

Spirent Communications plc Staff Pension and Life Assurance Plan (“the Plan”)
Chair’s statement regarding the governance of defined contribution arrangements
plan year - 1 April 2023 to 31 March 2024

1. Introduction

- 1.1. This statement has been prepared by the Trustees of the Spirent Communications plc Staff Pension and Life Assurance Plan (“the Trustees” and “the Plan”), to report on compliance with Defined Governance (“DC”) governance standards, which are designed to help members achieve good outcomes from their pension savings.
- 1.2. This statement covers the plan year 1 April 2023 to 31 March 2024.
- 1.3. As required by regulation, the Trustees will publish this statement on a publicly accessible website and draw it to the attention of members in their annual benefit statement. The web address will be:
https://corporate.spirent.com/about-us/pension_plans_chairs_statements

2. The Plan’s DC arrangements

- 2.1. The Plan predominantly provides benefits on a Defined Benefit (“DB”) basis, however it contains the following DC arrangements that provide additional benefits for DB members.
 - 2.1.1. Benefit entitlements for members who transferred into the Plan on a DC basis (“Notional transfers in”). The transfer values were added to the Plan’s main assets (i.e. those which are managed on a DB basis) and members were granted a notional unit allocation. These units are valued using a calculation that reflects the composite performance of the Plan’s assets.
 - 2.1.2. Other DC transfers-in invested into an investment-only account with Clerical Medical.
 - 2.1.3. Additional Voluntary Contributions (“AVCs”) provided through ‘bundled’ services arrangements with Aviva, Clerical Medical, ReAssure, Royal London, and Utmost Life & Pensions (“Utmost”).
- 2.2. The Plan has never been used for automatically enrolling new members.

3. Default investment arrangements

- 3.1. The Plan has no default investment arrangement, as it have never been used as a qualifying scheme for automatic enrolment purposes.
- 3.2. Details of the investment strategies is provided through the Plan, their aims and objectives, and the Trustees’ investment policies are set out in the Statement of Investment Principles (“SIP”). This SIP covers the investment policy in relation to the Whole Plan and was last updated in May 2023 to incorporate changes to the Plan’s DB investment strategy (which also affected DC benefits for some members) and the purchase of a bulk annuity policy with Pension Insurance Corporation.
- 3.3. The Trustees monitor the Plan’s investments on a regular basis with assistance from their investment advisers, considering both fund performance and any developments at the investment managers.

4. Core financial transactions

- 4.1. The Trustees have a duty to ensure that ‘core financial transactions’ are processed promptly and accurately.
- 4.2. Core financial transactions comprise the following:

4.2.1. Transfers and other payments out of the Plan

4.2.2. Investment switches (for the arrangements within the Plan where members have a choice of investment options).

Transfers in (Notional and Clerical Medical) Administration

4.3. Over the reporting period, the administration functions in relation to the Plan were outsourced to, and completed by, Barnett Waddingham LLP (“Barnett Waddingham”), who undertake core financial transactions on behalf of the Trustees.

4.4. To ensure the accuracy and timeliness of processing of core financial transactions, the Trustees have established robust reporting and monitoring processes and controls.

4.5. The processes and controls in place to ensure the promptness of core financial transactions for these benefits are:

4.5.1. The Trustees have a Service Level Agreement (SLA) in place with Barnett Waddingham covering the promptness of transactions, under which the administrators aim to process 95% of transactions within service levels for each type of transaction.

Core Financial Transactions	Service Level Agreement
Transfer out payments	3 working days
Other payments out of the Plan	5 working days
Investment switches	5 working days

4.5.2. The Trustees receive regular administration reports from Barnett Waddingham which are reviewed at each trustee meeting. The reports assess performance against the SLA for each type of transaction. Over the 12 months to 31 January 2024, 90% of all tasks for the Plan as whole were processed within SLA, although very few of these were in respect of core financial transactions relating to the Plan’s DC arrangements. Where any tasks relating to core financial transactions miss their target, the administrators undertake to complete the outstanding actions promptly ensuring no financial detriment to members and report the outcome to the Trustees at the next meeting.

