London and Quadrant Housing Trust Staff Benefits Plan – DC Section

Annual statement by the Chair of the Trustees for the year to 31 March 2024

What is this Statement for?

It's important that you can feel confident that your savings in the London and Quadrant Housing Trust Staff Benefits Plan ("the Plan") are being looked after and give good value.

This Statement sets out how the Trustees have managed the Plan in the last year and what they aim to do in the coming year.

A copy of this Statement, together with other key Statements explaining how the Plan is managed are posted on-line at https://lqpensionplan.co.uk/

What's in this Statement?

We've included information on the following areas in this Statement:

1 **How we manage your Plan** – who the Trustees are and what guides our decision making;

2 **Investment options** – what we have done to check the performance and suitability of the Plan's investment options, especially those used by members who don't want to make an investment choice (known as the "default arrangement");

3 **Investment performance** - what returns have the investment options given over the last year;

4 **Cost and charges** – what costs and charges you have paid in the last year and how these might impact the size of a typical member's savings in the Plan over time;

5 **Value** - how the quality of the Plan's services (including the investment returns on your savings) which you pay for compared to other pension schemes;

6 **Administration** – how well the Plan has been administered including how promptly and accurately key transactions (such as the investment of your contributions) have been processed;

7 **Trustee knowledge** – what we as Trustees have done to maintain our level of knowledge and obtain the professional advice we need to look after the Plan for you; and

8 **Our key actions last year and plans for the next year** – what key actions the Trustees took in the last year and what we aim to do in the coming year to continue to improve the Plan for all our members.

What were the highlights from the last 12 months?

1 How we manage your Plan

There are 5 members of the Trustee, including a single professional trustee independent of the employer. The Trustee met 4 times during the year for board meetings.

There have been no changes to the Trustees' advisors during the year.

The current Statement of Investment Principles ("SIP") is appended to this Statement. Note that this was signed after the Plan Year end, on 19 September 2024, given the new regulatory requirements which state the first SIP produced after 1 October 2023, must state in it the policy regarding the default arrangements in the scheme investing in illiquid assets. For the purpose of this regulation, illiquid assets are assets which cannot easily or quickly be sold or exchanged for cash and include any such assets held in a collective investment scheme.

The implementation statement for the Plan year ending 31 March 2024 describing how the Trustees have followed their policies set out in the Statement of Investment Principles will be published in line with this statement.

At 31 March 2024, the Plan had 2,161 members and was worth a total of c.£106 million.

2 Investment options

A full review of the Plan's default arrangement was carried out on 5 December 2022. The next full review of the investment options will be carried out by 5 December 2025. Following the review, the Trustees agreed to make a number of changes to the default arrangement in order to enhance member outcomes and improve diversification.

The Trustees agreed to increase allocation to equities within the growth phase and improve diversification by investing via a more global approach. In the pre-retirement phase, where members are closer to retirement, in order to protect members' assets against interest rate changes and enhance diversification, the strategy will add an allocation to a Multi Asset Credit strategy which invests in a wide range of credit type assets. See section 2 of the Statement for more details. The plan is to implement these changes in 2025.

3 Investment performance

Over the year to 31 March 2024, the worst performing fund used in the Plan's default arrangement saw investment returns of a fall in value of 7.8%, or a fall of £78.00 for every £1,000 invested and the best performing fund saw investment returns of a rise in value of 12.9% or, put another way, a rise of £129.00 for every £1,000 invested.

We are satisfied that most of the funds used by the default arrangement have performed broadly in line with their benchmarks over the year to 31 March 2024.

4 Cost and charges

You only pay for the "transaction costs" (see the main report for more information) incurred while investing your money. London and Quadrant pays the costs of the investment management, administration and governance of the Plan.

We monitored the costs and charges going out of members' pension pots during the last year:

The transaction costs in the last year for the "default arrangement" were 0.04% to 0.19% of the amount invested or, put another way, in a range from £0.37 to £1.88 per £1,000 invested.

5 Value for Members

Each year we look at the costs and charges you pay under the Plan as well as the range and quality of the services you pay for and see how they compare with a selection of similar pension schemes.

We found that the Plan provided "Average" value in the year ending 31 March 2024. Over the next year our main priority will be to prove value for you by implementing the recommendations from the investment strategy review discussed above.

6 Administration

We check that the administration of the Plan is going smoothly at our quarterly meetings and found that:

- The majority of key financial transactions were processed promptly and accurately by Hymans Robertson; and
- The majority of the wider administration of the Plan was completed within the service standards we agreed.

The Trustees kept close oversight on these issues over the Plan year and continue to monitor these on an ongoing basis.

7 Trustee knowledge

It's important that we as Trustees keep our knowledge of pension and investment matters up to date and have access to sound professional advice.

All of the Trustees attended training sessions during the year and we checked our level of knowledge and understanding by keeping a log of training activities undertaken – see section 7 for more details.

Overall, the Trustees believe that they have the right skills and expertise together with access to good quality professional advice so that we can run your Plan properly.

8 Our key actions last year (1 April 2023 to 31 March 2024) and plans for the next year (1 April 2024 to 31 March 2025)

During the last Plan year (1 April 2023 to 31 March 2024) we have:

- Received regular investment updates and regulatory direction and alongside advisers reviewed options to enhance value for members; and
- Worked with the Plan's underlying fund managers to widen their reporting on responsible investing and how they vote at shareholder meetings, which was reported on in the implementation statement.

During the next year we aim to:

- Implement the agreed changes to the investment strategy and communicate the changes to members;
- Carry out a review of the self-select range available to members;
- Carry out a review of post-retirement support for members;
- Update the Statement of Investment Principles (SIP) to reflect changes in regulation such as stating our policy on investing in illiquid assets;
- Review the legacy AVC policy held with Utmost Life and Pensions;
- Continue to monitor the quality of the Plan's common data;
- Review governance arrangements to ensure compliance with the Pensions Regulator's upcoming General Code of Practice; and
- Continue to regularly review funds and monitor performance.

The rest of this Statement goes into more detail - please read on if you want to find out more about how we have managed your Plan in the last year.

We hope this Statement is of help to you planning for your future. If you have any questions, please contact the Plan Administrator (L&Q Plan Administrator, Hymans Robertson, 45 Church Street, Birmingham, B3 2RT. T: 0121 210 4334, email: LQPensions@hymans.co.uk).

Introduction

Governance requirements apply to defined contribution ("DC") pension arrangements like the Plan, to help members achieve a good outcome from their pension savings. The Trustees of the Plan are required to produce a yearly statement describing how these governance requirements have been met.

This Statement covers the period from1 April 2023 to 31 March 2024.

For the record

This Annual Statement regarding governance has been prepared in accordance with:

Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) as amended by subsequent Regulations.

Signed: [redacted] Date: 16-May-2025 | 13:16 BST

Signed by the Chair of Trustees of the London and Quadrant Housing Trust Staff Benefits Plan

1 How we manage your Plan

At 31 March 2024, the Trustees of the Plan were:

- Ms Joanne Fairbairn (Zedra Governance Ltd)
- Mr Thomas Nicholls
- Ms Amy Gilham
- Mr Paul Hornsby
- Ms Jasmin Bryan

Joanne Fairbairn was appointed in June 2023 to take over Richard Butcher's role as Chair of the Trustee.

The Trust Deed and Rules, which govern the Plan, were updated on 20 August 2012 to consolidate the existing Trust Deed and Rules in place.

The current Statement of Investment Principles ("SIP") is appended to this Statement. Note that this was signed after the Plan Year end, on 19 September 2024, given the new regulatory requirements which state the first SIP produced after 1 October 2023 must state in it the policy regarding the default arrangements in the scheme investing in illiquid assets. For the purpose of this regulation, illiquid assets are assets which cannot easily or quickly be sold or exchanged for cash and include any such assets held in a collective investment scheme.

An implementation statement setting out how the Trustees complied with the Statement of Investment Principles during the year to 31 March 2024 will be published in line with this Statement.

Over the year to 31 March 2024 the number of members grew from 1,987 to 2,161 while the total value of members' pension pots grew from c.£89m to c.£106m.

2 Investment options

Default arrangement

The Plan's default arrangement, the Moderate Lifestyle Strategy – Flexible Target, is designed for members who join the Plan and do not choose an investment option. We are responsible for the governance of the default arrangement which includes setting and monitoring its investment strategy.

We decided that the default arrangement should be a lifestyle strategy, which means that members' contributions are automatically moved between different funds as they approach their selected retirement date.

The main objective of the default arrangement is to provide good member outcomes at retirement. The Trustees believe that it is in the best interests of the majority of members to offer a default which:

- Manages the principal investment risks members' face during their membership of the Plan;
- Maximises investment returns relative to inflation while taking an appropriate level of risk during membership of the Plan for the majority of members who do not make investment choices; and
- Reflects members' likely benefit choices at retirement.

We will regularly monitor the investment strategy against these objectives.

The Statement of Investment Principles covering the default arrangement is appended to this Statement. Please note that the Statement of Investment Principles covers all the Plan's investments – the principles guiding the design of the default arrangement are set out below.

We believe that the default arrangement is appropriate for the majority of the Plan's members because:

- The investment strategy structure and design are based on the membership profile of the Plan;
- Members' needs and likely benefit choices are unlikely to have changed materially since the last review;
- The investment strategy is communicated easily to members such that members can then make informed decisions about their investments;
- Investments are well diversified;
- The investment structure and design satisfy members' risk appetite and targeted return requirements; and
- The investment strategy is compliant with relevant legislation, regulation and the Trust Deed.

We monitor the investment performance of the default arrangement on a quarterly basis and formally review both the investment performance against the default arrangement's objectives and the suitability of the investment strategy at least every three years.

The investment performance of these funds during the last year is shown in section 3 below and Appendix 4.

A full review of the performance and suitability of the default arrangement was completed on 5 December 2022. It is intended that the next full review will take place by 5 December 2025 or immediately following any significant change in investment policy or the Plan's member profile.

As a result of the full review, we proposed the following changes to the default arrangement:

- An increase in the allocation to ‘growth assets' within the early stages of the default arrangement to 100% investment in equities;
- Introduce a factor equity fund to enhance diversification by investing in companies that exhibit certain characteristics that have historically led to higher returns or lower risk than the market as a whole. The factors are based on company fundamentals such as company size, value, momentum and quality
- Incorporate further Environmental, Social, and Governance (ESG) integration within the L&Q Equity Blend in order to protect members’ assets against major ESG risks;
- Introduce an allocation to a Multi Asset Credit (MAC) in the pre-retirement phase, which involves diversifying across various types of credit instruments to enhance member outcomes and protect members’ pot sizes as they move closer to retirement; and
- Replace the allocation to UK government bonds within the pre-retirement phase with UK government bonds with shorter duration in order to protect against interest rate changes.

The plan is to implement the above changes in 2025.

Asset allocation disclosure

The following table shows the asset allocation for the Plan’s default arrangement for members of different ages, as at 31 March 2024. The asset allocation disclosure meets the Department of Work and Pensions (‘DWP’) statutory guidance “Disclose and Explain asset allocation reporting and performance-based fees and the charge cap” as at January 2023.

Default arrangement

Asset class	**Percentage allocation – average 25 y/o (%)**	**Percentage allocation – average 45 y/o (%)**	**Percentage allocation – average 55 y/o (%)**	**Percentage allocation – average 1 day prior to 65 y/o (%)**
Cash	4.3%	4.3%	4.3%	2.6%
Bonds	22.5%	22.5%	22.5%	63.5%
Listed equities	70.0%	70.0%	70.0%	32.0%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property / real estate	0.0%	0.0%	0.0%	0.0%
Private debt / credit	0.0%	0.0%	0.0%	0.0%
Other assets	3.2%	3.2%	3.2%	1.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: The asset allocation figures presented have been calculated from the fund allocations detailed in the respective fund factsheets as of 30 June 2024. For members whose asset allocation at the selected age on the default glidepath involves multiple funds, we have determined the overall asset allocation based on the proportion of assets held in each fund.

Other investment options

We recognise that the default arrangement will not be suitable for the needs of every member and so the Plan also offers members a choice of other investment options. The Plan offers four alternative lifestyle strategies outside the default arrangement:

- The Moderate Lifestyle Strategy – Annuity Target,
- The Moderate Lifestyle Strategy – Lump Sum Target,
- The Higher Risk Lifestyle Strategy – Flexible Target
- The Lower Risk Lifestyle Strategy – Flexible Target.

The Plan also offers members a choice of 18 self-select funds to choose from covering a wide range of assets.

The main objectives of these investment options are:

- To cater for the likely needs of a wider range of members;
- To cater for members looking to take different benefits at retirement than those targeted by the default arrangement;
- To offer a wider range of asset classes, levels of risk and return and different investment approaches including ethical investment; and
- To support members who want to take a more active part in how their savings are invested.

The Trustees carry out an in-depth review of the performance and suitability of these other investment options at least every 3 years. The last full review was completed on 5 December 2022, alongside the review of the default arrangement.

Following this review, the Trustees agreed to apply the changes made within the growth phase in the default arrangement to the other investment options. These changes are planned for implementation in 2025. The Trustees will be reviewing the other investment options in 2025.

3 Investment Performance

The presentation of the investment performance takes into account the statutory guidance issued by the Department for Work and Pensions. The Trustees have followed the statutory guidance in all areas.

Investment conditions

Global growth has been stronger than expected over the year to 31 March 2024, particularly in the US. Although a slight slowdown is expected for the remainder of 2024, inflation has eased compared to 2023. In March 2024, inflation in the UK, US and eurozone fell to 3.2%, 3.5%, and 2.4% respectively, from higher levels the previous year which suggests that price increases are stabilising.

Equity markets have performed positively, supported by strong company earnings especially in sectors like technology. Corporate bonds have delivered stable returns while UK government bonds (gilts) saw slightly higher yields as investors anticipate future interest rate rises to manage inflation. Overall, these factors have helped to maintain positive returns across a range of investments.

Default arrangement

Over the year to 31 March 2024, the funds used in the Plan's default arrangement saw investment returns of between a fall in value of -7.8%, or a fall of £78 for every £1,000 invested to a rise in value of 12.9% or, a rise of £129 for every £1,000 invested.

