

Chair's DC Governance Statement, covering 1 January 2024 to 31 December 2024

1. Introduction

The **Russell Investments Pension Plan** (the “Plan”) is an occupational pension scheme providing defined contribution (“DC”) benefits (a DC pension scheme is where employee and employer contributions are paid into it, and the member chooses their investments (or is invested in the default option), but bears the investment risk).

Following a review of its benefit offering, Russell Investments (the “Company”) working with its advisers and the Trustees, decided that a new pension arrangement with the Aegon Master Trust would better meet the needs of members going forwards.

After the Plan year end, on 1 April 2025, the Russell Investments Retirement Savings Plan (part of the Aegon Master Trust) was established and became the vehicle in which new pension contributions were paid. Therefore, the existing active members of the Plan’s membership became deferred. The transition of assets from the Plan to the new arrangement for all members took place in June 2025.

This Statement has been prepared only to fulfil the legislative requirements for the Plan year 1 January 2024 to 31 December 2024.

2. Members’ summary

Governance requirements apply to DC pension arrangements, to help members achieve a good outcome from their pension savings. The Trustees of the Plan are required to produce a yearly statement (signed by the Chair of Trustees) covering:

- the design and oversight of the default investment options in which members can invest, this means the default arrangement (the “Default”) and a number of other funds that are also classified as default arrangement for governance purposes (the “additional default funds”). This involves funds where contributions are invested for members that do

wish to choose their own investments and other funds members can select or have assets in, such as “legacy” funds;

- processing of core financial transactions (ie administration of the Plan, such as investment of contributions);
- the charges and transaction costs borne by members for the default option and any other investment option members can select or have assets in, such as “legacy” funds;
- an illustration of the cumulative effect of these costs and charges;
- net returns of the investment options;
- how the value members obtain from the Plan is assessed; and
- Trustee knowledge and understanding.

The key points that the Trustees would like members reading this Statement to take away are as follows:

- The administrator has processed core financial transactions promptly and accurately to an acceptable level during the Plan year, and the Trustees are comfortable with the administrator’s performance.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money that can grow with future investment returns.
- Fees for the investment options are set out in this Statement, and the Trustees are comfortable that these fees are reasonable given the circumstances of the Plan and represent value for the benefits members obtain.
- The Trustees regularly monitor the investment arrangements, and the Trustees are satisfied that the Default and other investment options remain suitable for the membership.
- The Trustees undertake training and receive advice as appropriate so that the Trustees have sufficient knowledge and understanding to do so effectively.
- From 1 April 2025, all new pension contributions are paid into the Russell Investments Retirement Savings Plan and in June 2025, all assets held into the Plan were transferred into this new arrangement.

3. Default arrangements

During the Plan year, the Plan was used as a Qualifying Scheme for automatic enrolment purposes. This means that it was used as a pension savings scheme for employees who are eligible for automatic enrolment into a pension scheme.

The Trustees have made available a range of investment options for members. Members who join the Plan and who do not choose an investment option are placed into the Default. The Trustees recognise that just over half of members do not make active investment decisions and instead invest in the Default. After taking advice, the Trustees decided to make the Default a lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date.

A number of other funds are also classified as defaults for some members following past investment changes where members' funds have been transferred without the members expressing a choice. These additional default funds must adhere to the legal requirements that apply to default arrangements.

As of 31 December 2024, there were four funds used as part of the Default (shown in **bold**) and seven additional default funds as follows:

- **Russell Multi Asset Growth Strategy***
- **Russell World Equity II (SH)**
- **Russell Global Bonds (SH)**
- **Russell Sterling Liquidity***
- Russell Global High Yield
- Russell UK Equity Fund
- Russell Global Small Cap Equity
- Russell World Equity
- Russell World Equity (SH)
- Legal & General Over 5 Years Index Linked Gilts Fund
- Legal & General All Stock Index-Linked Gilts Index Fund

*These funds are also standalone "additional defaults", as well as components of the Plan's Default.

The Trustees are responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangements.

