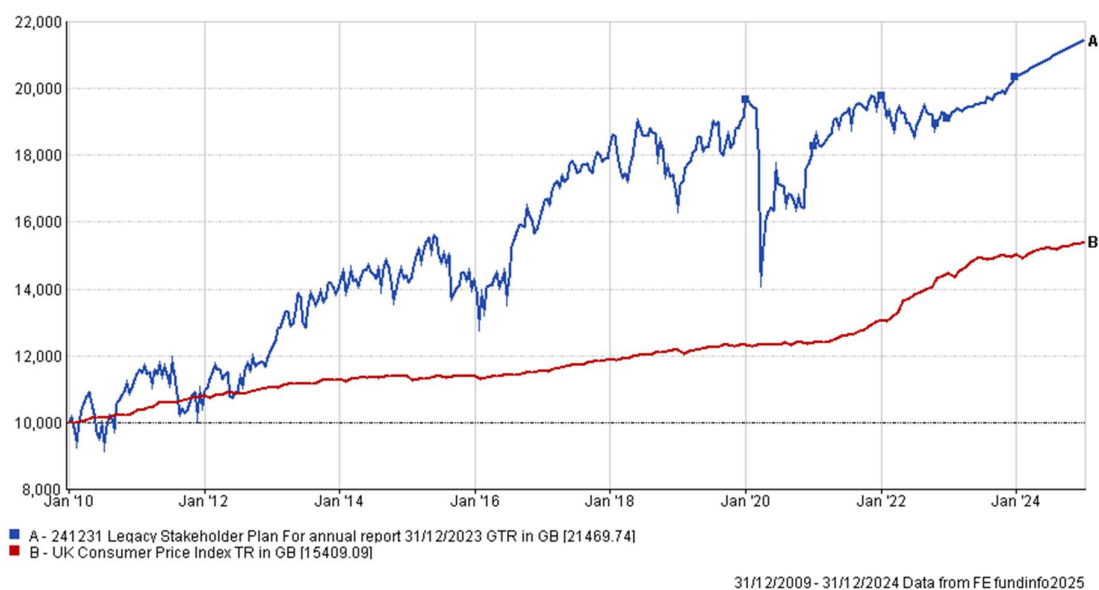
The outcomes below assume a Selected Retirement date of the 31st December 2024.

