Chair s DC Governance Statement, covering 1 April 2024 to 31 March 2025

1. Introduction and members' summary

The **RNIB Retirement Benefits Scheme** (the "Scheme") is a hybrid occupational pension scheme providing both defined benefit and defined contribution ("DC") benefits. This statement concerns the DC benefits within the Scheme.

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

- the design and oversight of the default investment option (i.e. where contributions are invested for members that do not wish to choose their own investments);
- processing of core financial transactions (i.e. administration of the Scheme, such as investment of contributions);
- the charges and transaction costs borne by members for the default option and any other investment option members can select or have assets in, such as "legacy" funds;
- an illustration of the cumulative effect of these costs and charges;
- net returns of the investment options;
- how the value members obtain from the Scheme is assessed; and
- Trustee knowledge and understanding.

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

- The Trustee regularly reviews the investment arrangements, and is satisfied that the default and other investment options remain suitable for the membership.
- The administrator has processed core financial transactions promptly and accurately to an acceptable level during the Scheme Year, and the Trustee remains comfortable with the administrator's performance.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money which can grow with future investment returns.
- Fees for the investment options are set out in this Statement. The Trustee believes that members receive good value from the Scheme overall.
- Please rest assured that the Trustee continues to look after your best interests as members, undertaking training and obtaining advice as appropriate so that it has sufficient knowledge and understanding to do so effectively.

Throughout the Statement, Legal & General Assurance Society ("LGAS") is used to refer to Legal & General platform, while LGIM is used to refer to Legal & General Investment Management.

2. Default arrangement

The Scheme is used as a Qualifying Scheme for automatic enrolment purposes. This means that it is used as a pension savings scheme for employees who are eligible for automatic enrolment into a pension scheme.

The Trustee has made available a range of investment options for members. Members who join the Scheme and who do not choose an investment option are placed into the default investment arrangement, which is the Lump Sum Targeting Strategy (the "Default"). The Trustee recognises that most members do not make active investment decisions and instead invest in the Default. After taking advice, the Trustee decided to make the Default a "lifestyle strategy", which means that members' assets are automatically moved into less risky funds as they approach their target retirement date.

The Trustee is responsible for investment governance, which includes setting and reviewing the investment strategy for the default arrangement.

Details of the objectives and the Trustee's policies regarding the default arrangement can be found in a document called the 'Statement of Investment Principles' ("SIP"). The Scheme's SIP covering the default arrangement is attached to this document.

The aims and objectives of the Default, as stated in the SIP, are as follows:

- Generate returns above inflation whilst members are some distance from retirement.
- Switch automatically and gradually to lower risk investments as members near retirement.
- The asset allocation of the default strategy should be reflective of the form in which the Trustee expects most members to take their assets.

The Default is reviewed at least every three years and was last reviewed in two parts during the Scheme year – on 7 August 2024 and 31 October 2024. Detailed membership analysis was carried out in the review, with a focus on understanding what the majority of members are likely to do at retirement. The performance and strategy of the Default were reviewed to check whether investment returns (after deduction of charges and costs) have been consistent with the aims and objectives of the Default as stated in the SIP, and to check that it continues to be suitable and appropriate given the Scheme's risk profiles and membership. Following this review, the Trustee concluded that it remained appropriate for the Default to target a cash lump sum. The next review will be undertaken by August 2027 or immediately following any significant change in investment policy or the member profile.

In addition to the triennial strategy review, the Trustee also reviewed the performance of the Default against its objectives on a quarterly basis. These reviews included performance analysis to check that the risk and return levels meet expectations. These reviews over the Scheme year concluded that the Default was performing broadly as expected, and consistently with the aims and objectives as stated in the SIP.

There was also a legacy default strategy called the Cash Targeting Strategy that had members invested in it during the Scheme Year. This was previously the main default strategy for the Scheme prior to changes implemented in August 2022.

The Trustee is required to show the asset allocation of the default arrangements. In line with DWP's guidance the Trustee has also shown this asset allocation for different ages as at the Scheme year end. The Trustee has not shown the Cash Targeting lifestyle breakdown below since the breakdown is identical to the default lifestyle.

Asset allocation breakdown (default lifestyle)

The following table has five columns and ten rows. The first row contains headings.