The investment performance of the funds used in the default arrangement during the year to 31 March 2024 net of costs and charges expressed as a percentage were:

Fund	1 year	3 year (p.a.)
Global Equity Blend	12.9%	7.8%
Diversified Growth Blend	8.2%	1.7%
L&G Over 5 Year Index-Linked Gilts Index Fund	-7.8%	-12.2%
L&G Corporate Bonds – All Stocks Fund	7.0%	-2.7%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

As the default arrangement uses a lifestyle strategy, the investment return varies from year to year depending on your age and how far you are from your Selected Retirement Age ("SRA") (which is assumed to be 65 in the table below) and in which fund you are invested at the time. The table below shows how returns vary by age for the default arrangement, the Moderate Lifestyle Strategy – Flexible Target:

Age of member in 2024 (years)	1 year (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)
25	10.6%	4.8%
55	10.6%	4.8%
60	7.7%	1.5%
65	4.8%	-1.7%

Source: Mobius

We are satisfied that most of the funds used by the default arrangement have performed broadly in line with their benchmarks/performance targets over the year to 31 March 2024.

The Trustees note the negative performance of the L&G Over 5 Year Index-Linked Gilts Index Fund which has returned -7.8% over the 1 year period to 31 March 2024. This Fund is passively managed and aims to closely track the performance of its benchmark index. The Trustees are comfortable that the Fund has performed in line with its objective over the period.

The Trustees will continue to monitor the performance of these and all of the Plan's funds on a quarterly basis and are due to conduct a review of the Plan's default investment strategy and self-select options in 2025.

Other investment options

In addition to the default lifestyle, members also have the option to invest in four other lifestyles:

- Moderate Lifestyle Strategy – Annuity Target
- Moderate Lifestyle Strategy – Lump Sum Target
- Higher Risk Lifestyle Strategy – Flexible Target
- Lower Risk Lifestyle Strategy – Flexible Target

The investment returns for the Moderate Lifestyle Strategy – Annuity Target by age are provided below:

Age of member in 2024 (years)	1 year (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)
25	10.6%	4.8%
55	10.6%	4.8%
60	7.5%	-0.4%
65	4.4%	-5.5%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

The investment returns for the Moderate Lifestyle Strategy – Lump Sum Target by age are provided below:

Age of member in 2024 (years)	1 year (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)
25	10.6%	4.8%
55	10.6%	4.8%
60	7.7%	1.5%
65	5.1%	2.4%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

The investment returns for the Higher Risk Lifestyle Strategy – Flexible Target by age are provided below:

Age of member in 2024 (years)	1 year (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)

25	12.9%	7.8%
55	12.9%	7.8%
60	8.9%	3.1%
65	4.8%	-1.7%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

The investment returns for the Lower Risk Lifestyle Strategy – Flexible Target by age are provided below:

Age of member in 2024 (years)	1 year (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)
25	8.2%	1.7%
55	8.2%	1.7%
60	6.5%	0.0%
65	4.8%	-1.7%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

We are satisfied that the majority of the underlying funds within the other investment options have performed broadly in line with their objectives.

The Plan also offers members a range of 18 self-select funds across a wide range of investment options. Over the year to 31 March 2024 the most popular funds used in the Plan's self-select range saw investment returns of a fall in value of -7.8%, or a fall of £78.00 for every £1,000 invested to a rise in value of 28.9% or, put another way, a rise of £289.00 for every £1,000 invested. The top 4 most popular self-select funds are shown in the table below, with the remaining self-select fund's performance shown within the Appendix.

Fund	1 year	3 year (p.a.)
L&G Cash Fund	5.1%	2.4%
L&G UK Equity Index Fund	7.8%	7.7%
L&G North America Equity Index Fund	28.9%	14.0%
L&Q Housing Trust DC L&G Over 5 Year Index Linked Gilts Index	-7.8%	-12.2%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

AVC Funds

The AVC funds amongst the other investment options rose in value by 4.7% to 12.0% during the year to 31 March 2024. For detailed information on the AVC funds performance see appendix 4.

More information

Investment returns for all funds over a one-year period and a three-year period to 31 March 2024 are shown in Appendix 4. As the funds have been in place for less than 5 years, a five-year period performance is not available.

4 Costs and charges

The charges and costs borne by members and London and Quadrant for the Plan's services are:

Service	By members	By the Employer
Investment management	-	Yes
Investment transactions	Yes	-
Administration	-	Yes
Governance	-	Yes
Communications	-	Yes

The presentation of the charges and costs, together with the projections of the impact of charges and costs, takes into account the statutory guidance issued by the Department for Work and Pensions.

Charges

The charges quoted in this Statement are the funds' Total Expense Ratios ("TERs"). The TER consists of a fund's Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE"). OCEs include, for example, the fund's custodian costs. While the AMC is usually fixed, the OCE, and hence the TER, can vary slightly from day to day. London and Quadrant meet the TERs for the funds in full.

We have disclosed all the investment costs and charges, however, members only pay for investment transaction costs.

Transaction costs

The funds' transaction costs are in addition to the funds' TERs and can arise when:

- The fund manager buys or sells part of a fund's portfolio of assets; or
- The platform provider or fund manager buys or sells units in an underlying fund.

Transaction costs vary from day to day depending on where each fund is invested and stock market conditions at the time. Transaction costs can include: custodian fees on trades, stockbroker commissions, stamp duty (or other withholding taxes) and the cost of research bought by the manager to help them make investment decisions.

Transaction costs are deducted before the funds' unit prices are calculated. This means that transaction costs are not readily visible, but these costs will be reflected in a fund's investment performance.

The Financial Conduct Authority (FCA) requires fund managers and providers to calculate transaction costs using the "slippage method", which compares the value of assets immediately before and after a transaction has taken place. This can give rise to negative transaction costs where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission).

The transaction costs shown in this statement are those taken from funds while members are invested in them. The transaction costs shown here do not include any costs members may incur from time to time when buying or selling units in the funds caused by the fund manager's unit price for a fund moving from a "bid" to "offer" basis (or vice versa) or any other "dilution levy" when units in that fund are bought or sold to protect the value of the fund for other investors.

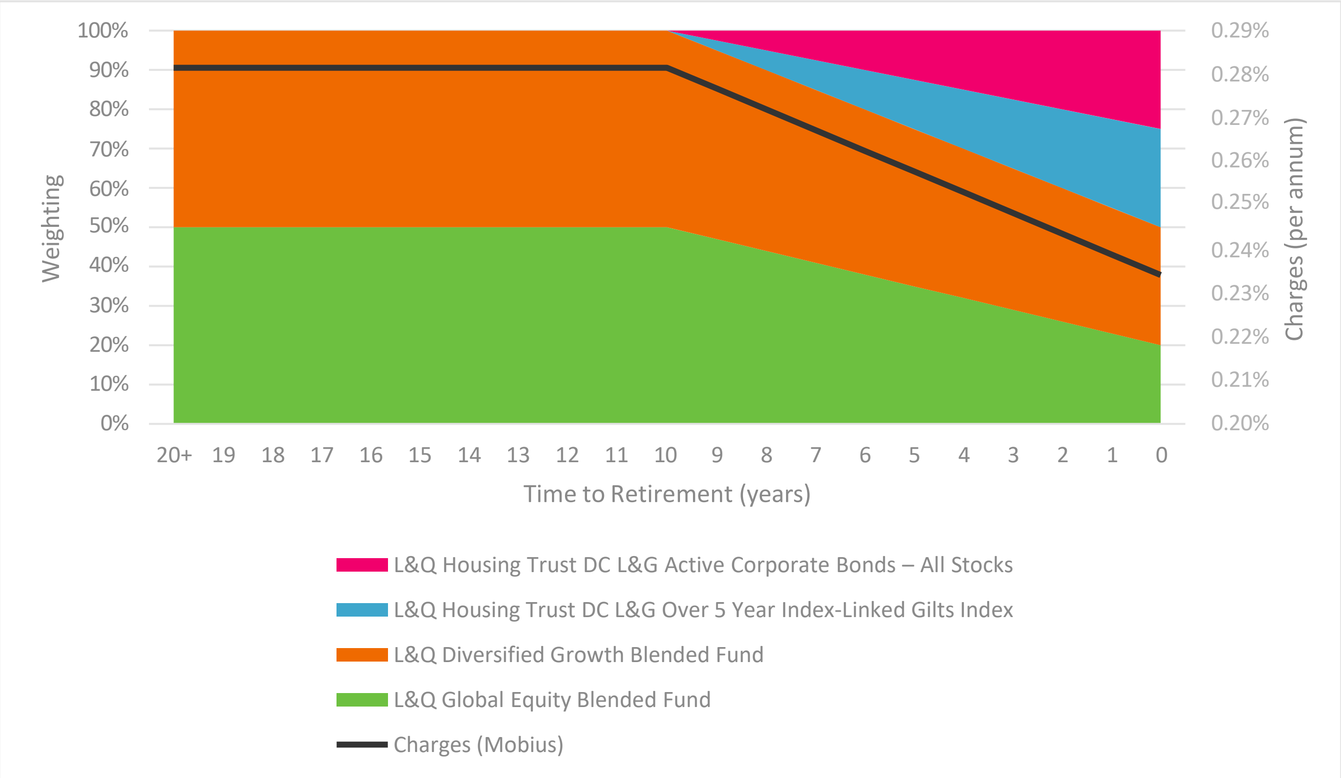
Default arrangements

The default arrangement has been set up as a “lifestyle strategy”, which means that members’ assets are automatically moved between different funds as they approach their target retirement date. This means that the level of charges and transaction costs can vary from year to year depending on how close members are to their selected retirement age and in which fund they are invested at that time.

The table in Appendix 2a gives the charges (as TERs) and transaction costs for each fund used by the default arrangement. However as noted above, only the transaction costs are paid by members.

Default arrangement charges and transaction costs

The glidepath for the default arrangement is depicted below:



During the year covered by this Statement the charges for the default arrangement were in a range from 0.23% to 0.28% of the amount invested or put another way, in a range from £2.34 to £2.82 per £1,000 invested. These charges were paid by London and Quadrant.

The transaction costs borne by members in the default arrangement during the year were 0.12% of the amount invested or, put another way, in a range from £1.21 to £1.24 per £1,000 invested.

For the period covered by this Statement, the annualised charges and transaction costs are:

Period to retirement	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000
More than 10 years (when charges are at their highest)	0.28%	£2.82	0.12%	£1.24
6 years	0.26%	£2.63	0.12%	£1.23
3 years	0.25%	£2.48	0.12%	£1.22
At retirement (when charges are at their lowest)	0.23%	£2.34	0.12%	£1.21

Source: Mobius

The average charge for the default arrangement over a 40-year savings period was 0.28% of the amount invested or, put another way, £2.75 per £1,000 invested.

The table in Appendix 2a gives the charges and transaction costs for each fund used by the default arrangement.

The Plan is a qualifying scheme for auto-enrolment purposes and the member borne charges for the default arrangement complied with the charge cap during the year covered by this Statement.

Charges and transaction costs for the investment options outside the default arrangement

Lifestyle options

In addition to the default lifestyle, members also have the option to invest in four other lifestyles, targeting annuity purchase and cash withdrawal. These are:

- The Moderate Lifestyle Strategy – Annuity Target
- The Moderate Lifestyle Strategy – Lump Sum Target
- The Higher Risk Lifestyle Strategy – Flexible Target
- The Lower Risk Lifestyle Strategy – Flexible Target

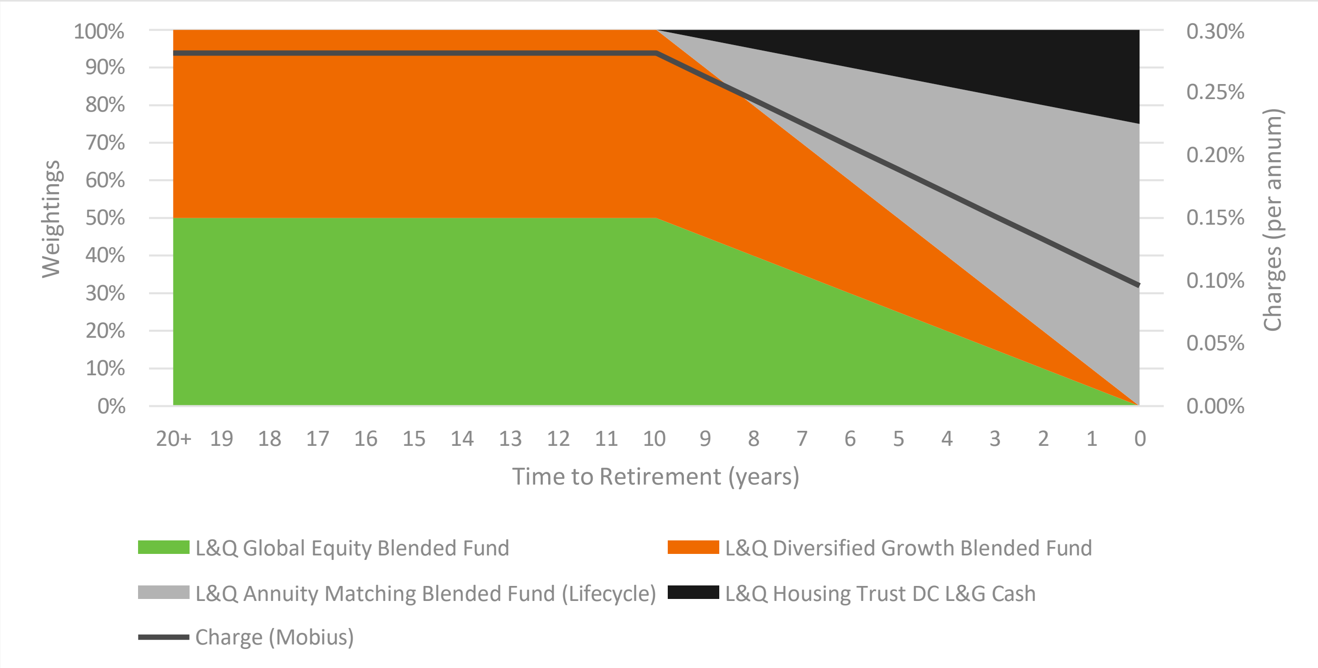
The Plan also offers members a choice of 18 self-select funds to choose from covering a wide range of assets.

The lifestyle strategies outside the default arrangement also invest contributions in different funds according to how far each member is from retirement. The charges can also vary from one year to the next. The charges applicable at a particular point in time will depend on how far the member is from retirement.

The tables in Appendix 2b give the charges for each fund used by each lifestyle option outside of the default and as noted above, these are paid by the employer.

Moderate Lifestyle Strategy – Annuity Target

The glidepath for the Moderate Lifestyle Strategy – Annuity Target is depicted below:



During the year covered by this Statement the charges for the Moderate Lifestyle Strategy – Annuity Target were in a range from 0.10% to 0.28% of the amount invested or, put another way, in a range from £0.96 to £2.82 per £1,000 invested. These charges were paid by London and Quadrant.

The transaction costs borne by members in the Moderate Lifestyle Strategy – Annuity Target during the year were in a range from 0.02% to 0.12% of the amount invested or, put another way, in a range from £0.20 to £1.24 per £1,000 invested.

