CHAIR'S STATEMENT

Chair's Statement for the period 1st April 2025 to 31st March 2026

PREPARED IN ACCORDANCE WITH THE OCCUPATIONAL PENSION SCHEMES (CHARGES AND GOVERNANCE) REGULATIONS 2015 ("THE REGULATIONS")

I am pleased to present the Trustees' statement of governance in relation to the money purchase benefits of the Home Group Pension and Life Assurance Scheme ("the Scheme"), covering the period from 1st April 2025 to 31st March 2026. The Scheme comprises two separate sections: the Final Salary Section ('FSS') and the Defined Contribution Section ('DCS'). This Statement describes how the Trustees seek to ensure that the DCS is well-managed and delivers excellent services to members. The Statement examines five key areas of the Trustees' governance, namely:

- The investment strategy relating to the Scheme's default arrangement.
- The processing of core financial transactions.
- Net return on investments.
- Charges and transaction costs within the Scheme, including an illustration of its cumulative impact, and the Trustees' assessment of value for members; and
- The Trustees' compliance with the statutory knowledge and understanding requirements.

In doing so, we provide the various statutory disclosures required by the Regulations.

The FSS provides money purchase benefits by way of additional voluntary contributions (AVCs). This statement therefore also covers the governance aspects in relation to the FSS's AVC arrangements with Aviva. All FSS AVCs are with Aviva following transfers from Santander & ReAssure undertaken in previous Scheme years.

The Aviva AVC arrangement is identical in terms of investment options, charges and administration processes to the main DCS, and so commentary and analysis relating to the DCS in this statement is also applicable to the Aviva AVC arrangement.

1. Default Investment Strategy in the DCS

1.1 The Scheme's Statement of Investment Principles ('SIP') in place during the Scheme year were the SIPs dated March 2024 and June 2025. The SIP was updated during the Scheme year to reflect the changes made to the Scheme's default investment strategy following the most recent triennial review, with the changes described in the section below. The latest SIP is publicly available at https://media.umbraco.io/home-group-heartcore/5zzluuhc/statement-of-investment-principles-2025.pdf. The SIP was prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 and Section 35 of the Pensions Act 1995. This covers the aims and objectives in relation to the default investment strategy as well as the Trustees' policies in relation to matters such as risk and diversification. Additionally, it states why the Trustees believe the default investment strategy is designed to be appropriate for the majority of members.

1.2 Following the triennial investment strategy review undertaken in the previous Scheme year, the Trustees implemented a number of changes to the Scheme's investment strategy (including the default) during the Scheme year which are outlined below:

- Updated the glidepath (for all lifestyles) to introduce an all-equity growth phase to expose younger members to greater potential growth. The growth phase allocation is as follows:

  - 45% Home Group Global Equity Fund
  - 45% Home Group ESG Equity Fund (formerly the Home Group Sustainable Equity Fund)
  - 10% Home Group Emerging Market Equity Fund

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- Updated the glidepath (for all lifestyles) so that the gradual switching out of the all-equity allocation begins 15 years (previously 10 years) before retirement, with assets transitioning into the Home Group Diversified Growth Fund.
- Incorporated the BNY Mellon Global Dynamic Bond Fund into the Home Group Bond Fund alongside the BlackRock Corporate Bond All Stocks Index Tracker. This change applied to all lifestyle strategies and the self-select fund range.
- Replaced the BlackRock (30:70) Currency Hedged Global Equity Tracker Fund with the BlackRock MSCI Currency Hedged World Index Fund within the Home Group Global Equity Fund. This change applied to all lifestyle strategies and the self-select fund range.
- Made the Home Group Emerging Market Equity Fund available to self-select members, in addition to its use within the growth phase of the default investment strategy and the additional lifestyle strategies. The underlying fund is the BlackRock Emerging Market Equity Fund.
- Removed the BlackRock Consensus Fund and mapped members to the Home Group Diversified Growth Fund.
- Made the Home Group Pre-Drawdown Fund (underlying fund the L&G Retirement Income Multi-Asset Fund) available to self-select members.

Most changes to the existing funds and the introduction of the Home Group Emerging Market Equity Fund to the self-select range took place on 1 April 2025, and changes to the glidepaths of the default and additional lifestyle strategies were implemented on 6 June 2025. The Home Group Pre-Drawdown Fund was made available from October 2025.

1.3 The default investment strategy, the Home Group Drawdown Lifestyle Strategy, is described below:

- In the growth phase, 45% of member assets are invested in the Home Group Global Equity Fund, 45% in the Home Group ESG Equity Fund (formerly the Home Group Sustainable Equity Fund until Q4 2025) and 10% in the Home Group Emerging Market Equity Fund. The Trustees have designed this strategy with the aim to provide members with an appropriate level of growth over the longer term.