Details of the objectives and their policies regarding the default arrangements are set out in a document called the 'Statement of Investment Principles' ("SIP"). The Plan's SIP covering the default arrangements is attached to this Statement.

The aims and objectives of the Plan's Default, as stated in the SIP, is as follows:

- to provide long-term returns significantly above inflation whilst members are some distance from retirement; and
- reducing volatility for members approaching their expected retirement age.

The Default is reviewed at least every three years and was last reviewed on 20 December 2024 as part of the Aegon Master Trust project. The performance and strategy of the Default were reviewed to check whether investment returns (after deduction of charges and costs) have been consistent with the aims and objectives of the Default as stated in the SIP, and to check that it continues to be suitable and appropriate given the Plan's risk profiles and membership.

The Trustees are satisfied that the Default remains appropriate due to the membership and drawdown analysis conducted as part of the review.

In addition to triennial strategy reviews the Trustees also review the performance of the default arrangements against their objectives on a quarterly basis. The Trustees' reviews over the Plan year concluded that the default arrangements were performing broadly as expected and consistently with the aims and objectives as stated in the SIP.

Asset allocation breakdown

The Trustees are required to calculate the percentage of the Plan assets within the default arrangements allocated to key asset classes. In line with DWP's guidance the Trustees have also shown this asset allocation for different ages as at the Plan year end.

Default Strategy

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	4.56	4.56	2.86	3.00
Corporate bonds (UK and overseas)	2.82	2.82	14.09	26.25
UK government bonds	0.76	0.76	3.80	6.92
Overseas government bonds	0.30	0.30	1.50	14.91
Listed equities	79.87	79.87	20.46	12.28
Other	11.70	11.70	57.29	36.62

* All additional default asset allocations have been included in the Appendix.

4. Processing of core financial transactions

The processing of core financial transactions is carried out by the administrator of the Plan, Railpen. Core financial transactions include (but are not limited to): the investment of contributions, processing of transfers in and out of the Plan, transfers of assets between different investments within the Plan, and payments to members/beneficiaries.

The Trustees recognise that delays and errors can cause significant issues for members. The Trustees have received assurance from Railpen that there are adequate internal controls to support prompt and accurate processing of core financial transactions.

The Plan has a Service Level Agreement ("SLA") in place with the administrator which covers the accuracy and timeliness of all core financial transactions. The key processes adopted by the administrator to help it meet the SLA are as follows:

- all post, emails and telephone requests are logged by case type each day, with the relevant SLA and target date being applied;
- daily reports are run to ensure that all cases are allocated to be worked on within the SLA;
- daily reports are also run to ensure that all allocated cases have been completed within SLA;
- casework is completed using a system which issues automatic reminders for outstanding information;
- a full cash/unit reconciliation is completed weekly;
- follow up emails are sent to ensure that processing of trades and switches are completed efficiently until paid; and
- switch instructions received before 9am are aimed to be processed on the same day before 12pm to reduce out of market exposure for members.

The Trustees regularly receive presentations from Railpen at Trustee meetings, providing the opportunity to discuss any aspect of service delivery and to help them monitor that SLAs are being met. To meet the service performance targets for accuracy and timeliness within the SLAs, Railpen have confirmed that it has control processes in place including daily reconciliation of bank accounts, daily reconciliation of transactions recorded in the administration system, automated processing and data validation applied to contribution files and investment instructions and at least two persons involved with checking investment and banking transactions.

To help the Trustees monitor whether service levels are being met, the Trustees receive quarterly reports about the administrator's performance and compliance with the SLA. Any issues identified as part of the Trustees' review processes would be raised with the administrators immediately, and steps would be taken to resolve the issues.

Based on their review processes, the Trustees are satisfied that over the period covered by this Statement:

- the administrator was operating appropriate procedures, checks and controls, and operating within the agreed SLA;
- there have been no material administration issues in relation to processing core financial transactions; and

- core financial transactions have been processed promptly and accurately to an acceptable level during the Plan year.

The SLA average was 97% which is slightly lower than the previous Plan year levels (98%) but within the agreed SLA target.