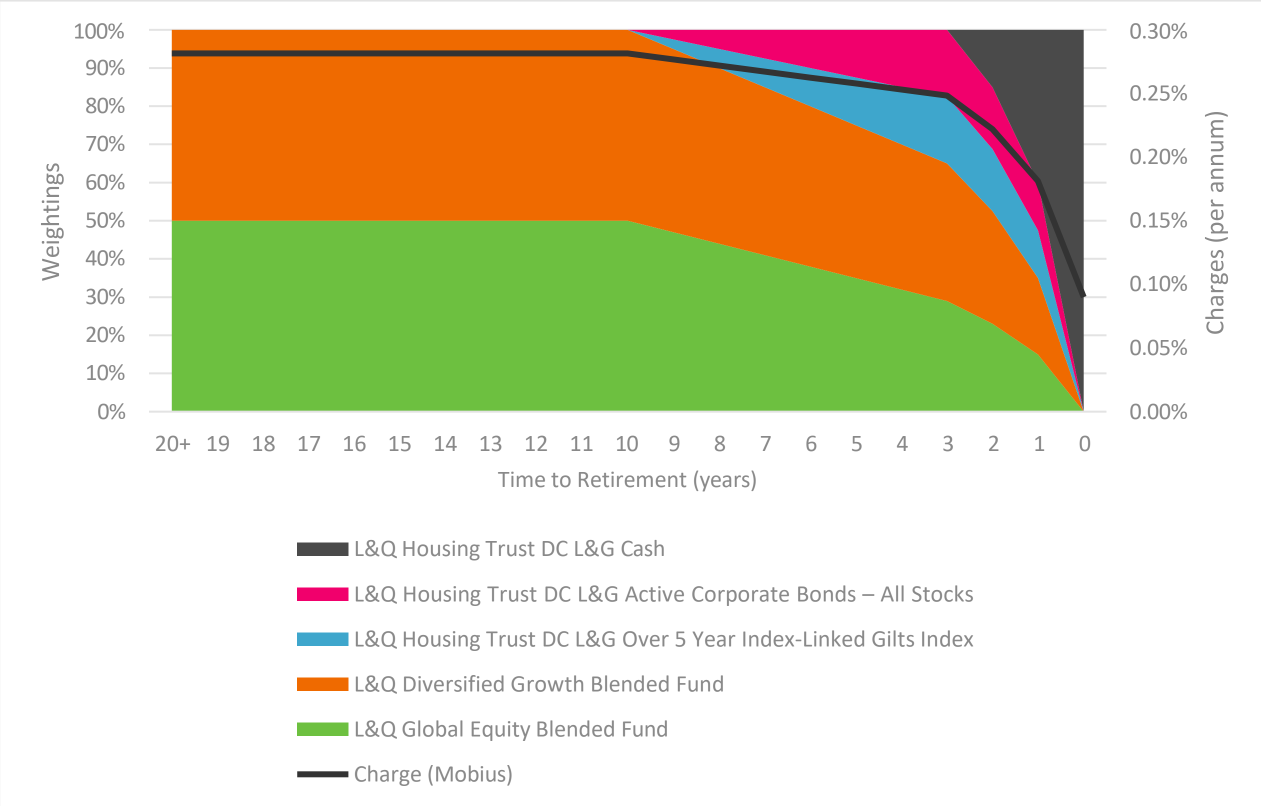
Period to retirement	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000
More than 10 years (when charges are at their highest)	0.28%	£2.82	0.12%	£1.24
6 years	0.21%	£2.07	0.08%	£0.82
3 years	0.15%	£1.52	0.05%	£0.51
At retirement (when charges are at their lowest)	0.10%	£0.96	0.02%	£0.20

The average charge for the Moderate Lifestyle Strategy – Annuity Target over a 40-year savings period was 0.26% of the amount invested or, put another way, £2.56 per £1,000 invested. This figure is based on the charges provided by Mobius.

The table in Appendix 2b gives the charges and transaction costs for each fund used in the Moderate Lifestyle Strategy – Annuity Target option.

Moderate Lifestyle Strategy – Lump Sum Target

The glidepath for the Moderate Lifestyle Strategy – Lump Sum Target is depicted below:



During the year covered by this Statement the charges for the Moderate Lifestyle Strategy – Lump Sum Target were in a range from 0.09% to 0.28% of the amount invested or, put another way, in a range from £0.90 to £2.82 per £1,000 invested. These charges were paid by London and Quadrant.

The transaction costs borne by members in the Moderate Lifestyle Strategy – Lump Sum Target during the year were in a range from 0.07% to 0.12% of the amount invested or, put another way, in a range from £0.74 to £1.24 per £1,000 invested.

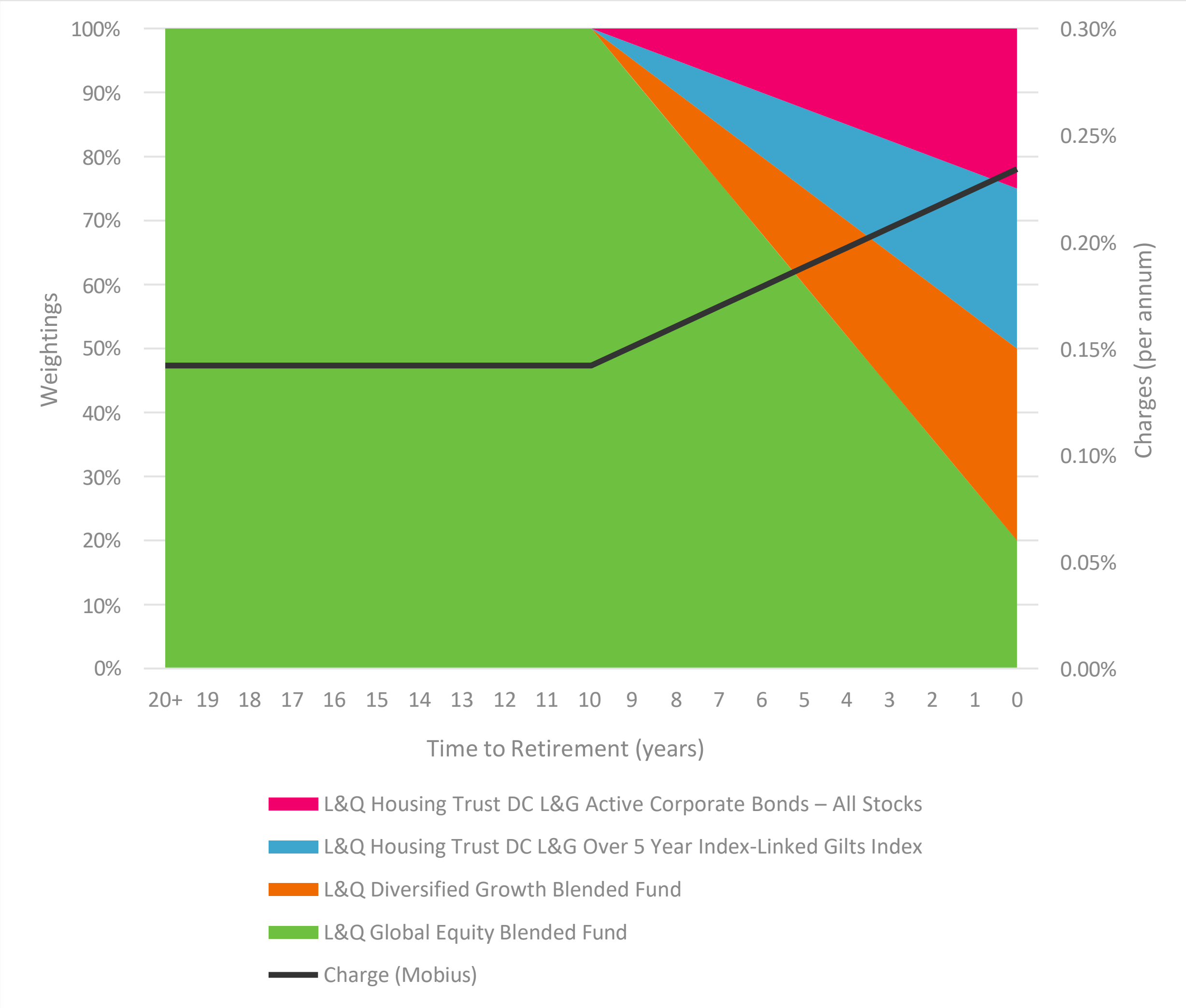
Period to retirement	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000
More than 10 years (when charges are at their highest)	0.28%	£2.82	0.12%	£1.24
6 years	0.26%	£2.63	0.12%	£1.23
3 years	0.25%	£2.48	0.12%	£1.22
At retirement (when charges are at their lowest)	0.09%	£0.90	0.07%	£0.74

The average charge for the Moderate Lifestyle Strategy – Lump Sum Target over a 40-year savings period was 0.27% of the amount invested or, put another way, £2.69 per £1,000 invested. This figure is based on the charges provided by Mobius.

The table in Appendix 2b gives the charges and transaction costs for each fund used in the Moderate Lifestyle Strategy – Lump Sum Target option.

Higher Risk Lifestyle Strategy - Flexible Target

The glidepath for the Higher Risk Lifestyle Strategy – Flexible Target is depicted below:



During the year covered by this Statement the charges for the Higher Risk Lifestyle Strategy – Flexible Target were in a range from 0.14% to 0.23% of the amount invested or, put another way, in a range from £1.42 to £2.34 per £1,000 invested. These charges were paid by London and Quadrant.

The transaction costs borne by members in the Higher Risk Lifestyle Strategy – Flexible Target during the year were in a range from 0.06% to 0.12% of the amount invested or, put another way, in a range from £0.61 to £1.21 per £1,000 invested.

Period to retirement	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000
More than 10 years (when charges are at their lowest)	0.14%	£1.42	0.06%	£0.61

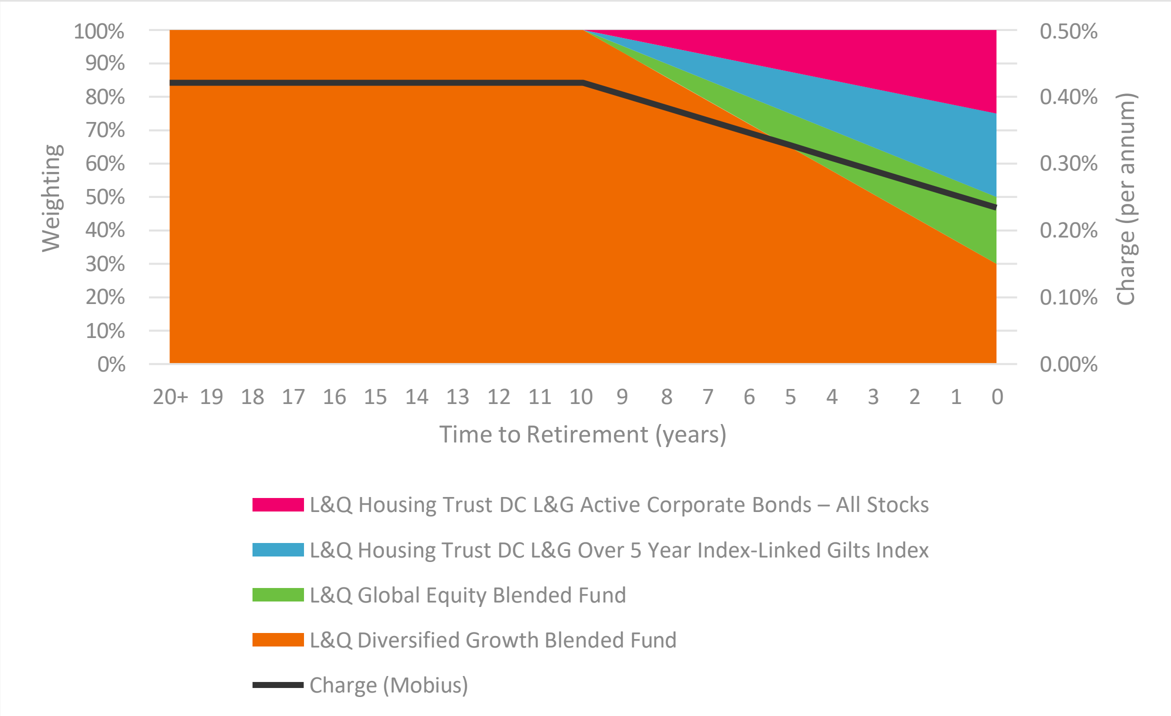
6 years	0.18%	£1.79	0.09%	£0.85
3 years	0.21%	£2.06	0.10%	£1.03
At retirement (when charges are at their highest)	0.23%	£2.34	0.12%	£1.21

The average charge for the Higher Risk Lifestyle Strategy – Flexible Target over a 40-year savings period was 0.16% of the amount invested or, put another way, £1.55 per £1,000 invested. This figure is based on the charges provided by Mobius.

The table in Appendix 2b gives the charges and transaction costs for each fund used in the Higher Risk Lifestyle Strategy – Flexible Target option.

Lower Risk Lifestyle Strategy - Flexible Target

The glidepath for the Lower Risk Lifestyle Strategy – Flexible Target is depicted below:



During the year covered by this Statement the charges for the Lower Risk Lifestyle Strategy – Flexible Target were in a range from 0.23% to 0.42% of the amount invested or, put another way, in a range from £2.34 to £4.21 per £1,000 invested. These charges were paid by London and Quadrant.

The transaction costs borne by members in the Lower Risk Lifestyle Strategy - Flexible Target during the year were in a range from 0.12% to 0.19% of the amount invested or, put another way, in a range from £1.21 to £1.88 per £1,000 invested.

Period to retirement	Charge		Transaction costs	
	% p.a.	£ per £1,000	% p.a.	£ per £1,000

More than 10 years (when charges are at their highest)	0.42%	£4.21	0.19%	£1.88
6 years	0.35%	£3.46	0.16%	£1.61
3 years	0.29%	£2.90	0.14%	£1.41
At retirement (when charges are at their lowest)	0.23%	£2.34	0.12%	£1.21

The average charge for the Lower Risk Lifestyle Strategy – Flexible Target over a 40-year savings period was 0.40% of the amount invested or, put another way, £3.95 per £1,000 invested. This figure is based on the charges provided by Mobius.

The table in Appendix 2b gives the charges and transaction costs for each fund used in the Lower Risk Lifestyle Strategy – Flexible Target option.

Self-select funds

The table in Appendix 2c gives the charges and transaction costs for each self-select fund. As noted above, only the transaction costs are paid by members.