- Starting 15 years from retirement, a member's savings are switched gradually into the Home Group Bond Fund before the Home Group Cash Fund is introduced in the final 5 years prior to retirement. At retirement, the default strategy is invested 11.25% in the Home Group Global Equity Fund, 11.25% in the Home Group ESG Equity Fund, 2.5% in the Home Group Emerging Market Equity Fund, 25% in the Home Group Diversified Growth Fund, 25% in the Home Group Bond Fund and 25% in the Home Group Cash Fund. The Home Group Drawdown Lifestyle Strategy is designed to be suitable for members who wish to remain invested after retirement (outside of the Scheme) and draw down on their pension savings over time. Therefore, a proportion of a member's savings will be retained in growth investments (for example, equities) at retirement with the aim of achieving continued investment growth.

1.4 The investment performance of the funds used in the DCS is reviewed on a quarterly basis via quarterly investment monitoring reports produced by the Trustees' Investment Consultant, Mercer Limited ("Mercer"). These reports include the funds used in the default investment strategy and involve assessing fund performance against agreed benchmarks and targets and agreeing any action required. These reports are also discussed at Trustee meetings.

The Trustees remain satisfied that the Fund's objectives are in line with the policies set out in the SIP.

1.5 The DCS has some 'additional default' strategies, within the meaning of the Regulations, as a result of a fund mapping exercise undertaken in 2018 and the investment changes implemented in March 2022 and January 2024. For the purposes of this Statement, we use the term 'default investment strategy' to mean the Home Group Drawdown Lifestyle Strategy and 'additional defaults' to cover the others.

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The Trustees have determined that the following investment options should be considered as additional defaults:

- Home Group Global Equity Fund
- Home Group Diversified Growth Fund
- Home Group Cash Fund
- Aviva My Future Annuity
- Legal & General (PMC) FTSE4Good UK Equity Index
- Home Group Annuity Lifestyle Strategy

The investment principles relating to the default investment strategy and the additional defaults are contained within the SIP, which is attached to this Statement.

1.6 The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 ("the 2023 Regulations") require Trustees or managers of relevant occupational pension schemes to disclose their full asset allocations of investments from their default strategies.

To allow members invested in the Plan's default investment strategy to see how their savings were invested as at 31 March 2026, the tables below show the percentage of each of the main asset classes held by the Home Group Drawdown Lifestyle Strategy for members at different stages of the glidepath.

Target Drawdown Lifestyle

	Growth Phase	De-Risking Phase	At retirement
	Allocation for members more than 15 years away from retirement (members aged 25 and 45 years)	*Allocation for members 10 years away from retirement (members aged 55)*	Allocation for members at retirement (at 65 years)
Cash	0.2%	0.2%	25.1%
Bonds	0.0%	10.6%	33.9%
Listed Equity	99.6%	84.9%	37.6%
Private Equity	0.0%	0.3%	0.2%
Property	0.0%	1.7%	1.4%
Infrastructure	0.0%	0.0%	0.0%
Private Debt	0.0%	0.7%	0.6%
Other	0.1%	1.5%	1.2%

Source: Aviva, BlackRock and L&G for underlying fund allocations as at 31 March 2026 and Mercer calculations.

Notes:

- *Normal Retirement Date for the Scheme is age 65, members have the opportunity to select their own retirement date.*
- *The following describes the types of investments covered by the above asset classes:*
  - ***Cash** – Cash and assets that behave similarly to cash e.g. treasury bills and repurchase agreements.*
  - ***Bonds** – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date. This includes Corporate, Government and Other Bonds.*
  - ***Listed Equity** – Shares in companies that are listed on global stock exchanges. Owning shares makes the Plan a part owner of the company, entitled to a share of the profits (if any) payable as dividends.*
  - ***Private Equity** – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including:*
    - *Venture Capital – Small, early-stage businesses that may have high growth potential, albeit at significant risk.*
    - *Growth Equity – Relatively mature companies that are going through a transformational event with potential for growth.*

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- ***Infrastructure*** *– physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons*
- ***Property*** *– Real estate, potentially including offices, retail buildings which are rented out to businesses.*
- ***Private Debt*** *– Other forms of loan that do not fall within the definition of a 'Bond'.*
- ***Other*** *– Any assets that do not fall within the above categories.*

Information on the additional defaults is included in the Appendix.

2. **Core Financial Transactions**

2.1 As required by regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, the Trustees must ensure that core financial transactions are processed promptly and accurately. Core financial transactions include (but are not limited to):

- Investment of contributions paid to the Scheme.
- Transfers of members' assets into and out of the Scheme.
- Transfers of members' assets between different investment options available in the Scheme; and
- Payments from the Scheme to or in respect of members.