5. Member-borne charges and transaction costs

The Trustees are required to set out the on-going charges incurred by members over the period covered by this Statement, which are annual fund management charges plus additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio (“TER”). The TER is paid by the members and is reflected in the unit price of the funds.

The stated charges are shown as a per annum (“pa”) figure. For funds managed by Russell Investments, the annual fund management charges (“AMC”) are rebated to members on a quarterly basis and only additional fund expenses are paid by members. For funds managed by L&G, members pay both the AMC and additional fund expenses. The charges shown in this section exclude administration costs since these are met by the sponsoring Company of the Plan, not by members.

The Trustees are also required to disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Plan’s fund managers buy and sell assets within investment funds but are exclusive of any costs incurred when members invest in and switch between funds. The transaction costs are borne by members and also reflected in the unit price of the funds.

The charges and transaction costs have been supplied by Russell Investments and L&G who are the Plan’s investment managers. When preparing this section of the Statement the Trustees have taken account of the relevant statutory guidance. Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. The Trustees have shown any negative figures in the tables for the year as provided, but for the costs and charges illustrations the Trustees have used zero where a transaction cost is negative, to give a more realistic projection (ie the Trustees would not expect transaction costs to be negative over the long term).

Default arrangements

The Default’s approach means that the level of charges and transaction costs will vary depending on how close members are to their retirement age and in which funds they are invested.

For the period covered by this Statement, annualised charges and transaction costs are set out in the following table.

Default charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
20 or more years to retirement	0.12	0.22
15 years to retirement	0.12	0.26
10 years to retirement	0.13	0.30
5 years to retirement	0.12	0.29
At retirement	0.13	0.25

Russell Investments have provided charges and transaction costs as at 31 December 2024.

The default arrangement does not have any performance-based fees associated with it.

Self-select options

The level of charges for each self-select fund (including those used in the Default and the additional default funds) and the transaction costs over the period covered by this Statement are set out in the following table. The annual AMC for funds managed by Russell Investments is rebated to members on a quarterly basis and as such, there is no effective AMC that members pay for these funds. The underlying funds used within the Default are shown in **bold**. The additional default funds are marked with an asterisk (*).

Self-select fund charges and transaction costs (% per annum)

Fund name	Annual Management Charge (% pa)	Additional expenses (% pa) (Member borne charges)	TER	Transaction costs
Russell (MAGS) Multi Asset Growth Strategy*	0.00	0.13	0.13	0.30
Russell OpenWorld Global High Dividend Equity	0.00	0.13	0.13	0.07
Russell World Equity*	0.00	0.10	0.10	0.18
Russell World Equity – Sterling Hedged*	0.00	0.10	0.10	0.18
Russell World Equity II	0.00	0.11	0.11	0.19
Russell World Equity II – Sterling Hedged	0.00	0.12	0.12	0.20
Russell Emerging Markets Debt Local Currency	0.00	0.31	0.31	0.31
Russell Global Bonds	0.00	0.11	0.11	0.24
Russell Global Bonds – Sterling Hedged	0.00	0.11	0.11	0.24

Fund name	Annual Management Charge (% pa)	Additional expenses (% pa) (Member borne charges)	TER	Transaction costs
Russell Global Credit – Sterling Hedged	0.00	0.11	0.11	0.03
Russell Global High Yield*	0.00	0.13	0.13	0.16
Russell Global High Yield – Sterling Hedged	0.00	0.14	0.14	0.18
Russell Continental European Equity	0.00	0.22	0.22	0.15
Russell Continental European Equity – Sterling Hedged	0.00	0.23	0.23	0.19
Russell Emerging Markets Equity	0.00	0.14	0.14	0.39
Russell Eurozone Equity	0.00	0.16	0.16	0.17
Russell Japan Equity	0.00	0.27	0.27	0.11
Russell Japan Equity – Sterling Hedged	0.00	0.27	0.27	0.12
Russell Pan European Equity	0.00	0.37	0.37	0.16