Lump Sum - £10,000 – 20 years

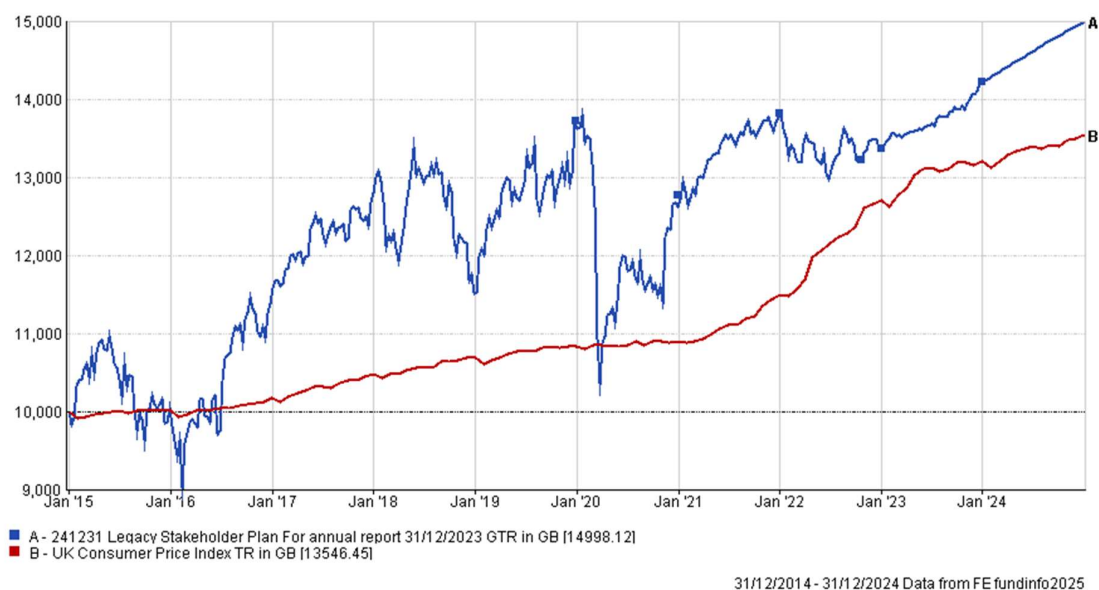


31/12/2004 - 31/12/2024 Data from FE fundinfo 2025

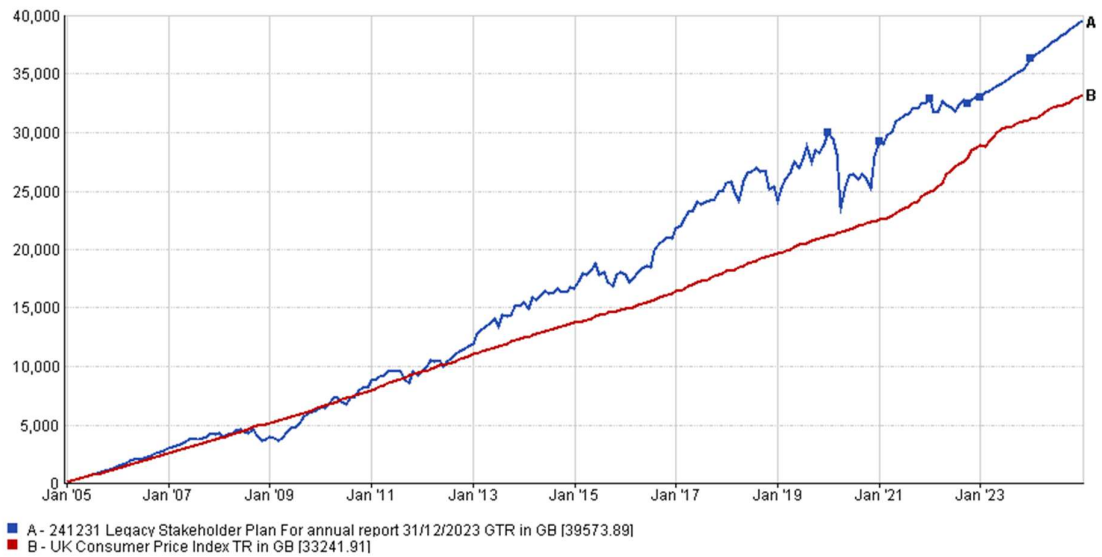
Lump Sum - £10,000 – 15 years



Lump Sum - £10,000 – 10 years



Regular Savings - £100 per month – 20 years



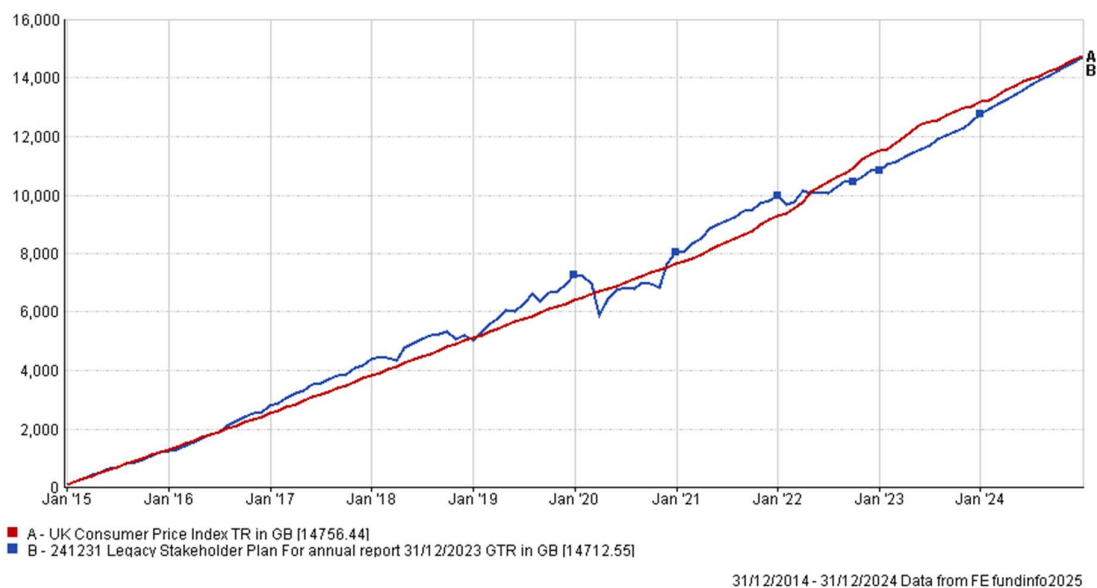
31/12/2004 - 31/12/2024 Data from FE fundinfo2025