2.2 The Trustees ensure that the requirements of the Regulations are met, and core financial transactions processed promptly and accurately during the Scheme year by:

- Appointing a professional pensions administration provider, Aviva Life & Pensions UK Limited ("Aviva").
- Monitoring Aviva's administration performance against standard turnaround times (service level agreements, or SLAs) which cover all core administration processes. Aviva aim for 95% of the majority of client demands to be completed within 5 working days. Aviva's performance against these SLAs is reported to the Trustees on a quarterly basis. Aviva also report quarterly to the Trustees on their service performance using a range of other measures, including end-to-end service times for each type of transaction. The Trustees considered Aviva's performance against these timescales at each of their meetings during the Scheme year.
  - Overall SLA performance during the Scheme year was 99.4% for the second quarter of 2025, 99.5% over the third quarter of 2025, 99.9% over the fourth quarter of 2025 and 99.9% over the first quarter of 2026. SLA performance remains broadly consistent with last year but remains an area of active monitoring for the Trustees.
  - The Trustees are not aware of any recurring problems with important administration processes involving core financial transactions, and statutory timeframes for core financial transactions were not breached.
  - Aviva has confirmed that, due to changes in the way they measure their service performance (to measure performance against end-to-end times and percentage of demands delivering value), they no longer focus on SLA targets. Furthermore, their SLA measurement is based on a 5-day turnaround for all correspondence, which the Trustees do not consider suitable for many transactions. Under Aviva's new methodology, 99.9% of core financial transactions were completed within 5 working days in three quarters and 100% for one quarter over the Scheme year covered by this Statement. A breakdown of core financial transactions is shown in the Appendix.
  - The Trustees, with assistance from Home Group, continue to proactively engage with Aviva on servicing.
  - Member complaints to Aviva are reported and tabled at each Trustees' meeting, to ensure they are being dealt with promptly and appropriately. In general, the complaints do not signify any systematic underlying service issues, although delays

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in responses from Aviva have arisen in a small number of cases. The Trustees have also noted from Aviva's governance reporting and complaints summary that a number of complaints were received during the Scheme year, including complaints relating to delays in the processing of withdrawal requests. Aviva confirmed that, where appropriate, affected members were compensated for any inconvenience and any financial detriment suffered as a result of these delays. The Trustees have engaged with Aviva regarding these issues and will continue to monitor service levels. The Trustees have also requested that Aviva add additional detail to their complaints summary reports.

- Ensuring that appropriate internal controls are in place with Aviva by receiving and reviewing AAF01/06 audit reports each year.
- The internal controls and processes adopted by Aviva to help ensure that transactions are processed promptly and accurately include:
    - Contributions to the Scheme and transfers of members' funds between investment options are processed automatically with validations built into the platform.
    - Any manual intervention on contributions or transfers between investment options requires approval by an authorised individual who is separate to the processor.
    - Quality audit checks are undertaken on a sample of processes throughout the year, with remediation undertaken of any errors found and improvements to the processes where any systemic issues are found.
    - All processes relating to benefits payable and transfer value calculations are undertaken by accredited staff or by staff who have their work checked.
    - Calculations of member unit holdings for transactions are undertaken on the system for which the prices are checked daily and approved.
    - Audit reconciliation between the investment and administration systems is undertaken monthly.
    - Payments are checked and approved by a person or persons (depending on value) independent of the processor.
    - Dual checking is in place ahead of processing of transaction deals. If a transaction is over a certain size, then additional approvals are required.
    - Timeliness of processing is monitored and reported on with escalation and reallocation of resources across Aviva's business where necessary.

In addition to the above processes, the following controls/actions are in place:

- The maintenance of close working links between the relevant Home Group in-house teams and Aviva. Home Group takes an active role in monitoring and working with Aviva on administration processes, which includes discussing casework and highlighting any overdue cases, when required. In addition, Home Group provides an update to the Trustees on the administrative work undertaken at each Trustees' meeting.
- Home Group reconciles all contributions taken from payroll. No issues were reported during the Scheme year.
- The Scheme's auditor conducts spot-checks of the accuracy of financial transactions as part of its annual audit of the Scheme's Report & Financial Statements.
- Continually reviewing the quality of Scheme membership data held by Aviva. Aviva provides common data scores on a quarterly basis as part of their stewardship reporting. As at 31 March 2026, the common data score was 94.3%. The majority of missing data relates to incomplete address information. In addition, Home Group regularly reviews Aviva's records for members with no investment funds, or active member records where no contributions have been received. During the year, the Trustees also commenced a member tracing exercise to further improve data held.

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- Maintaining and periodically reviewing a risk register which identifies all the inherent risks to Scheme members. A part of the risk register is reviewed at each Trustees' meeting on a rolling basis.

2.3 The AVC arrangements also have additional controls which are in addition to the Aviva controls noted above:

- XPS Administration, a professional third-party administrator, is involved in the record-keeping process and the settlement of AVC benefits for the FSS's AVC policies. Members who have paid AVCs have a flag on their Scheme member record. As part of the standard retirement process for members with AVCs, XPS disinvests the AVC fund in advance of the member's retirement date (assuming the member has returned their retirement forms in a timely manner), to enable prompt settlement of benefits.
- Members can make changes to their personal details and investments via the Aviva portal.

Based on the above, the Trustees are satisfied that the Scheme's core financial transactions have been processed promptly and accurately during the period to which this Statement relates.

3. Charges and Transaction Costs

3.1 The levels of charges and transaction costs applicable to the default investment strategy and additional defaults during the period are detailed in this section.

3.2 Each investment fund available to members of the DCS incurs a charge based on a percentage of the value of the fund. These charges are deducted from the funds by Aviva and reflected in the unit prices. The charge levied varies by fund, and the rates for the funds used in the default investment strategy are shown in the table below under 'Total Expense Ratio' ("TER"). It should be noted that TERs may vary over time.