Fund name	Annual Management Charge (% pa)	Additional expenses (% pa) (Member borne charges)	TER	Transaction costs
Russell US Equity	0.00	0.13	0.13	0.08
Russell US Quant	0.00	0.17	0.17	0.07
Russell Global Small Cap Equity*	0.00	0.37	0.37	0.25
Russell UK Equity*	0.00	0.17	0.17	0.23
Russell Global Real Estate Securities	0.00	0.17	0.17	0.30
Russell OpenWorld Global Listed Infrastructure	0.00	0.17	0.17	0.17
Russell Sterling Liquidity*	0.00	0.18	0.18	0.02
Russell Unconstrained Bond ¹	0.00	0.41	0.41	0.10
L&G All Stocks Index-Linked Gilts Index*	0.10	0.00	0.10	0.04
L&G Asia Pacific ex-Japan Equity Index	0.28	0.02	0.30	0.00
L&G Cash	0.12	0.00	0.12	0.07

Fund name	Annual Management Charge (% pa)	Additional expenses (% pa) (Member borne charges)	TER	Transaction costs
L&G Europe ex-UK Equity Index	0.25	0.00	0.25	0.14
L&G Global Emerging Markets Index	0.45	0.02	0.47	0.00
L&G Index Linked 5 Years Gilts*	0.10	0.00	0.10	0.05
L&G Japan Equity Index	0.22	0.01	0.23	0.01
L&G North America Equity Index	0.20	0.00	0.20	0.00
L&G UK Equity Index	0.10	0.08	0.18	0.02
L&G UK Fixed Interest – All Stocks	0.22	0.00	0.22	0.00
L&G World Emerging Markets Equity Index	0.55	0.00	0.55	-0.01
L&G World ex-UK Equity Index	0.22	0.00	0.22	0.02

¹ Fund closed 31 January 2024. As such, data is to 31 December 2023 as no interim data is available.

Russell Investments and L&G have provided charges and transaction costs as at 31 December 2024. An asterisk (*) denotes the additional default funds. Charges for the funds used in the Default are shown in **bold**.

Illustration of charges and transaction costs

The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. In preparing this illustration, the Trustees have had regard to the relevant statutory guidance.

- The “before costs” figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The “after costs” figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.
 - The transaction cost figures used in the illustration are those provided by the managers over the past seven years (except for the L&G All Stocks Index Linked Gilts Index Fund and L&G Index Linked Over 5 Years Gilts where five years are used), subject to a floor of zero (so the illustration does not assume a negative cost over the long term). The Trustees have used the average annualised transaction costs over the past seven years as this is the longest period over which figures were available and should be more indicative of longer-term costs compared to only using figures over the Plan year.
 - The first illustration is shown for the Default as well as two funds from the Plan's self-select fund range. The additional default arrangements have also been illustrated. The two self-select funds and additional defaults shown in the illustration are:
 - the fund with highest annual member borne costs (TER plus Plan Year transaction costs) – this is the Russell Emerging Markets Debt Local Currency
 - the fund with lowest annual member borne costs – this is the Russell Global Credit – Sterling Hedged
 - additional defaults – the Russell (MAGS) Multi Asset Growth Strategy.
 - additional defaults – the Russell World Equity Fund.
 - additional defaults – the Russell World Equity (SH) Fund.
 - additional defaults – the Russell UK Equity Fund.
 - additional defaults – the Russell Global High Yield Fund.
 - additional defaults – the Russell Global Small Cap Equity Fund.
 - additional defaults – the Russell Sterling Liquidity Fund
 - additional defaults – the L&G All Stocks Index Linked Gilts Index Fund.
- additional defaults – the L&G Index Linked Over 5 Years Gilts.