The Plan offers members a choice of 18 self-select funds to choose from covering a wide range of assets.

During the year the charges for the self-select funds were in a range from 0.07% to 1.40% of the amount invested or, put another way, in a range from £0.69 to £14.00 per £1,000 invested.

The transaction costs borne by members in the self-select funds during the year were in a range from -0.26% to 0.19% of the amount invested or, put another way, in a range from -£2.64 to £1.88 per £1,000 invested.

Full details on the level of charges for each self-select fund and the transaction costs over the period covered by this Statement are shown in Appendix 2c.

Additional Voluntary Contributions (“AVCs”)

Members in the Plan are also able to hold AVCs. Members can invest AVCs into the same investment option that their ordinary contributions are invested in. Therefore, the range for both charges and transaction costs for AVC funds will be consistent with the information provided above.

Over the year, the Plan also held historical AVCs with Utmost Life and Pensions in the following funds:

- Multi Asset Cautious Fund
- Multi Asset Moderate Fund
- Money Market Fund

These are legacy AVC funds and no new contributions can be made.

During the year the charges borne by members for the historic AVC funds were in a range from 0.50% p.a. to 0.75% p.a. of the amount invested or, put another way, in a range from £5.00 to £7.50 per £1,000 invested.

The transaction costs borne by members for the historic AVC funds during the year were in a range from 0.02% p.a. to 0.24% p.a. of the amount invested or, put another way, in a range from £0.21 to £2.40 per £1,000 invested.

The table in Appendix 2d gives the charges and transaction costs for each historic AVC fund held with Utmost Life.

Impact of costs and charges - illustration of charges and transaction costs

Over a period of time, the transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. We are required to provide illustrative examples of the cumulative impact over time of the transaction costs and charges borne by members. The tables in Appendix 3 show the impact over time of the costs and charges paid by a typical member based on their average age, salary, pot size and normal retirement age. The tables are for the default arrangement, an alternative lifestyle strategy, and the self-select fund with the highest and lowest charges together with a note of the assumptions used in calculating these illustrations.

The "before costs" figures show the projected value of a member's savings assuming an investment return with no deduction of member borne fees or transaction costs. The "after costs" figures show the projected value of a member's savings using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.

As an example, for a member in the default arrangement, paying the lowest level of contributions (3% employee and 6% employer) who is age 46 with a pot size of £54,000, a salary of £54,000 and a normal retirement age of 65, if the level of transaction costs that applied over the period covered by this statement continued until retirement, it would reduce their projected pot value at retirement in today's money from £212,124 to £208,295.

As another example, for a member in the default arrangement, paying the highest level of matched contributions (6% employee and 12% employer) who is age 21 with a pot size of £0, a salary of £26,000 and a normal retirement age of 65, if the level of transaction costs that applied over the period covered by this statement continued until retirement, it would reduce their projected pot value at retirement in today's money from £435,610 to £421,518.

Notes on illustrations

These illustrated values are not guaranteed and may not prove to be a good indication of how your own savings might grow.

5 Value for Members

Each year, with the help of their advisers, the Trustees carry out an assessment of whether the charges and transaction costs for the Plan's investment options, which are borne in full or in part by members, represent good "Value for Members".

There is no legal definition of "good value" and so the process of determining good value for members is a subjective one. Value is also not simply about low cost – the Trustees also consider the quality and scope of provision compared against similar schemes and available external benchmarks.

5.1 Approach

The Plan's total assets (i.e. DB Section plus DC Section assets) are greater than £100 million, and so the Plan is not subject to The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') which set out the requirements for a more detailed assessment for smaller schemes.

The Trustees adopted the following approach to assessing Value for Members for the last year:

- Services – considered the investment services where members bear or share these costs;
- Outcomes – weighted each service according to its likely impact on outcomes for members at retirement;
- Comparison – compared the cost and quality of each service against similar Schemes and available external comparisons; and
- Rating – rated each service on the below basis.

5.2 Results for the year ending 31 March 2024

The Plan provided **"Good"** Value for Members over the year ending 31 March 2024. More details on the Value for Members assessment is set out below.

5.3 Rating criteria

The rating used for the assessment was:

Scale	Rating	Definition
5	Excellent	The Trustees consider the Plan offers excellent value for members, providing services within a top 20% quality/cost range compared with typical options for similar arrangements
4	Good	The Trustees consider the Plan offers good value for members, providing services at better quality/cost compared with typical options for similar arrangements
3	Average	The Trustees consider the Plan offers average value for members, providing similar services at similar quality/cost compared with typical options for similar arrangements
2	Below average	The Trustees consider the Plan offers below average value for members, providing similar services at higher cost/lower quality or more limited services for similar cost/quality compared with typical options for similar arrangements
1	Poor	The Trustees consider the Plan offers poor value for members, providing services within the bottom 20% quality/cost range compared with typical options for similar arrangements

The rationale for the rating of investment services (being the only area of the Plan where members bear or share the costs) was in outline:

Service and weighting	Rating	Rationale
Investment 100%	**Average**	**Defined Contribution (“DC”)** Charges were similar to those of comparable schemes (and were in any case paid for by the employer). The only "costs" incurred by members in relation to the investment funds are the transaction costs, which are reflected in the performance of the funds. For the default investment strategy, these costs are 0.12% throughout the entire glidepath. The transaction costs for the self-select funds range from -0.26% p.a. to 0.19% p.a. Some of the self-select funds have reported negative transaction costs in the 12 months covered by this Statement. Negative transaction costs arise where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission), resulting in a net gain for members. The Trustees with the help of their investment adviser have reviewed the investment strategy and agreed to make a number of changes in order to enhance members’ retirement outcomes and diversification. The new changes should also help protect members’ assets against significant Environmental, Social and Corporate Governance (“ESG”) risks. With the selection of new funds, the Trustees have selected fund managers with a clear approach to integrating ESG considerations, including an engagement approach with the companies in which they invest seeking to reduce the exposure to ESG and climate change risks. The plan is to implement these changes in 2025. Overall performance has been largely in line with benchmarks over the year. The Trustees will continue to review performance on a quarterly basis and will review this Fund in more detail if underperformance persists. The Statement of Investment Principles, which sets out the Trustees’ policies on how your contributions should be invested, was updated on 19 September 2024 (after Plan year), to reflect changes in regulation such as stating the Plan’s policy on investing in illiquid assets. **Additional Voluntary Contributions (AVCs)** The majority of AVC assets are invested in line with the DC investments noted above. However, there is a legacy AVC policy with Utmost Life and Pensions following the transfer from Equitable Life in January 2020. The charges for this legacy policy range from 0.50% p.a. to 0.75% p.a. depending on their term to retirement. The Trustees have agreed to review the legacy AVC policy in next Plan year.

Administration 0%	Not rated as members do not bear or share in these costs.
Communication 0%	Not rated as members do not bear or share in these costs.
Governance 0%	Not rated as members do not bear or share in these costs.

The Trustees have agreed an action plan to improve value where necessary, this is described in section 8 of this Statement.

6 Administration

We have appointed Hymans Robertson to administer the Plan.

We monitored core financial transactions during the year including:

- The receipt and investment of contributions (including inward transfers of funds);
- Switches between investment options; and
- Payments of benefits (including retirements and outward transfers of funds).

We have a service level agreement in place with Hymans Robertson, which covers the accuracy and timeliness of all core financial transactions such as:

- The investment of contributions;
- Switching investment options
- Providing quotations of benefits to members who are retiring or leaving the Plan; and
- Payments of benefits.

The main service standards are:

- Provision of retirement pack and quotation of benefits within 7 working days;
- Payments of benefits are made within 7 working days;
- Provision of transfer value quotation within 7 working days;
- Payment of transfer value within 7 working days;
- Response to members' enquiries within 5 working days;
- Provision of statements upon request within 5 working days; and
- Processing of investment switches to go to the Investment Manager within 48 hours.

The Plan's administrator, Hymans Robertson, aimed to ensure that 100% of all these processes were accurately completed within these service levels, although they fell short of this standard over some parts of the year.

We understand that the administrator monitors its performance against these service levels by:

- Maintaining compliance with ISO 27001 (a specification for an information security management system);
- Maintaining accreditation with the Pensions Administration Standards Association ("PASA");
- Monitoring daily transactions of DC and regular member activities;
- Monitoring daily workflow items of DC and regular member activities;
- Regular internal audits of administration procedures – there is an annual AAF audit; and
- Reviewing the level, causes and resolution of complaints.

The administrator also conducts reviews of common and conditional data.

We monitored core financial transactions and administration service levels during the year by:

- Checking that contributions deducted from members' earnings have been paid promptly to the Plan by the Employers;
- Receiving quarterly reports from the administrator on the processing of financial transactions and other administration processes against the agreed service levels;
- Considering the reasons for and resolution of any breaches of service standards;
- Mortality screening for all pensions in payment;
- Reviewing the competitiveness of the service standards against other administrators/providers;
- Receiving reports from the Plan's Auditor, who independently tests sample transactions for accuracy and timeliness; and
- Considering member feedback including any complaints.

The Plan's administrators, Hymans Robertson, have confirmed to us that there are adequate internal controls to ensure that core financial transactions relating to the Plan are processed promptly and accurately. Receiving, reviewing and discussing quarterly reports from the administrator on the processing of financial transactions and other administration processes against the agreed service levels – the performance against service levels over the reporting year was 96.5% in Q2 2023, 97.2% in Q3 2023, 97.2% in Q4 2023 and 98.8% in Q1 2024.

Considering all of the above, we believe that the majority of core financial transactions were carried out promptly and accurately.

We are working with Hymans Robertson to improve the performance of administration processes against SLAs.

Data quality

Each year we arrange reviews and receive reports from the Plan's administrator to confirm that they have undertaken an audit of the Plan's common data (which is the key data needed by the Plan to calculate members' benefits such as dates of birth), to ensure that the records for all members are accurate and up to date.

Data quality audits are regularly undertaken, the last data quality audit was undertaken in June 2024 (post Plan year end). This showed that common data was present for 95% of membership data.

Over the next Plan year, we will continue to monitor the quality of the Plan's common data.

Cyber Security

We are conscious of the growing threat of cyber-attacks on pension scheme information.

Each year we ask the Plan's administrator to confirm that their cyber security arrangements are effective and up to date. We expect that the Plan's administrator will report any security breach immediately and ensure that members are notified as soon as possible.

Own Risk Assessment (ORA)

Each year the Trustees carry out an assessment of the effectiveness of the controls which are in place to manage the risks faced by the Plan. The Trustees are currently preparing their first ORA.

Overall

The Trustees are satisfied that over the period covered by this Statement:

- The majority of core financial transactions were processed promptly and accurately;
- There have been no material administration errors in relation to processing core financial transactions; and
- The Plan's common data is accurate and up to date.

Security of assets

The situation regarding the security of where pension contributions are invested is complex. It can vary from scheme to scheme and from fund to fund within each scheme. To-date there have only been a few instances where members of schemes such as ours have seen their benefits reduced as a result of a financial failure of a provider or fund manager.

We have reviewed the structure of the funds used within the default arrangement and other investment options. We believe that the current structures are appropriate for members when compared to other possible structures.

7 Trustee knowledge

We are required to describe how the knowledge and understanding requirements of sections 247 and 248 of the Pensions Act 2004 have been met during the Plan year, and explain how the combined knowledge and understanding of the Trustees, together with the advice available to them, enables them to properly exercise their functions.

Section 247 and 248 of the Pensions Act 2004 requires that each Trustee:

- Be conversant with the Trust deed and rules of the Plan, the Plan's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustees relating to the administration of the Plan generally; and
- Have, to the degree that is appropriate for the purposes of enabling the individual to properly to exercise his or her functions as trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment of the assets of occupational pension schemes.

We have a number of practices in place to maintain and develop our level of knowledge and understanding of matters relating to the Plan, and pensions and Trusts law, (in accordance with sections 247 and 248 of the Pensions Act 2004), to enable the Trustees to properly exercise their duties and functions as Trustees.

Throughout the Plan year, the following processes were in place.

Induction Arrangement

There is an induction process in place for newly appointed Trustees, which is documented in a checklist. New Trustees are asked to complete the Pensions Regulator's "Trustees Toolkit" within 6 months. The Trustee Toolkit is an online modular training toolkit provided by the Pensions Regulator for trustees, covering areas such as pensions and Trust law, investment principles and conversance with scheme specific documents. The actual scheme documents are covered as a further part of the induction process. It is designed to get Trustees to meet the level of knowledge and understanding required by law.

Ongoing Arrangements

- Trustees are expected to and have a working knowledge of the Plan's Trust Deed and Rules.
- Trustees are expected to have a working knowledge of the Plan's Statement of Investment Principles as well as the funding investment concepts relevant to the Plan;
- Trustees are expected to have a working knowledge of the law and legislation relating to pension Plans;
- Trustees are encouraged to undertake further study and qualifications which support their work as Trustees;
- The Trustees have a plan in place for ongoing training appropriate to their duties. The plan focuses on knowledge and skill gaps and new topics and helps the Trustees ensure the training set for the Plan year is relevant and focused on the Trustees' training needs;
- The effectiveness of these practices and the training received are reviewed annually; and
- The Trustees are expected to have a working knowledge of the Trustees' current policies, which are reviewed at Trustee meetings as per the cycle of reviews set out in each year's Business Plan.

Training Programme

We collectively received the following training during the last Plan year. Please note, individuals have received other training during the year.

Date	Topic	Aim/Benefit	Trainer
7 December 2023	Mansion House and new DC regulatory requirements	To update trustees on the latest regulatory changes affecting DC schemes, ensuring they are fully informed of their legal obligations and best practices.	Hymans Robertson
5 March 2024	The Own Risk Assessment ('ORA') and General Code of Practice	To equip trustees with the knowledge to conduct effective Own Risk Assessments and adhere to the General Code of Practice, enhancing governance and risk management.	Hymans Robertson

Further details of individual Trustees' training are recorded in their own training logs and is available upon request.

We also receive quarterly "hot topics" from our advisor covering technical and legislative/regulatory changes affecting defined contribution (and additional voluntary contribution) plans in general.

We all have access to copies of and are familiar with the current governing documentation for the Plan, including the Trust Deed & Rules (together with any amendments) and Statement of Investment Principles ("SIP"). The Trustees refers to the Trust Deed and Rules as part of deciding to make any changes to the Plan, and, where relevant, deciding individual member cases, and the SIP is formally reviewed at least every three years and as part of making any change to the Plan's investments.

Systems in place to identify knowledge gaps

We test our familiarity with the Plan's documentation, pensions Law/Regulations and the Pensions Regulator's DC Code of Practice 13/Consolidated Code of Practice and supporting Guides using The Pensions Regulator's self-assessment template.