3.3 The statutory charge cap of 0.75% p.a. applies to the default investment strategy in the Scheme. The Scheme's default investment strategy meets this requirement, with all funds used falling below the 0.75% p.a. cap. Additionally, all other funds currently used by the DCS are below the charge cap, including the additional defaults identified earlier in this Statement.

3.4 During the Scheme year, the Trustees engaged with Aviva in regard to the ongoing annual management charges (which form part of the TER). The Trustees were able to negotiate a reduction in the annual management charge from 0.30% p.a. to 0.27% p.a. which was implemented in Q1 2026.

3.5 The TERs stated in the table exclude the costs associated with trades in and out of a fund as well as the costs of trading a fund's underlying securities, including commissions and stamp duty, which are collectively referred to as 'transaction costs'.

3.6 The Trustees have requested details of the transaction costs applicable to the investment funds from Aviva. The transaction costs provided by Aviva have been reported separately to the TER in the table below. Due to the way in which transaction costs are required to be calculated, they can be positive or negative in nature; a negative figure is effectively a gain (on average) from trading activity, whilst a positive figure is effectively a cost from trading activity.

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3.7 The levels of costs and charges applicable to funds used in the DCS during the Scheme year were:

Fund	Total Expense Ratio (% p.a.)	Total transaction costs (%)
Home Group Global Equity Fund [1 2 3]	0.33	0.026
Home Group ESG Equity Fund [1 4]	0.34	0.122
Home Group Emerging Market Equity Fund [1 5]	0.48	0.000
Home Group Diversified Growth Fund [1 2]	0.47	0.065
Home Group Bond Fund [1 6]	0.51	0.182
Home Group Cash Fund [1 2]	0.27	0.019
BlackRock Aquila Over 5 Year Index Linked Gilt Index Tracker	0.27	-0.006
HSBC Islamic Global Equity Index	0.43	0.012
Legal & General (PMC) FTSE4Good UK Equity Index [2]	0.42	0.012
Aviva My Future Annuity [2]	0.31	0.001
Home Group Pre-Drawdown Fund [7]	0.55	0.041

Source: Aviva. As at 31st March 2026. Transaction costs for the period of 12 months to 31st March 2026.
[1] Funds used in the default investment strategy.
[2] Additional defaults identified in this Statement.
[3] The underlying fund within the Home Group Global Equity Fund was changed from the BlackRock (30:70) Currency Hedged Global Equity Fund to the BlackRock MSCI Currency Hedged World Fund in April 2025.
[4] The Home Group Sustainable Equity Fund was renamed the Home Group ESG Equity Fund in Q4 2025.
[5] The Home Group Emerging Market Equity Fund was incepted on 1 April 2025 as a self-select fund and introduced to the lifestyles from June 2025.
[6] The underlying funds within the Home Group Bond Fund were amended to introduce the BNY Mellon Dynamic Bond Fund from 1 April 2025. The Fund now invests 50% in the BlackRock Corporate Bond All Stocks Index Tracker and 50% in the BNY Mellon Dynamic Bond Fund.
[7] The Home Group Pre-Drawdown Fund was launched in October 2025.

Illustration of the compounding effect of transaction costs and charges on members' benefits.

3.8 Aviva, has prepared illustrations detailing the impact of the costs and charges typically paid by a member of the DCS on their retirement savings pot. The statutory guidance provided has been considered when providing these examples.

3.9 The figures in the tables below are illustrations. They are designed to show members the possible effect of costs and charges on their pension savings. Members' benefits in the DCS, and in AVC arrangements for members of the FSS, depend on many things such as contributions from the member or Home Group, how the members' investment funds have performed, and costs and charges. Members may get back less than they put in.

3.10 The illustrations reflect the following elements:

- An initial fund value of zero, to reflect the typical starting pot size of a new member to the DCS.

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- Contributions of £100 monthly, increasing in line with assumed earnings inflation of 2.5% p.a. This level of contribution has been chosen to allow members to see the approximate impact of charges based on their own circumstances.
- The figures illustrate the pension pot value in "today's money", such that they take inflation into account by discounting values at the assumed inflation rate of 2.5% p.a.
- Investment returns gross of costs and charges.
- Transaction costs used in the illustrations are based on an average of previous years' transaction costs (up to the past 5 years, where available).
- An adjustment for the effect of costs and charges.
- The time period of investment.

3.11 The tables that follow show how different costs and charges can impact members' pension pots over certain periods of time, based on a selection of investment funds.

3.12 Under each investment fund, there are two columns. The first shows the projected pension pot value assuming no charges are taken. The second shows the projected pension pot value after costs and charges are taken. By comparing the two, members can see how much the charges over the years could impact their pension fund. So, for example, if a member started contributing to their pension at age 30 and expects to retire at 65, the figures at the end of year 35 would give an idea of the reduction in the size of the fund that could be expected due to the costs and charges incurred.

