

# Wealth at Work Limited

## Governance Advisory Arrangement (GAA)

Statement for the year ended: 31<sup>st</sup> December 2023

Prepared in accordance with the Financial Conduct Authority's  
Conduct of Business Rules (COBS 19.5.5)

### Executive Summary

This report on the Wealth at Work Limited Group SIPP has been prepared by the chair of the Wealth at Work Limited Governance Advisory Arrangement (**GAA**) and sets out our assessment of the Value for Money delivered to members of the Group SIPP and our view of the adequacy and quality of the Group SIPP in relation to Environmental, Social and Governance (ESG) risks, non-financial considerations and stewardship.

Details of the composition of the GAA and its Terms of Reference are set out below.

The GAA has worked with Wealth at Work Limited (**WAWL**) to undertake the assessment of the Value for Money and I am grateful for their assistance with this and provision of the required information.

The Group SIPP is a staff scheme provided to current and former employees of WAWL. As the Group SIPP is the only workplace pension scheme operated by WAWL and is not marketed commercially, the GAA has undertaken a proportionate assessment of the Value for Money it provides.

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

| Assessment   | Meaning                                                                               |
|--------------|---------------------------------------------------------------------------------------|
| <b>RED</b>   | The Group SIPP does not provide Value for Money.                                      |
| <b>AMBER</b> | The Group SIPP provides Value for Money but there are areas that require improvement. |
| <b>GREEN</b> | The Group SIPP provides Value for Money.                                              |

I am pleased to report that our assessment of the Value for Money provided by the Wealth at Work Limited Group SIPP is Green in all areas.

| Area of Assessment                  | Rating |
|-------------------------------------|--------|
| Charges and transaction costs       | GREEN  |
| Investment strategy and performance | GREEN  |
| Quality of Services                 | GREEN  |

The GAA has not raised any concerns with WAWL or the FCA during the Year under review.

We hope you find this report informative and helpful. Should you have any questions on it, please contact the Pensions Administration Department.

**Simon Riviere**

**Chair of the Wealth at Work Limited Governance Advisory Arrangement**

## 1.0 Member summary

Welcome to the Chair's Statement of the Wealth at Work Limited Governance Advisory Arrangement (**GAA**) for the calendar year ended 31<sup>st</sup> December 2023.

This Statement has been prepared in accordance with the Financial Conduct Authority's Conduct of Business Rules (COBS) set out in COBS 19.5.5.

Wealth at Work Limited is an FCA authorised Firm.

This Statement is relevant to you if you are a current active member or former member of the workplace pension scheme operated by Wealth at Work Limited (**WAWL**) for its employees. If you are unsure about your membership of the scheme, please refer to your scheme documentation.

Alternatively, please contact the HR or Pension Administration Department at WAWL on:

**Tel: 0151 255 3448 or 08000 283200**

**Email: [HR@wealthatwork.co.uk](mailto:HR@wealthatwork.co.uk) or [staffaccounts@wealthatwork.co.uk](mailto:staffaccounts@wealthatwork.co.uk)**

## 1.1 Your Pension Scheme

Wealth at Work Limited operates a Group Self-Invested Personal Pension scheme (**Group SIPP**) for its employees. The Group SIPP is a 'relevant scheme' for 'relevant policyholders' for the purposes of the regulations. *Relevant policyholders* are referred to as **members** in the following sections.

The scheme name is the **Wealth at Work SIPP**.

The Group SIPP is the only workplace pension scheme operated by WAWL and it is for its own employees. WAWL does not market the Group SIPP to its clients as it is for staff members only.

This Statement takes into account that the Group SIPP is the only workplace pension scheme offered by WAWL. There are no legacy workplace pension schemes operated by WAWL or other workplace pension schemes that come within the scope of the GAA or of this review.

## 1.2 Investment Pathways

From 1 February 2021, the FCA introduced new rules to extend the GAA's remit to oversee the Value for Money of Investment Pathways for those members who enter drawdown but do not take regulated financial advice. Unless exempt, the FCA requires Firms to provide non-advised 'pathway investors' with investment solutions to match a particular objective in drawdown. There are 4 'Investment Pathways' mandated by the FCA that a member can select, each with a corresponding fund designed to meet a member's Pathway 'objective'.

WAWL does not currently offer 'pathway solutions' to non-advised members of the Group SIPP who enter drawdown, because there are significantly less than 500 non-advised members and are therefore exempt from doing so in accordance with COBS 19.10.1R(5). The GAA has seen the supporting evidence provided by WAWL of its assessment of its eligibility to qualify as a 'pathway investment exempt firm'. As at the assessment date of 6 March 2023, the total number of non-advised members in the Group SIPP over the age of 55 was 81, significantly less than the 500 required to offer Investment Pathways to non-advised members who enter drawdown.

As WAWL is applying these easement rules, they are not required to offer the underlying investment solutions (i.e. the underlying funds) themselves. In this situation, WAWL will need to refer members to another Provider or to the Money and Pensions Service (**MaPS**).

WAWL must undertake an assessment and re-confirm its exemption status every 12 months. The GAA has seen the assessment and confirmation that WAWL is a 'pathway investment exempt firm' and is satisfied this correctly complies with COBS 19.10.1R(5).

WAWL has provided the GAA with copies of its communications to members regarding Investment Pathways and the requirement to shop around to find the most suitable product. Members are informed to go to the MaPS website and to use the free pensions guidance from *Pensions Wise*. Those employees who are active Members of the Group SIPP are also given the option to speak to a regulated financial adviser employed by WAWL. The communications seen by the GAA clearly set out the 4 Investment Pathways and the risk warnings relating to investing in Cash are prominent.

The GAA is satisfied that WAWL has correctly self-assessed its position and can utilise the small provider easement as an exemption to offering Investment Pathways. The GAA is also satisfied the member communications setting out the pathway solutions provide sufficient risk warnings for investing in Cash and include appropriate references to taking advice and guidance from MaPS, Pensions Wise or a regulated financial adviser.

As Investment Pathways are not currently offered by WAWL, assessing whether they provide Value for Money to members is not applicable and the GAA has no further comment on them in this Statement. WAWL are assessing Investment Pathways with the intention of offering Investment Pathway solutions in the near future.

### 1.3 Governance Advisory Arrangement

WAWL has set up a Governance Advisory Arrangement (**GAA**) to ensure that you, as a Group SIPP member, benefit from an independent review of the investments you invest in and the services provided to you by WAWL as the Provider.

The GAA is an arrangement between WAWL and an independent third party under which a committee is established to represent the interests of Group SIPP members.

The GAA has been established by WAWL taking into account the size, complexity and nature of the Group SIPP that it operates.

The decision to establish a GAA instead of establishing a larger 'Independent Governance Committee' (IGC) is based on the fact the Group SIPP is neither a large nor a complex work based pension scheme which is for employees of WAWL only and is not marketed as a commercial product. Specifically, a GAA is appropriate because of the small number of members in the Group SIPP and the range of funds under management as well as a single Employer contributing to the scheme. The Group SIPP does not operate on multiple information technology systems, it does not have multiple charging structures, and it is not invested in any with-profits funds.

Further details on the GAA are set out below.

### 1.4 Terms of Reference and Further Information

The GAA has been established on terms that secure the independence of the GAA and its Chair from WAWL as the Provider of the Group SIPP. The GAA will act solely in the interests of those 'relevant policyholders' (**members**) of the WAWL Group SIPP.

Further information on the GAA is available to members from Pensions Administration at WAWL.

### 1.5 Value for Money requirements

The GAA is required to assess the ongoing **Value for Money** for 'Relevant Policyholders' (members of the Group SIPP) delivered by the 'Relevant Scheme' (**the Group SIPP**), in accordance with the regulations.

This Value for Money assessment is not just about how much it costs you as a scheme member in terms of the charges applied to the funds you invest in. It is about the quality of the services provided by WAWL, the timeliness and accuracy of dealing with member requests, the range of funds available to you and how this compares to similar alternatives. More details about the Value for Money assessment are shown later in this report.

The GAA has assessed the ongoing Value for Money through considering (though not exclusively) the three factors below and appropriate items set out in the regulations:

**the level of charges and costs**, in particular:

- administration charges and any transaction costs borne by members;
- any other charges borne by members and any other costs incurred as a result of managing and investing, and activities in connection with the managing and investing of, the pension savings of members;

**investment performance**; and

- **the quality of services** including whether:
- the communications provided to you by WAWL are fit for purpose and properly take into account the characteristics, needs and objectives of the membership;
- the core financial transactions are processed promptly and accurately, such as processing contributions, transfers or death benefits.

As part of the ongoing Value for Money assessment, the GAA needs to consider whether to assess the Group SIPP by reference to each individual Employer or on an aggregate basis. The Group SIPP is a staff scheme for employees of WAWL and is not marketed commercially as a result. As there is only one pension scheme made available by WAWL as the sole Employer for its employees with one default investment strategy with fees within the Charge Cap and a range of self-select funds for members to choose from, it is appropriate to undertake the Value for Money assessment at the scheme (Group SIPP) level i.e. at the product level.

The GAA is also required to undertake a comparison against similar workplace pension schemes as part of the ongoing Value for Money assessment on a proportionate basis to the extent that there is publicly, or readily, available information about those comparator schemes. The GAA needs to consider whether the comparison scheme(s) offer better Value for Money for members based on the above factors (a)-(c) to the extent that there is publicly, or readily, available information about the comparator scheme(s).

