Paribas London Pension Scheme (the Scheme)

Annual Chair's Statement for the Scheme-year ending 31 March 2026

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the Administration Regulations) require the Trustee to prepare an annual statement regarding governance. This statement, known as the Chair's Statement, must be included in the annual Trustee report and accounts. The governance requirements apply to all defined contribution (DC) pension arrangements and aim to help members achieve a good outcome from their pension savings.

This statement issued by the Trustee covers the period from 1 April 2025 to 31 March 2026 and is signed by the Trustee.

This statement covers governance and charge disclosures in relation to the following:

1. The default investments;
2. Net investment returns;
3. Member borne charges and transaction costs;
    i. Default investment strategies
    ii. Self-select funds
    iii. Additional Voluntary Contributions (AVCs)
    iv. Illustrations of the cumulative effect of these costs and charges
4. Value for members assessment;
5. Processing of core financial transactions; and
6. Trustee knowledge and understanding.

1. The default investment strategies

The Trustee is required to design the default investment in members' interests and keep it under review. The Trustee needs to set out the aims and objectives of the default investment and take account of the level of costs and the risk profile that are appropriate for the Scheme's membership.

The Scheme is used as a Qualifying Scheme for auto-enrolment purposes.

The Trustee is responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the primary default investment in the BPSS section, the Drawdown Lifestyle Strategy, and the default investment in the AVC section, the Cash Lifestyle Strategy. The Drawdown Lifestyle Strategy is provided for members who join the Scheme and do not choose an investment option for their contributions and/or those who are looking to take their retirement savings through income drawdown in retirement. The Cash Lifestyle Strategy is designed to be suitable for the way most AVC members access their accounts (i.e., cash withdrawal).

Details of the objectives and the Trustee's policies regarding these default investments can be found in a document called the 'Statement of Investment Principles' (SIP). The Scheme's SIP is attached to this statement but for ease of reference, the aims of the default investments are set out below:

- To try to ensure that members' savings are invested in funds that are appropriate for them, based on the number of years until their selected retirement date. It provides members with the potential for higher levels of asset growth during the accumulation of their retirement savings through exposure to equity and diversified growth funds and then gradually diversifies their investments in the years approaching retirement, in order to reduce volatility.
- The primary default investment in the BPSS section targets an asset allocation at retirement age which would enable members to draw an income from it during their retirement (albeit the Trustee acknowledges that members would need to transfer their retirement savings to an external arrangement in order to access this facility).
- The default investment in the AVC section moves to a portfolio invested 100% in cash at retirement.

In designing the default investments for members, the Trustee has explicitly considered the risk and expected return characteristics of the funds used at different stages of the strategy. The Trustee looks to ensure that assets in the default investment strategies are:

- Invested in the best interests of members and beneficiaries, taking into account the profile of membership;
- Invested in a manner which aims to ensure the security, liquidity and profitability of members' portfolios as whole; and
- Invested in regulated products and mainly on regulated markets (any that are not will be kept to prudent levels).

Charts showing how the asset allocation of the default investment strategies change over time can be found in Section 3 of this statement.

The Scheme has three additional default investment options:

- **the Cash Fund: BlackRock Managed** became an additional default investment in April 2020 when the Property Fund was temporarily suspended and ceased accepting new contributions. As a result (and in the absence of alternative member instructions) new contributions were re-directed to the Cash Fund: BlackRock Managed creating a default investment option for regulatory and reporting purposes. The Cash Fund: BlackRock Managed has historically experienced low levels of volatility and the Trustee understood it was most likely best placed to protect the value of these contributions on a short-term basis (from the funds available). The Trustee believes this course of action was in the best interests of members. Any accumulated savings that were temporarily invested in the Cash Fund: BlackRock Managed were transferred back to the Property Fund

following its re-opening in September 2020. Guidance from the Pensions Regulator at the time meant that the Property Fund was not deemed a default investment. The Cash Fund: BlackRock Managed continues to be classified as an additional default investment.

- The **Global Sustainable Growth Fund** became an additional default investment in February 2023 following the closure (and subsequent removal from the self-select range) of the Liontrust UK Equity Fund. The Liontrust UK Equity Fund was removed from the self-select range because of reduced conviction in the Fund's ability to deliver competitive investment returns in the future. In the absence of member instruction, all holdings invested and future contributions intended for the Liontrust UK Equity Fund were switched to the Global Sustainable Growth Fund, creating an additional default investment for regulatory reporting and monitoring purposes.

- The **Diversified Growth Fund** became an additional default investment in June 2023 following the closure (and subsequent removal) of the Diversified Fund from the self-select range. The Diversified Fund had an identical allocation to the Diversified Growth Fund and so the two funds were consolidated to avoid potential confusion for members. In the absence of any member instruction, all holdings invested, and future contributions intended for the Diversified Fund were switched to the Diversified Growth Fund. As a result of such action, the Diversified Growth Fund is classified as a default investment for regulatory reporting and monitoring purposes.

Investment strategy review

The Trustee has a policy to carry out an in-depth review of the default investments, with consideration of the membership profile of the Scheme, at least every three years (referred to as a 'triennial investment strategy review'). Prior to 2026, the last triennial investment strategy review was completed on 17 October 2022. The 2022 review considered suitability of the default investments and alternative self-select investment options with reference to the membership demographics and how members access their benefits, as well as industry data and wider trends. This assessment was made by gathering data on the Scheme's membership and comparing forward looking projections and values at risk on the current default investment for sample representative members versus potential alternative investment strategies. Changes following this review were then implemented in June 2023.

Over the Scheme year, the Trustee completed its next triennial investment strategy review on 16 March 2026. This involved analysing the membership profile of the Scheme, including age, salaries, contributions, current fund values and projected fund values to assess how members will take their benefits. Analysis was also carried out on how members were utilising the self-select range, including member pot sizes and when self-select members last made a self-select change. The Trustee also considered how the projected fund values compared to the Pensions UK Retirement Living Standards as a measure of whether the investment strategy was supporting members in achieving a positive retirement outcome. Ultimately the Trustee decided that the primary default investment, which targets drawdown at retirement, remained suitable for the majority of members and that the primary default investment remained consistent with the aims and objectives in the SIP.