Default strategy and highest and lowest cost funds: the table below shows the illustrative impact of costs and charges for the default investment strategy and the funds in the Scheme with the lowest and highest charges.

Years	Home Group Drawdown Lifestyle Strategy (default strategy)**		Home Group Cash Fund (lowest charge)*		Home Group Bond Fund (highest charge)	
	Assumed growth rate: 5.3% p.a.		Assumed growth rate: 2.0% p.a.		Assumed growth rate: 4.0% p.a	
	Assumed costs and charges: 0.44% p.a.		Assumed costs and charges: 0.29% p.a.		Assumed costs and charges: 0.65% p.a.	
	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges
1	1,200	1,200	1,180	1,180	1,190	1,190
2	2,450	2,440	2,360	2,350	2,400	2,390
3	3,750	3,720	3,530	3,510	3,640	3,600
4	5,080	5,040	4,690	4,670	4,880	4,820
5	6,460	6,400	5,850	5,810	6,150	6,050
10	14,100	13,800	11,500	11,400	12,700	12,300
15	23,100	22,400	17,100	16,700	19,800	18,900
20	33,800	32,300	22,600	21,900	27,500	25,700
25	46,500	43,900	27,900	26,900	35,700	32,800
30	61,500	57,300	33,100	31,700	44,600	40,200
35	79,200	72,800	38,100	36,300	54,100	47,900
40	98,700	89,500	43,000	40,700	64,400	55,900
45	118,000	105,000	47,900	45,000	75,400	64,300
50	135,000	118,000	52,600	49,100	87,200	72,900

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Source: Aviva.
**Additional default.*
***Growth rates and charges shown for the lifestyle options are weighted averages.*

Additional defaults: The table below shows the additional defaults not included in the previous table.

Years	Home Group Annuity Lifestyle Strategy*		Legal & General (PMC) FTSE4Good UK Equity Index		Aviva My Future Annuity	
	Assumed growth rate: 5.4% p.a.		Assumed growth rate: 6.0% p.a.		Assumed growth rate: 6.0% p.a.	
	Assumed costs and charges: 0.42% p.a.		Assumed costs and charges: 0.45% p.a.		Assumed costs and charges: 0.31% p.a.	
	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges
1	1,200	1,200	1,200	1,200	1,200	1,200
2	2,450	2,440	2,450	2,440	2,450	2,450
3	3,750	3,720	3,750	3,720	3,750	3,730
4	5,080	5,040	5,080	5,040	5,080	5,050
5	6,460	6,400	6,460	6,390	6,460	6,410
10	14,100	13,800	14,100	13,700	14,100	13,800
15	23,100	22,400	23,100	22,300	23,100	22,500
20	33,800	32,300	33,800	32,200	33,800	32,700
25	46,500	43,900	46,500	43,600	46,500	44,500
30	61,500	57,300	61,500	56,900	61,500	58,200
35	79,200	72,800	79,200	72,200	79,200	74,200
40	98,700	89,500	100,000	89,900	100,000	92,900
45	118,000	105,000	124,000	110,000	124,000	114,000
50	138,000	122,000	154,000	134,000	154,000	139,000

Source: *Aviva.*

**Growth rates and charges shown for the lifestyle options are weighted averages.*

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Years	Home Group Diversified Growth Fund		Home Group Global Equity Fund	
	Assumed growth rate: 4.0% p.a.		Assumed growth rate: 6.0% p.a.	
	Assumed costs and charges: 0.50% p.a.		Assumed costs and charges: 0.37% p.a.	
	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges
1	1,190	1,190	1,200	1,200
2	2,400	2,390	2,450	2,440
3	3,640	3,610	3,750	3,720
4	4,880	4,830	5,080	5,040
5	6,150	6,070	6,460	6,400
10	12,700	12,400	14,100	13,800
15	19,800	19,100	23,100	22,400
20	27,500	26,100	33,800	32,500
25	35,700	33,500	46,500	44,100
30	44,600	41,200	61,500	57,700
35	54,100	49,300	79,200	73,400
40	64,400	57,800	100,000	91,600
45	75,400	66,700	124,000	112,000
50	87,200	76,000	154,000	137,000

Source: *Aviva.*

Value for Members' Assessment

3.13 The Trustees routinely and regularly (at least annually) consider the extent to which the member-borne charges represent good value for members by considering the performance of the funds on a quarterly basis, the services provided and the price members pay. This is formally assessed by way of a detailed external assessment of the Scheme's arrangements undertaken by the Scheme's professional advisors.

3.14 During the year, in February 2026, the Trustees were able to secure a fee reduction with Aviva of 0.03% for each fund used by the Scheme, demonstrating the Trustees' continued commitment to ensure member value.

3.15 Over the period in question, the Trustees have considered the value provided to members in relation to the following aspects of the Scheme, via the external assessment:

- Benchmarking of fees against schemes of comparable size.
- Investment performance against stated benchmarks and/or targets.
- Value added by transaction costs.
- Investment manager ratings provided by the Scheme's investment consultant representing their research view of the likelihood of the funds achieving their objectives.
- Scheme governance and management.
- Assessing administration efficiency by consideration of service levels over the year.