The GAA is required under the regulations to raise any concerns it has regarding Value for Money initially with WAWL. If not satisfied, the GAA can escalate its concerns direct with the FCA.

## **1.6 Value for Money method**

As noted above, the GAA is required to assess the Value for Money provided by the Group SIPP by reference to each Employer or on an aggregate basis.

WAWL make available a Group SIPP to its employees for their pension provision whilst active employees of WAWL. Therefore, the VFM assessment has been undertaken on a proportionate basis at the product level.

## **1.7 Proportionate approach to assessment**

In light of the size, complexity and nature of the Group SIPP, the GAA has used a proportionate approach to assess the Value for Money provided by it. The Group SIPP is a small pension arrangement for employees of WAWL but all scheme members have access to a comprehensive range of services available from WAWL, including regular financial education seminars and regulated advice from WAWL advisers.

WAWL do not impose any charges for these additional services, the only charges that you as a member incur are the fund manager charges on the default investment strategy, or the higher fund manager charges on the self-select funds.

The additional services available to Group SIPP members include: regulated financial advice provided by WAWL advisers, as well as educational sessions on pensions, investments and other employee benefits.

During 2023, Group SIPP members were able to attend seminars presented by WAWL on the following subjects which provided greater insight to financial planning in a broad sense including how the Group SIPP operates, the funds available and how members can maximise their retirement savings:

- Managing family finances
- Understanding your employee benefits
- Understanding mortgages

The GAA notes these seminars were well attended and received positive feedback in terms of the number of comments and feedback forms. On a holistic basis and in line with the FCA's guidance, the additional services provided by WAWL to its employees enhance the Value for Money provided by the Group SIPP.

Therefore, as part of the Value for Money assessment, the GAA has taken into account the additional services provided to you by WAWL.

The GAA has obtained the relevant information from WAWL necessary for the GAA to assess the following in relation to the Group SIPP:

- costs and charges
- investment performance
- the quality of services

and has held discussions with senior managers at WAWL to obtain additional information or seek clarification where required.

This Statement uses the information obtained from WAWL for the GAA to form its assessment of the on-going Value for Money provided by the Group SIPP. The GAA would like to thank WAWL for its assistance with preparing this Statement.

## **2.0 Governance Advisory Arrangement (GAA)**

The GAA was established with effect from 1 January 2021 by WAWL in partnership with Punter Southall Governance Services Limited (**PSGS**), a firm of professional trustees and governance experts with experience of workplace pension schemes. PSGS is also appointed to other governance committees that have Group SIPPs, as well as acting as professional trustee to a large number of employer pension arrangements, including DC master trusts.

With effect from 3 July 2023, Punter Southall Governance Services Limited changed its name to Vidett Governance Services Limited (**Vidett**).

WAWL was established in 2005 and works with hundreds of organisations across both the private and public sector by offering financial education, guidance and regulated financial advice. WAWL is authorised and regulated by the Financial Conduct Authority (**FCA**).

WAWL established a Governance Advisory Arrangement having regard to the size, complexity and nature of the *relevant scheme* (the Group SIPP) it provides for its staff.

As required by the FCA regulations, the GAA has been established on terms that secure its independence and the Chair's independence, from WAWL.

The GAA must provide annual reports to members on how the relevant scheme operated by WAWL has performed.

The workplace pension scheme covered by this report is the **Wealth at Work SIPP** (the Group SIPP)

As at 31<sup>st</sup> December 2023, there were no other products that fell within the scope of this report.

## **2.1 GAA Committee**

The GAA is constituted with 3 individual members forming a committee including a Chair. To ensure the independence of the GAA from WAWL, a simple majority of the individuals on the GAA and the Chair are provided by Vidett (formerly PSGS, see above) and the remaining GAA committee member is provided by WAWL.

The GAA has a duty to protect your interests as a pension scheme member.

As a minimum, the GAA has a duty to:

- act solely in the interests of members of the workplace pension scheme operated by WAWL (the Group SIPP)
- operate independently from WAWL as the product Provider, in accordance with the GAA's Terms of Reference
- assess, and where necessary, challenge WAWL on whether the Group SIPP provides Value for Money for members.

The GAA must provide an annual report to members on how the Group SIPP has performed.

## **2.2 GAA concerns**

During the year-ended 31 December 2023, the GAA has not raised any concerns with WAWL as the Provider in relation to the Value for Money for members of the Group SIPP.

The GAA has not escalated any unresolved concerns to the Financial Conduct Authority (FCA).

The GAA has not needed to notify you or any other any Group SIPP members or WAWL as your Employer, of any concerns.

## 2.3 GAA expertise

The GAA has sufficient expertise, experience and independence to act in members' interests and, where appropriate, pathway investors' interests, and this is evidenced by:

- The appointment of a professional trustee company, Vidett Governance Services Limited (formerly Punter Southall Governance Services Limited), to ensure the independence of the GAA from WAWL as the Provider of the Group SIPP;
- Two individuals from Vidett (including an independent Chair) and one individual from WAWL have been appointed to the GAA committee;
- Vidett is experienced in relation to trust based defined contribution (DC) pension schemes. This experience is appropriate for the provision of a GAA to WAWL's workplace pension scheme;
- Vidett has experience of pension scheme governance and workplace committees such as GAAs and IGCs;
- The individuals from Vidett also chair the GAAs of other workplace pension schemes provided by other FCA regulated firms and are appointed to Independent Governance Committees (IGCs);
- As part of a wider pensions and governance group, Vidett has access to technical resources and expertise relevant to the GAA;
- The Head of Group Compliance, Risk & Pension Administration at WAWL has been appointed to the GAA; the Pension Administration Manager attends GAA meetings in a non-voting role. This ensures good communication between the GAA and WAWL and the free-flow of information;
- WAWL has almost 20 years' experience of providing financial education to corporate clients and directly employs a number of pensions specialists;
- The two individuals from WAWL have, collectively, more than 20 years' experience of group pensions and are both Managers at the firm;
- Both Vidett and WAWL understand the FCA's requirements in relation to the duties of the GAA;
- The majority of the GAA members are therefore independent of WAWL as the Provider of the Group SIPP, and have sufficient collective expertise and experience to be able to make judgements on the matters within the remit of the GAA, as required by COBS 19.5.9R(1).

### 3.0 Scheme information

The Group SIPP is for current and former employees of Wealth at Work Limited only. Membership of the Group SIPP is open to all employees within the Wealth at Work group of companies. If eligible, staff members are automatically enrolled into the Group SIPP within 3 months of joining WAWL.

The tables below provide context regarding the number of Group SIPP members, assets under management, staff demographic and contributions received during the period.

|                                  | As at 31 December 2022 | As at 31 December 2023 |
|----------------------------------|------------------------|------------------------|
| Total number of SIPP members     | 519                    | 582                    |
| Total number of active members   | 282                    | 377                    |
| Total number of deferred members | 237                    | 210                    |
| Total assets under management    | £13,446,074.79         | £13,285,679.80         |
| Average fund value               | £25,907.66             | £22,142.80             |

The staff membership demographic of WAWL is:

| Age range | As at 31 December 2023 |
|-----------|------------------------|
| 22-35     | 48%                    |
| 36-45     | 22%                    |
| 46-55     | 19%                    |
| 56-76     | 12%                    |

| Total monies received:                    | 31 December 2022                  | 32 December 2023 |
|-------------------------------------------|-----------------------------------|------------------|
| Salary sacrifice contributions            | £1,390,810.11                     | £2,026,536.64    |
| Number of transfers received              | 16                                | 17               |
| Total value of transfers received         | £261,598.12                       | £115,629.14      |
| Number of ad hoc net member contributions | 2                                 | 2                |
| Value of ad hoc net member contributions  | £25,600.00                        | £7,800.00        |
| Total money paid out (benefits):          | 1 January 2022 – 31 December 2023 |                  |
| Total value of PCLS paid (lump sums)      | £39,803.48                        |                  |
| Number of PCLS payments                   | 7                                 |                  |
| Total value of income paid                | £40,487.12                        |                  |
| Number of income payments                 | 26                                |                  |
| Total value of Small Pot lump sums paid   | £0                                |                  |
| Number of Small lump sum payments         | 0                                 |                  |



## 4.0 Ongoing Value for Money

In assessing the ongoing Value for Money of the Group SIPP provided by WAWL, the GAA has considered the following:

**the level of charges and costs**, in particular:

- administration charges and any transaction costs borne by members;
- any other charges borne by members and any other costs incurred as a result of managing and investing, and activities in connection with the managing and investing of, the pension savings of members;

**investment performance**; and

- **the quality of services** including whether:
- the communications provided to you by WAWL are fit for purpose and properly take into account the characteristics, needs and objectives of the scheme membership;
- the core financial transactions are processed promptly and accurately, such as processing contributions, transfers or death benefits.

## 4.1 Charges and transaction costs

Since 3 January 2018, the FCA rules require the reporting of transaction costs and administration charges incurred by members of workplace pension schemes to enable members to make informed decisions regarding the fees they pay. For the WAWL Group SIPP, the investment managers report the transaction costs and charges to WAWL, which in turn reports the costs and charges to the GAA.