Additional work has been carried out following the Scheme year end to consider alternative default designs – further information on this next phase of the review will be reported on in next year's Chair's Statement.

Specified performance-based fees

Where a fee is calculated by reference to the returns from investments held by the Scheme and is not calculated by reference to the value of the member's rights under the Scheme, the Trustee must state the amount of any such performance-based fees in relation to each default arrangement. The Trustee confirms that, over the Scheme year, no performance-based fees were incurred by members in the default investments.

Ongoing performance monitoring

The Trustee reviews the performance of the funds used within the default investments against the aims and objectives on at least a quarterly basis. The quarterly review includes an analysis of fund performance to check that the risk and return levels meet expectations. Performance of the funds is reviewed against benchmarks and, where relevant, targets, that have been agreed with the investment managers. The performance of the primary default investment is also reviewed relative to inflation. On an annual basis (as set out above) the Trustee also compares performance of the primary default investment to other default investments of UK DC pension schemes.

The quarterly reviews that took place in the year concluded that the default investments were performing broadly as expected and in line with the aims and objectives of the strategy as set out in the SIP.

One performance flag was raised over the year that required further action. This flag was in relation to the Impax Leaders Strategy which is used within the Global Sustainable Growth Fund and the Responsible Investment Equity Fund options:

- The Impax Leaders Strategy was flagged over the year for lagging its benchmark and performance target. The fund was also moved to 'In review' by Aon's Investment Manager Research ("IMR") team due to notification from Impax that there was to be a material reshaping of the portfolio team. At this point, the Trustee was advised to redirect all contributions for the Impax fund to the alternative impact equity fund already used in the Global Sustainable Growth Fund and Responsible Investment Equity Fund that remained 'Buy' rated.

- The Impax Leaders Strategy was then downgraded by Aon's IMR team to 'Sell' in March 2026. The downgrade to 'Sell' was a result of the changes to the portfolio management team and continued underperformance versus benchmark and target.

- As a result, the Trustee considered replacement funds and ultimately moved all assets currently invested in Impax to the BlackRock ACS Multifactor ESG Screened and Optimised Tracker in May 2026.

The Trustee also noted that the long-term performance of the Index-Linked Gilt Index Fund continued to lag expectations but the Trustee was comfortable that short-term performance was much stronger following changes made to the fund between November 2024 and September 2025 and that no further action was required.

More widely, Aon's IMR team amended the Loomis Sayles (now FIM Partners as of 1 July 2026) Global Emerging Markets Strategy rating to 'In Review' in July 2025. The fund is used in the Global Sustainable Growth Fund. This rating change was as a result of the Loomis Sayles' intention to explore opportunities to find a better arrangement for the Global Emerging Markets Equity team, with the most likely outcome being a lift out to another firm. The Trustee continued to monitor the fund closely throughout the year and it was confirmed that fund and Loomis team would transition to FIM Partners in July 2026. Post Plan year end, following a due diligence review, the 'Buy' rating was re-instated and the Trustee was comfortable that no action was required regarding the continued suitability of the fund options.

Default investment asset allocation

The Trustee is required to disclose the full asset allocations of investments for each default investment strategy. The tables below show the percentage of assets allocated in the default investment strategies to specified asset classes as at 31 March 2026.

BPSS section – Drawdown Lifestyle Strategy				
	Asset allocation as at 31 March 2026 (%)			
Asset class	25 years old	45 years old	55 years old	65 years old
Cash	**0.5%**	**0.5%**	**3.1%**	**3.7%**
Bonds	**0.0%**	**0.0%**	**5.0%**	**49.2%**
Corporate bonds	*0.0%*	*0.0%*	*0.7%*	*20.7%*
Fixed interest government bonds	*0.0%*	*0.0%*	*4.3%*	*6.6%*
Index-linked government bonds	*0.0%*	*0.0%*	*0.0%*	*20.0%*
Other bonds	*0.0%*	*0.0%*	*0.0%*	*1.9%*
Listed equities	**99.5%**	**99.5%**	**90.5%**	**45.7%**
UK equities	*2.5%*	*2.5%*	*2.7%*	*1.5%*
Developed market equities (excluding UK)	*87.8%*	*87.8%*	*79.4%*	*39.9%*
Emerging markets	*9.2%*	*9.2%*	*8.4%*	*4.3%*
Private equity	**0.0%**	**0.0%**	**0.2%**	**0.2%**
Infrastructure	**0.0%**	**0.0%**	**0.2%**	**0.2%**
Property	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Private debt	**0.0%**	**0.0%**	**0.5%**	**0.5%**
Other	**0.0%**	**0.0%**	**0.5%**	**0.5%**

Assumes retirement age of age 65 which is the normal retirement age for the Scheme.

AVC section – Cash Lifestyle Strategy				
	Asset allocation as at 31 March 2026 (%)			
Asset class	25 years old	45 years old	55 years old	65 years old
Cash	**0.5%**	**0.5%**	**3.1%**	***100.0%***
Bonds	**0.0%**	**0.0%**	**5.0%**	**0.0%**
Corporate bonds	*0.0%*	*0.0%*	*0.7%*	*0.0%*
Fixed interest government bonds	*0.0%*	*0.0%*	*4.3%*	*0.0%*
Index-linked government bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Other bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Listed equities	**99.5%**	**99.5%**	**90.5%**	**0.0%**
UK equities	*2.5%*	*2.5%*	*2.7%*	*0.0%*
Developed market equities (excluding UK)	*87.8%*	*87.8%*	*79.4%*	*0.0%*
Emerging markets	*9.2%*	*9.2%*	*8.4%*	*0.0%*
Private equity	**0.0%**	**0.0%**	**0.2%**	**0.0%**
Infrastructure	**0.0%**	**0.0%**	**0.2%**	**0.0%**
Property	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Private debt	**0.0%**	**0.0%**	**0.5%**	**0.0%**
Other	**0.0%**	**0.0%**	**0.5%**	**0.0%**

Assumes retirement age of age 65 which is the normal retirement age for the Scheme.

