

Chair's Statement for the period 1st April 2023 to 31st March 2024

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 2023 to 31st March 2024. 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 four 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, which as at 31 March 2024 were held with ReAssure, Aviva and Santander.

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 Arrangement in the DCS

1.1 A copy of the Scheme's latest Statement of Investment Principles ('SIP') dated 27 March 2024 is attached. 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 arrangement 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 arrangement is designed to be appropriate for the majority of members.

1.2 The features of the default investment arrangement, the Home Group Drawdown Lifestyle Strategy, are detailed below:

- In the growth phase, 50% of contributions are invested in the Aviva Pension MyM Home Group Global Equity Fund, 20% in the Aviva Pension MyM Home Group Sustainable Equity Fund and 30% in the Aviva Pension MyM Home Group Diversified Growth Fund. The Trustees have designed this arrangement with the aim to provide members with an appropriate level of growth over the longer term.
- Starting 10 years from retirement, a member's savings are switched gradually into the Aviva Pension MyM Home Group Bond Fund before the Aviva Pension MyM Home Group Cash Fund is introduced in the final 5 years prior to retirement. At retirement, the default arrangement is invested 17.9% in the Aviva Pension MyM Home Group Global Equity Fund, 7.1% in the Aviva Pension MyM Home Group Sustainable Equity Fund, 25% in the Aviva Pension MyM Home Group Diversified Fund, 25% in the Aviva Pension MyM Home Group Bond Fund and 25% in the Aviva Pension MyM 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.

1.3 Default investment review:

A formal investment strategy review was conducted across 2020 and 2021. The default investment option, lifestyle strategies and the self-select fund range (fund type, management style and asset allocations) were reviewed as part of this exercise. As a result of this review, the Trustees made changes to the DCS's investments which were outlined in last year's Statement. These changes were implemented in March 2022 and members were informed at the time.

Following the Scheme year end, a formal triennial investment strategy review was presented and discussed with the Trustees in July 2024. This review covered the target of the current default investment option, a qualitative and quantitative review of the default growth and de-risking phases, a review of the alternative lifestyles and the current self-select fund range. The recommendations of the strategy review are due to be discussed further at the Q3 2024 Trustees' meeting.

1.4 The investment performance of the funds used in the DCS is reviewed on a quarterly basis at Trustees' meetings, including the funds used in the default investment arrangement. Quarterly investment monitoring reports are produced by the Trustees' Investment Consultant, Mercer Limited ("Mercer"), and reviewed by the Trustees at each meeting. The review involves assessing the fund performance against agreed benchmarks and targets and agreeing any action required.

Throughout 2022/3 the Trustees and Mercer raised some concerns regarding the performance (and Environmental, Social and Governance ("ESG") integration) of the BlackRock Market Advantage Fund ("MAF") relative to its stated objectives and wider peer group. At the Trustees' meetings held in April 2023 and June 2023, the Trustees, in conjunction with Mercer, undertook a detailed review of this fund to assess whether it remained fit for purpose. As a result of this review, the Trustees decided to:

- Replace the BlackRock MAF with the LGIM Diversified Fund in the lifestyle options and self-select fund range.
- 'White label' the funds used in the default investment option and alternative lifestyles, to make any future changes to the underlying funds easier and more efficient to implement.

The above changes were implemented on 18 January 2024.

1.5 The DCS has some 'additional default' arrangements, 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 arrangement' to mean the Home Group Drawdown Lifestyle Strategy and 'additional defaults' to cover the others.

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

- Aviva Pension MyM Home Group Global Equity (underlying fund is the Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker Fund)
- Aviva Pension MyM Home Group Diversified Growth (underlying fund is the Aviva Pension MyM LGIM Diversified Fund)

- Aviva Pension MyM Home Group Cash (underlying fund is the Aviva Pension MyM BlackRock Sterling Liquidity Fund)
- Aviva Pension MyM My Future Annuity
- Aviva Pension MyM Legal & General (PMC) Ethical UK Equity Index
- Home Group Annuity Lifestyle Strategy

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

Asset allocation disclosure

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 (“the 2023 Regulations”) introduced new requirements for trustees and managers of certain occupational pension schemes.

For the first scheme year that ends after 1 October 2023, trustees or managers of relevant occupational pension schemes are required to disclose their full asset allocations of investments from their default arrangements.