'Administration charges' are those expenses incurred in running the WAWL Group SIPP. WAWL does not pass on to members any administration charges; these are absorbed by WAWL as a business.

'Transaction costs' are those costs incurred by the investment managers as a result of the buying and selling of the investments. These costs arise in the normal course of investing members' money.

In 2019, the FCA issued a consultation paper (CP19/10) on publishing and disclosing transaction costs and charges to workplace pension scheme members. The consultation closed on 28 May 2019 and the FCA issued new rules (PS20/2) in February 2020. The new rules set out the requirement for scheme governance bodies such as the GAA to publish and disclose information in the Chair's Statement about the administration charges and transaction costs to members of workplace pension schemes, such as the WAWL Group SIPP.

The WAWL Group SIPP has a Default Fund and a range of self-select funds available to members. The Default Fund is provided by WAWL for members who do not make an active choice regarding the investment of their contributions when first joining the Group SIPP. It is also used by WAWL to meet its 'auto-enrolment' (AE) duties in accordance with the AE regulations. Most members of the Group SIPP are invested in the Default Fund.

In providing a Default Fund to meet its AE duties, WAWL has confirmed that the total administration and investment charges are within the limit set by legislation (this excludes transaction costs). This limit is an annual cap of 0.75% (called the Charge Cap) that can be charged by the investment managers on the funds within the Default Fund.

At 31<sup>st</sup> December 2023, for each of the underlying funds within the Default Fund, the charges are:

| Contribution Amount | Fund name                                     | Objective                                                                                                                                                                                                                                                        | Asset allocation      |
|---------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 60%                 | Legal and General UK 100 Index Trust I Inc    | The objective of the Fund is to provide growth by tracking the capital performance of the FTSE 100 Index. This objective is after the deduction of charges and taxation.<br><br>Ongoing charge: 0.10%                                                            | 100% Equities         |
| 20%                 | Legal and General International Index Trust   | The objective of the Fund is to provide growth by tracking the capital performance of the FTSE World (ex UK) Index. This objective is after the deduction of charges and taxation.<br><br>Ongoing charge: 0.13%                                                  | 100% Equities         |
| 20%                 | Legal and General All Stocks Gilt Index Trust | The objective of the Fund is to provide a combination of growth and income by tracking the performance of the FTSE Actuaries UK Conventional Gilts All Stocks Index. This objective is after the deduction of charges and taxation.<br><br>Ongoing charge: 0.15% | 100% Government Bonds |

The effective fund management charge for the default option based on the above weightings is **0.116% per annum**.

**The GAA is pleased to report that all other charges and transaction costs are borne by WAWL.**

Please refer to **Appendix 1** for more details of the charges applying to the Default Fund.

#### **Self-select funds**

The charges and transaction costs that apply to the self-select investment strategies and funds (that is those investment strategies and funds where the member has made an active choice) range from 0.07% to 1.65% of each member's assets invested in the relevant strategy or fund.

#### **Additional charges**

WAWL has confirmed that any additional charges for the cost of the administration of the Group SIPP are borne by WAWL as the Group SIPP is made available to staff as part of their employee benefits and the administration is an internal service to employees. These internal administration costs are not member-borne and therefore they are outside the scope of this report but are included for completeness.

The GAA has assessed the extent to which the administration charges and transaction costs set out above represent Value for Money in the period covered by this report and concluded that the self-select investment strategies and the current default investment fund offer members Value for Money.

Rating: **GREEN**

## 4.2 Summary of impact of costs and charges – Default Fund

The table below shows the effects of charges over time on members' pension funds invested in the Default Fund.

The table shows the charges that would apply after one year of membership and at the age of 67 for members joining at each of the ages shown on the left. For example, someone joining at the age of 40 will have costs of £0.19 by the end of the first year and cumulative costs of £165.44 by the time they reach 67.

|              | After one year          |                      |       | At age 67               |                      |         |
|--------------|-------------------------|----------------------|-------|-------------------------|----------------------|---------|
| Age at Start | Fund Value without Fees | Fund Value with Fees | Fees  | Fund Value without Fees | Fund Value with Fees | Fees    |
| 22           | £304.90                 | £304.71              | £0.19 | £26,923.88              | £26,125.84           | £552.37 |
| 30           | £304.90                 | £304.71              | £0.19 | £19,482.54              | £19,017.02           | £343.66 |
| 35           | £304.90                 | £304.71              | £0.19 | £15,574.71              | £15,256.92           | £244.31 |
| 40           | £304.90                 | £304.71              | £0.19 | £12,157.63              | £11,951.03           | £165.44 |
| 45           | £304.90                 | £304.71              | £0.19 | £9,173.08               | £9,047.72            | £104.58 |
| 50           | £304.90                 | £304.71              | £0.19 | £6,569.66               | £6,501.18            | £59.52  |
| 55           | £304.90                 | £304.71              | £0.19 | £4,302.02               | £4,270.76            | £28.32  |
| 60           | £304.90                 | £304.71              | £0.19 | £2,330.15               | £2,320.37            | £9.23   |

The assumptions used in this table are:

- The member invests in the Default Fund offered by WAWL
- Projected pension pot values are shown in today's terms and do not need to be reduced further for the effects of inflation
- The starting pension pot size is assumed to be £0.00
- For the purposes of modelling only, inflation is assumed to be 2.50% each year
- Contributions will be paid each year from the starting age shown on the left to age 67
- Contributions are paid at the minimum rates required by automatic enrolment legislation, being 5% of band earnings for employees and 3% of band earnings for employers
- Band Earnings of £6,240.00 (LEL) and £50,270.00 for 2023/24
- The starting salary is £10,000 per annum (AE Minimum Trigger Point)
- Starting salaries are based on the median earnings for the relevant age group using the most current data available from the Office for National Statistics
- Salary increases are discretionary and are shown for the purposes of modelling only. increases are shown in line with the rate of increase of national average earnings. For the period under review, this was 2.90%
- Total costs each year will be 0.116% of the fund value, with no other charges applicable

- The projected rate of growth for the funds shown is 5% each year (not guaranteed, estimated for modelling purposes only).

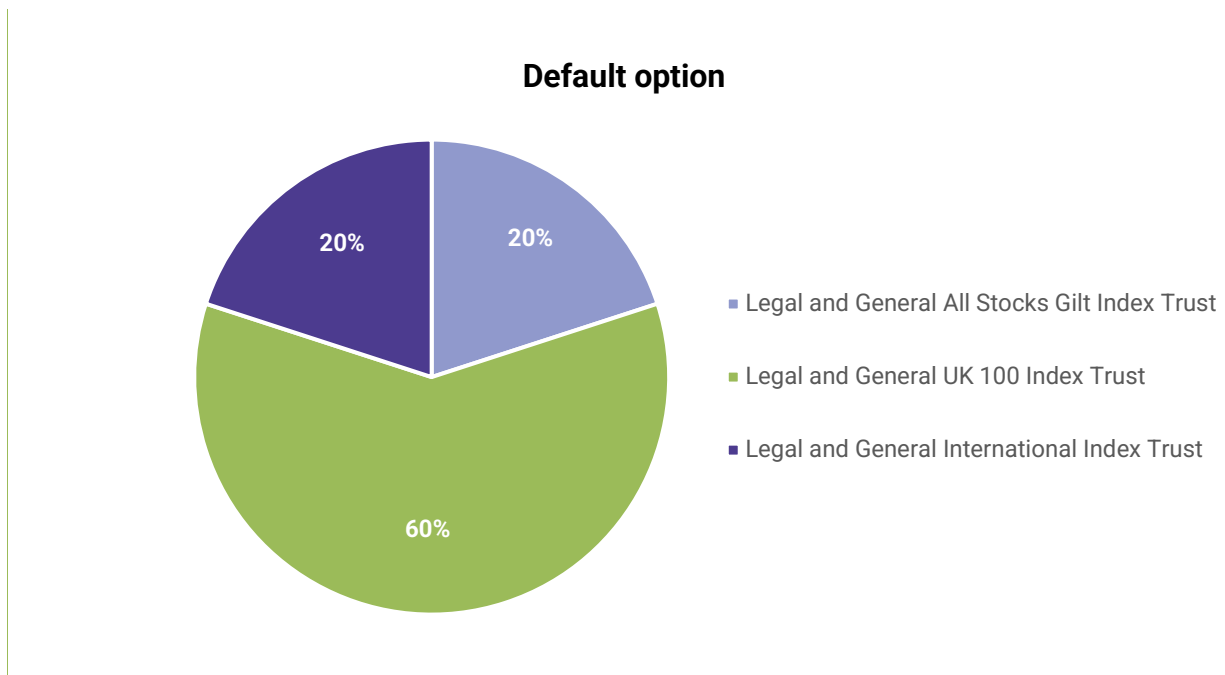
### 4.3 Investment performance – the Default Fund

The Wealth at Work SIPP has one Default Fund available to members.

The Group SIPP's key investment objective is to enable members to provide for their retirement via appropriate investment of their accumulated pension contributions. In relation to the Default Fund in particular, the objective is to provide an investment strategy that is intended to be suitable for a typical member. To ensure that the expected volatility of the returns and the level of volatility and risk in members' funds are managed, the Default Fund has appropriate diversification through different asset classes. This is shown in the table below.