Cash Fund: BlackRock Managed				
	Asset allocation as at 31 March 2026 (%)			
Asset class	25 years old	45 years old	55 years old	65 years old
Cash	***100.0%***	***100.0%***	***100.0%***	***100.0%***
Bonds	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Corporate bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Fixed interest government bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Index-linked government bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Other bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Listed equities	**0.0%**	**0.0%**	**0.0%**	**0.0%**
UK equities	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Developed market equities (excluding UK)	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Emerging markets	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Private equity	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Infrastructure	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Property	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Private debt	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Other	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Assumes retirement age of age 65 which is the normal retirement age for the Scheme.

Global Sustainable Growth Fund				
	Asset allocation as at 31 March 2026 (%)			
Asset class	25 years old	45 years old	55 years old	65 years old
Cash	**0.5%**	**0.5%**	**0.5%**	**0.5%**
Bonds	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Corporate bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Fixed interest government bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Index-linked government bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Other bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Listed equities	**99.5%**	**99.5%**	**99.5%**	**99.5%**
UK equities	*2.5%*	*2.5%*	*2.5%*	*2.5%*
Developed market equities (excluding UK)	*87.8%*	*87.8%*	*87.8%*	*87.8%*
Emerging markets	*9.2%*	*9.2%*	*9.2%*	*9.2%*
Private equity	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Infrastructure	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Property	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Private debt	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Other	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Assumes retirement age of age 65 which is the normal retirement age for the Scheme.

Diversified Growth Fund				
	Asset allocation as at 31 March 2026 (%)			
Asset class	25 years old	45 years old	55 years old	65 years old
Cash	**13.5%**	**13.5%**	**13.5%**	**13.5%**
Bonds	**25.0%**	**25.0%**	**25.0%**	**25.0%**
Corporate bonds	*3.7%*	*3.7%*	*3.7%*	*3.7%*
Fixed interest government bonds	*21.3%*	*21.3%*	*21.3%*	*21.3%*
Index-linked government bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Other bonds	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Listed equities	**54.6%**	**54.6%**	**54.6%**	**54.6%**
UK equities	*3.3%*	*3.3%*	*3.3%*	*3.3%*
Developed market equities (excluding UK)	*46.1%*	*46.1%*	*46.1%*	*46.1%*
Emerging markets	*5.2%*	*5.2%*	*5.2%*	*5.2%*
Private equity	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Infrastructure	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Property	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Private debt	**2.6%**	**2.6%**	**2.6%**	**2.6%**
Other	**2.3%**	**2.3%**	**2.3%**	**2.3%**

Assumes retirement age of age 65 which is the normal retirement age for the Scheme.

2. Net investment returns

The Trustee is required to report on net investment returns for each default investment and for each non-default fund which Scheme members were invested in during the Scheme year. Net investment return refers to the returns on funds minus all member-borne transaction costs and charges.

The net investment returns have been prepared having regard to statutory guidance. It is important to note that past performance is not a guarantee of future performance.

(i) Drawdown Lifestyle Strategy (primary default investment in the BPSS section)

Performance to 31 March 2026	**Annualised returns (% p.a.)**	
Age of member at start of reporting period	One year	Five years
25	17.9%	9.0%
45	17.7%	7.8%
55	15.2%	6.4%

Source: Fidelity and Aon

(ii) Annuity Lifestyle Strategy

Performance to 31 March 2026	**Annualised returns (% p.a.)**	
Age of member at start of reporting period	One year	Five years
25	17.9%	9.0%
45	17.7%	7.8%
55	15.2%	6.4%

Source: Fidelity and Aon

(iii) Cash Lifestyle Strategy (default investment in the AVC section)

Performance to 31 March 2026	**Annualised returns (% p.a.)**	
Age of member at start of reporting period	One year	Five years
25	17.9%	9.0%
45	17.7%	7.8%
55	15.2%	6.4%

Source: Fidelity and Aon

(iv) Self-select, alternative AVC investment funds and additional default investments

Performance to 31 March 2026	**Annualised returns (% p.a.)**	
Fund name	One year	Five years
Global Sustainable Growth Fund ***(additional default investment)***	17.8	9.0
Cash Fund: BlackRock managed ***(additional default investment)***	4.1	3.2
Diversified Growth Fund ***(additional default investment)***	5.1	2.9
UK Index-Linked Gilt Index Fund[1]	3.2	-8.7
Global Sustainable Bond Fund	4.0	0.6
Diversified Growth Fund: abrdn managed[2]	12.1	6.2
Emerging Markets Active Equity Fund: Fidelity managed	38.0	2.5
Property Fund	4.5	4.2
Diversified Growth Fund: Schroders managed	13.3	4.3
Diversified Growth Fund: BlackRock managed	15.1	5.4
Global Bond Fund: M&G managed	6.3	5.9
Responsible Investment Equity Fund	12.4	6.3
Diversified Growth Fund: Nordea managed	-1.6	2.6
US Equity Index Fund	15.2	12.5
European Equity Index Fund	16.0	9.1
UK Equity Index Fund	18.4	9.7
Pacific Rim Equity Index Fund	47.3	7.3
Emerging Markets Equity Index Fund	18.2	4.6
Japanese Equity Index Fund	23.4	7.8
UK Fixed Gilt Index Fund	0.3	-10.7
World (excluding UK) Equity Index Fund	17.7	11.4
Ethical Global Equity Index Fund	19.4	12.3
Islamic Global Equity Index Fund	20.6	12.4
UK Index Linked Gilt Index Fund (Long Duration)[3]	-4.2	Not available
UK Index Linked Gilt Index Fund (Short Duration)[3]	1.8	Not available

Source: Fidelity and Aon

[1] Fund used within the lifestyle strategies only.

[2]Previously called Diversified Growth Fund: Standard Life managed. No underlying fund changes were made. This was purely a change in manager name.

[3] Longer-term performance unavailable as funds were only launched in November 2024.