Regular Savings - £100 per month – 15 years



31/12/2009 - 31/12/2024 Data from FE fundinfo2025

Regular Savings - £100 per month – 10 years



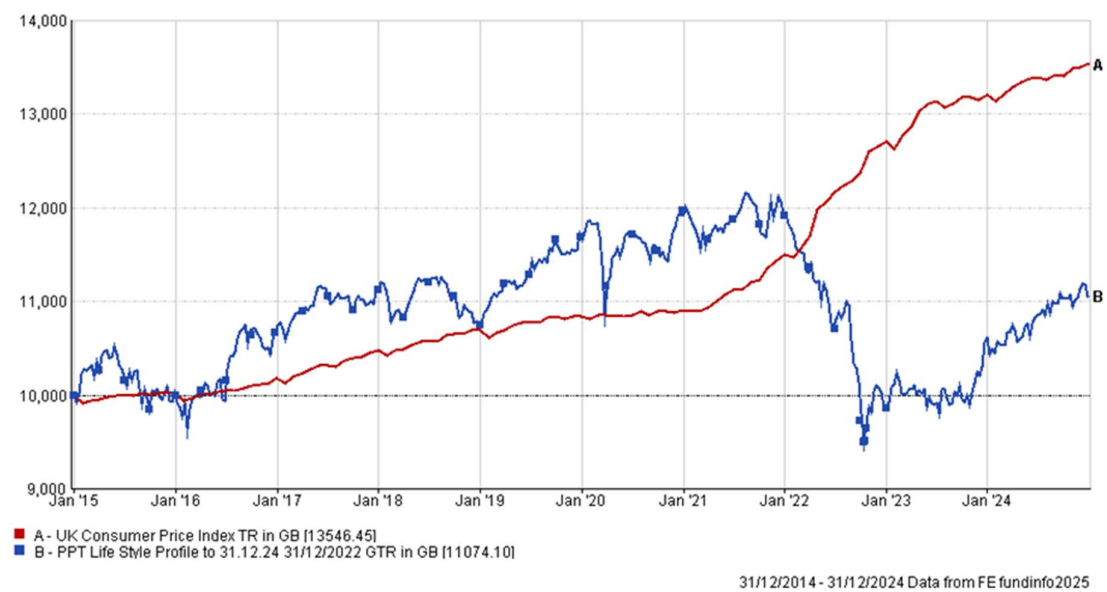
Cohort 3 – Legacy Profile / PPT Members

Some of the Legacy PPT members took up a number of Lifestyle Pathways, with Profile 1 being the most popular. We have tracked the performance for an individual taking their benefits on the 31st December 2022, with the historic arrangements running until the 14th October 2022, when the performance data for the legacy PPT fund stopped. The assumption is that the assets are switched to the new flightpath from that date, using a combination of the LF funds and the underlying funds, until the 21st October 2022 when the new SPS funds were created.