On joining the Group SIPP, members' investment selection is automatically the default investment option (Default Fund). Members may self-select their own investment choice(s) from the Self-Select funds once the first contribution has been processed in respect of them. Full details of the investment options are available to members online. Members can switch between the range of investment funds and redirect their contributions at any time.

The current Default Fund for the GSIPP members in accumulation is made up of 3 passive tracker funds with no Lifestyling as follows:



The overall Default Fund charge is 0.116% which is materially within the Charge Cap set by legislation of 0.75%. The actual weightings of the three underlying funds making up the Default Fund will vary in accordance with the investment performance of each of the funds.

WAWL regularly undertakes an assessment of the Default Fund's investment strategy and the associated investment performance to ensure its continued appropriateness. This is an ongoing review by the WAWL Investment Management team who will raise any concerns internally if and when applicable. In addition to this, Wealth at Work Pension Trustee Limited (WAWPTL) also reviews the default investment strategy at least annually and WAWPTL will ensure it has enough information/evidence from the Investment Management team to provide assurance that the Default Fund remains appropriate for the majority of members.

The Default Fund and the number of self-select funds were reviewed in the period by WAWL with a view to reducing the funds available for self-select. The rationale for this was to ensure members are able to make an informed decision, as it was felt the range of funds previously available was too long, therefore members could potentially make a decision without due consideration. As at the year-end, the number of funds available to members to self-select was reduced to 74 with the intention to reduce this further in the near future. The GAA does not have any concerns regarding the reduction in the number of self-select funds and considers the revised fund range still provides members with a significant and diverse choice of funds to meet their requirements.

The current default investment strategy assumes that 25% of a member's retirement fund is taken as a tax-free cash sum at retirement, with the remaining 75% used to meet the individual's income requirement either via income drawdown, by purchasing an annuity or targeting cash as alternative outcomes. This strategy remains unchanged at the Year-End.

An annuity is a fixed sum of money paid to a scheme member on retirement and for each year for the rest of their life.

Income Drawdown is a way of receiving pension income when you retire, while allowing your remaining fund to stay invested and benefit from continued investment performance.

#### **4.4 Default Fund - underlying funds**

The Default Fund uses three underlying funds to meet the agreed investment objectives. All of the underlying funds are passive tracker funds provided by specialist investment manager, Legal & General Investment Management (LGIM). Further information on LGIM and its fund range can be found at [www.lgim.co.uk/eng/en/](http://www.lgim.co.uk/eng/en/). The characteristics of the individual underlying funds making up the Default Fund and their investment objectives are set out below.

##### **L&G UK 100 Index Trust Fund**

The investment objective of this fund is to provide growth by tracking the capital performance of the FTSE 100 Index. The Fund achieves this through investment in the shares of the 100 largest companies listed on the London Stock Exchange as measured by market capitalisation. The Fund is passively managed and aims to replicate the performance of the Index.

Key facts: the fund was launched in 1993 and has a fund size of c£1,710.7m (31 December 2023). It has a risk rating of 6 out of 7 because it invests in company shares which provide a greater return but are riskier investments.

Fund Performance chart (source: LGIM)

### PERFORMANCE (%)



|                   | 1 month | 3 months | 1 year | 3 years | 5 years |
|-------------------|---------|----------|--------|---------|---------|
| ■ Fund            | 3.71    | 1.59     | 7.50   | 32.58   | 37.42   |
| ■ Index           | 3.77    | 1.58     | 7.67   | 33.43   | 39.13   |
| Relative to Index | -0.06   | 0.01     | -0.17  | -0.85   | -1.71   |

## **L&G All Stocks Gilt Index Trust Fund**

The investment objective of this fund is to provide a combination of growth and income by tracking the performance of the FTSE Actuaries UK Conventional Gilts All Stocks Index. The Fund achieves this through investment in bonds issued by the UK Government. The Fund is passively managed, aiming to replicate the performance of the Index.

Key facts: the fund was launched in 1981 and has a fund size of c£1,93.8m (31 December 2023). It has a risk rating of 4 out of 7, reflecting the lower risk of investing in company and government bonds.

Fund performance chart (source: LGIM)

### PERFORMANCE (%)



|                   | 1 month | 3 months | 1 year | 3 years | 5 years |
|-------------------|---------|----------|--------|---------|---------|
| ■ Fund            | 4.93    | 8.06     | 3.65   | -24.86  | -13.56  |
| ■ Index           | 5.00    | 8.18     | 3.76   | -25.16  | -13.32  |
| Relative to Index | -0.07   | -0.12    | -0.11  | 0.30    | -0.24   |

## **L&G International Index Trust Fund**

The investment objective of this fund is to provide growth by tracking the capital performance of the FTSE World (ex UK) Index. The Fund achieves this through investment in shares of large and medium sized companies, as measured by market capitalisation, listed on a range of world stock markets (excluding the UK) and weighted by the size of those markets. The Fund is passively managed, aiming to replicate the performance of the Index.

Key facts: the fund was launched in 2008 and has a fund size of c£4,389.9m (31 December 2023). It has a risk rating of 6 out of 7 because it invests in global company shares which provide greater return but are riskier investments.

Fund performance chart (source: LGIM)

### **PERFORMANCE (%)**



|                   | 1 month | 3 months | 1 year | 3 years | 5 years |
|-------------------|---------|----------|--------|---------|---------|
| Fund              | 4.52    | 6.52     | 17.16  | 31.82   | 84.45   |
| Index             | 4.62    | 6.67     | 18.39  | 32.45   | 85.94   |
| Relative to Index | -0.10   | -0.15    | -1.23  | -0.63   | -1.49   |

## **Performance of the underlying funds within the Default Fund (% Growth) at 31/12/2023**

| Fund                                            | 1 Year | 3 Years | 5 Years |
|-------------------------------------------------|--------|---------|---------|
| <b>L&amp;G UK 100 Index Fund</b>                | 7.5%   | 32.58%  | 37.42%  |
| <b>L&amp;G All Stocks Gilt Index Trust Fund</b> | 3.65%  | -24.86% | -13.56% |
| <b>L&amp;G International Index Fund</b>         | 17.16% | 31.82%  | 84.45%  |

### **Notes:**

- All figures from LGIM as shown in the above charts and as at 31 December 2023.
- **Appendix 2** shows the performance of the funds against benchmarks over 1, 3 and 5-Year periods.

At the date of this Statement, the GAA is satisfied that there are no areas of concern in relation to the investment strategy or the investment performance of any of the underlying funds making up the Default Fund.

Rating: **GREEN**

#### **4.5 Investment performance – non-Default Funds (self-select funds)**

Members of the Group SIPP may choose their own investments, on an advised or non-advised basis. To do so, members complete and return a 'Switch & Redirect' form. A copy is provided to new employees in the new joiner pack and further copies are available to staff to download from the WAWL intranet. There were 77 members invested in the non-default (self-select) funds in the period under review.

The current range of non-default investment funds available to all members of the Group SIPP and the investment performance v benchmarks over 1 Year, 3 Years and 5 Years, are set out in **Appendix 3**. Members should note that this range of non-default investment strategies and funds may change over time.

At the date of this Statement, the GAA is satisfied that there are no areas of concern in relation to the range of non-default investment funds available to members as these are appropriate and proportionate given the membership size and demographics of the Group SIPP.

Rating: **GREEN**



## **5.0 Quality of Services**

### **5.1 Member communications**

WAWL has confirmed to the GAA that it has in place a suite of literature for issuing to new and existing scheme members as appropriate and copies of the key documents have been provided to the GAA for review. The GAA has assessed these as being appropriate with sufficient detail to enable members to make informed decisions. The communications continue to be reviewed by WAWL periodically and evolve in line with regulatory requirements and member needs.

Members are provided with detailed information relating to the Group SIPP on joining, including information on how the Group SIPP works, the Default Fund and alternative investment strategies, future proofing members' savings, a fund switch form, how to opt out, the level of member borne scheme charges, projected retirement forecasts, the complaints procedure. This information is available to members on the WAWL intranet and hard copies can be issued where appropriate.

Members are informed of the GAA and its role with respect to the Group SIPP in regular financial education sessions held for all staff by WAWL.

As noted above, communications covering other statutory information have been issued to members as appropriate and within the statutory timescales e.g. P60s, Annual Standard Lifetime Allowance Statements, SMPI statements and Redirection/Switch Letters.

Where appropriate, WAWL has issued Privacy Notices / Fair Processing Notices to meet the requirements of the data protection legislation (see below). WAWL is a Data Controller for the purposes of the UK GDPR. WAWL will review standard documents issued to members to ensure the data protection wording is updated as required.

The GAA is satisfied that at the Year-End, the communications provided by WAWL to GSIPP members are fit for purpose.

Rating: **GREEN**

### **5.2 Member engagement and representation**

The GAA is required to consider members' interests. As the Group SIPP is a staff pension scheme, members can, and do, provide feedback direct to the Pensions Administration team and HR. In addition, WAWL has put the following arrangements in place:

- all key communications issued by WAWL to members include reference to the GAA;
- information on the GAA is available to all members via WAWL's intranet, from the Pensions Administration team and at financial education sessions run by WAWL for its staff.

In the GAA's view, Group SIPP members have suitable and appropriate channels to raise any concerns on the Group SIPP. The GAA is not aware of any concerns raised by members.