3. Member borne charges and transaction costs

The Trustee should regularly monitor the level of charges borne by members through the investment funds. These charges comprise:

- **Charges: these are explicit, and represent the costs associated with operating and managing an investment fund. They can be identified as a Total Expense Ratio (TER), or as an Annual Management Charge (AMC), which is a component of the TER;**
- **Transaction costs: these are not explicit, and are incurred when the Scheme's fund manager buys and sells assets within investment funds but are exclusive of any costs incurred when members invest in or sell out of funds.**

The Trustee is also required to confirm that the total costs and charges paid by any member in the default investment have not exceeded 0.75% p.a. (the charge cap) and produce an illustration of the cumulative effect of the overall costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

The Trustee has set out below, the costs and charges that are incurred by members, rather than the employer, over the statement year in respect of each investment fund available to members. These comprise the Total Expense Ratio and - insofar as we are able to - transaction costs.

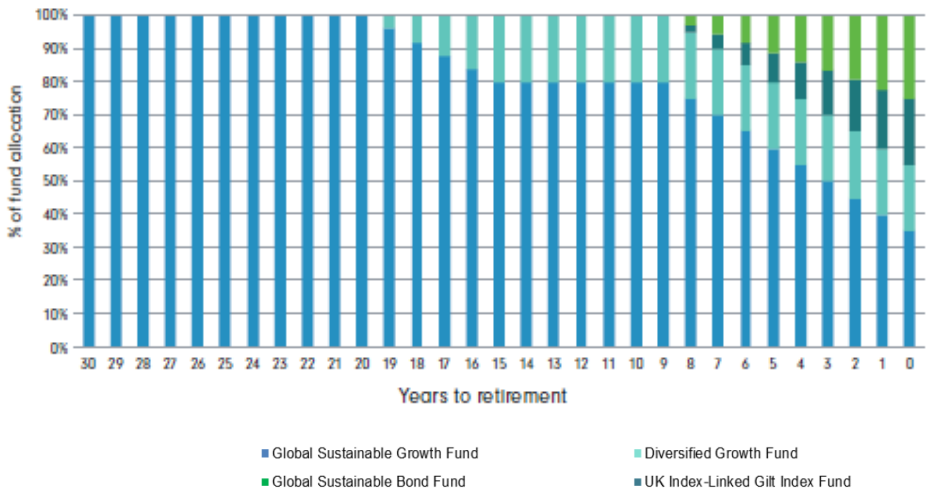
The charges and transaction costs have been supplied by Fidelity, who is the Scheme's platform provider. Fidelity has not been able to provide all transaction costs covering the Scheme year since some managers have not provided the required information for the correct time period. The Trustee has repeatedly engaged with Fidelity and managers regarding the provision of this information. The Trustee is continuing to liaise with Fidelity to obtain the outstanding information and has included costs for the closest period to this Scheme year available.

Where transaction costs have been provided as a negative cost, these have been set to zero by the Trustee to avoid potentially understating the total level of costs and charges.

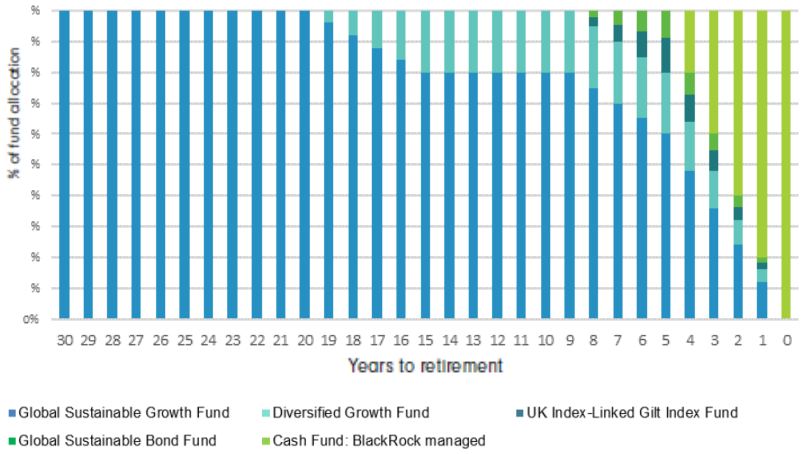
(i) Default investments

The default investments have been set up as lifestyle arrangements which means that member's assets are automatically moved between different investment funds as they approach their target retirement date. This is illustrated in the charts below, which show the default investment in place at the Scheme year end (31 March 2026).

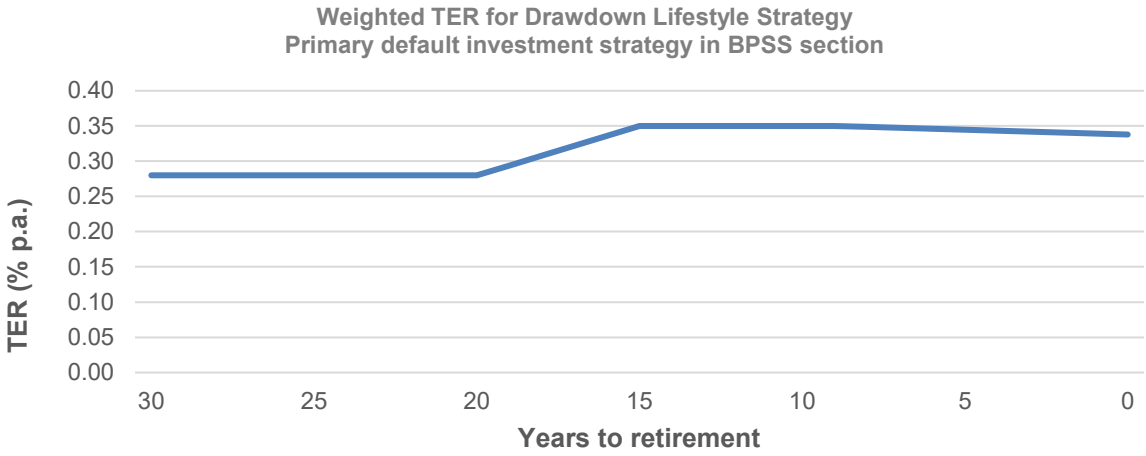
Drawdown Lifestyle Strategy (primary default investment in the BPSS section)