4.6. The processes and controls in place in relation to ensuring the accuracy of core financial transactions for these benefits are:

4.6.1. The Trustees monitor the quality of the data held by Barnett Waddingham on an ongoing basis. Both common data and scheme-specific data scores are produced quarterly, and the Trustees will take action to improve data quality wherever possible. As at 31 January 2024, the common data score for the Plan was 95.58%, and the scheme-specific data score for the Plan was 89.22%. Under the methodology used, both scores indicate “very good data with minimal cleansing requirements”.

4.6.2. Barnett Waddingham operate a pooled banking facility. The Barnett Waddingham pension administration system is updated daily to show reconciled balances to the pooled banking system. Financial Conduct Authority regulations for holding client monies mean that Barnett Waddingham must carry out an internal and external reconciliation every day. Barnett Waddingham’s internal controls are audited annually, and this is evidenced to the independent auditor.

4.6.3. Barnett Waddingham’s processes are subject to internal controls procedures and adhere to AAF standards. Information about Barnett Waddingham’s administration procedures and controls can

be found in its 2023/24 AAF report which is published online: www.barnett-waddingham.co.uk/aaf-0120-report.

- 4.6.4. Barnett Waddingham has also achieved accreditation in respect of ISO 27001 and ISO 9001 standards, which detail Quality Management and Information Security Management procedures.
- 4.6.5. Administration risks are captured as part of the Plan's risk register, which also includes details of the controls established by the Trustees to mitigate such risks.
- 4.6.6. Kreston Reeves LLP have been appointed by the Trustees to undertake an annual external audit of the report and accounts.
- 4.6.7. Any issues uncovered regarding inaccuracies with core financial transactions are included within the quarterly reporting and considered at each trustee meeting with any remedies required then being implemented.

AVC Administration

- 4.7. Core financial transactions for the AVC arrangements are undertaken by the external providers listed in paragraph 2.1.3. These are however co-ordinated by Barnett Waddingham, to whom the Trustees have delegated day-to-day administrative oversight. For example, in respect of payments out of the AVC arrangements, the role of the external providers is to disinvest the appropriate funds and transfer the funds to the trustee bank account. Barnett Waddingham will then distribute the funds as required.
- 4.8. Barnett Waddingham report back to the Trustees as part of quarterly trustee meetings with any specific issues relating to the administration of the AVC policies. There were no issues reported to, or identified by, the Trustees in connection with the accuracy of the processing of core financial transactions for the AVC policies during the Plan year.

Assessment

- 4.9. There were no issues reported to the Trustees in connection with either the promptness or accuracy of core financial transactions processed during the Plan year for any of the Plan's DC arrangements, and there were no such issues outstanding at the end of the Plan year.
- 4.10. In view of the controls and monitoring arrangements, and the lack of issues experienced during the Plan year, the Trustees believe that core financial transactions have been processed promptly and accurately.

5. Member-borne charges and transaction costs

- 5.1. Members bear charges and transaction costs, which will differ depending on the investment options in which their pension savings are invested:
 - 5.1.1. Charges: these are expressed as a percentage of the value of a member's holdings within an investment fund and can be made up of a combination of charges, e.g. annual management charge and additional expenses. We refer to the total annual charge as the Total Expense Ratio (TER).
 - 5.1.2. Transaction costs: these relate to the variable costs incurred within an investment fund arising from the trading activities of the fund, e.g. incurred in the buying and selling of securities, which are not accounted for in the TER charge.