Projected pension pot in today's money

Years invested	Default option		Russell Emerging Markets Debt Local Currency		Russell Global Credit – Sterling Hedged		Russell MAGS		Russell Sterling Liquidity Fund	
	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£18,000	£18,000	£17,700	£17,600	£17,700	£17,600	£17,700	£17,600	£17,400	£17,400
3	£32,900	£32,600	£31,400	£31,000	£31,400	£31,200	£31,400	£31,100	£30,100	£30,000
5	£49,000	£48,300	£45,500	£44,600	£45,500	£45,000	£45,500	£44,900	£42,700	£42,500
10	£95,100	£92,500	£82,600	£79,800	£82,600	£81,100	£82,600	£80,700	£73,700	£72,900
15	£150,800	£144,800	£122,700	£116,500	£122,700	£119,300	£122,700	£118,500	£103,800	£102,200
20	£218,300	£206,700	£165,800	£155,000	£165,800	£159,900	£165,800	£158,500	£133,300	£130,600
25	£290,200	£271,000	£212,200	£195,100	£212,200	£202,900	£212,200	£200,600	£162,000	£158,000
30	£354,000	£326,400	£262,300	£237,100	£262,300	£248,500	£262,300	£245,100	£190,000	£184,500
35	£414,900	£377,900	£316,200	£281,000	£316,200	£296,800	£316,200	£292,100	£217,200	£210,000
40	£477,900	£430,100	£374,200	£326,900	£374,200	£348,000	£374,200	£341,700	£243,900	£234,700

Projected pension pot for additional defaults in today's money

Years invested	Russell World Equity Fund		Russell World Equity (SH) Fund		Russell UK Equity Fund		Russell Global High Yield Fund		Russell Global Small Cap Equity		L&G All Stocks Index Linked Gilts Index Fund		L&G Index Linked Over 5 Years Gilts	
	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£18,000	£17,900	£18,100	£18,100	£18,100	£18,000	£17,700	£17,700	£18,100	£18,000	£18,000	£17,900	£18,100	£18,100
3	£32,700	£32,500	£33,300	£33,000	£33,300	£33,000	£31,400	£31,200	£33,300	£32,900	£32,700	£32,500	£33,300	£33,200
5	£48,400	£47,900	£49,900	£49,200	£49,900	£49,200	£45,500	£45,100	£49,900	£48,900	£48,400	£48,100	£49,900	£49,600
10	£92,900	£91,100	£98,500	£95,800	£98,500	£95,600	£82,600	£81,300	£98,500	£94,800	£92,900	£91,800	£98,500	£97,300
15	£145,600	£141,500	£159,000	£152,600	£159,000	£152,100	£122,700	£119,900	£159,000	£150,100	£145,600	£143,200	£159,000	£156,100
20	£208,300	£200,400	£234,300	£221,700	£234,300	£220,800	£165,800	£160,800	£234,300	£217,000	£208,300	£203,700	£234,300	£228,600
25	£282,800	£269,300	£328,300	£306,000	£328,300	£304,400	£212,200	£204,300	£328,300	£297,700	£282,800	£274,800	£328,300	£318,100
30	£371,200	£349,900	£445,300	£408,700	£445,300	£406,100	£262,300	£250,600	£445,300	£395,200	£371,200	£358,500	£445,300	£428,500
35	£476,200	£444,000	£591,200	£533,800	£591,200	£529,700	£316,200	£299,700	£591,200	£513,000	£476,200	£457,000	£591,200	£564,700
40	£600,900	£554,000	£773,000	£686,300	£773,000	£680,200	£374,200	£352,000	£773,000	£655,300	£600,900	£572,900	£773,000	£732,700

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. The long term annual inflation assumption used is 2.5%.
- Annual salary growth is assumed to be 2.5%. Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line with inflation to allow for prudence in the projected values.
- The starting pot size used is £11,000. This is the approximate average (median) pot size for active (contributing) members aged 30 years and younger (rather than using a whole membership average, the Trustees have taken this approach to give a more realistic 40-year projection).
- The projection is for 40 years, being the approximate duration that the youngest Plan member has until they reach the Plan's Normal Pension Age.
- The starting salary is assumed to be £54,000. This is the approximate median salary for active members aged 30 or younger.
- Total contributions (employee plus employer) are assumed to be 12.0% of salary per year as this is the average contribution for the active membership.
- The projected before costs annual returns used are as follows:
- Default option: 3.9% above inflation for the initial years, gradually reducing to a return of 1.3% above inflation at the ending point of the lifestyle.
 - Russell Emerging Markets Debt Local Currency: 1.5% above inflation.
 - Russell Global Credit – Sterling Hedged: 1.5% above inflation.
- Additional default options:
 - Russell (MAGS) Multi Asset Growth Strategy - 1.5% above inflation.
 - Russell World Equity Fund – 3.5% above inflation.
 - Russell World Equity Fund (Sterling Hedged) – 4.5% above inflation.
 - Russell UK Equity Fund – 4.5% above inflation.
 - Russell Global High Yield Fund – 1.5% above inflation.
 - Russell Global Small Cap Equity – 4.5% above inflation.