Rating: **GREEN**

### **5.3 Core Financial Transactions**

In the GAA's view, the following are the core financial transactions undertaken on behalf of the members of the Group SIPP by WAWL:

- the timely receipt and allocation of member and Employer contributions;

- the timely investment of contributions paid in respect of members;
- the processing of transfer payments received from other pension arrangements;
- the processing of transfer payments paid out to other pension arrangements;
- the switching of members' assets between different investment funds available to members;
- the prompt payment of benefits from the scheme to, or in respect of, members on retirement or death;
- the processing of Pension Sharing Orders.

In the period covered by this report and in the GAA's view in light of information provided by WAWL, the core financial transactions have been processed promptly and accurately. Core financial transactions in the period have been made within WAWL's standard, internal SLAs.

WAWL has confirmed there were two death claims processed in the period and there were no Pension Sharing Orders or notifications of divorce in the period.

The GAA has been provided with copies of the Group SIPP administration reports as the necessary evidence to confirm the following on an on-going basis:

- The regular reporting on timescales for processing the core financial transactions and the reporting of errors / complaints statistics, where appropriate.
- For the member and Employer contributions (paid by WAWL), the investment of the contributions is made by the appointed Custodian once cleared funds are available. Contributions are deducted from members' salaries via payroll ('salary sacrifice') and paid to the Trustee bank account; the amounts are checked against a report from HR and once agreed, the contributions are sent to the Custodian bank account.
- The SLA for the investment of the contributions is one working day from receipt of cleared funds providing valid investment instructions are held and all other required information has been received.
- WAWL reconciles the Trustee bank account daily to ensure there are no uninvested contributions or payments due to be made.
- For transfer payments paid out to other pension arrangements, WAWL has procedures in place to undertake appropriate checks to ensure the receiving scheme is not a liberation arrangement or scam scheme. WAWL aims to provide a streamlined process for transfers out, but additional checks are undertaken where concerns exist about the receiving scheme e.g. doubts about the receiving scheme's authenticity. WAWL monitors the SLAs in relation to transfer payments but notes that some aspects of the process (relating to receiving information) are often outside of its control.
- For any qualifying members for Auto Enrolment purposes, WAWL undertakes checks of contributions against members' salaries. Any errors are identified and remedied by payroll.
- WAWL undertakes reviews where there are increases or decreases to the level of the expected contributions. Any errors are identified and remedied by payroll.

## Contribution Monitoring

The GAA has seen the Contribution Monitoring report for the period and all monies have been received and allocated within the SLAs and within statutory timescales for receipt and investment of the contributions.

The GAA is satisfied that during the period under review and based on the information provided to it by WAWL, there are no areas of concern in relation to the processing of the core financial transactions.

Rating: **GREEN**

## 5.4 Customer service and administration

Information made available to the GAA by WAWL has confirmed the following in relation to its regulatory reporting obligations (as at 31 December 2023):

- the required annual returns, quarterly accounting for tax (AFT) report and event report were issued to HMRC on time
- P60s were issued to members on time and the Scheme Return was issued to the Pensions Regulator on time
- the Statutory Money Purchase Illustrations due in the period have been issued within the required deadlines

During the reporting period one complaint was received from a former member of staff and six breaches were reported in respect of the Group SIPP. These were investigated and resolved. No compensation was paid out in respect of the breaches. The complaint was upheld and a minor amount of compensation paid out. All complaints and breaches are dealt with independently by WAWL's Compliance department. Training is provided to the business to escalate all expressions of dissatisfaction (oral or written) and to report any errors of processes or procedures to Compliance. Detailed registers are kept by WAWL to cross-reference to any complaints, breaches or errors made. Complaints are dealt with within regulatory timeframes and in accordance with WAWL's procedures and are escalated to management if a training need is identified or where procedures need to be amended. Complaints and breaches are notified to senior management each month as part of the Compliance board paper.

The GAA is satisfied that:

- no issues have been identified with Group SIPP member records held on WAWL's administration system
- WAWL has confirmed to the GAA that the common and conditional data held is complete and accurate. WAWL has processes in place to obtain any missing data.

The GAA has no material concerns regarding the administration of the Group SIPP during the year. The low number and materiality of complaints and breaches and the SLAs reported in the Group SIPP admin report to 31 December 2023 demonstrate that WAWL provides an accurate and timely administration service and overall member experience. The GAA is satisfied that where an error has occurred, WAWL has taken remedial action to address it, and has made prompt payment of any shortfall due to the member concerned or compensation as appropriate.

Rating: **GREEN**

## 5.5 Governance - cyber security

As part of the processing of the core financial transactions, the GAA has considered the robustness of WAWL's information technology and systems. Whilst cyber security falls outside of the GAA's remit, a successful breach of WAWL's IT systems has the potential to impact the core financial transactions undertaken by WAWL. For this reason, the GAA considers it appropriate to provide some brief information relating to the measures taken by WAWL to ensure its IT systems and data are protected.

WAWL has confirmed the following cyber security declaration.

In 2019, WAWL appointed BCN Group to provide all levels of IT support. BCN Group have been providing IT services across the UK, and in some parts of the EU, to SMEs since 2009 and are ISO27001 and 9001 certified. BCN Group are responsible for the backup and recovery of systems with disaster recovery best practices.

WAWL have partnered with CloudGroup, part of AirIT group, for cyber security who provide constant vulnerability monitoring, along with bi-annual vulnerability and penetration testing. AirIT are IASME certified and responsible for ensuring the Cyber Security Plus certification.

CloudGroup provides monthly cyber security reports to WAWL.

Cyber Security Plus certification number: IASME-CE-027587 & IASME-CEP-005798.

The GAA is not aware of any cyber security incidents of WAWL's systems. The GAA is satisfied with the cyber security in place.

To view the latest Wealth at work Cyber Essentials and Cyber Essentials Plus certification, visit the NCSC certification site [Cyber Essentials Certificate search - NCSC.GOV.UK](https://www.ncsc.gov.uk/cyber-essentials), and enter Wealth at work into the search criteria.

## 5.6 Governance - data protection

The EU General Data Protection Regulation (EU GDPR) applied with effect from 25<sup>th</sup> May 2018 and introduced new contractual obligations on data controllers and data processors, giving individuals increased control over their personal data and enhanced reporting obligations in the event of a data breach. The UK GDPR was brought into UK legislation by the Data Protection Act 2018 and replaced the EU GDPR following Brexit.

The GAA is an internal committee of WAWL and does not process personal member data. It is not a data controller or data processor. However, appropriate terms are in place between WAWL and PSGS in relation to the processing of personal member data. The GAA is satisfied with the policies put in place by WAWL to meet the requirements of the UK General Data Protection Regulation (UK GDPR).

## 5.7 Management and governance

The GAA has no concerns regarding the management of WAWL and the experience of the individuals representing WAWL on the GAA. Management is responsive to requests from the GAA and acts responsibly and collaboratively to assist the GAA in the discharge of its duties. WAWL is a national organisation providing financial education, regulated advice and wealth management and is well respected within the industry; the GAA does not have any concerns regarding the governance of WAWL as the Group SIPP provider.

Rating for 5.5, 5.6 and 5.7: **GREEN**

## 5.8 Environmental, Social and Governance (ESG)

The GAA is required to consider the adequacy and quality of WAWL's policy (if any) in relation to ESG financial considerations and non-financial matters and how these are taken into account in WAWL's investment strategy or investment decision making. The GAA is also required to consider the quality of WAWL's policy in relation to Stewardship.

The underlying funds making up the Default Fund are passive tracker funds provided by Legal & General Investment Management (LGIM), one of Europe's largest asset managers and a major global investor with assets under management of c£1.122 trillion worldwide (at 30 June 2024). As such, WAWL has no active policy in relation to the ESG financial considerations for the Default Fund since these are implemented by LGIM.

WAWL delegate responsibility for the selection, retention and realisation of the investments to the underlying fund managers. WAWL's approach to managing financially material considerations is limited by the nature of the pooled funds.

- For passively managed funds, WAWL recognises that the role of the investment manager is to track an index and the choice of index will dictate the assets held. WAWL will periodically review the indices used for this purpose.
- For actively managed funds (where the investment manager decides where to invest) such as the Self-Select funds, the investment managers are expected to take financially material considerations into account when deciding on the selection, retention and realisation of investments where permissible within the guidelines and instructions. WAWL also delegate the exercise of the rights (including voting rights) attaching to the investments to the individual fund managers.
- Fund managers are expected to exercise the voting rights attached to individual investments and engage with key stakeholders which may include corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks in accordance with their own house policy.

WAWL monitors the fund managers' charges on a regular basis. Fund managers are remunerated based on the value of assets which they manage and are replaced if charges are not deemed to be competitive.

WAWL do not take into account any non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in setting the investment strategy for the Default Fund. However, the Group SIPP also offers members Self-Select funds, such as the Ethical Fund (e.g. the AXA Ethical fund) and the Shariah Funds (e.g. the MSCI USA Islamic fund and the MSCI World Islamic fund), which allow members of the Group SIPP to invest in accordance with their views.