We have considered the diversity of the board in relation to core characteristics such as gender, age and ethnicity and to the mix of skills, experience and cognitive diversity, as part of our annual effectiveness review. Where vacancies on the board arise, we will seek to recruit new trustees who enhance the diversity of the board and its overall effectiveness.

Advisors

We have appointed suitably qualified and experienced actuaries, legal advisors, investment consultants and benefit consultants to provide advice on the operation of the Plan in accordance with its Trust Deed and Rules, SIP, other Plan policy documents, legislation and regulatory guidance.

The appointment of advisors ensures that we have the requisite support and specific advice available to enable us to properly exercise our function.

We review the effectiveness of our advisors annually and also periodically review the appointment of our advisors.

We undertook the following reviews during the last year:

- The current practices to maintain and develop Trustees' knowledge and understanding;
- Assessments to identify any gaps in the Trustees' knowledge and skills; and
- Annual assessment of current advisors.

Professional Trustee

The Board is chaired by an independent, professional Trustee who brings additional skills and experience to the Board. The professional Trustee has scheme specific understanding and conversance with documents in addition to providing a wealth of experience from his work as a trustee on other schemes.

Taking into account the knowledge and experience of the Trustees with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (e.g. investment consultants, legal advisors), we believe we are well placed to exercise our functions as Trustees of the Plan properly and effectively.

Assessment of how the Trustees' knowledge and understanding and available advice enables the proper exercise of trustee functions

We undertake assessments using a questionnaire to identify any gaps in the Trustees' knowledge and skills to ensure that the training programme set for the Plan year ahead is relevant and focussed. The results were analysed by our advisors and incorporated into future training plans.

In consideration of all the above and as a result of these reviews, we are satisfied that during the last Plan year we have:

a) Taken effective steps to maintain and develop our knowledge and understanding; and

b) Ensured we will have suitable advice available to us during the next Plan year.

We are satisfied that the combination of our knowledge and understanding together with access to suitable advice enabled us to properly exercise our duties during the period covered by this Statement.

8 Our key actions last year and plans for the next year

During the last year we undertook the following (over and above "business as usual"):

During the last Plan year (1 April 2023 to 31 March 2024) we have:

- Completed a full review of the performance and suitability of the default arrangement;
- Considered the Government's initiative to help protect members against pension scams;
- Considered the risk of cyber security to the Plan;
- Monitored the impact of the Russian invasion of Ukraine on Investment markets;
- Assessed the Plan's compliance against The Pension Regulator's (TPR's) Consolidated Code of Practice;
- Worked with the Plan's underlying fund managers to widen their reporting on responsible investing and how they vote at shareholder meetings, which was reported on in the implementation statement; and
- Arranged for the publication of last years' Statement, together with the Statement of Investment Principles on a publicly searchable location on the internet with a note of this location in the annual benefit statements.

During the next year we aim to:

- Implement the agreed changes to the investment strategy and communicate the changes to members;
- Update the Statement of Investment Principles (SIP) to reflect changes to the investment strategy;
- Review the legacy AVC policy held with Utmost Life and Pensions;
- Continue to monitor the quality of the Plan's common data;
- Review governance arrangements to ensure compliance with the Pensions Regulator's upcoming General Code of Practice; and
- Continue to regularly review funds and monitor performance.

We believe that this work will help you get the best out of the Plan.

9 Missing information

The Trustees are satisfied that they have been able to obtain the information required for this Statement.

London & Quadrant Housing Trustee Staff Benefits Plan - Money Purchase Section

Statement of Investment Principles – May 2025

Introduction

The Trustees of the London & Quadrant Housing Trustee Benefits Plan (“the Plan”) have drawn up this Statement of Investment Principles (“the Statement”) to comply with the requirements of the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pensions Funds (Investment) Regulations 2005.

The Statement is intended to affirm the investment principles that govern decisions about the Plan’s investments. In preparing this Statement the Trustees have consulted the London & Quadrant Housing Trust (“the Employer”) on the Trustees’ investment principles.

Governance

The Trustees of the Plan make all major strategic decisions including, but not limited to, the Plan’s asset allocation and the appointment and termination of investment managers. The process for making investment decisions is as follows:

- Identify appropriate investment objectives.
- Agree the level of risk consistent with meeting the objectives; and
- Implement the investment strategy and investment manager structure in line with the level of risk and objectives agreed.

When making such decisions, and when appropriate, the Trustees take proper written advice. The Trustees’ investment consultants, Hymans Robertson, are qualified by their ability in and practical experience of financial matters and have the appropriate knowledge and experience to provide such advice.

Investment Objectives

The Trustees recognise that their ultimate objective is to best ensure that members of the Plan are able to retire on a reasonable level of pension taking into account the contributions paid into their individual accounts and the timescale over which those contributions were paid.

The Trustees also recognise that individual members have different investment needs and that these may change during the course of their working lives. They also recognise that members have different attitudes to risk. Hence, the Trustees have in place investment options that they believe will achieve returns consistent with the level of security chosen by the member.

The Trustees’ key objectives for the Plan’s investment strategy are therefore to:

- Ensure the investment strategy is consistent with relevant legislation/regulations/Trustee Deed and Rules, and best practice, and there is sufficient flexibility to react to legislative/regulatory changes.
- Ensure the investment strategy structure and design is based on the membership profile, where practical to do so.
- Offer members a reasonable range of investment options to satisfy their risk and targeted return requirements, and to reflect the range of retirement options members now have following the introduction of freedom and choice in pensions.

- Be mindful of the costs borne by members as a result of investing in different asset classes and using different investment management styles.
- Use diversification between different types of assets to reduce investment risk, where practical and cost effective to do so within the investment strategy.
- Ensure the investment strategy is capable of being communicated relatively easily to members such that members can take informed decisions in the context of their personal financial circumstances.
- Ensure the expected level of ongoing governance does not exceed the Trustees' agreed overall governance budget.

The Trustees will regularly monitor the investment strategy against these objectives.

Investment Strategy

The Trustees will offer a sufficient fund range to satisfy the risk and targeted return requirements reasonable for most members.

The Trustees have in place a range of investment options that they believe will allow members to strike appropriate balances between long-term needs for capital growth and shorter-term volatility of returns, especially in the period approaching retirement.

The Trustees have designed five Lifestyle investment options. The Lifestyle investment options are automated switching facilities allowing members to pre-select an investment strategy, which will move their accrued funds into lower risk investments as retirement approaches. The five Lifestyle investment options are:

1. Moderate Lifestyle Strategy - Flexible Target (Default Option).
2. Moderate Lifestyle Strategy – Annuity Target.
3. Moderate Lifestyle Strategy – Lump Sum Target.
4. Higher Risk Lifestyle Strategy – Flexible Target.
5. Lower Risk Lifestyle Strategy - Flexible Target.

The Moderate Lifestyle Strategy (Flexible Target) is the default investment strategy that will match the risk profile of passive savers more closely. A flexible pre-retirement blend is used as the pre-retirement phase of the default investment strategy to provide greater flexibility for members at retirement.

The main objective of the default arrangement is to provide good member outcomes at retirement. The Trustees believe that it is in the best interests of the majority of members to offer a default which:

- Manages the principal investment risks members face during their membership of the Plan.
- Maximises investment returns relative to inflation while taking an appropriate level of risk during membership of the Plan for the majority of members who do not make investment choices.
- Reflects members' likely benefit choices at retirement.

There are also two variations to the default investment strategy, the Moderate Lifestyle Strategy (Annuity Target) and the Moderate Lifestyle Strategy (Lump Sum Target), to provide members with options which target annuity purchase or full encashment. This is to cater for embers in the Plan who may wish to draw their benefits in different ways.

The Trustees believe that it is in the best interests of members in the alternative lifestyle options to:

- Manage the principal investment risks members face during their membership of the Plan.
- Give further choice for members who feel that the Plan's default arrangement is not appropriate to their needs, but do not otherwise want to be involved in deciding where their contributions are invested.

The Higher Risk Lifestyle Strategy and the Lower Risk Lifestyle Strategy should remain as alternatives to the default option in order to provide members with the opportunity to make limited investment choices in line with the estimated proportion of limited personalisers.

The objectives of the self-select fund range are to:

- Provide a choice of individual funds for members who want to be more closely involved in choosing where their pension pot is invested.
- Complement the objectives of the default arrangement and the alternative lifestyle options.
- Provide a broader choice of levels of investment risk and return.
- Provide a broader choice of investment approaches including, ethical and faith-based funds.
- Help members more closely tailor how their pension pot is invested to their personal needs and attitude to risk.
- Help members more closely tailor how their pension pot is invested to reflect the benefits they intend to take at retirement.

Nevertheless, the self-select fund range cannot be expected to cover all the investment needs of all members.

The lifestyle strategies and the self-select fund range offered will be reviewed from time to time by the Trustees to take into account changes in various considerations such as: the membership profile and experience, the likely sizes of pension pots at retirement, the level of income in retirement that members are likely to need, legislation and regulations, ESG factors and developments in investment products.

Investment Mandates

The Trustees have appointed Legal & General Investment Management ("LGIM"), BlackRock Investment Management (UK) Limited ("BlackRock"), Schroder Investment Management Limited ("Schroder") and HSBC Global Asset Management UK Ltd ("HSBC") (the "Investment Managers") to manage the Defined Contribution assets of the Plan's Money Purchase Section. The Investment Managers are regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the Investment Manager via a written agreement, including the realisation of investments.

The details of the Money Purchase Section investment arrangements are set out in Appendix II.

Platform Provider

The Trustees have appointed Mobius Life Limited ('the Platform Provider'), as provider of an investment platform through which the Trustees are able to access third party funds in order to invest the assets of the Plan. The Platform Provider is regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the Platform Provider via a written agreement, including the realisation of investments.

Risk Management and Measurement

The Trustees are aware of and pay close attention to a range of risk inherent in investing the assets of the Plan. The Trustees believe that the investment strategy provides for adequate diversification both within and across different asset classes. The Trustees further believe that the current investment strategy is appropriate given the Plan's liability profile. The Trustees' policy on risk management is as follows:

- The Trustees recognise the risk that investment returns over members' working lives may not keep pace with inflation and, as a result, do not produce adequate retirement benefits. Further from retirement, this risk should be countered by funds investing in equities and other growth orientated assets which are expected to produce returns well in excess of inflation over the longer term. Approaching retirement, the impact of this risk needs to be balanced against the other main risks members face.

- The Trustees recognise that investment conditions just prior to retirement may increase the cost of turning members' fund values into retirement benefits. For members taking cash at retirement, funds investing in cash deposits and other short-term interest-bearing investments provide a high degree of (but not complete) capital security. Funds investing in a mix of different assets are expected to be broadly suitable for members planning income drawdown during retirement. For members buying an annuity at retirement, the value of funds investing in longer-dated bonds may be expected to broadly follow changes in annuity rates caused by long-term interest rates.

- The Trustees recognise that falls in fund values prior to retirement lead to a reduction in retirement benefits. Funds investing in bonds or a mix of assets or investment techniques intended to manage short-term risks may be expected to be subject to lower levels of short-term fluctuations in values - although there may be occasions when this does not hold good.

- The Trustees recognise the risks that may arise from lack of diversification of investments. Due to the size of the Plan's assets and recognising the need to diversify, investment exposure is obtained via pooled vehicles.

- The documents governing the Platform Provider's appointment and pooled funds' selection include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Plan.

- The Trustees recognise the extent to which Environmental, Social and Governance (ESG) issues are not reflected in asset prices and/or not considered in investment decision making leading to underperformance relative to expectations.

- The Trustees are aware of the extent to which climate change causes a material deterioration in asset values as a consequence of factors including, but not limited to policy change, physical impacts and the expected transition to a low-carbon economy.

- The Trustees recognise that the use of active management involves a risk that the assets do not achieve the expected return and potentially increases the governance requirements. For these reasons, and to reduce cost for members, investments are predominantly index-tracking funds. However, for some asset classes (e.g. corporate bonds and multi-asset funds) the Trustees believe this risk may be outweighed by the potential gains from successful active management which may be adjusted from time to time.

- The safe custody of the Plan's assets is delegated to professional custodians via the use of an investment platform and pooled vehicles.

Should there be a material change in the Plan's circumstances the Trustees will review whether the current investment options remain appropriate.

Private Markets

The Trustees acknowledge the evolution of the investment landscape for DC schemes, which has more recently improved the feasibility of incorporating illiquid assets into the Plan's default investment strategy.

These developments present the potential for diversification and enhanced returns within the Plan's investment strategy. However, the Trustees recognise that the decision to invest in illiquid assets requires careful consideration. The Trustees are mindful of the inherent challenges and risks associated with illiquid investments, emphasising the need for a thorough evaluation before committing assets to such strategies.

The Trustees' inclination is to exercise patience and prudence by awaiting further evidence of the market's development. The Trustees aim to observe the maturation of the market for illiquid assets and closely monitor the performance of associated products. This cautious stance ensures that any potential investment aligns with the Plan's risk tolerance, objectives, and the fiduciary duty to safeguard the interests of members.

The Trustees set clear criteria for prospective entry into the illiquid asset market. The decision to invest will be contingent upon the products within this market reaching a level of maturity. This encompasses the establishment of a proven history of success, demonstrating the resilience and reliability of the investment options under consideration.

The Trustees maintain a steadfast commitment to prioritising the best interests of the Plan's members. The decision-making framework is centred on prudence, diligence, and a fiduciary responsibility to ensure that any investment into illiquid assets aligns with the Plan's overarching goals and obligations.

Additional Voluntary Contributions ('AVCS')

Members can elect to pay additional voluntary contributions into any of the funds available for ordinary contributions to the Plan. The AVC arrangements are reviewed from time to time to ensure that the investment performance achieved is acceptable ad that the investment profile of the Plans remains consistent with the objectives of the Trustees and needs of members.

Monitoring Investment Managers

The Trustees will monitor the performance of the Investment Mangers against agreed performance objectives and will consider regularly whether they are satisfied that the Investment Managers have the appropriate knowledge and experience and are carrying out the work competently and complying with the given benchmarks and targets.

In the event that the Trustees are not satisfied with the Investment Managers they will require the Investment Managers to take requisite steps to correct this position or will remove their Investment Managers and appoint other Investment Managers.

As part of this ongoing review the Trustees will have to regard to whether the Investment Managers are:

- Carrying out their functions competently.
- Having regard for the need for diversity in relation to investments.
- Having regard to the suitability of investments.
- Exercising their investment powers in line with the SIP.

The Trustees will monitor the advice provide by their investment consultant on a regular basis.

The Trustees obtain quarterly investment reports form their Investment Managers.