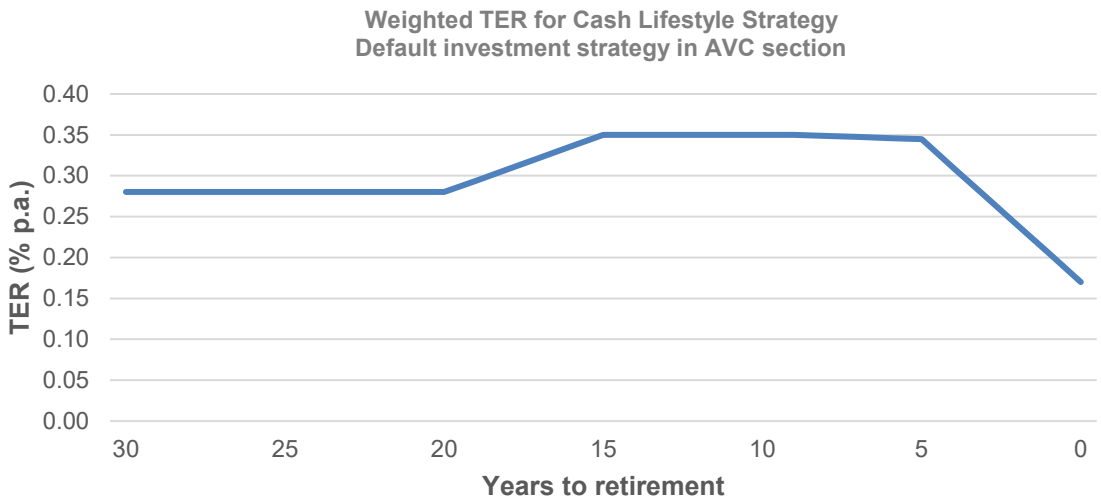


Cash Lifestyle Strategy (default investment in the AVC section)



The TER that a member paid over the year depends on their term to retirement. The TER ranges from 0.28% p.a. to 0.35% p.a. in the primary default investment in the BPSS section. The TER ranges from 0.17% p.a. to 0.35% p.a. in the default investment in the AVC section. Funds which are used in auto-enrolment for members are within the 0.75% p.a. charge cap.





As noted above, some managers are yet to provide transaction cost data for the Scheme year although they have been able to provide data covering different time periods. For the purposes of this statement, the Trustee has reported the latest transaction cost data available and, following advice from its adviser, the Trustee is comfortable that these are broadly representative of the transaction costs that were actually incurred by members over the Scheme year.

On this basis, over the Scheme year, transaction costs would have been between 0.17% p.a. and 0.28% p.a. across the primary default investment in the BPSS section, with the total cost associated with investing in the Drawdown Lifestyle Strategy ranging between 0.45% p.a. and 0.55% p.a.

For the Cash Lifestyle Strategy (the default investment for the AVC section), transaction costs would have been between 0.02% p.a. and 0.20% p.a., with the total cost associated with investing in the Cash Lifestyle Strategy ranging between 0.19% p.a. and 0.55% p.a.

(ii) Self-select and alternative AVC investment funds

In addition to the default investments, members also have the option to invest in alternative lifestyle strategies and 25 individual funds over the reporting period.

The TERs and transaction costs for each of these are shown in the following tables.

Lifestyle Strategies	**TER % p.a.**	**Transaction costs % p.a.**	**Total costs % p.a.**
Drawdown Lifestyle Strategy ***(primary default investment in the BPSS section)***	0.28 – 0.35	0.17 – 0.20	0.45 – 0.55
Annuity Lifestyle Strategy	0.13 – 0.35	0.04 – 0.20	0.17 – 0.55
Cash Lifestyle Strategy ***(default investment in the AVC section)***	0.17 – 0.35	0.02 – 0.20	0.19 – 0.55

Source: Fidelity and Aon

Individual self select funds	**TER % p.a.**	**Transaction costs % p.a.**	**Total costs % p.a.**
Global Sustainable Growth Fund[1,2](***additional default investment option)***	0.28	0.17	0.45
Diversified Growth Fund[1,2] (***additional default investment)***	0.63	0.34	0.97
Cash Fund: BlackRock managed[2] (***additional default investment option)***	0.17	0.02	0.19
UK Index-Linked Gilt Index Fund[1,2,3]	0.12	0.04	0.16
Global Sustainable Bond Fund[1,2,4]	0.36	0.16	0.52
Diversified Growth Fund: abrdn managed	0.64	0.10	0.74
Emerging Markets Active Equity Fund: Fidelity managed	0.66	0.66	1.32

Individual self select funds	TER % p.a.	Transaction costs % p.a.	Total costs % p.a.
Property Fund	0.92	0.00	0.92
Diversified Growth Fund: Schroders managed	0.58	0.33	0.91
Diversified Growth Fund: BlackRock managed	0.47	0.51	0.98
Global Bond Fund: M&G managed	0.55	0.10	0.65
Responsible Investment Equity Fund	0.66	0.16	0.82
Diversified Growth Fund: Nordea managed	0.73	0.23	0.96
US Equity Index Fund	0.15	0.00	0.15
European Equity Index Fund	0.16	0.06	0.22
UK Equity Index Fund	0.13	0.26	0.39
Pacific Rim Equity Index Fund	0.15	0.04	0.19
Emerging Markets Equity Index Fund	0.33	0.05	0.38
Japanese Equity Index Fund	0.15	0.07	0.22
UK Fixed Gilt Index Fund	0.13	0.03	0.16
World (excluding UK) Equity Index Fund	0.16	0.05	0.21
Ethical Global Equity Index Fund	0.30	0.01	0.31
Islamic Global Equity Index Fund	0.28	0.06	0.34
UK Index-Linked Gilt Index Fund (Long Duration)	0.13	0.00	0.13
UK Index-Linked Gilt Index Fund (Short Duration)	0.12	0.05	0.17

Source: Fidelity and Aon

[1] Used within the primary default investment in the BPSS section.