- Russell Sterling Liquidity Fund: 0.5% below inflation.
- L&G All Stocks Index Linked Gilts Index Fund – 3.5% above inflation.
- L&G Index Linked Over 5 Years Gilts – 4.5% above inflation.

- No allowance for active management outperformance has been made.

Please note that the expected returns used in the projections are the same assumptions used in the Plan's latest Statutory Money Purchase Illustrations ("SMPIs"). Rules around SMPIs mean that return assumptions are set in a prescribed way based on the volatility of investment returns, with higher volatility meaning higher assumed returns. Because gilts have been very volatile in recent years the SMPI approach results in assumptions that may be considered unrealistic, specifically that gilts are assumed to have a higher return than equities over the long term. Therefore, you should interpret the projections with caution and not make any significant change to your investments as a result of them. You should consider obtaining professional financial advice before making any significant change to your investments.

6. Investment returns

This section shows the annual return, after the deduction of member borne charges and transaction costs, for all investment options in which member assets were invested during the Plan year. The Trustees have had regard to the statutory guidance in preparing this section.

For Russell Investments funds, the returns are net of all expenses (before any rebate is applied). The Trustees are unable to accurately present the performance experienced by members as a result of this rebate process.

For the arrangements where returns vary with age, such as for the default strategy, returns are shown over the Plan year for a member aged 25, 45 and 55 at the start of the period the returns are shown over.

Default net returns over periods to Plan year end

Age of member at the start of the period	1 year (%)	3 years (% pa)
25	15.5	5.0
45	14.9	4.1
55	9.2	1.7

Performance has not been shown for the 5 year period as members have only been able to invest in the revised Default since January 2021, when it was implemented. The Trustees have instead also shown the performance for the 5 year period to 31 December 2020 for the previous Default that was in place.

Previous Default net returns over periods to 31 December 2020

Age of member at the start of the period	5 years (% pa)
25	5.2
45	5.2
55	4.9

Self-select fund net returns over periods to Plan year end

Fund name	1 year (%)	5 years (% pa)
Russell (MAGS) Multi Asset Growth Strategy*	9.4	4.2
Russell OpenWorld Global High Dividend Equity	9.8	6.7
Russell World Equity*	16.9	11.4
Russell World Equity – Sterling Hedged*	17.4	9.7
Russell World Equity II	14.1	9.4
Russell World Equity II – Sterling Hedged	17.0	9.4
Russell Emerging Markets Debt Local Currency	-3.6	1.3
Russell Global Bonds	-0.4	-0.4

Fund name	1 year (%)	5 years (% pa)
Russell Global Bonds – Sterling Hedged	2.3	0.2
Russell Global Credit – Sterling Hedged	3.4	0.0
Russell Global High Yield*	6.5	3.2
Russell Global High Yield – Sterling Hedged	7.9	4.1
Russell Continental European Equity	1.6	7.6
Russell Continental European Equity – Sterling Hedged	8.6	8.2
Russell Emerging Markets Equity	9.9	2.8
Russell Eurozone Equity	4.0	6.7
Russell Japan Equity	9.9	5.2
Russell Japan Equity – Sterling Hedged	26.6	14.0
Russell Pan European Equity	4.1	6.9
Russell US Equity	23.4	14.1
Russell US Quant	27.7	16.0
Russell Global Small Cap Equity*	12.7	10.0
Russell UK Equity*	12.3	4.6
Russell Global Real Estate Securities	1.3	-0.1
Russell OpenWorld Global Listed Infrastructure	12.0	5.8
Russell Sterling Liquidity*	5.0	2.1
Russell Unconstrained Bond ¹	6.3	2.3