The Trustees have delegated the on-going assessment of their Investment Managers to their investment consultant. The Trustees currently receive quarterly performance monitoring reports from the investment consultant.

Manager incentives

When selecting funds, the Trustees will ask their investment advisor to consider the Investment Managers' remuneration strategies and appropriateness of each fund's investment guidelines to ensure that there is no inducement or scope to take an undue level of risk and that the Investment Managers will act in line with the interests of the Plan's members.

In accordance with guidance from the Pensions Regulator, the Trustees will periodically review the Plan's choice of provider to ensure their charges and services remain competitive.

At least every three years, the Trustees will undertake a review of the appropriateness of the investment options and the ongoing suitability of the arrangements with the Plan's Investment Managers.

The Trustees monitor the Investment Managers against a series of metrics over a long-term time horizon of three years including:

- Performance of their funds' respective benchmarks or performance targets on a quarterly basis.
- Relative tracking error where appropriate on a quarterly basis.
- The exercise of stewardship responsibilities (including engagement with companies) on an annual basis.

The Investment Managers are expected to provide explanations for any significant divergence from a fund's objectives. A material deviation from performance and risk targets or approach to portfolio management is likely to result in the fund being formally reviewed.

Portfolio turnover

The Trustees do not expect Investment Managers to take excessive short-term risk relative to their objectives and will monitor the Investment Managers' performance against the benchmarks and objectives on a short, medium and long-term basis.

For passively managed funds the turnover of holdings is driven by changes in the index a fund seeks to track, and hence is largely outside the control of the Investment Manager. When selecting actively managed funds, the Trustees will consider, with the help of their investment advisor, the expected level of turnover given the fund's investment objectives, the Investment Managers' investment processes and the nature of the fund's assets.

Whilst the Trustees expect performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustees expect managers to report on at least an annual basis on the level and cost of turnover within the portfolio over the period. The Trustees will challenge the Plan's managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive. This will typically be assessed relative to the previous years' levels.

Where a fund has significantly under or outperformed its benchmark, the Trustees will seek to ascertain where necessary whether a higher or lower than normal turnover has been a contributory factor.

Portfolio duration

The Trustees recognise the long-term nature of defined contribution pension investments and choose funds which are expected to deliver sustainable returns over the Plan members' (and pensioners') investment horizon. The appropriate time horizon is dependent on a member's position on their savings journey: younger members will have a very long (multiple decade) time horizon whereas older members close to retirement may have a short time horizon depending on how they intend to use their benefits.

The Trustees will carry out necessary due diligence on the underlying investment decision making process, to ensure the manager makes investment decisions over an appropriate time horizon aligned with the objectives for the related investment option.

The Trustees expect that each fund will be used for at least three years, this being the period over which performance of the fund can be appropriately evaluated and the costs of change amortised. The Trustees review the performance of each of its Investment Managers and mandates on a quarterly basis against the benchmark and objectives of the mandate.

Security of assets

The funds are provided through a policy of insurance issued to the Trustees by the Platform Provider. As a result, the value of the funds may be affected in the event of the provider getting into financial difficulties.

The underlying funds used by the provider's platform are accessed through unit purchase agreements. In the event of a fund manager getting into financial difficulties, the values in these underlying funds will depend upon the nature of the contract with the Platform Provider and the fund vehicles used by the fund managers' funds.

Corporate Governance

The Trustees wish to encourage best practice in terms of activism. The Trustees accept that by using pooled investment vehicles the day-to-day application of voting rights will be carried out by the Investment Managers. Consequently, the Trustees expect the Investment Managers to adopt voting policies that are in accordance with industry best practice, including the UK Stewardship Code.

Consideration of financially material factors in investment arrangements

The Trustees believe their main duty is to protect the financial interests of the Plan's members. The Trustees recognise that financially material factors which may include ESG factors such as climate change, should be considered when choosing, holding or realising investments. The Trustees take account of financially material factors over the period for which the Trustees expect investments to be required to fund future benefits. As part of this, the Trustees acknowledge that ESG factors may be relevant at different stages of the investment process.

At this time, the Trustees have not made explicit allowance for climate change within the development or implementation of the investment strategy. The Trustee will discuss the potential impact of climate risks with its advisor when reviewing the investment strategy, and with managers on a periodic basis and will monitor developments in this area including the availability of solutions to mitigate climate-related risks.

Within active mandates, the Trustees have delegated responsibility for the consideration of stock specific issues to their individual Investment Managers. In passive mandates, the Trustees recognise that the choice of benchmark dictates the assets held by the Investment Manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material. The Trustees accept that the role of the passive manager is to deliver returns in line with the benchmark. The Trustees have elected to invest via pooled fund arrangements and therefore have no direct influence over the policies the managers have in place to govern to pooled funds.

In selecting new Investment Managers for the Plan, where relevant to the investment mandate, the Trustees will explicitly consider potential managers' approach to responsible investment and the extent to which managers integrate ESG issues in the investment process as a factor in their decision making. Minimum manager standards for responsible investment are expected (e.g. being signatory to the Principles for Responsible Investment) unless there is good justification for the manager adopting a different approach. Trustees receive advice from their investment consultants when making manager selections, which includes a view on the managers' approach to ESG.

Consideration of non-financially material factors in investment arrangements

The Trustees recognise that some members will have strong personal views or religious convictions that influence where they believe their savings should, or should not, be invested.

The Trustees will encourage members to express their views on non-financial factors relating to the Plan's investments via the annual newsletter. Nevertheless, while the Trustees will bear members' views in mind when reviewing the suitability of the Plan's investment options and choice of funds used, the Trustees will not be bound by the members' views (for instance where it is uneconomic or impracticable to do so).

DC members are provided with investment options which are managed to ethical and faith-based criteria:

- the L&G Ethical UK Equity Index Fund.
- the HSBC Amanah Global Equity Index Fund.

The Trustees note that non-financial factors can affect various investment risks which are borne by members and may under-perform other funds with broader-based investment approaches.

Voting and engagement

The Trustees believe that engagement with the companies in which the Plan invests through pooled investment funds, including the proactive use of shareholder voting rights, can improve the longer-term returns on the Plan's investments.

The Plan invests via an investment Platform Provider, who in turn invest in funds which are pooled with other investors to keep costs down and ensure adequate diversification. As a result, the Trustees have adopted a policy of delegating voting decisions on stocks to the underlying Investment Managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The Investment Managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

The Trustees will periodically review the voting and engagement policies of the Investment Managers as well as the approach to governance of the investment Platform Provider to determine that these policies are appropriate. On an ongoing basis, the Trustees will request that the investment Platform Provider and Investment Managers provide details of any change in their house policy.

Where appropriate, the Trustees will engage with and may seek further information from the investment Platform Provider and Investment Managers on how portfolios may be affected by a particular issue.

While the Trustees are not in a position to engage directly, the Trustees believe it is appropriate for their Investment Managers to engage in stewardship activity with key stakeholders which may including corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks. As the Trustees invests via an investment platform, there is no direct relationship between the Trustees and the Investment Managers. The Trustees accept that Investment Managers will not notify the Trustees about any particular stewardship activities.

The Trustees expect the investment Platform Provider to adopt similar practices with regards to the inclusion and ongoing oversight of Investment Managers on their platform. The Trustees also expect the Platform Provider to be able to evidence their own governance practices on request. The Trustees will consider the Platform

Provider's practices on the oversight of and engagement with the Investment Managers on its platform when reviewing the appointment of the Platform Provider.

The Trustees understand that conflicts of interest may arise in the management of the Plan and its investments. When appointing a new Platform Provider or choosing Investment Managers' funds, the Trustees will seek to establish that the provider/manager has an appropriate conflicts of interest policy in place. When notified, the Trustees will consider the impact of any conflicts of interest arising in the management of the funds used by the Plan.

Monitoring

The Trustees may request reports from the investment Platform Provider on the Investment Managers' voting activity on a periodic basis. The Trustees expect their Investment Managers to act in line with their own policies on voting activities.

The Trustees may consider the Investment Managers' voting activity on an annual basis in conjunction with their investment consultant. Where the Trustees deem it appropriate, any issues of concern will be raised with the manager for further explanation.

The Trustees will consider meeting with all major Investment Managers on a periodic basis if this is appropriate. The Trustees will provide the Investment Managers with an agenda for discussion, including where appropriate, ESG issues.

Employer – Related Investments

The Trustees' policy is not to hold any employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Plans (Investment) Regulations 2005.

Fee Structures

The investment Platform Provider and the Investment Managers are paid a management charge on the basis of assets under management. No additional fees are payable. The investment consultant is paid on a project basis, which may be a fixed fee or based on time cost, as agreed by the Trustees in the interests of obtaining best value for the Plan.

Review of this Statement

The Trustees will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension plan investments.

……………………………………………

Trustee

……………………………………………

Date

On behalf of The Trustees of the London & Quadrant Housing Trustee Staff Benefits Plan – Money Purchase Section

Appendix I – Third Party Agreements

Advisors

The following advisors assist the Trustees:

Pensions Consultants
Hymans Robertson
One London Wall
London EC2Y 5EA

Investment Consultants
Hymans Robertson
One London Wall
London EC2Y 5EA

Scheme Actuary
Laura Andrikopoulos
Hymans Robertson
One London Wall
London EC2Y 5EA

Auditors
BDO LLP
2 City Place
Beehive Ring Road
London Gatwick Airport
Gatwick
RH6 0PA

Investment Manager(s) – Money Purchase Section

The Trustees have appointed the following Investment Managers for the assets of the Plan's Money Purchase Section:

Legal & General Investment Management Ltd.
One Coleman Street
London
EC25 5AA

BlackRock Investment Management (UK) Ltd.
12 Throgmorton Avenue
London
EC2N 2DL

Schroder Investment Management Limited
1 London Wall Place
London
EC2Y 5AU

HSBC Global Asset Management (UK) Ltd
8 Canada Square
London
E14 5HQ

Appendix II – Money Purchase Section Investment Arrangements

Moderate Lifestyle Strategy – Flexible Target- Default Option

A summary of the Moderate Lifestyle Strategy – Flexible Target option is as follows

	Growth Phase	Pre-Retirement Phase
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.	To transition from a portfolio of equities and diversified growth funds to a blended allocation of safer investments while targeting greater flexibility for members are retirement
Growth Phase	**Fund**	**Allocation**
	Global Equity	50%
	Diversified Growth	50%
	Total Charge*	0.28%
Lifestyling	The default Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement	
Switching Period	10 Years	
Consolidation Phase	Switch to: Global Equity 20% Diversified Growth 30% Index-Linked Gilts 25% Corporate Bonds 25%	

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

Fund	Investment Approach	Benchmark	Fund Manager
Mobius Life Equity blend: 90% LGIM Global Equity 50:50 Index 10%LGIM World Emerging	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM

Market Equity Index			
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% Sonia+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%)	BlackRock/Schroder
Mobius Life LGIM Over 5 Year Index-Linked Gilts Index	Passive	FTSE A Index-Linked (Over 5 Year) Index	LGIM
Mobius Life LGIM Active Corporate Bonds – All Stocks	Active	Markit iBoxx £ Non-Gilt Index	LGIM

Moderate Lifestyle Strategy – Annuity Target

A summary of the Moderate Lifestyle Strategy – Annuity Target option is as follows:

	Growth Phase	**Pre-Retirement Phase**
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.	To transition from growth to annuity matching assets and cash to reduce the probability of severe losses close to retirement
Growth Phase	**Fund**	**Allocation**
	Global Equity	50%
	Diversified Growth	50%
	Total Charge*	0.28%
Lifestyling	The Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement	
Switching Period	10 Years	
Consolidation Phase	**Switch to:** Annuity Matching Lifecyle 75% Cash 25%	

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

Fund	**Investment Approach**	**Benchmark**	**Fund Manager**
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%)	BlackRock/Schroder
Mobius Life Future World Annuity Aware Fund	Passive/Active	FTSE Annuities Index	LGIM
Mobius Life LGIM Cash Fund	Active	SONIA	LGIM

Moderate Lifestyle Strategy – Lump Sum Target

A summary of the Moderate Lifestyle Strategy – Lump Sum Target option is as follows:

	Growth Phase	**Pre-Retirement Phase**
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.	To transition from growth assets to cash to achieve a lump sum target upon retirement.
Growth Phase	**Fund** Global Equity Diversified Growth	**Allocation** 50% 50%
	Total Charge	0.28%
Lifestyling	The Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement	
Switching Period	10 Years	

Consolidation Phase	**Switch to:** Cash 100%

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

Fund	**Investment Approach**	**Benchmark**	**Fund Manager**
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%)	BlackRock/Schroder
Mobius Life LGIM Cash Fund	Active	SONIA	LGIM

Higher Risk Lifestyle Strategy – Flexible Target

A summary of the Higher Risk Lifestyle Strategy – Flexible Target option is as follows:

	Growth Phase	**Pre-Retirement Phase**
Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.	To transition from a portfolio of equities to a blended allocation of safer investments wile targeting greater flexibility for members are retirement.
Growth Phase	**Fund** Global Equity Total Charge*	**Allocation** 100% 0.14%
Life styling	The default Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement	

Switching Period	10 Years
Consolidation Phase	**Switch to:** Global Equity 20% Diversified Growth 30% Index-Linked Gilts 25% Corporate Bonds 25%

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

Fund	**Investment Approach**	**Benchmark**	**Fund Manager**
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%)	BlackRock/Schroder
Mobius Life LGIM Over 5 Year Index-Linked Gilts Index	Passive	FTSE A Index-Linked (Over 5 Year) Index	LGIM
Mobius Life LGIM Active Corporate Bonds – All Stocks	Active	Markit iBoxx £ Non-Gilt Index	LGIM

Lower Risk Lifestyle Strategy – Flexible Target

A summary of the Lower Risk Lifestyle Strategy – Flexible Target option is as follows

	Growth Phase	**Pre-Retirement Phase**

Objective	To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.	To transition from a portfolio of diversified growth funds to a blended allocation of safer investments wile targeting greater flexibility for members are retirement.
Growth Phase	**Fund** Diversified Growth	**Allocation** 100%
	Total Charge*	0.42%
Life styling	The default Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement	
Switching Period	10 Years	
Consolidation Phase	**Switch to:** Global Equity 20% Diversified Growth 30% Index -Linked Gilts 25% Corporate Bonds 25%	

*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

Fund	**Investment Approach**	**Benchmark**	**Fund Manager**
Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	Passive	Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)	LGIM
Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi-Asset	Active	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%	BlackRock/Schroder