#### **Legal & General Investment Management – further information**

As LGIM uses its scale to encourage companies they invest in to develop resilient strategies, to think longer term and to consider their stakeholders. LGIM has an Investment Stewardship team that is highly active in ESG matters. LGIM is a signatory to the UN PRI and of the UK, Japan and Malaysia Stewardship Codes. LGIM has obtained an independent assurance opinion on their stewardship processes in line with AAF01/06. LGIM provides the following regular on-line reporting to its investors:

- Annual reports setting out details of positive change to create sustainable value for clients
- Quarterly ESG Impact reports setting out case studies of voting and engagement activities undertaken
- Public Voting Disclosures setting out on a transparent basis the voting instructions per meeting, including where votes were cast against management
- Climate Impact Pledge Scores setting out ratings as a key input into climate-related stewardship activities such as voting and disinvestment recommendations. The aim is to encourage companies to address any gaps in their climate disclosures and sustainability strategies whilst sanctioning companies falling short of LGIM's minimum standards
- LGIM ESG scores setting out a transparent scoring basis for the companies LGIM invests in with the aim of driving fundamental change.

## **Summary**

The GAA does not have any concerns regarding the ESG financial and non-financial matters in relation to the Default Fund.

For the non-default (self-select) funds, the investment managers have in place their own ESG policies, as stated above. These fall outside the remit of the GAA and have not been commented on any further in this Statement.

Rating: **GREEN**

## **6.0 Scheme Comparators**

The GAA is required to use its reasonable endeavours to obtain and compare comparators for the Group SIPP and assess whether those comparators could provide better Value for Money to members. This assessment should be undertaken in a manner that is proportionate to the likely member benefits that will result from the comparison. The assessment is also on the basis that there is publicly, or readily available information about the comparators.

As noted in this Statement, the product within scope of the GAA's remit is the Group SIPP provided by WAWL for its employees.

For the Group SIPP, the GAA notes that it is a single workplace pension scheme that is not commercially marketed by WAWL but is made available to its staff for pension provision and to meet its AE duties. The Group SIPP makes available a Default Fund and the costs and charges relating to the Default Fund is 0.116% which represents the fund managers' charges, with WAWL absorbing any costs above this.

WAWL also provide at no cost to Group SIPP members additional services including regulated advice, educational and financial workshops and enhanced online systems that aid members' understanding of the Group SIPP and the investments available. The online functionality also includes related pension and investment information. This enhanced system capability is made available to members at no-cost. Should members want to do so, they can contact the WAWL Investment Management team direct and request information on the underlying asset performance, including equity exposure on a real time basis. This may not appeal to all members, but it allows members to check their investment holdings should they wish to do so. They can also contact a WAWL FCA-regulated financial adviser if they wish to explore alternative options on their accumulated fund or take regulated advice on any other matters.

The GAA's view is that there is no publicly or readily available information to enable a proportionate comparison to be made of the Group SIPP against other similar products, taking into account the fact it is a workplace pension scheme for employees of WAWL, it is not marketed commercially, the design of the Default Fund, the additional regulated services provided by WAWL to Group SIPP members at no additional cost, and the quality of the in-house services provided by WAWL.

## **7.0 Overall assessment of Value for Money (Group SIPP)**

The GAA has assessed the three factors below as part of determining whether the Group SIPP provides Value for Money:

- Level of charges and costs
- Investment performance
- Quality of services

It is the GAA's view that the Group SIPP provides **Value for Money**.

This assessment is based on the specific points below and at a product level:

- The total administration charges and transaction costs for the Default Fund are significantly below the 0.75% cap;
- There are no other charges borne by members unless a member elects to invest in the self-select funds. All other charges are absorbed by WAWL;
- The individual funds making up the Default Fund have performed in line with their benchmarks (see Appendix 2). This is to be expected as they are passive tracker funds.
- The cumulative investment performance of the Default Fund provided appropriate investment returns over 1, 3 and 5 Year periods;
- The communications are fit for purpose and properly take into account the characteristics, needs and objectives of the members;
- The core financial transactions have been processed promptly and accurately.

## **7.1 Overall assessment of Value for Money (Investment Pathways)**

As noted in the body of this report, WAWL does not offer Investment Pathways to GSIPP members entering drawdown on a non-advised basis and therefore the GAA is not able to assess whether these provide good Value for Members.

## **7.2 Overall assessment of Value for Money**

The GAA is satisfied that WAWL has implemented its policies in relation to ESG financial and non-financial factors and in relation to Stewardship, as far as possible since the underlying investment managers are responsible for ESG and Stewardship. The GAA has no concerns regarding these matters.

It is the GAA's view that it has properly considered on a proportionate basis in light of the single product within scope and taking into account the size, complexity and nature of the Group SIPP, the factors necessary to determine its assessment of Value for Money.

In addition,

- The GAA has considered members' interests as far as possible;
- There have been no concerns raised by the GAA with WAWL, the FCA, or Group SIPP members;
- The GAA's expertise is set out above;
- The Administration charges and transaction costs comply with, and are below, the Charge Cap requirements for the Default Fund.

The GAA's overall assessment is that the Group SIPP provide members with **Value for Money**. This assessment also takes into account the additional services provided to members by WAWL.



As the Employer, WAWL has a different type of relationship with the Group SIPP members and have a number of support options available to them via the Pensions Administration team who can provide factual information, or where appropriate members can seek regulated financial advice from qualified WAWL financial advisers.

WAWL also provides an interactive and easy to navigate online portal, where members can track the performance of their pension fund(s), consider alternative funds with a "deep dive" into the underlying holdings within each of the funds, far in excess of what most fund managers provide.

In addition, members can choose to receive an extensive range of useful financial planning, pension and investment related commentary and articles.

Overall Rating: **GREEN**

**Signed by Vidett Governance Services Ltd\*, as Chair of the Wealth at Work Limited Governance Advisory Arrangement (GAA).**

**Chair** SIMON RIVIERE

**Date** September 2024

(\*Vidett Governance Services Limited, formerly Punter Southall Governance Services Limited).

## Appendix 1

### Charges and transaction costs of the Default Fund

A description of the charges and transaction costs relating to the Default Fund are set out below:

| Type of charge    | Description                                                                | Amount   |
|-------------------|----------------------------------------------------------------------------|----------|
| Initial charge    | One-off charge taken before or after an investment is made                 | None     |
| Redemption charge | One-off charge taken before or after an investment is made                 | None     |
| Ongoing charges   | Charges taken from the Default Fund over a year                            | 0.11600% |
| Performance fee   | Charges taken from the Fund under certain specific conditions              | None     |
| Early exit charge | Charges taken from a Member's fund value on early withdrawal from the Fund | None     |

#### Summary:

- All costs and charges for the above Default Fund are significantly within the 0.75% charge cap.
- All costs above 0.116% are absorbed by WAWL and are not passed on to members.
- There are no other additional costs or charges that are passed on to scheme members.

## **Appendix 2**

### **Performance charts of the underlying funds in the Default fund for 1<sup>st</sup> January – 31 December 2023**

#### **Review of 2023**

At the start of 2023, it was thought that developed countries (including the UK) would enter recession. Most economists thought a recession was likely by the end of 2023, whilst others thought developed countries had already entered one. However, unemployment remained low, consumer spending was stable and Gross Domestic Product (GDP) increased. As a result, 2023 was a good year for most risk assets such as equities. Stock market indices rose across the World, indicating strong growth in sectors from technology to emerging markets.