Fund name	1 year (%)	5 years (% pa)
L&G All Stocks Index-Linked Gilts Index*	-8.4	-6.7
L&G Asia Pacific ex-Japan Equity Index	-4.1	2.9
L&G Cash	5.2	2.2
L&G Europe ex-UK Equity Index	-0.5	6.0
L&G Global Emerging Markets Index	9.4	3.5
L&G Index Linked 5 Years Gilts*	-10.9	-8.4
L&G Japan Equity Index	9.8	5.9
L&G North America Equity Index	26.6	15.4
L&G UK Equity Index	9.4	4.8
L&G UK Fixed Interest – All Stocks	-3.3	-3.9
L&G World Emerging Markets Equity Index	13.7	4.3
L&G World ex-UK Equity Index	19.7	12.4

Funds that form part of the Default are shown in **bold**. An asterisk (*) denotes the additional default funds.

¹ Fund closed 31 January 2024, therefore net performance to 31 December 2023 has been provided.

7. Value for members assessment

The Trustees are required to assess every year the extent to which member borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of ‘good value’ which means that determining this is subjective. The Trustees’ general policy in relation to value for member considerations is set out below.

The Trustees review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Plan. The date of the last review was 30 April 2025, covering the Plan year to 31 December 2024. The Trustees note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The Trustees believe that the member borne charges are very competitive for the funds managed by Russell Investments due to the annual management charges being rebated to members. The member borne charges for the funds managed by L&G are not as competitive given the small size of the portfolio.

The Trustees’ assessment included a review of the performance of the Plan’s investment funds (after all charges and transaction costs) in the context of their investment objectives. Over the year, members in the Default experienced positive returns from both the Russell World Equity II Fund and the Russell MAGS Fund, but both underperformed their benchmarks over the 1 and 3 year period. However, compared to the wider DGF market, the Russell MAGS Fund delivered comparable returns.

Within the self-select range, nine of the 26 actively managed Russell Investments funds outperformed their benchmarks over the 1 year period. Similarly, only six of the funds outperformed over the 3 year period. Meanwhile, all but three of the passively managed L&G funds tracked their respective benchmarks within acceptable tolerances.

As detailed in the earlier section covering the processing of core financial transactions, the Trustees are comfortable with the quality and efficiency of the administration processes.

The Trustees believe that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches and expect this to lead to greater investment returns net of costs over time. The transaction costs have been assessed for the Russell funds and the Trustees believe that they are relatively competitive however there are some funds which lie above the median which the Trustees will continue to monitor. However, transaction costs for L&G funds are in line with their peer groups.

Overall, the Trustees believe that members of the Plan are receiving good value for money for the charges and cost that they incur. The Trustees believe this is because the Plan is low cost to members as the additional management charges for Russell Investments funds are rebated, the sponsoring Company pays all administration and other expenses, and the funds have performed in line with expectations including those in the Default.

8. Trustee knowledge and understanding

The Trustees are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. The Trustees have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law. Details of how the knowledge and understanding requirements have been met during the period covered by this Statement are set out below.

With the help of their advisers, the Trustees regularly consider training requirements to identify any knowledge gaps. The Trustees' investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustees' advisers typically deliver training on such matters at Trustee meetings if they are material. During the period covered by this Statement, the Trustees received training on the following topics:

- 2024 Statutory Money Purchase Illustrations
- TPR's General Code of Practice
- General Code and Effective System of Governance
- Cyber Risk Management

Additionally, the Trustees receive quarterly updates on topical pension issues from their investment advisers and the Trustees access the Pension Regulator's on-line resources and regulatory guidance.

The Trustees are familiar with and have access to copies of the Plan's governing documentation and documentation setting out its policies, including the Trust Deed & Rules and SIP (which sets out the policies on investment matters). In particular, the Trustees refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Plan, and the SIP is formally reviewed annually and as part of making any change to the Plan's investments. Further, the Trustees believe that the Trustees have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil the Trustees' duties.