Charges in relation to the Notional Transfer In

- 5.2. Although members only have a notional unit entitlement, the valuation of these entitlements depends upon the performance of the main Plan assets. The following table provides details of the charges and transaction costs for the investment option which now holds the main Plan assets, although we note that the TER is invoiced to the Trustees by the investment managers:

Investment option	TER (p.a.)	Transaction costs (p.a.) [1]
LGIM Sterling Liquidity Fund	0.01%	-0.1048%

- 5.3. In certain circumstances, the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes down the price of the asset being traded, whilst the transaction was in progress, resulting in the asset being purchased for a lower price than when the trade was initiated.

Charges in relation to other Transfer In benefits

- 5.4. The following table provides details of the charges and transaction costs applied to the other investment option used over the Plan year to hold DC funds from historic transfers (data sourced from each relevant investment manager):

Investment option	TER (p.a.)	Transaction costs (p.a.) [1]
Clerical Medical Balanced Fund	1.00%	0.2500%

- [1] In certain circumstances the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes the price of the asset being traded down, whilst the transaction was in progress. This can result in the asset being purchased for a lower price than when the trade was initiated.

Charges in relation to AVC arrangements

- 5.5. The following table provides details of the charges and transaction costs applied to each of the investment options used over the Plan year to hold AVC benefits (data sourced from each relevant investment manager):

Investment option	TER (p.a.)	Transaction costs (p.a.) [1]
Aviva Mixed Investment (40%-85% Shares) (NU)	0.88%	0.0602%
Clerical Medical Balanced Fund	0.50%	0.2500%
Clerical Medical Ethical Fund	0.50%	0.0800%
Clerical Medical Gilt & Fixed Interest Fund	0.50%	0.0000%
Clerical Medical UK Growth Pension	0.50%	0.2700%
Clerical Medical With-Profits Fund	0.50%	0.2500%
Utmost Global Equity Fund	0.75%	0.0810%
Utmost Managed Fund	0.75%	0.1212%
Utmost Money Market Fund	0.50%	0.0205%
Utmost Multi-Asset Moderate Fund	0.75%	0.2082%
Utmost UK Equity Fund	0.75%	0.2429%
Utmost UK FTSE all Share Tracker Fund	0.50%	0.0525%

Investment option	TER (p.a.)	Transaction costs (p.a.) [1]
Utmost US Equity Fund	0.75%	0.0811%
L&G Cash Fund Pension Accumulator Series 17	0.80% [2]	-0.0280%
L&G Distribution Fund Pension Accumulator Series 17	0.80% [2]	0.0940%
L&G Far Eastern Fund Pension Accumulator Series 17	0.80% [2]	0.3730%
L&G Fixed Interest Fund Pension Accumulator Series 17	0.80% [2]	0.0160%
L&G Managed Fund Pension Accumulator Series 17	0.80% [2]	0.0720%
L&G UK Equity Index Fund Pension Accumulator Series 17	0.80% [2]	-0.0100%
Cash 2 Pension Accumulator Series 02 (Reassure)	0.76%	-0.0280%
Equity 2 Pension Accumulator Series 02 (Reassure)	0.75%	0.2920%
Royal London Crest Secure Fund	1.45%	-

[1] In certain circumstances the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes the price of the asset being traded down, whilst the transaction was in progress. This can result in the asset being purchased for a lower price than when the trade was initiated.

[2] This information has not been received from the providers concerned for the period covered by this report, however these are the most recent TER figures provided in previous years. We will continue to try and obtain the information and will update this assessment as and when information is received.

Impact of costs and charges

5.6. To demonstrate the impact of charges and transaction costs on members' pension savings over time, the Trustees have produced illustrations, and these are set out in Appendix 1.

6. Net investment returns

6.1. The Trustees are required to disclose returns, net of charges and transaction costs, for the default investment arrangement and for each fund that members are able, or were previously able, to select and in which members' assets were invested during the Plan year. When preparing this section of the statement the Trustees have taken account of the relevant statutory guidance.