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- The availability and quality of online access and member tools; and
- Quality of member communications.

3.16 The above assessment concluded that the DCS offers good value for members against the criteria noted above.

Long-term net investment returns

3.17 Regulations introduced in 2021 require the Trustees to report on the net investment returns for the Scheme's default strategy and for each fund which DCS members have been able to select during the Scheme year. Net investment returns refer to the returns on funds minus all transaction costs and charges.

3.18 The tables below show the net investment returns for the Scheme's default investment strategy and alternative lifestyles which have been calculated in accordance with the statutory guidance.

Home Group Drawdown Lifestyle	Annualised returns to 31st March 2026 (%)	
Age of member at start of period	**1 year**	**3 year (p.a.)**
25	16.4	12.8
45	16.4	12.8
55	15.7	11.8
60	11.7	9.0

Home Group Annuity Lifestyle	Annualised returns to 31st March 2026 (%)	
Age of member at start of period	**1 year**	**3 year (p.a.)**
25	16.4	12.8
45	16.4	12.8
55	15.7	11.8
60	11.4	7.4

Home Group Cash Lifestyle	Annualised returns to 31st March 2026 (%)	
Age of member at start of period	**1 year**	**3 year (p.a.)**
25	16.4	12.8
45	16.4	12.8
55	15.7	11.8
60	11.7	8.2

Source: *Data from Aviva and Mercer calculations, as at 31 March 2026.*
The Scheme's lifestyle strategies were incepted in March 2022. In January 2024, the funds within it were then white labelled. While this is therefore an effective inception date, the underlying investments remained the same. As such, 3 year performance is shown on an indicative basis but reflects the actual returns experienced by members. Since the lifestyle was updated in 2022, longer term performance over the 5 year period is not available. The lifestyles were further updated on 6 June 2025 , however, for the purposes of reporting performance the new lifestyles are assumed to be in effect from 1 June 2025. Returns to 30 May 2025 reflect the previous lifestyles.
Fund performance is net of all charges and transaction costs. Performance has been calculated based on a fixed weighted average of underlying fund performance in the lifestyle, with the weightings as at the ages shown.

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3.19 The table below shows the net investment return for the Scheme's self-select funds:

Self-select fund	Annualised returns to 31 March 2026 (%)		
	1 year	3 years (p.a.)	5 years (p.a.)
Home Group Global Equity Fund [1] [2]	15.9	14.3	-
Home Group ESG Equity Fund [3] [4]	15.6	13.6	-
Home Group Emerging Market Equity Fund [5]	26.1	-	-
Home Group Diversified Growth Fund [6]	11.1	7.5	-
Home Group Bond Fund [7]	4.4	4.3	-
Home Group Cash Fund	4.0	4.6	-
BlackRock Aquila Over 5 Year Index Linked Gilt Index Tracker	2.3	-5.1	-9.1
HSBC Islamic Global Equity Index	20.0	17.2	13.2
Legal & General (PMC) FTSE4Good UK Equity Index	17.8	11.7	10.0
Aviva My Future Annuity	2.2	1.1	-5.3
Home Group Pre-Drawdown Fund [8]	-	-	-

***Source**: Aviva as at 31 March 2026. Performance shown net of all charges and transaction costs. Funds in bold are components of the Scheme's default investment option. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format from the lifestyle performance.*
[1]The underlying fund within the Home Group Global Equity Fund was changed from the BlackRock (30:70) Currency Hedged Global Equity Fund to the BlackRock MSCI Currency Hedged World Fund in April 2025.
[2] This fund was incepted in March 2022. Longer periods of performance are therefore unavailable.
[3] The Home Group Sustainable Equity Fund was renamed the Home Group ESG Equity Fund in Q4 2025.
[4] This fund was incepted in March 2022. Longer periods of performance are therefore unavailable.
[5] The fund was incepted on 1 April 2025 as a self-select fund and introduced to the lifestyles from 6 June 2025. Longer term performance is therefore not available.
[6] The underlying fund within the Home Group Diversified Growth Fund was changed from the BlackRock Market Advantage Fund to the L&G Diversified Fund in January 2024.
[7] The underlying funds within the Home Group Bond Fund were amended to introduce the BNY Mellon Dynamic Bond Fund from 1 April 2025. The Fund now invests 50% in the BlackRock Corporate Bond All Stocks Index Tracker and 50% in the BNY Mellon Dynamic Bond Fund.
[8] The Home Group Pre-Drawdown Fund was launched in October 2025. Longer term performance is therefore not available.

Trustee Knowledge and Understanding

Requirements

4.1 In accordance with Sections 247 and 248 of the Pensions Act 2004, the Trustees are required to maintain an appropriate level of knowledge and understanding which, together with professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Scheme.

4.2 The Trustees are also required to explain how their combined knowledge and understanding, together with the advice that is available to them, enables them properly to exercise their functions as Trustees of the Scheme.