Lump Sum - £10,000 – 15 years



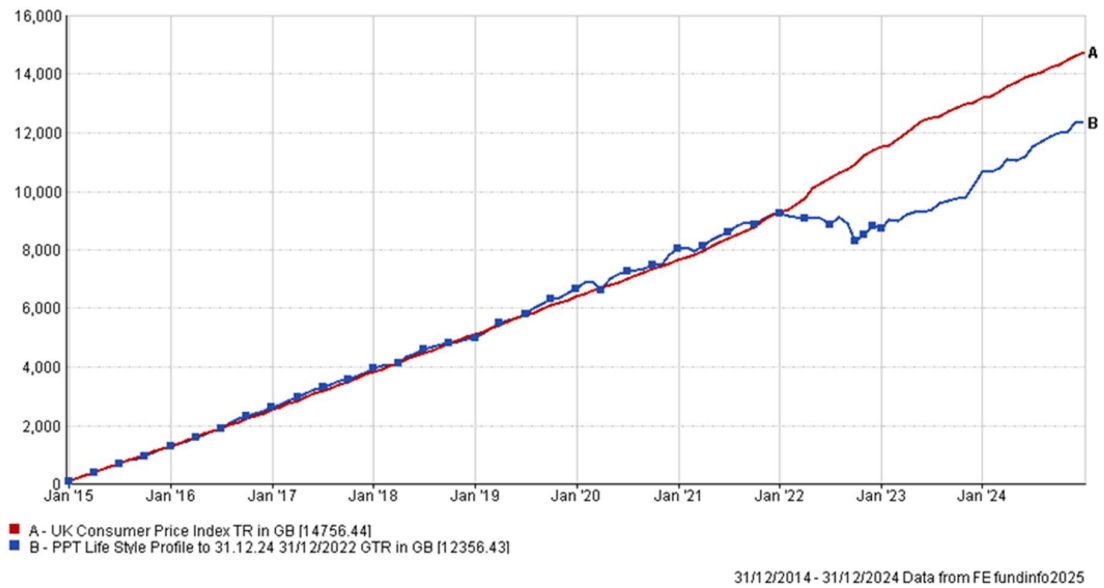
Lump Sum - £10,000 – 10 years



Regular Savings - £100 per month – 15 years



Regular Savings - £100 per month – 10 years



The IGC are required to include in this report an illustration of the compounding effect of the administration charges and the transaction costs for a representative range of funds/investment strategies but unfortunately the Provider has not delivered the information to enable the IGC to incorporate this year.

Appendix 4 – Environmental Social and Governance Assessment

The ESG assessment is based upon the level of corporate engagement and the carbon footprint measures.

Corporate Engagement

The ESG assessment is based upon the level of corporate engagement and the carbon footprint measures.

Corporate Engagement

All of the assets of the SPS are now managed by Legal & General Investment Management, LGIM. LGIM structures its corporate engagement around a number of themes, and the table illustrates how these themes are changing over time.

Corporate engagement is executed by a team of over 100 investment professionals, which is too small considering the number of individual investments LGIM could engage on. It is more or less impossible to secure change on all the assets the funds own, so LGIM will target the largest entities to have the most impact on the world.

Over the reporting period there has been a surge of engagement with companies, with significant increases in all areas. The principal method is “desktop” engagement through exchange of information and report writing, rather than extensive meetings with the management teams and the directors. It is too early to see what impact these engagements will have on the underlying companies, as many of the changes take years to be reflected in the data.

WS Global Multi-Index Pension Fund

The underlying fund for the WS Global Multi-Index fund has migrated over the recent years from the Aberdeen Diversified Core Growth Fund to the L&G Future World Multi Index 4 fund in 2021. Collating the data for 2021 was a challenge as a result of the switching date between the two funds. Therefore, the report will assume that the underlying fund was the L&G Future World Multi Index 4 fund for the Year to the 31st December 2021.

For the Global Multi-Index fund the record of voting for the underlying shares held by the fund is as below:

	<i>Year to 31.12.20</i>	<i>Year to 31.12.21</i>	<i>Year to 31.12.22</i>	<i>Year to 31.12.23</i>
<i>Underlying manager</i>	<i>Aberdeen</i>	<i>Legal & General</i>	<i>Legal & General</i>	<i>Legal & General</i>
Number of votable meetings	343	5,314	5,142	5,293
No of Resolutions	4,417	53,821	54,010	54,589
No. of votes where the manager could vote	98.91%	99.85%	99.86%	99.89%
% of votes with management	83.20%	81.80%	79.86%	79.95%
% of votes against the management	13.01%	17.00%	18.81%	19.71%

When the fund was managed by Aberdeen, the analysis of the votes against management is dominated by voting against remuneration in the case of 133 companies, which represents a significant proportion of the shares held by the underlying fund. There were relatively few votes around Social and Environmental issues, less than 10 each.