6.2. The following table provides the returns for each of the investment options:

Investment fund	1yr net return	3yr net return (p.a.)	5yr net return (p.a.)
"Notional" Transfers in [1] (those invested in line with Plan DB assets)	5.07%	2.39%	1.57%
Aviva Mixed Investment (40-85% Shares) (NU)	10.50%	-	5.30%
Clerical Medical Balanced Fund (Transfers In)	8.10%	3.06%	2.87%
Clerical Medical Balanced Fund (AVCs)	8.60%	3.56%	3.37%
Clerical Medical Ethical Fund	22.58%	8.23%	10.33%

Clerical Medical Gilt & Fixed Interest Fund	3.44%	-5.96%	-2.49%
Clerical Medical UK Growth Pension	9.65%	6.36%	3.11%
Clerical Medical With-Profits Fund	2.02%	1.97%	2.01%
Utmost Global Equity Fund	25.53%	12.92%	12.63%
Utmost Managed Fund	9.38%	5.22%	4.72%
Utmost Money Market Fund	4.68%	2.00%	1.20%
Utmost Multi Asset Moderate Fund ^[2]	10.76%	3.26%	-
Utmost UK Equity Fund	8.63%	7.40%	4.30%
Utmost UK FTSE All Share Tracker Fund	7.70%	7.29%	4.76%
Utmost US Equity Fund	29.02%	14.48%	14.99%
L&G Cash Fund	5.23%	2.52%	1.71%
L&G Distribution Fund	8.57%	2.98%	3.96%
L&G Far Eastern Fund	13.37%	4.83%	5.88%
L&G Fixed Interest Fund	0.18%	-6.63%	-3.12%
L&G Managed Fund	10.62%	4.59%	5.71%
L&G UK Equity Index Fund	8.23%	7.78%	5.52%
L&G Pension Cash Fund	4.43%	1.76%	0.95%
L&G Pension Equity Fund	7.64%	4.32%	2.74%
Royal London Crest Secure Fund ^[3]	1.05%	1.05%	1.50%

Notes: all data has been sourced from the respective investment managers and the Trustees are reliant on the investment managers for the accuracy of this data. Where the Trustees have been unable to obtain data, they will continue to try and obtain it and will update the information above when the missing data is available.

[1] These figures are the net returns achieved by the LGIM Sterling Liquidity Fund, in which these transfers are now notionally invested.

[2] This fund's inception date was 1 January 2020 so performance over a 5-year period is not available.

[3] Members invested in this fund receive a 0.8% enhancement on top of the regular bonus rate declared and this is included in the figures above.

7. Value for members

- 7.1. The Trustees are required to assess annually the extent to which the charges and transaction costs borne by members represent good value.
- 7.2. Analysis was undertaken by the Trustees' professional advisers, Barnett Waddingham, and the findings were set out in a report dated October 2024. The Trustees considered the report and confirmed its value for members' assessment as outlined in this statement.
- 7.3. Recognising that low cost does not necessarily mean good value, the assessment considered whether the services for which members pay or share the costs are suitable for, relevant to and (likely to be) valued by members and whether performance of the services had been effective. Consideration was also made of the costs relative to other options available in the market.

- 7.4. Various investment-related services for which members do not directly meet the costs are nevertheless inextricably linked to creating the environment under which investment returns are delivered, e.g. strategy, monitoring and the investment governance structure, so these were included in the assessment.
- 7.5. Other services not paid for by members were excluded but nevertheless deliver value to members, e.g. the services of professional advisers and the operation of the Trustee Board, with a duty to act in the best interest of members. These items were paid for by Spirent Communications plc (“the Company”) until 30 June 2022 and by the Plan from 1 July 2022.