In order that members invested in the Plan’s default arrangement can see how their savings were invested as at 31 March 2024, 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	At retirement
	Allocation for members more than 10 years away from retirement (members aged 25, 45 and 55 years)	Allocation for members at retirement (at 65 years)
Cash	0.5%	24.5%
Bonds	11.4%	34.1%
Listed Equity	84.6%	37.7%
Private Equity	0.0%	0.0%
Property	1.4%	1.2%
Infrastructure	0.0%	0.0%
Private Debt	0.6%	0.5%
Other	1.5%	2.0%

Source: Aviva and LGIM for underlying fund allocations as at 31 March 2024 and Mercer calculations.

Notes:

- *Normal Retirement Date for the Scheme is age 65, members have the opportunity of selecting 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.
- **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.

AVC arrangements

1.7 The Trustees do not operate a default investment arrangement in relation to AVCs. All members with AVCs have selected how they wish their funds to be invested from the fund range that is made available.

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'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.
 - SLA performance during the Scheme year was 99.6% for the second quarter of 2023, 99.4% over the third quarter of 2023, 99.3% over the fourth quarter of 2023 and 98.2% over the first quarter of 2024. SLA performance improved from 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.

- 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 in responses from Aviva have arisen in a small number of cases.
- 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 quarterly Trustees' meeting.
- Home Group reconciles all contributions taken from payroll. In addition, Home Group's internal auditor tracks contributions from deduction to investment. No issues were reported during the Scheme year.
- The Scheme's external 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 31st March 2024, the common data score was 94.8%. 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.

- 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.

AVC arrangements

2.3 The following controls are in place for the AVC arrangements:

- 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 to indicate which provider their AVCs are held with and their individual policy number. 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.
- XPS reconciles the transactions on the reports provided by the AVC providers to the amounts received through the Trustee bank account. The reconciliations are provided to the auditor as part of the annual audit process.
- If a member wishes to change their investment choices, their contribution rates or withdraw from the arrangement, they contact the Pensions Administrator at Home Group, who informs XPS and directs the request to the AVC provider.

Following the Scheme year end, the AVCs with ReAssure and Santander were transferred to Aviva.

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 arrangements 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 arrangement are shown in the table below under 'Total Expense Ratio'. It should be noted that Total Expense Ratios may vary over time.
- 3.3 The statutory charge cap of 0.75% p.a. applies to the default investment options in the Scheme. The Scheme's default investment arrangement 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 in Section 1.6 of this Statement.
- 3.4 The Total Expense Ratios 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'.
- 3.5 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 total expense ratio 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.

3.6 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 (%)
Aviva Pension MyM Home Group Global Equity ^{1 2 3}	0.36	0.040
Aviva Pension MyM Home Group Sustainable Equity ¹	0.37	0.085
Aviva Pension MyM Home Group Diversified Growth ^{1 2 3}	0.48	0.000
Aviva Pension MyM Home Group Bond ^{1 3}	0.30	0.191
Aviva Pension MyM Home Group Cash ^{1 2 3}	0.30	0.015
Aviva Pension MyM BlackRock Consensus	0.32	-0.001
Aviva Pension MyM BlackRock Aquila Over 5 Year Index Linked Gilt Index Tracker	0.30	0.032
Aviva Pension MyM HSBC Islamic Global Equity Index	0.60	0.004
Aviva Pension MyM Legal & General (PMC) Ethical UK Equity Index ²	0.45	0.033
Aviva Pension MyM My Future Annuity ²	0.34	0.000

Source: Aviva. As at 31st March 2024. Transaction costs for the period of 12 months to 31st March 2024.

¹ Funds used in the default investment arrangement.

² Additional defaults identified in section 1.6 of this Statement.

³ These funds were assigned "white labelled" names in January 2024 as follows:

- Aviva MyM BlackRock (30:70) Currency Hedged Global Equity Tracker - Aviva MyM Home Group Global Equity
- Aviva MyM Legal & General Diversified Fund – Aviva MyM Home Group Diversified Growth
- Aviva MyM BlackRock Corporate Bond All Stocks Index Tracker - Aviva MyM Home Group Bond
- Aviva MyM BlackRock Sterling Liquidity - Aviva MyM Home Group Cash

AVC arrangements

The DB Section of the Scheme had AVC arrangements with Aviva (previously Utmost Life and Pensions ("Utmost") until March 2021), Santander and ReAssure Limited ("ReAssure") (previously Legal & General until 7 September 2020).