Mobius Life LGIM Over 5 Year Index-Linked Gilts Index	Passive	FTSE A Index-Linked (Over 5 Year) Index	LGIM
Mobius Life LGIM Active Corporate Bonds – All Stocks	Active	Markit iBoxx £ Non-Gilt Index	LGIM

Lifestyle Strategy Matrices

Moderate Lifestyle Strategy – Flexible Target – Default Strategy

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	50.00%	47.00%	44.00%	41.00%	38.00%	35.00%	32.00%	29.00%	26.00%	23.00%	20.00%
Diversified Growth	50.00%	48.00%	46.00%	44.00%	42.00%	40.00%	38.00%	36.00%	34.00%	32.00%	30.00%
Index-Linked Gilts	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
All Stocks Corporate Bonds	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Moderate Lifestyle Strategy – Annuity Target

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	50.00%	45.00%	40.00%	35.00%	30.00%	25.00%	20.00%	15.00%	10.00%	5.00%	0.00%
Diversified Growth	50.00%	45.00%	40.00%	35.00%	30.00%	25.00%	20.00%	15.00%	10.00%	5.00%	0.00%
Annuity Matching	0.00%	7.50%	15.00%	22.50%	30.00%	37.50%	45.00%	52.50%	60.00%	67.50%	75.00%
Cash	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Moderate Lifestyle Strategy – Lump Sum Target

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	50.00%	47.00%	44.00%	41.00%	38.00%	35.00%	32.00%	29.00%	23.00%	15.00%	0.00%
Diversified Growth	50.00%	48.00%	46.00%	44.00%	42.00%	40.00%	38.00%	36.00%	29.50%	20.00%	0.00%
Index -Linked Gilts	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	16.25%	12.50%	0.00%
All Stocks Corporate Bonds	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	16.25%	12.50%	0.00%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.00%	40.50%	100.00%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Higher Risk Lifestyle – Flexible Target

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	100.00%	92.00%	84.00%	76.00%	68.00%	60.00%	52.00%	44.00%	36.00%	28.00%	20.00%
Diversified Growth	0.00%	3.00%	6.00%	9.00%	12.00%	15.00%	18.00%	21.00%	24.00%	27.00%	30.00%
Index -Linked Gilts	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
All Stocks Corporate Bonds	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Lower Risk Lifestyle – Flexible Target

Fund/Years to Retirement	10 or more	9	8	7	6	5	4	3	2	1	0
Global Equity	0.00%	2.00%	4.00%	6.00%	8.00%	10.00%	12.00%	14.00%	16.00%	18.00%	20.00%
Diversified Growth	100.00%	93.00%	86.00%	79.00%	72.00%	65.00%	58.00%	51.00%	44.00%	37.00%	30.00%
Index -Linked Gilts	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
All Stocks Corporate Bonds	0.00%	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%	25.00%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Self-select fund range

Asset class	Fund Name	Benchmark	Performance Target	Fund Charge (%per annum)
Equities				
UK	LGIM UK Equity Index	FTSE All-Share Index	The investment objective of the fund is to track the performance of the FTSE All-Share Index to within +/- 0.25% p.a. for two years out of three.	0.07%
Global	Global Equity blend: 90% LGIM Global Equity 50:50 Index 10% LGIM World Emerging Market Equity Index	45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index	The investment objective of the Fund is to track the performance of the benchmark (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.14%
North America	LGIM North American Equity Index	FTSE World North America Index	The investment objective of the Fund is to track the performance of the FTSE World North America Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.12%
Europe	LGIM Europe (ex-UK) Equity Index	FTSE Developed Europe ex UK Index	The investment objective of the Fund is to track the performance of the FTSE Developed Europe ex UK (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.12%

Asia Pacific	LGIM Asia (ex-Japan) Equity Index	FTSE Developed Asia Pacific ex Japan Index	The investment objective of the Fund is to track the performance of the FTSE Developed Asia Pacific ex Japan Index (less withholding tax if applicable) to within +/-0.75% p.a. for two years out of three.	0.12%
Japan	LGIM Japan Equity Index	FTSE Japan Index	The investment objective of the Fund is to track the performance of the FTSE Japan Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.12%
Emerging Markets	LGIM World Emerging Markets Equity Index	FTSE Emerging Index	The investment objective of the Fund is to track the performance of the FTSE Emerging Index (less withholding tax if applicable) to within +/-1.5% p.a. for two years out of three.	0.34%
World (ex UK)	LGIM World (ex UK) Equity Index	FTSE World (ex UK)	The investment objective of the Fund is to track the performance of the FTSE World (ex UK) Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.	0.12%
Bonds				
Corporate Bonds	LGIM Active Corporate Bonds – All Stocks	Markit iBoxx £ Non-Gilt Index	The Fund aims to exceed the benchmark by 0.75% p.a. (before fees) over a three-year rolling period.	0.24%

Index -Linked Gilts	LGIM Over 5 Year Index – Linked Gilts Index	FTSE A Index-Linked (Over 5 Year) Index	The investment objective of the Fund is to track the performance of the FTSE A Index-Linked (Over 5 Year) Index to within +/- 0.25% p.a. for two years out of three.	0.08%
Multi Asset				
Diversified Growth	DGF blend: 40% BlackRock Dynamic Diversified Growth 60% Schroder Sustainable Future Multi Asset	Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%	To perform in line with the composite benchmark.	0.42%
Multi Asset	LGIM Multi-Asset	The average Balanced Fund, excluding Property as published in the CAPS Polled Pension Fund Update – Balanced Section.	The investment objective of the Fund is to provide diversified exposure to a range of securities excluding property. The Fund aims to maintain an asset distribution close to that of the average Balanced Fund, excluding property, as published in the CAPS Pooled Pensions Fund Update.	0.19%
Multi Asset	Flexible Pre-Retirement blend: 20% Global Equity Blend 30% DGF Blend 25% LGIM Over 5 Year Index-Linked Gilts 25% LGIM Active Corporate Bond All Stocks	9% FTSE All-Share Index, 9% FTSE World Index overseas, 2% FTSE Emerging Index, 12% SONIA+3% net of fees over rolling 3-year periods, 18% Consumer Price Inflation +4%, 25% FTSE A Index-linked (Over 5 Year) Index, 25% Markit IBoxx Sterling Non-Gilt Index	To perform in line with the composite benchmark.	0.23%

Other				
Money Market	LGIM Cash	SONIA	The Fund aims to perform in line with SONIA without incurring excessive risk.	0.09%
Property	LGIM Managed Property	AREF/IPD UK Quarterly All Balanced Property Funds Index	The Fund aims to outperform the AREF/IPD UK Quarterly All Balanced Property Funds Index over 3- and 5-year periods	1.40%
Annuity match	Annuity Matching blend: 75% L&G Future World annuity Aware Fund 25% L&G Cash Fund	75% FTSE Annuities Index, 25% SONIA	To perform in line with the composite benchmark.	0.10%
Ethical				
Equities	LGIM Ethical UK Equity Index	FTSE4Good UK Equity Index	The investment objective of the Fund is to track the performance of the FTSE4Good UK Equity Index to within +/-0.5% p.a. for two years out of three.	0.24%
Shariah	HSBC Amanah Global Equity Index	DOW JONES ISLAMIC TITANS 100	The fund aims to track the performance of a world index, through investment in a diversified portfolio of securities as defined by the relevant index, which meets Islamic investment principles as interpreted and laid down by the Shariah committee and provided to the Board of Directors.	0.34%

Appendix 2

Table of funds and charges

2a Default arrangement

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the default arrangement are shown below. Members only pay for the "transaction costs" (see the main report for more information) incurred; London and Quadrant pay the fund "charges".

<table>
<tr><th rowspan="2">Fund</th><th colspan="2">Charges **</th><th rowspan="2">Underlying Fund</th><th rowspan="2">ISIN *</th><th colspan="2">Transaction costs</th></tr>
<tr><th>% p.a. of the amount invested</th><th>£ p.a. per £1,000 invested</th><th>% p.a. of the amount invested</th><th>£ p.a. per £1,000 invested</th></tr>
<tr><td rowspan="2">L&Q Global Equity Blended Fund</td><td rowspan="2">0.14%</td><td rowspan="2">£1.42</td><td>LGIM Global Equity 50:50 Index (90%)</td><td>GB00B6V5TJ74</td><td rowspan="2">0.06%</td><td rowspan="2">£0.61</td></tr>
<tr><td>LGIM World Emerging Market Equity Index (10%)</td><td>GB00B6V5ZX37</td></tr>
<tr><td rowspan="2">L&Q Diversified Growth Blended Fund</td><td rowspan="2">0.42%</td><td rowspan="2">£4.21</td><td>BlackRock Dynamic Diversified Growth Fund (40%)</td><td>JE00B54ZWL01</td><td rowspan="2">0.19%</td><td rowspan="2">£1.88</td></tr>
<tr><td>Schroder Dynamic Multi Asset (60%)</td><td>GB00B433JR39</td></tr>
<tr><td>L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index</td><td>0.08%</td><td>£0.78</td><td></td><td>GB00B6V5RM63</td><td>0.04%</td><td>£0.37</td></tr>
<tr><td>L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks</td><td>0.24%</td><td>£2.40</td><td></td><td>GB00B6V5V357</td><td>0.17%</td><td>£1.73</td></tr>
</table>

Source: Mobius

2b Lifestyle options outside the default arrangement

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Moderate Lifestyle Strategy – Annuity Target lifestyle option are shown below. Members only pay for the "transaction costs" (see the main report for more information) incurred; London and Quadrant pay the fund "charges".

Fund	Charges **		Underlying Fund	ISIN *	Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested			% p.a. of the amount invested	% p.a. of the amount invested
L&Q Global Equity Blended Fund	0.14%	£1.42	LGIM Global Equity 50:50 Index Fund (90%)	GB00B6V5TJ74	0.06%	£0.61
			LGIM World Emerging Market Equity Index Fund (10%)	GB00B6V5ZX37		
L&Q Diversified Growth Blended Fund	0.42%	£4.21	BlackRock Dynamic Diversified Growth Fund (40%)	JE00B54ZWL01	0.19%	£1.88
			Schroder Dynamic Multi Asset Fund (60%)	GB00B433JR39		
L&Q Annuity Matching Blended Fund (Lifecycle)	0.10%	£0.98	L&G Future World Annuity Aware Fund (100%)	GB00B6V5WQ54	0.00%	£0.01
L&Q Housing Trust DC L&G Cash Fund	0.09%	£0.90	L&G Cash Fund	GB00B6V5RJ35	0.07%	£0.74

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Moderate Lifestyle Strategy – Lump Sum Target lifestyle option are shown below. Members only pay for the "transaction costs" (see the main report for more information) incurred; London and Quadrant pay the fund "charges".

Fund	Charges **		Underlying Fund	ISIN *	Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested			% p.a. of the amount invested	% p.a. of the amount invested
L&Q Global Equity Blended Fund	0.14%	£1.42	LGIM Global Equity 50:50 Index (90%)	GB00B6V5TJ74	0.06%	£0.61
			LGIM World Emerging Market Equity Index (10%)	GB00B6V5ZX37		
L&Q Diversified Growth Blended Fund	0.42%	£4.21	BlackRock Dynamic Diversified Growth Fund (40%)	JE00B54ZWL01	0.19%	£1.88
			Schroder Dynamic Multi Asset (60%)	GB00B433JR39		
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	0.08%	£0.78	L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04%	£0.37
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	0.24%	£2.40	L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.17%	£1.73
L&Q Housing Trust DC L&G Cash Fund	0.09%	£0.90	L&G Cash Fund	GB00B6V5RJ35	0.07%	£0.74

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Higher Risk Lifestyle Strategy – Flexible Target lifestyle option are shown below. Members only pay for the "transaction costs" (see the main report for more information) incurred; London and Quadrant pay the fund "charges".

Fund	Charges **		Underlying Fund	ISIN *	Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested			% p.a. of the amount invested	£ p.a. per £1,000 invested
L&Q Global Equity Blended Fund	0.14%	£1.42	LGIM Global Equity 50:50 Index Fund (90%)	GB00B6V5TJ74	0.06%	£0.61
			LGIM World Emerging Market Equity Index Fund (10%)	GB00B6V5ZX37		
L&Q Diversified Growth Blended Fund	0.42%	£4.21	BlackRock Dynamic Diversified Growth Fund (40%)	JE00B54ZWL01	0.19%	£1.88
			Schroder Dynamic Multi Asset Fund (60%)	GB00B433JR39		
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	0.08%	£0.78	L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04%	£0.37
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	0.24%	£2.40	L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.17%	£1.73

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Lower Risk Lifestyle Strategy – Flexible Target lifestyle option are shown below. Members only pay for the "transaction costs" (see the main report for more information) incurred; London and Quadrant pay the fund "charges".

Fund	Charges **		Underlying Fund	ISIN *	Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested			% p.a. of the amount invested	% p.a. of the amount invested
L&Q Global Equity Blended Fund	0.14%	£1.42	LGIM Global Equity 50:50 Index Fund (90%)	GB00B6V5TJ74	0.06%	£0.61
			LGIM World Emerging Market Equity Index Fund (10%)	GB00B6V5ZX37		
L&Q Diversified Growth Blended Fund	0.42%	£4.21	BlackRock Dynamic Diversified Growth Fund (40%)	JE00B54ZWL01	0.19%	£1.88
			Schroder Dynamic Multi Asset Fund (60%)	GB00B433JR39		
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	0.08%	£0.78	L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04%	£0.37
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	0.24%	£2.40	L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.17%	£1.73

Source: Mobius

2c Self-select funds outside the default arrangement

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year for the self-select funds are shown below. Members only pay for the "transaction costs" (see the main report for more information) incurred; London and Quadrant pay the fund "charges".