[2] Used within the default investment in the AVC section.

[3] Fund used within the lifestyle strategies only.

[4] Transaction costs shown for the 12 month period to 31 July 2026.

(iii) Illustrations of the cumulative effect of costs and charges

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustees and managers of a relevant scheme. These changes are intended to improve transparency on costs.

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided illustrations of their cumulative effect on the value of typical Scheme members savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance, selecting suitable representative members, and are based on a number of assumptions about the future which are set out below the illustrations.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Scheme, they are not a substitute for the individual and personalised illustrations which are provided to members in their annual benefit statements.

Each illustration is shown for a different type of member invested in the Drawdown Lifestyle Strategy for BPSS section members and the Cash Lifestyle Strategy for AVC section members, which are the primary default investments. The illustrations are shown as a chart and tables as follows:

- Each chart shows a projection of the member's retirement savings at retirement age if they were invested in the respective primary default investment, with and without costs and charges applied.
- As the projected retirement savings are dependent on investment returns as well as the level of costs and charges, we have also included some comparison figures with other investments in the tables. For comparison purposes, we also show the projected retirement savings if the typical member were invested in:
  - the fund within the range offered by the Scheme which attracts the lowest charges which is the UK Index-Linked Gilt Index Fund (Long Duration) at 0.13% p.a.; and
  - the fund which attracts the highest charges which is the Emerging Markets Active Equity Fund: Fidelity managed at 1.32% p.a.

All projected fund values are shown in today's terms, and do not need to be reduced further for the effect of future expected inflation.

Illustration key:

Member		Lifestyle Strategy	Age now	Current fund value	Pensionable Salary	Contributions as a % of salary	Normal Retirement Age
BPSS:							
1.	Youngest Active	Drawdown	45	£625,000	£94,000	16	65
2.	Average Active	Drawdown	53	£425,000	£67,000	15	65
3.	Average Deferred	Drawdown	53	£175,000	N/A	N/A	65
AVCs:							
4.	Youngest Active	Cash	48	£23,000	£65,500	5	65
5.	Average Active	Cash	57	£100,000	£69,000	5	65
6.	Average Deferred	Cash	58	£54,000	N/A	N/A	65

Based on member data provided by Fidelity.

Illustration 1: BPSS youngest active

Age	Drawdown Lifestyle Strategy (primary default investment)			UK Index-Linked Gilt Index Fund (Long Duration) (lowest charging)			Emerging Markets Active Equity Fund: Fidelity managed (highest charging)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
45	625,000	625,000	0	625,000	625,000	0	625,000	625,000	0
50	814,120	798,990	15,130	857,630	852,680	4,950	820,120	782,970	37,150
55	1,025,000	985,630	39,370	1,146,020	1,133,210	12,810	1,050,910	960,920	89,990
60	1,267,390	1,195,240	72,150	1,503,520	1,478,870	24,650	1,323,880	1,161,390	162,490
65	1,536,760	1,422,570	114,190	1,946,690	1,904,760	41,930	1,646,760	1,387,220	259,540

Age	Cash Fund: BlackRock managed (additional default investment option)			Global Sustainable Growth Fund (additional default investment option)			Diversified Growth Fund (additional default investment option)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
45	625,000	625,000	0	625,000	625,000	0	625,000	625,000	0
50	683,280	677,470	5,810	820,120	806,500	13,620	749,130	718,550	30,580
55	740,150	728,210	11,940	1,050,910	1,017,420	33,490	882,610	814,820	67,790
60	795,650	777,290	18,360	1,323,880	1,262,550	61,330	1,026,150	913,900	112,250
65	849,810	824,740	25,070	1,646,760	1,547,430	99,330	1,180,510	1,015,860	164,650

Illustration 2: BPSS average active

Age	Drawdown Lifestyle Strategy (primary default investment)			UK Index-Linked Gilt Index Fund (Long Duration) (lowest charging)			Emerging Markets Active Equity Fund: Fidelity managed (highest charging)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
53	425,000	425,000	0	425,000	425,000	0	425,000	425,000	0
55	471,550	467,370	4,180	483,870	482,720	1,150	475,050	466,080	8,970
60	599,710	582,100	17,610	655,190	649,960	5,230	615,930	577,760	38,170
65	742,710	707,080	35,630	867,570	856,030	11,540	782,560	703,580	78,980

Age	Cash Fund: BlackRock managed (additional default investment option)			Global Sustainable Growth Fund (additional default investment option)			Diversified Growth Fund (additional default investment option)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
53	425,000	425,000	0	425,000	425,000	0	425,000	425,000	0
55	440,620	439,070	1,550	475,050	471,790	3,260	457,670	449,870	7,800
60	479,010	473,420	5,590	615,930	601,850	14,080	543,640	513,320	30,320
65	516,470	506,650	9,820	782,560	753,000	29,560	636,080	578,620	57,460

Illustration 3: BPSS average deferred

Age	Drawdown Lifestyle Strategy (primary default investment)			UK Index-Linked Gilt Index Fund (Long Duration) (lowest charging)			Emerging Markets Active Equity Fund: Fidelity managed (highest charging)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
53	175,000	175,000	0	175,000	175,000	0	175,000	175,000	0
55	185,750	184,060	1,690	190,700	190,240	460	187,160	183,540	3,620
60	215,180	208,440	6,740	236,410	234,400	2,010	221,370	206,770	14,600
65	247,390	234,350	13,040	293,060	288,820	4,240	261,830	232,930	28,900

Age	Cash Fund: BlackRock managed (additional default investment option)			Global Sustainable Growth Fund (additional default investment option)			Diversified Growth Fund (additional default investment option)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
53	175,000	175,000	0	175,000	175,000	0	175,000	175,000	0
55	173,300	172,670	630	187,160	185,840	1,320	180,160	177,020	3,140
60	169,110	166,990	2,120	221,370	215,980	5,390	193,730	182,170	11,560
65	165,030	161,490	3,540	261,830	251,000	10,830	208,330	187,480	20,850