4.3 The Trustees must also be conversant with the Scheme's documentation, including its Trust Deed and Rules and SIP. The Trustees must also be conversant with any other document recording current policy relating to the administration of the Scheme more generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustees can use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustees. In addition, Trustees are

CHAIR'S STATEMENT (continued)

also required to have a knowledge and understanding of the law relating to trusts and pensions.

How the Trustees have met these requirements

4.4 The Chair of Trustees is a Professional Trustee, Align Pensions. During the Scheme year, this position was represented by Bhavna Kumar (until August 2025) and then Jenny Croxall. The use of a Professional Trustee adds additional technical and market expertise to the Trustee Board and also ensures continuity of experience within the Chair position.

4.5 New Trustees are required to complete a 'skills and experience' questionnaire, so that the Trustee board is aware of the level of their knowledge and how they expect to contribute to the board. New Trustees are invited to attend a one-hour briefing session with the Scheme Secretary, which covers trustee duties and responsibilities, the structure of the Scheme and current issues it is facing.

4.6 New Trustees are expected to complete the Pension Regulator's Trustee Toolkit within six months of their appointment. In addition, the Scheme Secretary endeavours to find an external introductory trustee training course for new trustees within the first 12 months of their appointment.

4.7 The Trustees are asked to complete a knowledge and understanding self-assessment questionnaire periodically. The questionnaire covers the areas set out in The Pension Regulator's Trustee Knowledge and Understanding scope guidance. The results are then used to inform future topic-based training sessions (usually held as part of, or just prior to, Trustees' meetings). The last formal Trustees' Knowledge and Understanding self-assessment was carried out in Q1 2023. We note however that the Trustees have since undertaken training on a variety of topics detailed under section 4.9 of this document.

4.8 The Scheme Secretary maintains an individual training log for each of the Trustees.

4.9 A number of topics were covered during the year to ensure the Trustees are up to date with the latest developments in pension law and industry trends. Training included:

- Investment monitoring and market background at each of the Trustee meetings (9 April 2025, 11 June 2025, 24 September 2025 and 21 January 2026).
- Overview of Pension Schemes Bill (11 June 2025 and 24 September 2025)
- Decumulation training (24 September 2025)
- Illiquid assets (21 January 2026)
- UK Government Autumn Budget (21 January 2026)
- Discussion around flexible pension access (21 January 2026)

The Trustees also receive and consider a regular current DC topics paper from the Scheme's DC Consultant, covering such items as industry trends and legislative changes. These are discussed at each Trustees' meeting and any significant topics are drawn out by the Scheme's DC Consultant. In addition, the Scheme Secretary provides a general pensions current issues paper in the Trustee meeting packs.

Additionally, the Trustees also worked closely with Aviva and Mercer during the Scheme year to ensure the investment strategy changes agreed following the most recent triennial review were implemented in a timely and efficient manner. The changes were also communicated to members as required. The Trustees will continue to monitor the suitability of the investment strategy.

The Trustees also spent time during the Scheme year on the below activities:

CHAIR'S STATEMENT (continued)

- Reviewing and updating the Scheme's SIP and SIA
- Reviewing the Scheme's Investment Consultant objectives
- Evaluating the Investment Consultant vs agreed objectives
- Completing the Scheme's Own Risk Assessment ("ORA")
- Review of the risk register
- Review of the conflicts of interest register

4.10 Throughout the Scheme year, the Trustees' secretariat function was outsourced to professional advisors. Consequently, the Trustees' agendas were prepared by professional advisors who do so with a view to ensuring compliance and best practice. The Trustees' DC Consultant and DC Investment Consultant also attended all formal Trustees' meetings.

4.11 Taking account of actions taken individually and as a trustee body, together with the professional advice available to them, the Trustees consider they exercise their function as Trustees appropriately.

Chair's declaration

I confirm that the above Statement has been produced by the Trustees to the best of their knowledge.

Signed for and on behalf of the Trustees of the Home Group Pension & Life Assurance Scheme

By

……

Jenny Croxall, Align Pensions
Chair of Trustees

Date ……..

Appendix 1

Asset Allocation in the additional defaults

In order that members invested in the Scheme's additional defaults can see how their savings were invested as at 31 March 2026, the tables below show the percentage of each of the main asset classes held by each of the Scheme's additional defaults.

Home Group Annuity Lifestyle Strategy

	Growth Phase	De-Risking Phase	At retirement
	Allocation for members more than 15 years away from retirement (members aged 25 and 45)	*Allocation for members 10 years away from retirement (members aged 55)*	Allocation for members at retirement (at 65 years)
Cash	0.2%	0.2%	25.0%
Bonds	0.0%	10.6%	75.0%
Listed Equity	99.6%	84.9%	0.0%
Private Equity	0.0%	0.3%	0.0%
Property	0.0%	1.7%	0.0%
Infrastructure	0.0%	0.0%	0.0%
Private Debt	0.0%	0.7%	0.0%
Other	0.1%	1.5%	0.0%

Source: Aviva and L&G for underlying fund allocations as at 31 March 2026 and Mercer calculations.