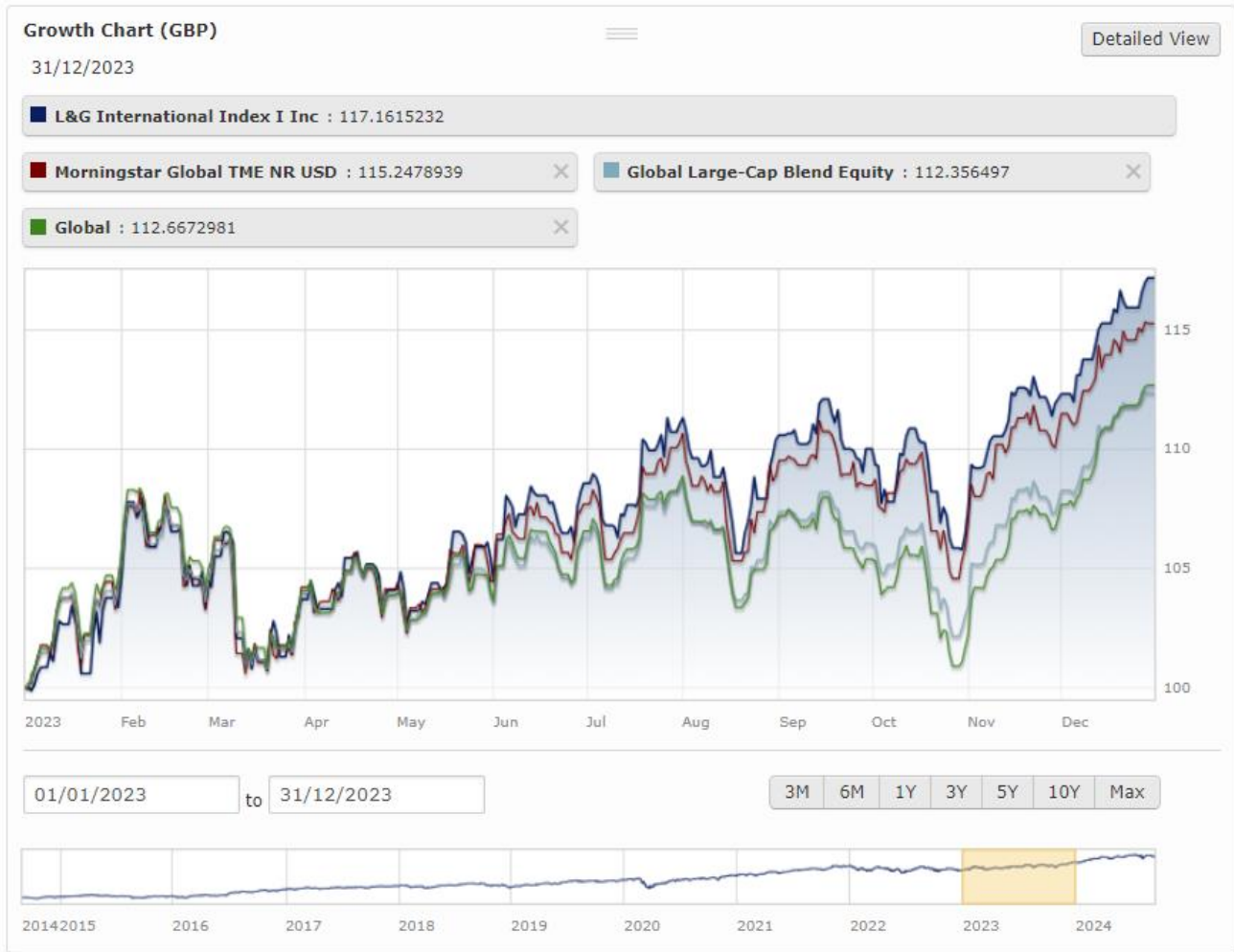
Fixed interest (bonds) also performed well during 2023. After a volatile year, bonds finished in positive territory across the major indices. The best performing funds were high-yield bonds, gaining c13%. Sterling credit also performed well. Although Sterling gilts (Government bonds) were sluggish during the year but ended up c3%.

So, a mixed bag over 2023 in terms of investment performance and volatility across all asset classes and this is reflected in the charts below which track performance of the underlying funds in the default fund for the period 1 January 2023 – 31 December 2023. However, it is pleasing to see that the underlying funds all made strong gains towards the end of 2023 which will help improve outcomes for those members invested in the default fund.

## 1. L&G UK 100 Index trust Fund



## 2. L&G International Index Trust Fund



### 3. L&G All Stocks Gilt Index Trust Fund



### Appendix 3

#### 1Y, 3Y & 5Y fund performance at 31 December 2023 of the Self-Select funds vs their Benchmarks

| Fund Name                                            | 1Y      | 3Y      | 5Y      | Benchmark                                  | 1y     | 3y      | 5y      |
|------------------------------------------------------|---------|---------|---------|--------------------------------------------|--------|---------|---------|
| abrdn SICAV I - Asian Smaller Companies X Acc GBP    | 7.02%   | 4.28%   | 29.38%  | MSCI AC Asia Pacific Ex Japan Small Cap    | 11.3%  | 20.59%  | 56.52%  |
| Aberdeen Standard Liquidity (Lux) - Sterling L-1 Inc | 4.72%   | 6.16%   | 7.29%   | SONIA                                      | 4.57%  | 6.08%   | 7.03%   |
| Artemis US Smaller Companies I Acc GBP               | 12.74%  | 7.02%   | 67.02%  | Russell 2000                               | 9.85%  | 13.24%  | 57.60%  |
| abrdn Europe ex UK Income Equity Inst Inc GBP*       | 12.35%  | 28.93%  | 66.98%  | FTSE World Europe EX UK                    | 15.69% | 26.34%  | 65.30%  |
| AXA Ethical Distribution R Inc                       | 5.40%   | -9.25%  | 7.08%   | FTSE All World                             | 15.12% | 26.90%  | 73.55%  |
| Baillie Gifford Global Discovery B Inc               | -3.97%  | -53.05% | 2.83%   | FTSE All World                             | 15.12% | 26.90%  | 73.55%  |
| Baillie Gifford Japanese Smaller Companies B Inc     | -11.22% | -39.75% | -11.57% | MSCI Japan Small Cap                       | 6.94%  | 4.45%   | 23.63%  |
| Invesco EQQQ Nasdaq 100 UCITS ETF GBP                | 45.76%  | 41.69%  | 171.73% | NASDAQ-100 Notional Net Total Return Index | 45.98% | 42.34%  | 173.68% |
| iShares China Large Cap UCITS ETF GBP                | -18.45  | -41.21  | -31.40  | FTSE China 50 Index                        | -17.83 | -39.89  | -31.65  |
| iShares MSCI AC Far East ex-Japan UCITS ETF GBP      | -3.49%  | -22.02% | 7.92%   | MSCI AC Far East ex Japan                  | -2.81% | -20.67% | 11.28%  |
| Fidelity Sterling Corporate Bond W Inc*              | 9.69%   | -11.21% | 6.93%   | ICE BofA Euro-Sterling Index               | 8.61%  | -13.37% | 2.36%   |
| FTF Martin Currie UK Managers Focus W Acc*           | 2.83%   | 8.50%   | 32.16%  | FTSE All Share                             | 7.92%  | 28.12%  | 37.69%  |
| GAM Star Disruptive Growth Institutional Inc GBP*    | 28.89%  | -4.33%  | 100.58% | MSCI World Growth Index                    | 29.27% | 26.01%  | 110.05% |
| Guinness Asian Equity Income Z Dis GBP               | 6.53%   | 12.28%  | 35.31%  | MSCI All-Country Pacific ex Japan          | -0.75% | 13.32%  | 18.98%  |

| Fund Name                                                           | 1Y      | 3Y      | 5Y      | Benchmark                                      | 1y      | 3y      | 5y      |
|---------------------------------------------------------------------|---------|---------|---------|------------------------------------------------|---------|---------|---------|
| Federated Hermes Global Emerging Markets Equity F2 Inc GBP*         | -2.40%  | -20.96% | 14.12%  | MSCI Emerging Markets Index                    | 3.63%   | -8.29%  | 19.73%  |
| iShares MSCI Australia UCITS ETF GBP                                | 7.90%   | 26.00%  | 55.81%  | MSCI Australia                                 | 8.32%   | 27.60%  | 58.89%  |
| Invesco Income & Growth (UK) Inc*                                   | 12.48%  | 25.64%  | 33.93%  | IA UK Companies Sector                         | 7.38%   | 14.50%  | 31.55%  |
| iShares MSCI Brazil UCITS ETF Inc GBP                               | 23.43%  | 28.82%  | 20.68%  | MSCI Brazil                                    | 25.21%  | 34.15%  | 27.84%  |
| iShares MSCI Eastern Europe Capped UCITS ETF GBP^                   |         |         |         | MSCI Eastern Europe 10/40 (SM) Index           |         |         |         |
| iShares MSCI Emerging Markets Islamic UCITS ETF GBP                 | 7.49%   | -2.03%  | 32.92%  | MSCI EM (Emerging Markets) Islamic Index       | 8.21%   | 0.20%   | 38.14%  |
| iShares Edge MSCI Emerging Markets Minimum Volatility UCITS ETF USD | 2.09%   | 4.15%   | 12.62%  | MSCI Emerging Markets Minimum Volatility Index | 2.77%   | 6.07%   | 15.57%  |
| iShares MSCI Emerging Markets UCITS ETF GBP                         | 3.45%   | -8.58%  | 17.99%  | MSCI Emerging Markets (SM) Index               | 3.63%   | -8.29%  | 19.73%  |
| iShares MSCI Japan UCITS ETF GBP                                    | 12.91   | 7.59%   | 35.76%  | MSCI Japan                                     | 13.53%  | 9.38%   | 39.55%  |
| iShares MSCI Korea UCITS ETF Inc GBP                                | 14.94%  | -16.07% | 26.01%  | MSCI Korea                                     | 16.21%  | -14.54% | 29.57%  |
| iShares VII plc - MSCI Mexico Cap. UCITS ETF GBP Acc                | 30.17%  | 73.84%  | 78.46%  | MSCI Mexico                                    | 32.97%  | 81.41%  | 84.76%  |
| iShares MSCI Taiwan UCITS ETF GBP                                   | 21.34%  | 23.89%  | 111.21% | MSCI Taiwan                                    | 23.06%  | 23.90%  | 121.94% |
| iShares MSCI Turkey UCITS ETF GBP                                   | -11.51% | 35.68%  | 26.44%  | MSCI Turkey                                    | 114.41% | 25.31%  | -8.89%  |
| iShares MSCI USA Islamic UCITS ETF GBP                              | 17.89%  | 52.53%  | 84.20%  | MSCI USA Islamic                               | 17.99%  | 53.02%  | 85.44%  |
| iShares MSCI World Islamic UCITS ETF GBP                            | 16.0%   | 41.31%  | 73.51%  | MSCI World Islamic                             | 15.86%  | 41.77%  | 75.31%  |
| iShares Edge S&P 500 Minimum Volatility UCITS ETF GBP               | 3.62%   | 29.72%  | 72.09%  | S&P 500                                        | 18.58%  | 40.72%  | 101.79% |