Illustration 4: AVC youngest active

Age	Cash Lifestyle Strategy (default investment)			UK Index-Linked Gilt Index Fund (Long Duration) (lowest charging)			Emerging Markets Active Equity Fund: Fidelity managed (highest charging)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
48	23,000	23,000	0	23,000	23,000	0	23,000	23,000	0
50	31,140	30,900	240	31,820	31,750	70	31,290	30,750	540
55	53,580	52,300	1,280	57,490	57,110	380	54,620	51,820	2,800
60	79,490	76,440	3,050	89,300	88,350	950	82,210	75,550	6,660
65	102,370	97,550	4,820	128,750	126,840	1,910	114,850	102,290	12,560

Illustration 5: AVC average active

Age	Cash Lifestyle Strategy (default investment)			UK Index-Linked Gilt Index Fund (Long Duration) (lowest charging)			Emerging Markets Active Equity Fund: Fidelity managed (highest charging)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
57	100,000	100,000	0	100,000	100,000	0	100,000	100,000	0
60	119,820	118,280	1,540	124,670	124,230	440	121,350	118,010	3,340
65	146,790	142,820	3,970	173,550	172,020	1,530	162,090	151,030	11,060

Illustration 6: AVC average deferred

Age	Cash Lifestyle Strategy (default investment)			UK Index-Linked Gilt Index Fund (Long Duration) (lowest charging)			Emerging Markets Active Equity Fund: Fidelity managed (highest charging)		
	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £	Estimated fund value (before charges) £	Estimated fund value (after TER and TCs)	Effect of charges (TER and TCs) £
58	54,000	54,000	0	54,000	54,000	0	54,000	54,000	0
60	57,230	56,710	520	58,850	58,700	150	57,750	56,640	1,110
65	61,760	60,160	1,600	72,950	72,330	620	68,310	63,800	4,510

Members are advised to consider both the level of costs and charges and the expected return on investments (i.e. the risk profile of the strategy) in making investment decisions.

Assumptions and data for illustrations:

The following assumptions have been made for the purposes of the above illustrations:

- *Annual salary growth and inflation is assumed to be 2.5% p.a.*
- *The projected annual gross returns on assets are:*
    - *Global Sustainable Growth Fund* *6% p.a.*
    - *Diversified Growth Fund* *4% p.a.*
    - *Global Sustainable Bond Fund* *4% p.a.*
    - *UK Index-Linked Gilt Index Fund* *7% p.a.*
    - *Cash Fund: BlackRock managed* *2% p.a.*
    - *UK Index-Linked Gilt Index Fund (Long Duration)* *7% p.a.*
    - *Emerging Markets Active Equity Fund: Fidelity managed* *6% p.a.*

  For the Drawdown and Cash lifestyle strategies used in the projections, the projection takes into account the changing proportion invested in the different underlying funds. Details of the underlying funds are shown in Section 3 of this statement.
- *The transaction costs have been averaged over a 5 year period (depending on data available) in line with statutory guidance to reduce the level of volatility, and a floor of 0% p.a. has been used for the transaction costs if these were negative in any year so as not to potentially understate the effect of charges on fund values over time.*
- *Data used is as at 31 March 2026 (unless otherwise stated above) and starting fund values and future contributions used in the projections are representative of the average for the Scheme.*

4. Value for members assessment

The Administration Regulations require the Trustees to make an assessment of charges and transactions costs borne by members and the extent to which those charges and costs represent good value for money for members.

There is no legal definition of "good value" or the process of determining this for Scheme members. Therefore, working in conjunction with its advisers, Aon, the Trustee has developed a cost-benefit analysis framework to make an assessment as to whether members receive good value from the Scheme relative to the costs and charges they pay. The Trustee notes 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, as has benchmarking relative to other pension arrangements or industry best practice guidelines.

The costs have been identified as all member-borne charges (TERs and transactions costs) and are set out in Section 3 of this statement. The Trustee, with the assistance of its investment adviser, reviews these costs annually against broader market expectations and benchmarks. Where fees are deemed to be outside expectations, the Trustee engages with Fidelity and the underlying fund managers to reduce these. In the September 2025 review, all funds were within the expected range.

The Trustee has considered the benefits of membership under the following categories: Scheme governance, investments, administration, member communications and retirement support. The Trustee's beliefs have formed the basis of the analyses of the benefits of membership. These are set out below along with the main highlights of their assessment.

Scheme Governance

- The Trustee has built a robust governance approach for the Scheme, including obtaining and reviewing quarterly administration and investment reports, annual reviews of the Scheme's risk register and regular meetings with the administrator to discuss and progress areas of the administration that require input from the Trustee.
- The BNP Paribas Pension Committee (the "Committee"), which includes the Trustee, meets at least quarterly to discuss Scheme governance, investments, administration, and communications. A further four 'interim' meetings are also scheduled if further time is needed by the Trustee and the Committee to discuss Scheme matters. The Committee met five times over the year to 31 March 2026.
- The Trustee believes that good governance is key to ensuring that a framework exists and is actively in use to help deliver better member outcomes. The Trustee regularly reviews and updates its governance processes and procedures to make sure these continue to meet industry best practice.

Investments:

- The Trustee believes a well-designed investment portfolio that is subject to regular performance monitoring and assessment of suitability for the membership contributes to the delivery of good member outcomes.
- The Scheme offers a variety of lifestyle strategies and self-select funds covering a range of member risk profiles and asset classes. The investment funds available have been designed, following advice from the Scheme's investment consultant, with the specific needs of members in mind. The structure of the primary default investment in the BPSS section and the default investment in the AVC section reflect how members are expected to access their funds at retirement.

- The Scheme's investments, including the performance of the primary default investment in the BPSS section, are reviewed on a quarterly basis by the Committee to ensure they continue to remain suitable for the needs of the Scheme membership.
- An ESG review of fund options is carried out on an annual basis to ensure the funds are delivering in line with their ESG objectives and Trustee expectations and that material ESG risks are being managed appropriately. The Trustee also carries out activities and annual reporting in line with the recommendations of the Task force on Climate-related Financial Disclosures, which supports it in identifying, assessing and managing exposure to climate-related risks and opportunities. The Trustee believes that satisfactory ESG alignment is in the best interests of members.