Fund	Charges **		Underlying Fund	ISIN *	Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested			% p.a. of the amount invested	% p.a. of the amount invested
L&Q Housing Trust DC L&G UK Equity Index Fund	0.07%	£0.69	L&G UK Equity Index Fund	GB00B6V5PX39	0.00%	-£0.01
L&Q Global Equity Blended Fund	0.14%	£1.42	LGIM Global Equity 50:50 Index Fund (90%)	GB00B6V5TJ74	0.06%	£0.61
			LGIM World Emerging Market Equity Index Fund (10%)	GB00B6V5ZX37		
L&Q Housing Trust DC L&G North America Equity Index Fund	0.12%	£1.18	L&G North America Equity Index Fund	GB00B6V5Q308	0.00%	£0.03
L&Q Housing Trust DC L&G Europe (ex-UK) Equity Index Fund	0.12%	£1.18	L&G Europe (ex-UK) Equity Index Fund	GB00B6V5Q639	0.16%	£1.57
L&Q Housing Trust DC L&G Asia Pacific (ex-Japan) Equity Index Fund	0.12%	£1.18	L&G Asia Pacific (ex-Japan) Equity Index Fund	GB00B6V5Q969	0.01%	£0.06
L&Q Housing Trust DC L&G Japan Equity Index Fund	0.12%	£1.18	L&G Japan Equity Index Fund	GB00B6V5Q076	0.01%	£0.10
L&Q Housing Trust DC L&G World Emerging	0.34%	£3.40	L&G World Emerging Markets Equity Index Fund	GB00B6V5Z357	0.13%	£1.34

Markets Equity Index Fund						
L&Q Housing Trust DC L&G World (ex-UK) Equity Index Fund	0.12%	£1.15	L&G World (ex-UK) Equity Index Fund	GB00B6V5QX04	0.04%	£0.45
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	0.24%	£2.40	L&G Active Corporate Bonds – All Stocks Fund	GB00B6V5V357	0.17%	£1.73
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	0.08%	£0.78	L&G Over 5 Year Index-Linked Gilts Index Fund	GB00B6V5RM63	0.04%	£0.37
L&Q Diversified Growth Blended Fund	0.42%	£4.21	BlackRock Dynamic Diversified Growth Fund (40%)	JE00B54ZWL01	0.19%	£1.88
			Schroder Dynamic Multi Asset Fund (60%)	GB00B433JR39		
L&Q Housing Trust DC L&G Multi-Asset Fund	0.19%	£1.90	L&G Multi-Asset Fund	GB00B6V5PH70	0.04%	£0.39
L&Q Flexible Pre-Retirement Blended Fund	0.23%	£2.34	L&Q Global Equity Blended Fund (20%)		0.12%	£1.21
			L&Q Diversified Growth Blended Fund (30%)			
			L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund (25%)	GB00B6V5RM63		
			L&Q Housing Trust DC L&G Active Corporate Bonds – All stocks Fund (25%)	GB00B6V5V357		
L&Q Housing Trust DC L&G Cash Fund	0.09%	£0.90	L&G Cash Fund	GB00B6V5RJ35	0.07%	£0.74
L&Q Housing Trust DC L&G Managed Property Fund	1.40%	£14.00	L&G Managed Property Fund	GB00B6V5QR44	-0.26%	-£2.64

L&Q Annuity Match Blended Fund	0.10%	£1.00	LGIM Future World Annuity Aware Fund (75%)	GB00B6V5WQ54	0.02%	£0.20
			L&G Cash Fund (25%)	GB00B6V5RJ35		
L&Q Housing Trust DC L&G Ethical UK Equity Index Fund	0.24%	£2.40	L&G Ethical UK Equity Index Fund	GB00B6V5VG81	0.03%	£0.34
L&Q Housing Trust DC HSBC Amanah Global Equity Index Fund	0.34%	£3.40	HSBC Amanah Global Equity Index Fund	LU1092475968	0.01%	£0.14

Source: Mobius

2d Additional Voluntary Contributions

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year for the AVC funds open to new contributions are in line with the DC investment options. Similarly, members only pay for the "transaction costs" (see the main report for more information) incurred; London and Quadrant pay the fund "charges".

The funds' charges (as "Total Expense Ratios") and transaction costs, which are both paid by members, in the last year for the legacy AVC funds are shown below:

Fund	Charges **		Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
Multi Asset Cautious	0.75%	£7.50	0.240%	£2.40
Multi Asset Moderate	0.75%	£7.50	0.208%	£2.08
Money Market	0.50%	£5.00	0.021%	£0.21

Source: Utmost Life and Pensions

** Charge = the funds' Total Expense Ratio ("TER"), which includes the funds' Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE").

Appendix 3

Tables illustrating the impact of charges and costs

The following tables show the potential impact of the costs and charges borne by a typical member of the Plan on projected values in today's money at several points up to retirement for a selection of funds and a range of contribution levels. Please note, as members do not pay investment charges, the following illustrations take into account transaction costs only. A typical member has been chosen based on analysis of membership data as at 31 March 2024 and is detailed below:

Typical member characteristics	
Age	46
NRA	65
Pot size	£54,000
Salary	£54,000

3a The Default Arrangement

For the typical member in the default arrangement, paying 3% employee contributions with 6% employer contributions

The table below shows a member who joins the Plan 19 years before their target retirement date. For example, at 13 years before retirement, they have been invested for 6 years and the estimated pot size is shown before and after charges and costs. At 1 year before retirement, the member has been invested in the Fund for 18 years and the estimated pot size is shown before and after charges and costs.

Years to retirement	Before costs and charges	After costs and charges are taken
0	£212,124	£208,295
1	£201,163	£197,681

3	£180,298	£177,455
5	£160,764	£158,487
8	£133,761	£132,208
10	£117,171	£116,025
13	£94,132	£93,483
15	£79,912	£79,527
18	£60,176	£60,096
19	£54,000	£54,000

Source: Hymans Robertson using Mobius costs and charges

For the typical member in the default arrangement, paying 6% employee contributions with 12% employer contributions

Term to Retirement	Before costs and charges (£)	After costs and charges are taken (£)
0	£338,341	£332,858
1	£318,571	£313,627
3	£280,954	£276,988
5	£245,752	£242,640
8	£197,121	£195,077
10	£167,264	£165,800
13	£125,864	£125,082
15	£100,360	£99,918
18	£65,034	£64,951
19	£54,000	£54,000

Source: Hymans Robertson using Mobius costs and charges

3b For an alternative Lifestyle Strategy: Moderate Lifestyle Strategy - Annuity Target

For the typical member in the Moderate Lifestyle Strategy – Annuity Target, paying 6% employee contributions with 12% employer contributions

Term to Retirement	Before costs and charges (£)	After costs and charges are taken (£)
0	£336,416	£332,078
1	£317,109	£313,034
3	£280,186	£276,677
5	£245,425	£242,507
8	£197,094	£195,066
10	£167,264	£165,800
13	£125,864	£125,082
15	£100,360	£99,918
18	£65,034	£64,951
19	£54,000	£54,000

Source: Hymans Robertson using Mobius costs and charges

3c For a selection of the self-select funds

For the typical member in a range of self-select funds, paying 6% employee contributions with 12% employer contributions.

The illustrations below cover the funds with highest and lowest transaction costs.

	L&Q Diversified Growth Blended (Fund with highest transaction costs)		L&G Managed Property Fund (Fund with lowest transaction cost)	
Term to Retirement	Before costs and charges (£)	After costs and charges are taken (£)	Before costs and charges (£)	After costs and charges are taken (£)
0	£299,777	£291,369	£299,777	£299,777
1	£284,102	£276,494	£284,102	£284,102
3	£253,754	£247,605	£253,754	£253,754
5	£224,701	£219,837	£224,701	£224,701
8	£183,454	£180,209	£183,454	£183,454
10	£157,448	£155,090	£157,448	£157,448
13	£120,569	£119,279	£120,569	£120,569
15	£97,347	£96,605	£97,347	£97,347
18	£64,461	£64,318	£64,461	£64,461

19	£54,000	£54,000	£54,000	£54,000

Source: Hymans Robertson using Mobius costs and charges
Please note that the figures after costs and charges for the L&G Managed Property Fund are the same as the figures before, due to the fund having 0% transaction costs.

For the youngest member - invested in the default arrangement, paying 6% employee contributions with 12% employer contributions

The following table shows the potential impact of the costs and charges borne by the youngest member in the Plan on projected values in today's money at several points up to retirement. The representative youngest member has been chosen based on analysis of membership data as at 31 March 2024 and is detailed below:

Youngest member characteristics	
Age	21
NRA	65
Pot size	£0,000
Salary	£26,000

Term to Retirement	Before costs and charges (£)	After costs and charges are taken (£)
0	£435,610	£421,518
1	£417,763	£404,538
3	£383,765	£372,157
5	£351,900	£341,765
10	£280,650	£273,632

15	£219,383	£214,744
25	£120,880	£119,235
35	£48,238	£47,932
44	£0	£0

Source: Hymans Robertson using Mobius costs and charges

As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, we have had to make a number of assumptions about what these might be. The assumptions used in these calculations were:

- The “before costs” figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs.
- The “after costs” figures represent the savings projection using the same assumed investment return but after deducting an allowance for transaction costs. These illustrations take account of transaction costs only as these are the only member borne charges.
- The opening DC pot size for the typical member is £54,000, which was the average pot size for members in the Plan as at 31 March 2024;
- A contribution in current day terms of either 6% employee and 12% employer or 3% employee and 6% employer. For a member with a salary of £51,000, which was the average salary for members at 31 March 2024, this is equivalent to contributions of £9,720 p.a. or £4,860 p.a. respectively.
- For a young member profile, the opening DC pot size is £0 and the salary is £26,000.
- The gross investment return assumed for each fund above was:

Fund	Return % p.a.
L&Q Global Equity Blended Fund	6.00%
L&Q Diversified Growth Blended Fund	4.00%
L&G Over 5 Year Index-Linked Gilts Index	7.00%

L&G Active Corporate Bonds – All Stocks	4.00%
L&Q Annuity Matching Blended Fund	6.00%
L&G Cash Fund	2.00%
L&G Managed Property Fund	4.00%

- The rate of inflation was assumed to be 2.5% p.a.
- Real salary growth was assumed to be 1% p.a.
- The rate of increase in costs and charges is 0% p.a.
- The assumptions as used in the Statutory Money Purchase Illustrations included with members' benefit statements have otherwise been used.

Please note that:

- These illustrations take account of transaction costs only as these are the only member borne charges. The transaction cost figures used in the illustration are the average of those provided by the managers over the past five years.
- For funds where transaction costs over the reporting period were negative, the calculations assume no transaction costs for prudence.

Please also note that these illustrated values:

- Are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
- Are estimates using assumed rates of future investment returns and inflation which may not be borne out in practice;
- The assumptions used may differ in the future to reflect changes in regulatory requirements or investment conditions;
- Will be affected by future, and as yet unknown, changes to the Plan's investment options;
- Are not guaranteed;

- Depend upon how far members in the default lifestyle option are from retirement as the funds used change over time;
- May not prove to be a good indication of how your own savings might grow; and
- Comply with the Technical Actuarial Standards (TAS) 100: Principles for Technical Actuarial Work.

Appendix 4

Investment performance

Default arrangement

The investment performance of the funds used in the default arrangement during periods up to 31 March 2024 net of all member borne costs and charges expressed as an annual geometric compound percentage were:

Fund	1 year (p.a.)	3 years (p.a.)
Global Equity Blend	12.9%	7.8%
Diversified Growth Blend	8.2%	1.7%
L&G Over 5 Year Index-Linked Gilts Index	-7.8%	-12.2%
L&G Corporate Bonds – All Stocks	7.0%	-2.7%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

The table below shows how returns vary by age for the default arrangement, the Moderate Lifestyle Strategy – Flexible Target:

Age of member in 2024 (years)	**1 year (assuming SRA of 65)**	**3 year (p.a.) (assuming SRA of 65)**
45	10.6%	4.8%
55	10.6%	4.8%
60	7.7%	1.5%
65	4.8%	-1.7%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

As the funds have been in place for less than 5 years, a five-year period performance is not available.

Other investment options

The investment performance of the funds used in the other investment options during periods up to 31 March 2024 net of all member borne costs and charges expressed as an annual geometric compound percentage were:

Fund	1 year (p.a.)	3 years (p.a.)
L&Q Housing Trust DC L&G UK Equity Index Fund	7.8%	7.7%
L&Q Global Equity Blended Fund	12.9%	7.8%
L&G Managed Property Fund	1.0%	4.6%
L&Q Housing Trust DC L&G North America Equity Index Fund	28.9%	14.0%
L&Q Housing Trust DC L&G Europe (ex-UK) Equity Index Fund	13.7%	9.0%
L&Q Housing Trust DC L&G Asia Pacific (ex-Japan) Equity Index Fund	4.2%	0.6%
L&Q Housing Trust DC L&G Japan Equity Index Fund	22.3%	6.6%
L&Q Housing Trust DC L&G World Emerging Markets Equity Index Fund	6.0%	-0.7%
L&Q Housing Trust DC L&G World (ex-UK) Equity Index Fund	24.4%	11.8%
L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund	7.0%	-2.7%
L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund	-7.8%	-12.2%

L&Q Diversified Growth Blended Fund	8.2%	1.7%
L&Q Housing Trust DC L&G Multi-Asset Fund	8.8%	2.5%
L&Q Flexible Pre-Retirement Blended Fund	4.7%	-1.7%
L&Q Housing Trust DC L&G Cash Fund	5.1%	2.4%
L&Q Annuity Matching Blended Fund*	4.5%	-5.3%
L&Q Housing Trust DC L&G Ethical UK Equity Index Fund	7.1%	7.7%
L&Q Housing Trust DC HSBC Amanah Global Equity Index Fund	32.7%	15.2%
L&Q Annuity Matching Blended Fund (Lifecycle)	4.2%	-8.1%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

The investment returns for the Moderate Lifestyle Strategy – Annuity Target by age are provided below:

Age of member in 2024 (years)	1 year (p.a.) (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)
45	10.6%	4.8%
55	10.6%	4.8%
60	7.5%	-0.4%
65	4.4%	-5.5%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

The investment returns for the Moderate Lifestyle Strategy – Lump Sum Target by age are provided below:

Age of member in 2024 (years)	1 year (p.a.) (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)
45	10.6%	4.8%
55	10.6%	4.8%
60	7.7%	1.5%
65	5.1%	2.4%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

The investment returns for the Higher Risk Lifestyle Strategy – Flexible Target by age are provided below:

Age of member in 2024 (years)	1 year (p.a.) (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)
45	12.9%	7.8%
55	12.9%	7.8%
60	8.9%	3.1%
65	4.8%	-1.7%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

The investment returns for the Lower Risk Lifestyle Strategy – Flexible Target by age are provided below:

Age of member in 2024 (years)	1 year (p.a.) (assuming SRA of 65)	3 year (p.a.) (assuming SRA of 65)
45	8.2%	1.7%
55	8.2%	1.7%
60	6.5%	0.0%

65	4.8%	-1.7%

Source: Mobius. As the funds have been in place for less than five years, performance data for a five-year period is not available.

AVC funds

The investment performance of the funds used in the other investment options during periods up to 31 March 2024 net of all member borne costs and charges expressed as an annual geometric compound percentage were:

Fund	1 year (p.a.)	3 years (p.a.)	5 years (p.a.)
Multi Asset Cautious*	6.5%	-0.6%	n/a
Multi Asset Moderate*	12.0%	3.4%	n/a
Money Market	4.7%	2.0%	1.2%

Source: Utmost. *As the funds have been in place for less than five years, performance data for a five-year period is not available.