The charges and transaction costs relating to the Aviva AVC arrangement are reflected in the charges and transaction costs presented for the DCS above.

There were no charges or transaction costs for the Santander AVCs.

The charges relating to the ReAssure AVC arrangements (prior to the transfer to Aviva) are shown below. At the time of writing, transaction cost information to 31st March 2024 was not available from ReAssure.

Funds with ReAssure	Total Expense Ratio (% p.a.)	Total transaction costs (%)
Equity 2 Accumulator Series 02 Pension – Unit Type 3 Fund	0.75	N/A
Cash 2 Accumulator Series 02 Pension – Unit Type 3 Fund	0.75	N/A

Source: ReAssure. As at 15 April 2024

AVCs held with ReAssure Limited (“ReAssure”) were moved to Aviva in July 2024 and the AVCs with Santander were moved to Aviva in August 2024.

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

- 3.7 The Trustees’ DC administrator, 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.
- 3.8 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.
- 3.9 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.
 - 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.
- 3.10 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.
- 3.11 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 arrangement and funds with different charges: the table below shows the illustrative impact of costs and charges for the default investment arrangement and the funds in the Scheme with the lowest and highest charges.

Years	Home Group Drawdown Lifestyle Strategy (default arrangement)		Aviva Pension MyM Home Group Cash Fund (lowest charge)*		Aviva Pension MyM HSBC Islamic Global Equity Index (highest charge)	
	Assumed growth rate: 5.4% p.a.		Assumed growth rate: 2.0% p.a.		Assumed growth rate: 6.0% p.a.	
	Assumed costs and charges: 0.45% p.a.		Assumed costs and charges: 0.32% p.a.		Assumed costs and charges: 0.59% 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	1,210	1,200	1,180	1,180	1,210	1,200
2	2,460	2,440	2,360	2,350	2,460	2,440
3	3,740	3,720	3,530	3,520	3,750	3,720
4	5,080	5,030	4,700	4,670	5,090	5,020
5	6,450	6,380	5,860	5,810	6,470	6,370
10	14,000	13,700	11,600	11,400	14,100	13,700
15	23,000	22,200	17,200	16,800	23,200	22,100
20	33,500	31,900	22,600	21,900	33,900	31,700
25	45,900	43,100	27,900	26,900	46,500	42,800
30	60,400	55,900	33,100	31,600	61,500	55,500
35	77,600	70,700	38,200	36,200	79,200	70,100
40	97,700	87,700	43,100	40,600	100,000	86,900
45	119,000	105,000	47,900	44,800	125,000	106,000
50	138,000	120,000	52,600	48,800	154,000	128,000

Source: Aviva.

*Additional default.

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

Years	Home Group Annuity Lifestyle Strategy	Aviva Pension MyM LGIM Ethical UK Equity Index	Aviva Pension MyM Future Annuity
	Assumed growth rate: 5.5% p.a.	Assumed growth rate: 6.0% p.a.	Assumed growth rate: 6.0% p.a.
	Assumed costs and charges: 0.43% p.a.	Assumed costs and charges: 0.48% p.a.	Assumed costs and charges: 0.34% 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	1,210	1,200	1,210	1,210	1,210	1,210
2	2,460	2,440	2,460	2,450	2,460	2,450
3	3,740	3,720	3,750	3,720	3,750	3,730
4	5,080	5,030	5,090	5,040	5,090	5,050
5	6,450	6,380	6,470	6,390	6,470	6,410
10	14,000	13,700	14,100	13,800	14,100	13,900
15	23,000	22,200	23,200	22,300	23,200	22,500
20	33,500	31,900	33,900	32,100	33,900	32,600
25	45,900	43,100	46,500	43,500	46,500	44,300
30	60,400	55,900	61,500	56,600	61,500	58,000
35	77,600	70,700	79,200	71,800	79,200	73,800
40	97,700	87,700	100,000	89,300	100,000	92,300
45	119,000	105,000	125,000	110,000	125,000	114,000
50	141,000	123,000	154,000	133,000	154,000	139,000

Source: Aviva.