Home Group Global Equity	Asset Allocation (%)
Cash	0.5%
Bonds	0.1%
Listed Equity	99.2%
Private Equity	0.0%
Property	0.0%
Infrastructure	0.0%
Private Debt	0.0%
Other	0.2%

Source: Aviva and BlackRock for fund allocations as at 31 March 2026, Mercer calculations.

Home Group Diversified Growth Fund	Asset Allocation (%)
Cash	0.1%
Bonds	35.4%
Listed Equity	50.6%
Private Equity	0.9%
Property	5.7%
Infrastructure	0.0%
Private Debt	2.5%
Other	4.9%

Source: Aviva and L&G for underlying fund allocations as at 31 March 2026, Mercer calculations.

CHAIR'S STATEMENT (continued)

Legal & General (PMC) FTSE4Good UK Equity Index	Asset Allocation (%)
Cash	0.2%
Bonds	0.0%
Listed Equity	99.6%
Private Equity	0.0%
Property	0.0%
Infrastructure	0.0%
Private Debt	0.0%
Other	0.2%

Source: Aviva and L&G for underlying fund allocations as at 31 March 2026, Mercer calculations.

Home Group Cash	Asset Allocation (%)
Cash	100.0%
Bonds	0.0%
Listed Equity	0.0%
Private Equity	0.0%
Property	0.0%
Infrastructure	0.0%
Private Debt	0.0%
Other	0.0%

Source: Aviva and BlackRock for underlying fund allocations as at 31 March 2026, Mercer calculations.

Aviva My Future Annuity	Asset Allocation (%)
Cash	0.0%
Bonds	100.0%
Listed Equity	0.0%
Private Equity	0.0%
Property	0.0%
Infrastructure	0.0%
Private Debt	0.0%
Other	0.0%

Source: Aviva for underlying fund allocations as at 31 March 2026, Mercer calculations.

Appendix 2

Composition of the Home Group funds (as at 31 March 2026)

Fund	Underlying fund(s)
Home Group Global Equity Fund	BlackRock Currency Hedged MSCI World Index Fund
Home Group ESG Equity	BlackRock ESG Screened and Optimised Equity Tracker Fund
Home Group Emerging Market Equity Fund	BlackRock Emerging Market Equity Fund
Home Group Diversified Growth	L&G Diversified Fund
Home Group Bond	50% BlackRock Corporate Bond All Stocks Index Fund and 50% BNY Mellon Global Dynamic Bond Fund
Home Group Cash	BlackRock Sterling Liquidity
Home Group Pre-Drawdown Fund	L&G Retirement Income Multi-Asset Fund

CHAIR'S STATEMENT (continued)

Appendix 3

Aviva performance for core financial transactions

Q2 2025

Core Financial Transactions

	1 Day	2 - 5 Days	6 - 14 Days	15 - 30 Days	31 - 60 Days	Over 60 Days	Total	% in SLA
STP: Contributions	9,252	0	0	0	0	0	9,252	100.0%
Transfer out	108	4	1	0	0	0	113	99.1%
Retirements payments	36	0	0	0	0	0	36	100.0%
Transfer In	11	1	0	0	0	0	12	100.0%
Death payments	1	2	0	0	0	0	3	100.0%
Additional payments in	1	0	0	0	0	0	1	100.0%
Total	9,409	7	1	0	0	0	9,417	99.9%

Q3 2025

Core Financial Transactions

	1 Day	2 - 5 Days	6 - 14 Days	15 - 30 Days	31 - 60 Days	Over 60 Days	Total	% in SLA
STP: Contributions	9,658	0	0	0	0	0	9,658	100.0%
Transfer out	99	11	0	0	0	0	110	100.0%
Retirements payments	42	0	0	0	0	0	42	100.0%
Death payments	1	6	0	0	0	0	7	100.0%
Transfer In	6	0	0	0	0	0	6	100.0%
Total	9,806	17	0	0	0	0	9,823	100.0%

Q4 2025

Core Financial Transactions

	1 Day	2 - 5 Days	6 - 14 Days	15 - 30 Days	31 - 60 Days	Over 60 Days	Total	% in SLA
STP: Contributions	9,564	0	0	0	0	0	9,564	100.0%
Transfer out	91	14	0	0	0	0	105	100.0%
Retirements payments	37	5	1	0	0	0	43	97.7%
Transfer In	10	0	0	0	0	0	10	100.0%
Death payments	1	6	0	0	0	0	7	100.0%
Trading	1	0	0	0	0	0	1	100.0%
Total	9,704	25	1	0	0	0	9,730	99.9%

Q1 2026

Core Financial Transactions

	1 Day	2 - 5 Days	6 - 14 Days	15 - 30 Days	31 - 60 Days	Over 60 Days	Total	% in SLA
STP: Contributions	9,547	0	0	0	0	0	9,547	100.0%
Transfer out	122	25	5	0	0	0	152	96.7%
Retirements payments	35	4	2	0	0	0	41	95.1%
Death payments	4	3	0	0	0	0	7	100.0%
Transfer In	7	0	0	0	0	0	7	100.0%
Additional payments in	1	0	0	0	0	0	1	100.0%
Total	9,716	32	7	0	0	0	9,755	99.9%