Shareholder voting is only part of the governance role LGIM performs with the underlying companies. LGIM will engage with the underlying companies across a range of issues. The table below summarises the main metrics, as well as identifying the areas where LGIM are engaging in. We are reporting the

data for the Year to the 31st March 2022, as the data is not available for the Year to the 31st December 2021.

	Year to 31.03.22	Year to 31.12.22	Year to 31.12.23	Year to 31.12.24
No. of engagements	577	814	1,070	2,341
No. of companies engaged	388	561	750	1,571
Eligible Fund value engaged	33%	33%	39%	60%
No. of engagements on :				
Environmental	286	427	667	1,550
Social	190	192	237	518
Governance	281	354	293	444
Other topics	82	145	74	208
<i>Engagement Topics</i>				
Climate Change	167	129	135	153
Deforestation		164	85	
Remuneration	167	188	184	
Board composition	74	-	-	
Company Disclosure & transparency		97	-	
Ethnic Diversity			94	
Capital Management				186
Corporate Strategy				173
Human Rights				289
Climate Impact Pledge	72	112	429	1,285
Public health	67	-	-	-

WS Global Developed Index Pension Fund

The underlying fund for the WS Global Developed Index Pension fund migrated from the L&G Global Equity Index fund to the L&G Future World ESG Developed Index in December 2021. Collating the data in 2021 was a challenge as a result of the switching date between the two funds. Therefore, the data for the Year to 31.12.21 will assume that the underlying fund was the L&G Future World ESG Developed Index fund for the Year.

	Year to 31.03.21	Year to 31.12.21	Year to 31.12.22	Year to 31.12.23	Year to 31.12.24
Number of votable meetings	6,779	1,364	1,607	1,518	1,441
No of Resolutions	70,672	17,971	22,240	21,632	20,629
No. of votes where LGIM could vote	99.85%	99.89%	99.67%	99.88%	99.42%
% of votes with management	83.25%	79.96%	78.32%	78.03%	78.40%
% of votes against the management	15.96%	19.85%	21.47%	21.83%	21.09%

Shareholder voting is only part of the governance role LGIM performs with the underlying companies. LGIM will engage with the underlying companies across a range of issues. The table below summarises the main metrics, as well as identifying the areas in which LGIM are engaging in. We are reporting the data for the Year to the 31st of March 2022, as the data is not available for the Year to the 31st December 2021.

	Year to 31.03.22	Year to 31.12.22	Year to 31.12.23	Year to 31.12.24
No. of engagements	404	501	513	1,235
No. of companies engaged	254	307	312	681
Eligible Fund value engaged	37.00%	43.00%	49.00%	70.00%
No. of engagements on :				
Environmental	204	288	284	745
Social	147	134	135	322
Governance	203	221	191	285
Other topics	72	90	57	162
<i>Engagement Topics</i>				
Climate Change	123	109	107	122
Remuneration	105	120	112	
Human Rights				175
Board composition	69	63	46	
Capital Management				112
Climate Impact Pledge	49	74	126	543
Corporate Strategy			46	136
Deforestation		84		
Public health	41	41		

WS Global Emerging Markets Index Pension Fund

The WS Global Emerging Markets Index Pension fund was created in October 2022. Therefore, the data for the Year to 31.12.22 has been for the whole Year for the underlying fund, the L&G Global Emerging Markets Index fund.

	Year to 31.12.22	Year to 31.12.23	Year to 31.12.24
Number of votable meetings	2,869	3,000	4,572
No of Resolutions	25,687	24,918	36,441
No. of votes where LGIM could vote	99.98%	99.96%	99.92%
% of votes with management	78.53%	79.95%	80.26%
% of votes against the management	19.55%	19.43%	17.79%

	Year to 31.12.22	Year to 31.12.23	Year to 31.12.24
No. of engagements	278	201	701
No. of companies engaged	206	159	567
Eligible Fund value engaged	37.00%	22.00%	57.00%
No. of engagements on :			
Environmental	152	186	555
Social	60	9	143
Governance	91	27	31
Other topics	65	10	9
<i>Engagement Topics</i>			
Climate Change		26	21
Climate Impact Pledge			511
Gender Diversity	42		
Company Disclosure and Transparency	58		
Climate Impact Pledge	43	115	511
Corporate Strategy		9	
Human Rights			118
Deforestation	79	50	42
LGIM ESG Score	57	10	

WS Sterling Corporate Bond

LGIM will vote at the shareholder meetings of the corporations who issue the bonds, the fund owns, but LGIM do not keep a separate record. The engagement data is set out in the table below.