Administration:

- The Trustee believes that good administration and record keeping play a crucial role in ensuring that Scheme members receive the retirement income due to them. In addition, that the type and quality of service experienced by members has a bearing on the level of member engagement.
- The Trustee has appointed Fidelity and WTW to provide administration services to the Scheme and is satisfied that there are sufficient checks in place to monitor and report on the standard of administration service and to ensure that when administrative errors do occur, members are not disadvantaged as a result.

Communications:

- The Trustee believes that effective member communications, and delivery of the right support and tools, help members understand and improve their retirement outcomes.
- The Scheme utilises Fidelity's Workplace Workout communications framework to help increase member engagement and improve member understanding. Workplace Workout provides effective communications that are accurate, clear, informative, and timely, issuing content to members on three different levels: monthly, at certain trigger events and bespoke email campaigns.
- The Trustee also works closely with Fidelity and its investment advisers to issue ad-hoc communications to members as required, for example to notify them of upcoming investment changes or following significant financial market events.

Retirement support:

- The Trustee believes it is important to have retirement processes that enable members to make informed decisions and select appropriate options at retirement.
- Members can access support for their retirement decisions in a variety of ways. Members are signposted to PlanViewer which provides access to Scheme documents, investment performance information, fund factsheets, modellers, retirement planning support, and more standard education material. Member feedback is requested following PlanViewer interactions.
- The Fidelity Retirement Service is available to members and provides practical information about the retirement options available. In addition, BPSS section members have access to chargeable advice with this service. AVC section members have access to one free retirement advice session with Origen.

The Trustee's assessment concluded that the charges and transaction costs borne by Scheme members represents good value for members relative to the benefits of Scheme membership. Since the AVC section offers the same fund range and charges structure as the BPSS section, the same Trustee conclusion was reached across the Scheme as a whole.

5. Processing of core financial transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members/beneficiaries.

The bulk of the core financial transactions are undertaken on behalf of the Trustee by the Scheme administrators (Fidelity and WTW) and the Company is responsible for ensuring that contributions are paid to the Scheme promptly. The timing of such payments for the DC investments is monitored by the Trustee from quarterly administration reports submitted by Fidelity and WTW.

To determine how well the administration is performing the Trustee has service level agreements ("SLA") in place with Fidelity and WTW. These SLAs detail several key administration processes to be performed and the target timescale within which each of these processes needs to be completed. There are SLAs in place for all core financial transactions.

The Trustee has also reviewed the key processes adopted by the administrators and output to minimise the risks of inaccurate or late payment of core financial transactions. Key processes include:

- as part of their checking process, Fidelity and WTW carry out monthly checks, in addition to daily reconciliation of the Trustees' bank account
- all investment and banking transactions are checked and verified before being processed
- all work processes are documented and subject to a peer review process, with work being calculated and independently checked by another member of the team
- Fidelity and WTW provide quarterly core financial transaction metrics to the Trustee, compared to target processing times in accordance with the SLA, along with details of any member complaints made
- Fidelity and WTW also provide confirmation to the Trustee regarding the annual position on common and conditional data as well as any amendments which may be required to rectify gaps in the data.

In addition, the Trustee meets with each administrator on a quarterly basis to discuss the administration of the Scheme. These meetings provide an opportunity to discuss any issues that might arise.

The Trustee is satisfied that over the period:

- the administrators were operating appropriate procedures, checks and controls and operating broadly within the agreed SLA;
- there have been no material administration errors in relation to processing core financial transactions; and
- all core financial transactions have been processed promptly and accurately during the Scheme year.

6. Trustee knowledge and understanding

Section 248 of the Pensions Act 2004 sets out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as trustees properly.

Capital Cranfield Pension Trustee Limited (CCPTL) is the Sole Trustee appointed to the Scheme. CCPTL comply with the APPT Code of Practice for Sole Trusteeships. Each CCPTL Professional Trustee involved in the Scheme is fully accredited and meets the annual requirements for continuous professional development.

The comments in this section relate to CCPTL dealing with the Scheme as a whole and are not solely restricted to the BPSS or AVC section.

The Trustee has processes and procedures in place to meet the Pension Regulator's Trustee Knowledge and Understanding requirements, some of which are identified below:

- holding four Defined Benefit and at least four Defined Contribution trustee meetings with advisers who provided specialist advice on relevant topics;
- keeping knowledge up to date through training externally covering current topics such as the DC plans with DB underpins, DB funding code and illiquid assets in DC investment strategies;
- maintaining a log of all training undertaken and assessing gaps in knowledge;
- keeping up to date with Scheme specific knowledge by maintaining an electronic storage facility in order to have instant access to Scheme documents; and
- obtaining quarterly reports from advisers for administration, investment, and funding of the Scheme.

CCPTL have engaged with appointed professional advisers regularly throughout the year to ensure that they exercise their functions properly, and take professional advice where needed. In exercising their functions this has required knowledge of key Scheme documents such as the Trust Deed and Rules, Trustee Report and Accounts, SIP and all documents setting out current policies and processes. A few of the areas that support this include the following:

- allocating time on agendas for review and discussion of quarterly administration reports to monitor service delivery against agreed SLAs and assessing the member experience;
- allocating time on agendas for reviewing quarterly investment reports to assess fund performance against benchmarks, and funds against overall Scheme aims and objectives, as set out in the SIP;
- meeting with auditors at least annually to discuss the finding of their testing on the Scheme transactions; and
- allocating time on every agenda to the review of current events and legislative updates from our professional advisers.

The Trustee believes it has sufficient knowledge and understanding of the law relating to pensions and trusts and the relevant principles relating to the funding and investment of occupational schemes.

The Trustee considers that it meets the Pension Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their professional advisers, enables them to properly exercise their functions as the Trustee of the Scheme.

Signed on behalf of Capital Canfield Pension Trustees Limited

Name	
Signature	
Date	

Appendices:

1. Statement of Investment Principles

Appendix 1: Statement of Investment Principles