Years	Aviva Pension MyM Home Group Diversified Growth Fund		Aviva Pension MyM Home Group Global Equity Fund	
	Assumed growth rate: 4.0% p.a.		Assumed growth rate: 6.0% p.a.	
	Assumed costs and charges: 0.48% p.a.		Assumed costs and charges: 0.45% p.a.	
	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges
1	1,200	1,190	1,210	1,210
2	2,410	2,400	2,460	2,450
3	3,640	3,610	3,750	3,720
4	4,890	4,840	5,090	5,040
5	6,160	6,080	6,470	6,390
10	12,800	12,500	14,100	13,800
15	19,900	19,200	23,200	22,300
20	27,600	26,200	33,900	32,200
25	35,800	33,600	46,500	43,600
30	44,600	41,400	61,500	56,900
35	54,200	49,500	79,200	72,200
40	64,600	58,000	100,000	89,800
45	75,400	67,000	125,000	110,000
50	87,300	76,400	154,000	134,000

Source: Aviva.

Value for Members' Assessment

- 3.12 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.
- 3.13 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.
 - The availability and quality of online access and member tools; and
 - Quality of member communications.
- 3.14 The above assessment concluded that the DCS offers good value for members against the criteria noted above.
- 3.15 The assessment indicated that pricing provided good value for most funds. General fund performance has been in line with expectations. Wider member-borne Scheme services were deemed to provide good value.
- 3.16 As a result of the Trustees' engagement with Aviva following the Value for Members Assessment undertaken last year, the Scheme charge paid by members (included in the total expense ratios shown in paragraph 3.6) was reduced from 0.36%p.a. to 0.30%p.a., therefore reducing the overall charge that members pay and improving member value.

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 arrangement 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 table below sets out the net investment returns for the Scheme's default and alternative lifestyle arrangements which have been calculated in accordance with the statutory guidance.

Home Group Drawdown Lifestyle Strategy / Home Group Annuity Lifestyle Strategy / Home Group Cash Lifestyle Strategy	Annualised returns to 31st March 2024 (%)
Age of member at start of period	1 year
25	16.7
45	16.7
55	16.3

Source: Data from Aviva and Mercer calculations, as at 31 March 2024. 3 and 5 year performance figures not available due to the inception date of March 2022.

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. Please note until 18 January 2024 the BlackRock Market Advantage fund was part of the Drawdown, Annuity and Cash Lifestyles. From that date, the LGIM Diversified Fund has replaced the previous fund. Fund allocation remained unchanged.

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

Self-select fund	Annualised returns to 31st March 2024 (%)		
	1 year	5 years	10 years
Aviva MyM Home Group Global Equity ^{(a) (b)}	19.5	n/a	n/a
Aviva MyM Home Group Sustainable Equity ^(a)	23.0	n/a	n/a
Aviva MyM Home Group Diversified Growth ^{(b) (c)}	7.4	1.1	n/a
Aviva MyM Home Group Bond ^(b)	6.1	-0.6	2.4
Aviva MyM Home Group Cash ^(b)	4.9	1.4	0.8
Aviva MyM BlackRock Consensus	11.0	6.4	6.9
Aviva MyM BlackRock Aquila Over 5 Year Index Linked Gilt Index Tracker	-7.8	-6.8	1.1
Aviva MyM HSBC Islamic Global Equity Index	29.8	16.7	n/a
Aviva MyM Legal & General (PMC) Ethical UK Equity Index	6.6	4.8	5.4
Aviva MyM My Future Annuity	3.9	-3.8	1.4

Source: Aviva as at 31 March 2024. 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 on the previous page. Funds marked N/A have insufficient performance history.

^(a) These funds were inception in March 2022.

^(b) These funds were assigned “white labelled” names in January 2024 as follows:

- Aviva MyM BlackRock (30:70) Currency Hedged Global Equity Tracker - Aviva MyM Home Group Global Equity
- Aviva MyM Legal & General Diversified Fund – Aviva MyM Home Group Diversified Growth
- Aviva MyM BlackRock Corporate Bond All Stocks Index Tracker - Aviva MyM Home Group Bond
- Aviva MyM BlackRock Sterling Liquidity - Aviva MyM Home Group Cash

^(c) The performance of Home Group Diversified Growth is representative since the inception of the fund on 18 January 2024. Following the change from the MyM BlackRock Market Advantage Fund to the Aviva Pension MyM LGIM Diversified Fund as the underlying fund of the Home Group Diversified Growth Fund, fund returns have been chain-linked at 18 January 2024.