Transfers In (Notional & Clerical Medical)

- 7.6. In relation to the transfer in benefits held on a ‘notional units’ basis and those invested on an investment-only basis with Clerical Medical, the member-borne charges and transaction costs relate to investment services. All other charges, including the costs of administration and communication services are met by the Company.
- 7.7. The assessment of these benefits considered in relation to the investment services:
 - 7.7.1. the investment strategy, e.g. the design of any default and range of alternative options;
 - 7.7.2. the arrangements for monitoring the performance of the investment options and reviewing the investment strategy; and
 - 7.7.3. the investment governance arrangements.
- 7.8. The Trustees have concluded that the notional transfers in and Clerical Medical transfers in offer reasonable value in relation to the charges and transaction costs borne by members.
- 7.9. In reaching this conclusion, the Trustees recognised:
 - 7.9.1. The Plan has an appropriate investment governance structure, where investment matters are considered by the Trustees at regular meetings with assistance from professional advisers, and the governing documentation is reviewed and updated when necessary.
 - 7.9.2. The investment strategy offered to members in respect of the ‘notional’ transfers in is such that members do not have access to alternative options, or any de-risking strategies that increase the capital protection applicable to members’ benefits in the approach to retirement. Clerical Medical members have access to a wider variety of investment funds and strategies however members do not receive any regular information about these options or how to switch their investments.
 - 7.9.3. The investment performance of the Plan assets (which directly affects the performance of the notional transfers) is monitored on a quarterly basis, considering both short and long-term performance, and long-term market conditions. Monitoring and review of the investment strategies does however focus on the strategies’ suitability primarily from the perspective of meeting the objectives of the Plan’s DB assets, and not necessarily from meeting the needs of DC members.
 - 7.9.4. The fund now used to derive the value of the notional transfers has charges which should be in line with the market for that type of fund.
 - 7.9.5. The transfer in funds held with Clerical Medical bear charges that are likely to be higher than those available in other investment-only policies, even considering the relatively small value of these benefits.
- 7.10. The Trustees have undertaken this value assessment with reference to expectations set for trustees of wholly DC arrangements and recognise that there are therefore several areas in which value for members could be enhanced. However, in the context of the small value of these DC benefits relative to member’s overall benefits in the Plan and given that there are no members in the Plan with only DC benefits, the

Trustees intend to take a pragmatic approach over the feasibility of making significant changes to these arrangements.

AVCs

- 7.11. In relation to AVCs, the member-borne charges and transaction costs relate to:
- 7.11.1. investment services;
 - 7.11.2. administration services; and
 - 7.11.3. communication services.
- 7.12. The assessment considered the broad value for members of these services, taking a proportionate approach that reflects the relatively low value of the AVC pension savings concerned in relation to member's overall benefit entitlements in the Plan.
- 7.13. The Trustees concluded that the AVC arrangements offer reasonable value in relation to the charges and transaction costs borne by members.
- 7.14. In reaching this conclusion, the Trustees recognised:
- 7.14.1. Utmost AVC members have access to a reasonable range of investment options, albeit the lifestyle strategy available targets flexible withdrawal of funds which is not likely to be wholly suitable for members with AVCs attached to a DB scheme.
 - 7.14.2. Members in the Royal London policy are not able to switch investments, however they are invested in funds which provide capital and/or future investment guarantees which members may value.
 - 7.14.3. The Aviva, Clerical Medical and ReAssure arrangements have wider and more suitable ranges of funds and lifestyle strategies for members to choose from.
 - 7.14.4. All providers offer basic administration and communication services via legacy platforms, albeit these are supplemented by services from Barnett Waddingham, the lead administrator, for which the member does not pay the cost.
 - 7.14.5. The costs applicable to members in all policies are broadly in line with AVC arrangements of similar sizes and age and there is likely to be limited opportunity for the Trustees to change the service providers or obtain more competitive charges.

8. Trustee knowledge and understanding

The Trustee Board

- 8.1. The Trustee Board comprises three individual trustees, all of whom are appointed by the Company. There remained two outstanding vacancies for member-nominated trustees at the end of the plan year.
- 8.2. One of the Company-appointed trustees, Apex ATL Pension Trustees Limited, represented by Nigel Modlinsky, is the Chair and is a professional trustee.

Trustee knowledge and understanding requirements

- 8.3. Trustees are required to be conversant with a scheme's main documents and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets.