| Fund Name                                       | 1Y      | 3Y      | 5Y      | Benchmark                                                 | 1y     | 3y      | 5y      |
|-------------------------------------------------|---------|---------|---------|-----------------------------------------------------------|--------|---------|---------|
| JPM Europe Dynamic Ex UK C Inc                  | 12.64%  | 29.75%  | 66.27%  | FTSE All-World Developed Europe (ex UK) Index             | 14.92% | 23.17%  | 59.07%  |
| JPM Japan C Inc                                 | 9.54%   | -20.24% | 38.45%  | TOPIX                                                     | 12.83% | 9.53%   | 36.53%  |
| JPM Natural Resources C Acc                     | -3.80%  | 57.25%  | 76.53%  | MSCI AC Energy Metals & Mining 10-40                      | 0.29%  | 78.05%  | 61.12%  |
| JPM US Equity Income C Inc                      | -1.65%  | 35.83%  | 65.84%  | S&P 500                                                   | 18.58% | 40.72%  | 101.79% |
| Jupiter European I Inc                          | 17.97%  | 16.82%  | 56.61%  | FTSE World Europe EX UK                                   | 15.69% | 26.34%  | 65.30%  |
| Jupiter UK Growth I Acc                         | 10.44%  | 22.64%  | 4.28%   | FTSE All Share                                            | 7.92%  | 28.12%  | 37.69%  |
| L&G All Stocks Gilt Index Trust I Inc           | 3.65%   | -24.86% | -13.56% | FTSE UK Gilts All Stocks Index                            | 3.76%  | -25.16% | -13.32% |
| L&G International Index Trust I Inc             | 17.16%  | 31.82%  | 84.45%  | FTSE World ex UK                                          | 18.39% | 32.45%  | -       |
| L&G Japan Index Trust I Inc                     | 11.94%  | 7.66%   | 36.76%  | FTSE World Japan Index                                    | 12.82% | 9.25%   | 38.33%  |
| L&G UK 100 Index Trust I Inc                    | 7.50%   | 32.58%  | 37.42%  | FTSE 100                                                  | 7.93%  | 33.85%  | 38.90%  |
| L&G US Index Trust I Inc                        | 19.92%  | 39.39%  | 105.88% | FTSE USA Index                                            | 21.31% | 38.21%  |         |
| Liontrust Latin America C Acc GBP               | 17.78%  | 13.82%  | 14.86%  | MSCI EM Latin America                                     | 25.22% | 42.45%  | 34.40%  |
| Liontrust UK Mid Cap C Acc GBP#                 | Closed  |         |         |                                                           |        |         |         |
| Amundi MSCI Emerging Markets UCITS ETF C GBP    | 3.14%   | -9.52%  | 16.26%  | MSCI Emerging Markets                                     | 3.63%  | -8.29%  | 19.73%  |
| M&G North American Value I Inc GBP              | 10.86%  | 48.39%  | 67.99%  | S&P 500                                                   | 18.58% | 40.72%  | 101.79% |
| Matthews Pacific Tiger I Inc GBP                | -10.31% | -22.58% | 5.16%   | MSCI AC Asia ex Japan                                     | 0.00%  | -13.02% | 19.73%  |
| Jupiter Merian North American Equity L Acc GBP* | 17.05%  | 37.88%  | 89.51%  | MSCI North America                                        | 18.86% | 37.43%  | 100.72% |
| Polar Capital Healthcare Opportunities I GBP    | 3.88%   | 17.89%  | 55.13%  | MSCI AC World Daily Total Return Net Health Care Index    | -2.26% | 22.49%  | 60.82%  |
| Polar Capital North American I GBP              | 16.10%  | 33.49%  | 83.20%  | MSCI North America                                        | 18.86% | 37.43%  | 100.72% |
| Schroder Asian Alpha Plus Z Inc                 | -1.41%  | -10.91% | 34.03%  | MSCI AC Asia ex Japan (Net Total Return) index            | 0.00%  | -13.02% | 19.73%  |
| Schroder European Sustainable Equity Z Inc*     | 8.53%   | 9.31%   | 11.18%  | FTSE World Series Europe ex UK (Gross Total Return) Index | 15.69% | 26.34%  | 65.30%  |
| Stewart Investors Asia Pacific Leaders          | 2.85%   | 5.68%   | 36.15%  | MSCI AC Asia Pacific ex Japan                             | 1.31%  | -7.75%  | 25.40%  |

| Fund Name                                                   | 1Y     | 3Y      | 5Y      | Benchmark                                  | 1y     | 3y     | 5y      |
|-------------------------------------------------------------|--------|---------|---------|--------------------------------------------|--------|--------|---------|
| Sustainability B Acc GBP                                    |        |         |         |                                            |        |        |         |
| Templeton Emerging Markets Smaller Companies W Acc GBP      | 8.40%  | 23.56%  | 37.48%  | MSCI Emerging Markets Small Cap Index      | 16.93% | 29.35% | 60.31%  |
| CT European Select INA GBP*                                 | 18.99% | 15.38%  | 70.62%  | FTSE World Europe EX UK                    | 15.69% | 26.34% | 65.30%  |
| CT UK Equity Income ZNI GBP*                                | 9.95%  | 29.03%  | 44.57%  | FTSE All Share                             | 7.92%  | 28.12% | 37.69%  |
| UBS MSCI Pacific (ex Japan) UCITS ETF A Dis GBP             | 1.38%  | 11.61%  | 30.62%  | MSCI Pacific ex Japan                      | 0.44%  | 12.37% | 32.04%  |
| UBS MSCI United Kingdom UCITS ETF A Acc                     | 7.36%  | 36.93%  | 37.64%  | MSCI United Kingdom Index                  | 7.66%  | 37.95% | 39.30%  |
| UBS Global Emerging Markets Equity C Acc                    | 3.51%  | -15.17% | 17.56%  | FTSE Emerging                              | 2.51%  | -3.85% | 23.88%  |
| UBS US Growth C Acc                                         | 37.43% | 28.64%  | 123.74% | S&P 500                                    | 18.58% | 40.72% | 101.79% |
| Vanguard FTSE 100 UCITS ETF Inc GBP                         | 7.77%  | 33.40%  | 38.17%  | FTSE 100                                   | 7.93%  | 33.85% | 38.90%  |
| Vanguard FTSE Developed Asia Pacific ex Japan UCITS ETF GBP | 4.73%  | 5.05%   | 35.85%  | FTSE DEVELOPED ASIA PACIFIC EX JAPAN INDEX | 4.77%  | 5.34%  | 36.28%  |
| Vanguard FTSE Developed Europe ex UK UCITS ETF GBP          | 15.37% | 24.65%  | 62.04%  | FTSE Developed Europe ex UK                | 14.92% | 23.17% | 59.07%  |
| Vanguard FTSE Emerging Markets UCITS ETF GBP                | 1.78%  | -5.22%  | 21.16%  | FTSE Emerging Markets                      | 2.51%  | -3.85% | 23.88%  |
| Vanguard FTSE Japan UCITS ETF GBP                           | 12.75% | 8.93%   | 37.55%  | FTSE Japan Index                           | 12.82% | 9.25%  | 38.33%  |
| Vanguard S&P 500 UCITS ETF G                                | 18.81% | 41.51%  | 103.88% | S&P 500 Index                              | 18.58% | 40.72% | 101.79% |
| WisdomTree Physical Gold - GBP Daily Hedged Hedged Acc GBP  | 12.73% | 5.35%   | 47.01%  | FTSE All World                             | 15.12% | 26.90% | 73.55%  |
| WisdomTree Physical Gold Unhedged GBP                       | 6.96%  | 15.58%  | 57.66%  | FTSE All World                             | 15.12% | 26.90% | 73.55%  |
| WisdomTree Physical Silver Unhedged GBP                     | -6.71% | -5.09%  | 49.96%  | FTSE All World                             | 15.12% | 26.90% | 73.55%  |

| Fund Name                                      | 1Y     | 3Y     | 5Y      | Benchmark  | 1y     | 3y     | 5y      |
|------------------------------------------------|--------|--------|---------|------------|--------|--------|---------|
| Xtrackers - FTSE 100 UCITS ETF 1C GBP          | 7.51%  | 32.40% | 37.87%  | FTSE 100   | 7.93%  | 33.85% | 38.90%  |
| Xtrackers (IE) plc - MSCI USA UCITS ETF 1C GBP | 20.65% | 39.38% | 105.55% | MSCI USA   | 19.36% | 37.48% | 102.38% |
| Xtrackers Nikkei 225 UCITS ETF 1D GBP          | 15.25% | 0.16%  | 41.54%  | Nikkei 225 | 12.42% | -4.67% | 30.30%  |
| OMR Merian Europe (ex UK) Smaller Companies~   | Closed |        |         |            |        |        |         |
| WisdomTree GBP Daily Hedged Silver#            | Closed |        |         |            |        |        |         |
| <b>Key:</b>                                    |        |        |         |            |        |        |         |
| *Name change                                   |        |        |         |            |        |        |         |
| ^Suspended due to Russia content               |        |        |         |            |        |        |         |
| #Closed (Historic data not available)          |        |        |         |            |        |        |         |
| ~Closed                                        |        |        |         |            |        |        |         |