4. 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 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 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.
- 4.5 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.
- 4.6 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 but an ongoing review of training needs is being undertaken.
- 4.7 The Scheme Secretary maintains an individual training log for each of the Trustees.
- 4.8 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 sessions included:
- the new regulatory requirements related to voting activity in the SIP Implementation Statement at the meeting in April 2023.
 - actuarial valuation training in April 2023.
 - Equality, Diversity and Inclusion (DEI) in September 2023.
 - ESG with emphasis on climate metrics in September 2023.
 - the Pensions Regulator's General Code of Practice in February 2024.

Additionally, during the Scheme year the Trustees:

- reviewed the suitability of the BlackRock Market Advantage Fund and decided to replace it with the LGIM Diversified fund.
- discussed Aviva's business continuity and disaster recovery plans, cyber-security controls, AAF controls and the exception report.

- reviewed the communications to members from Aviva (in conjunction with Home Group) and arranged for relevant webinars to be uploaded to the employer’s pensions website for active and deferred members.

The Trustees also receive and consider a quarterly 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 for the quarterly meetings.

- 4.9 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.
- 4.10 The Trustees undertake an assessment against The Pension Regulator’s DC Code of Practice at least triennially. The latest assessment showed the Scheme to be well governed and any gaps identified have either been addressed or are currently being addressed. The Trustees are undertaking a review to ensure compliance with The Pensions Regulator’s new General Code following it being published in February 2024.
- 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

Bhavna Kumar.....

Bhavna Kumar, Align Pensions Ltd
Chair of Trustees

Date 27 September 2024.....

Appendix 1

Asset Allocation in the additional default arrangements

In order that members invested in the Scheme's additional default arrangements can see how their savings were invested as at 31 March 2024, the tables below show the percentage of each of the main asset classes held by each of the Scheme's additional default arrangements.

Home Group Annuity Lifestyle Strategy

	Growth Phase	At retirement
	Allocation for members more than 10 years away from retirement (members aged 25, 45 and 55 years)	Allocation for members at retirement (at 65 years)
Cash	0.5%	24.9%
Bonds	11.4%	73.6%
Listed Equity	84.6%	0.0%
Private Equity	0.0%	0.0%
Property	1.4%	0.0%
Infrastructure	0.0%	0.0%
Private Debt	0.6%	0.0%
Other	1.5%	1.5%

Source: Aviva and LGIM for underlying fund allocations as at 31 March 2024 and Mercer calculations.

Aviva Pension MyM Home Group Global Equity	Asset Allocation (%)
Cash	0.0%
Bonds	0.0%
Listed Equity	98.2%
Private Equity	0.0%
Property	0.0%
Infrastructure	0.0%
Private Debt	0.0%
Other	1.8%

Source: Aviva fund allocations as at 31 March 2024, Mercer calculations.

Aviva Pension MyM Home Group Diversified Growth	Asset Allocation (%)
Cash	1.7%
Bonds	37.9%
Listed Equity	52.2%
Private Equity	0.0%
Property	4.7%
Infrastructure	0.0%
Private Debt	2.0%
Other	1.5%

Source: Aviva and LGIM for underlying fund allocations as at 31 March 2024, Mercer calculations.

Aviva Pension MyM Legal & General Ethical UK Equity Index	Asset Allocation (%)
Cash	0.1%
Bonds	0.0%
Listed Equity	99.8%
Private Equity	0.0%
Property	0.0%
Infrastructure	0.0%
Private Debt	0.0%
Other	0.1%

Source: Aviva for underlying fund allocations as at 31 March 2024, Mercer calculations.

Aviva Pension MyM Home Group Cash	Asset Allocation (%)
Cash	95.1%
Bonds	4.9%
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 2024, Mercer calculations.

Aviva Pension MyM My Future Annuity	Asset Allocation (%)
Cash	1.5%
Bonds	96.5%
Listed Equity	0.0%
Private Equity	0.0%
Property	0.0%
Infrastructure	0.0%
Private Debt	0.0%
Other	2.0%

Source: Aviva for underlying fund allocations as at 31 March 2024, Mercer calculations.

SIP to be Appended