Approach

- 8.4. The Trustees aim to remain conversant with the Plan's trust deed and rules as well as all other Plan documents such as the statement of investment principles, the risk register, and current policies, e.g.

conflicts of interest. They do so through their experience in governing the Plan, as well as specific activities over the plan year and access to professional advice.

- 8.5. The Trustees aim to achieve and maintain knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets through a combination of training, taking professional advice and the inclusion of a professional trustee as a trustee and chair.
- 8.6. The inclusion of a professional trustee as chair enhances the knowledge of the trustee board by way of the significant experience gained through appointments on other trustee boards, associated access to a wide range of professional advisers, and the ongoing Continuous Professional Development (CPD) requirements that must be adhered to in order that professional status is maintained.
- 8.7. The majority of trustee training is undertaken at regular trustee meetings by the Trustees' professional advisers, and this is supplemented with training activities such as attending seminars and conferences and reading pensions-related articles. A training log is maintained in relation to training undertaken and is reviewed and updated at each trustee meeting.
- 8.8. An induction process is in place for newly appointed trustees, which includes receiving access to the Plan's governing documentation, meetings with the Trustees' advisers and completion of the Pensions Regulator's Trustee Toolkit modules.
- 8.9. The Trustees consult with professional advisers as and when required, for example on consultancy, investment and legal matters. The professional advisers are engaged to pro-actively alert the Trustees on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Plan's documents, attending trustee meetings and often in the delivery of training at these meetings.
- 8.10. The Trustees recognise the importance of carrying out a self-assessment exercise to identify knowledge gaps and training needs in relation to emerging legislation, Plan changes and upcoming matters in the Plan's business plan. The Trustees undertook such an assessment during the previous plan year, and this was used to help design the training sessions which the Trustees received during this period.
- 8.11. A Governance Working Party ("GWP") sub-committee considers all matters relating to the good governance of the Plan, e.g. to review and maintain the Trustees' business plan and risk register, and to monitor the DC benefits within the Plan in line with the Pensions Regulator's General Code of Practice. A formal Terms of Reference outlines the authorities that have been delegated, and the GWP reports back to the full Trustee Board at the following meeting.

Activities over the plan year

- 8.12. The Trustees, either through the full board or GWP, reviewed the following Plan documents during the year:
 - 8.12.1. Business calendar.
 - 8.12.2. Risks relating to the move to buy out.
 - 8.12.3. Objectives for their investment advisers.
 - 8.12.4. Annual report and accounts.
 - 8.12.5. Annual chair's governance statement and value for members assessment.
 - 8.12.6. Implementation statement.
- 8.13. The Trustees received training during the Plan year on the following topics at regular trustee meetings:
 - 8.13.1. Mansion House reforms

- 8.13.2. Solutions for Own Trust schemes
- 8.13.3. Understanding investment markets
- 8.13.4. The future of DC investing
- 8.14. During the plan year, the Trustees took professional advice on:
 - 8.14.1. The underlying assumptions for the Statutory Money Purchase Illustrations.
 - 8.14.2. Undertaking the annual value for members' assessment.
 - 8.14.3. Completion of the annual governance statement and implementation statement.
 - 8.14.4. Quarterly investment performance monitoring.

Assessment

- 8.15. The Trustees consider that their combined knowledge and understanding, together with their access to professional advice, enables them to properly and effectively exercise their trustee functions in the following ways:
 - 8.15.1. The Trustees are able to challenge and question advisers, service providers and other parties effectively.
 - 8.15.2. Trustee decisions are made in accordance with the Plan rules and in line with trust law duties.
 - 8.15.3. The Trustees' decisions are not compromised by such things as conflicts or hospitality arrangements.

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Nigel Modlinsky, of Apex ATL Pension Trustees Limited

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Date

Appendix 1 – Illustrations on the impact of cost and charges

A1.1. To demonstrate the impact of member-borne charges and transaction costs on the value of members' pension savings, the Trustee has produced illustrations in accordance with statutory guidance.