	<i>Year to 31.12.22</i>	<i>Year to 31.12.23</i>	<i>Year to 31.12.24</i>
No. of engagements	98	118	250
No. of companies engaged	49	50	92
Eligible Fund value engaged	23.00%	29.00%	43.00%
No. of engagements on :			
Environmental	57	72	155
Social	29	22	50
Governance	49	52	74
Other topics	15	26	60
<i>Engagement Topics</i>			
Climate Change	35	53	42
Climate Impact Pledge			77
Remuneration	26	27	
Board composition	15		26
Corporate Strategy	11	23	54
Public Health	14		
Energy		13	24
Company Disclosure and Transparency		13	

WS Sterling Liquidity Plus

LGIM will vote at the shareholder meetings of the banks who issue the cash deposits, the fund owns, but LGIM do not keep a separate record and report on it for this fund.

	<i>Year to 31.12.21</i>	<i>Year to 31.12.22</i>	<i>Year to 31.12.23</i>	<i>Year to 31.12.24</i>
No. of engagements	43	38	41	64
No. of companies engaged	18	18	17	31
Eligible Fund value engaged	33.00%	38.00%	32.00%	74.00%
No. of engagements on :				
Environmental	35	27	34	46
Social	10	4	5	3
Governance	21	21	15	18
Other topics	3	3	2	6
<i>Engagement Topics</i>				
Climate Change	29	24	31	14
Remuneration	9	12	8	5
Corporate Strategy				5
Board composition	8	6		
Climate Impact Pledge	5		3	30
Gender Diversity	7			
Activism			6	
Capital Management		6		10
Nominations and Succession	4	5	4	

Summary

Corporate engagement and stewardship can have an impact on the long-term returns of your chosen funds. The reality is that not one single corporate engagement from one institution will effect change. It is the pressure from a wide range of shareholders and bond holders, which effects change in companies. Hence the need for investors to identify themes which other investors are working on to bring about change, hence the shift in the topics which we see in the reporting.

The final issue around this topic is benchmarking, identifying whether LGIM is effectual or not in their engagement. The industry is trying to identify a suitable measurement to categorise the fund managers in this area.

Carbon Footprint

One of the simplest measurements is around carbon, Scope 3 carbon, usage, and reserves (these are defined in WS TCFD guide and there is a link to this document on page 16). There are still some variances in the calculation around this across the world. As and when there is more useful data, we will report on it, until then the focus of the outcomes will be around carbon only.

The Provider has adopted a comprehensive methodology to calculate the amount of carbon released into the atmosphere as a result of the activities of the companies, whose cash deposits, bonds, equities, and other financial instruments holds in the funds. The bottom line for all these carbon measurements and any mitigating policies adopted is the implied temperature of each fund.

Apart from measuring carbon production, another target is the implied temperature rises allowed for in a company's planning. At COP 21 in Paris the goal was to remain under 1.5 °c above the Pre-Industrial Revolution levels. The current view is that the world will struggle to keep temperature rises below 2.0 °c, which will create challenges for humanity.

Hence the IGC has decided to track and report on the implied temperature rises. The IGC regularly meets the underlying fund manager to understand their corporate and governmental engagement, encouraging them to act in the interests of the members to reduce the implied temperature rise.

Fund Name	Implied Temperature Change (centigrade)			
	Year to 31.12.21	Year to 31.12.22	Year to 31.12.23	Year to 31.12.24
WS Global Developed Index	-	2.7	2.7	2.5
WS Global Emerging Markets Index	4.4	3.5	3.2	3.1
WS Global Multi Index	-	2.7	2.6	2.5
WS Sterling Corporate Bond Index	-	2.4	2.4	2.4
WS UK Gilt Index	-	1.9	1.9	1.9
WS Cash	2.7	2.4	2.6	2.4

Source: LGIM

The IGC will continue to engage with the provider to source appropriate funds with lower implied temperature changes. The majority of the assets for the SPS are held in funds where the Implied Temperature change is in excess of 2.5 degrees centigrade.