All the Trustees have completed the Pensions Regulator's Trustee Toolkit (an online learning programme, designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law). Regular training is provided on aspects of the Trustee Knowledge and Understanding

requirements. Other training relates to topical items or specific issues under consideration and during the Plan year.

A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date. Additionally, the Plan has in place a structured induction process for new Trustees.

The Trustees are all employees of Russell Investments, holding senior management positions across a range of disciplines and collectively having a wide range of knowledge and experience in the financial services industry. During the Plan year, the Trustees were:

- **David Rae (Company Appointed Trustee, elected as Chair on 19 December 2020).**

David is Managing Director, Head of Strategic Client Solutions, EMEA. He has over 20 years' experience in the financial services industry.

- **Rebecca Wyncoll (Company appointed Trustee from 19 December 2019, resigned 6 March 2024)**

Rebecca is Director of Product Solutions for EMEA. She is head of the Product Governance Committee and manages a team that look after product development and management activities for the Irish and UK fund ranges, as well as broader strategic initiatives. She has worked for Russell Investments for 18 years, spending time in Fund Operations and the Investment Division before moving to Product Solutions. Rebecca resigned from the Trustee Board during the Plan year with effect from 6 March 2024.

- **Isa Jalloh (Company Appointed Trustee from 1 December 2022)**

Isa is Director of Risk Management for EMEA. She has been in the financial service industry for over 20 years focussing on risk management.

- **Neil Jenkins (Member Nominated Trustee from 6 March 2014)**

Neil is Managing Director of the Investment Division and a director of Russell Investments Ireland Limited. He has over 30 years experience in the financial services industry.

- **Kilian Thevissen (Member Nominated Trustee from 18 July 2023)**

Kilian Thevissen is a Director in Russell Investments' EMEA Strategic Client Services team. In this role, he provides advice on investment strategy, risk management, journey planning, asset allocation, portfolio construction, manager monitoring and selection and liability hedging solutions to Russell Investments' EMEA-based institutional clients. Kilian joined Russell Investments in 2021.

Considering the knowledge and experience of the Trustees and the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (eg investment consultants, legal advisors), the Trustees believe that they are well placed to exercise their functions as Trustees of the Plan properly and effectively.

Approved at the meeting held on 10 July 2025 by the Trustees of the Russell Investments Pension Plan

9. Appendix

Russell Multi Asset Growth Strategy

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	2.86	2.86	2.86	2.86
Corporate bonds (UK and overseas)	14.09	14.09	14.09	14.09
UK government bonds	3.80	3.80	3.80	3.80
Overseas government bonds	1.50	1.50	1.50	1.50
Listed equities	20.46	20.46	20.46	20.46
Other	57.29	57.29	57.29	57.29

Russell Sterling Liquidity

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	0.03	0.03	0.03	0.03
Corporate bonds (UK and overseas)	47.11	47.11	47.11	47.11
UK government bonds	41.98	41.98	41.98	41.98
Overseas government bonds	10.88	10.88	10.88	10.88

Russell Global High Yield

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	4.00	4.00	4.00	4.00
Corporate bonds (UK and overseas)	88.62	88.62	88.62	88.62
UK government bonds	1.20	1.20	1.20	1.20
Overseas government bonds	2.75	2.75	2.75	2.75
Listed equities	1.65	1.65	1.65	1.65
Other	1.78	1.78	1.78	1.78

Russell UK Equity

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	3.00	3.00	3.00	3.00
Listed equities	97.00	97.00	97.00	97.00

Russell Global Small Cap Equity

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	5.21	5.21	5.21	5.21
Listed equities	94.79	94.79	94.79	94.79

Russell World Equity and Russell World Equity (Sterling Hedged)

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	7.00	7.00	7.00	7.00
Listed equities	92.71	92.71	92.71	92.71
Other	0.29	0.29	0.29	0.29

Legal & General Over 5 Year Index Linked Gilts Fund

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
UK government bonds	100.0	100.0	100.0	100.0

Legal & General All Stocks Index-Linked Gilts Fund

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
UK government bonds	100.0	100.0	100.0	100.0