Parameters used for the illustrations

A1.2. Pot size: pot sizes of £8,500, £15,000, and £19,000 have been used; these represent the 25th percentile, the median and the 75th percentile of pot values (rounded to the nearest £500).

A1.3. Contributions: the illustrations assume no future contributions.

A1.4. Timeframe: the illustrations are shown over a 15 year time frame as this covers the approximate duration that the youngest member would take to reach retirement age.

A1.5. Investment options: illustrations are provided from the non-notional range used with the highest and lowest charges.

Guidance to the illustrations

A1.6. For each illustration, the savings pot has been projected twice: firstly for the assumed investment return gross of costs and charges; and secondly for the assumed investment return net of costs and charges.

A1.7. Projected pot sizes are shown in today's terms, so do not need to be reduced further for the effects of future inflation. Inflation is assumed to remain constant throughout the term of the illustrations, at 2.5% per year. It is for this reason that real growth (after inflation) may be negative.

A1.8. The real-terms rates of growth used in the illustrations are calculated by reference to the Financial Reporting Council's AS TM1.

A1.9. The projected growth rates (gross, i.e. before inflation) and costs and charges used are as follows:

Fund/Strategy	Rationale for inclusion	Assumed return	TER	Transaction costs*
Clerical Medical Balanced Fund (Transfers In)	Highest charged fund	4.00%	1.00%	0.2980%
LGIM Sterling Liquidity Fund (Transfers In)	Lowest charged fund	2.0%	0.01%	-0.0590%

* The statutory guidance requires trustees to use an average of the last five years' transaction costs (insofar as they are able) when producing the illustrations. As data is available for the last four years only, the illustrations use four-year averages.

A1.10. Values shown are estimates and not guaranteed.

A1.11. The starting date for the illustrations is 31 March 2024.

Clerical Medical Balanced Fund (as used for the transferred-in DC benefits)

Years of investment	Starting pot size: £8,500 Future contributions: No		Starting pot size: £15,000 Future contributions: No		Starting pot size: £19,000 Future contributions: No	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£8,500	£8,500	£15,000	£15,000	£19,000	£19,000

1	£8,624	£8,517	£15,220	£15,030	£19,278	£19,037
3	£8,879	£8,550	£15,668	£15,089	£19,846	£19,113
5	£9,140	£8,584	£16,130	£15,148	£20,432	£19,188
10	£9,829	£8,669	£17,345	£15,298	£21,971	£19,378
15	£10,570	£8,755	£18,652	£15,450	£23,626	£19,569

A1.12. Note on how to read this table: If a member had £15,000 invested in this option on 31 March 2024, after 10 years of membership the savings pot could grow to £17,345 if no charges are applied but to £15,298 with charges applied.

LGIM Sterling Liquidity Fund (as used for transferred-in benefits)

Years of investment	Starting pot size: £8,500 Future contributions: No		Starting pot size: £15,000 Future contributions: No		Starting pot size: £19,000 Future contributions: No	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£8,500	£8,500	£15,000	£15,000	£19,000	£19,000
1	£8,459	£8,463	£14,927	£14,934	£18,907	£18,916
3	£8,376	£8,388	£14,782	£14,803	£18,723	£18,750
5	£8,295	£8,315	£14,638	£14,673	£18,541	£18,586
10	£8,094	£8,133	£14,284	£14,353	£18,093	£18,180
15	£7,899	£7,956	£13,939	£14,040	£17,656	£17,784

A1.13. Note on how to read this table: If a member had £15,000 invested in this option on 31 March 2024, after 10 years of membership the savings pot could grow to £14,284 if no charges are applied but to £14,353 with charges applied.

A1.14. Over the five years to 31 March 2024, the average transaction costs for the LGIM Sterling Liquidity Fund are negative, and greater than the TER of the fund, and this results in the illustrations for the fund showing a higher fund value after charges.