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	-	-	0.3	75.1
Corporate bonds (UK and overseas)	-	-	9.3	4.6
UK government bonds	-	-	2.2	1.1
Overseas government bonds	-	-	4.3	2.2
Listed equities	100.0	100.0	69.6	9.8
Private equity*	-	-	0.9	0.5
Infrastructure*	-	-	2.6	1.3
Property*	-	-	3.0	1.5
Other+	-	-	7.8	3.9

* The property, infrastructure and private equity allocations are in respect of the LGIM Multi-Asset Fund's investment in pooled funds that give indirect exposure to those types of investment. The exposure is via shares in global Real Estate Investment Trusts ("REITs"), listed infrastructure and Private Equity management companies.

+ The "Other" allocation is exposure to emerging market and global high yield debt.

3. Requirements for processing core financial transactions

The processing of core financial transactions is carried out by the administrator of the Scheme, LGAS. Core financial transactions include (but are not limited to):

a) the investment of contributions,

b) processing of transfers in and out of the Scheme,

c) transfers of assets between different investments within the Scheme, and

d) payments to members and beneficiaries.

The Trustee recognises that delay and error can cause significant issues for members. LGAS have provided assurance that there are adequate internal controls to support prompt and accurate processing of core financial transactions.

The Scheme has a service level agreement ("SLA") in place with LGAS which covers the accuracy and timeliness of all core financial transactions. The SLA details the target processing times for 28 administration processes which include contribution allocation, investment switches, pre-retirement processes, transfers of members' funds into and out of the Scheme, retirement and ill health as well as death processes. The SLAs form part of the quarterly Governance Report issued by LGAS to the Trustee. The key processes adopted by the administrator to help it meet the SLA are as follows:

- Day to day administration is managed through work management systems with built-in controls to ensure a high level of quality through checking processes. These are also subject to quality sampling.
- The administration systems have data restrictions in place. The LGAS systems have a data specification to restrict acceptance of incorrect data at source; they contain validation requiring the scheme to exactly match the structure held on the system (e.g. member details, name and national insurance number). This includes details of members on premium holidays and members who are leaver status. The submission file cannot be submitted by the employer until all fields have been validated.
- Quality controls are reviewed at a monthly "Risk and Controls Committee", which is overseen by LGAS's Workplace DC Pensions Senior Leadership team. All processes are documented and assigned to the owners within the appropriate business team. LGAS's workplace pensions business is also subject to regular independent internal auditing from the L&G Group Internal Audit department, which is independent of all business and operational functions in the L&G Group plc; it reports to the Group Audit Committee on the effectiveness of the control environment in mitigating the key risks of the group.
- The SLAs are measured against various administration processes which include contribution allocation, investment switches, pre-retirement processes, transfers of members' funds into and out of the Scheme, retirement and ill health as well as death processes. Performance against SLAs at scheme level are detailed in the quarterly governance reports issued.
- A "Record Keeping Report" is available to the Trustee which checks the Scheme's records for all common and conditional data items.

- LGAS completes internal audit processes to ensure processing controls are in place and adhered to.

LGAS reported performance of 99.8% against SLAs over the Scheme year, surpassing its target of 95%.

To help the Trustee review whether service levels are being met, it receives quarterly reports about the administrator's performance and compliance with the SLA and any complaints that have been raised by members. Any issues identified as part of our review processes would be raised with the administrator immediately, and steps would be taken to resolve the issues.

Based on the Trustee's review of LGAS's processes, it is satisfied that over the period covered by this Statement:

- the administrator was operating appropriate procedures, checks and controls, and operating within the agreed SLA;
- there have been no material administration issues at the administrator in relation to processing core financial transactions; and
- core financial transactions have been processed promptly by the administrator and accurately to an acceptable level during the Scheme year.

As noted in last year's Statement, there was an administration error in 2022, impacting a small number of members. When investment strategy changes were implemented and a new default strategy (the Lump Sum Targeting Strategy) was introduced, the old default strategy (the Cash Targeting Strategy) should have been removed following the transition of member assets to the new default. LGAS did not remove the Cash Targeting Strategy as an investment option. Four members selected it and two new members were moved into it. This error has now been resolved and impacted members have been appropriately compensated by LGAS; the Trustee believes it is an isolated incident, and remains satisfied that LGAS's overall administration service is of a good standard.

4. Member-borne charges and transaction costs

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

The stated TERs also include member borne administration charges. For deferred members the administration charge is 0.15% p.a. on policy values up to £22,158 and 0.03% p.a. on policy values above this; the deferred member charges shown assume a 0.15% p.a. administration charge. LGAS applies an administration charge of 0.03% p.a. to active member policies (since RNIB makes a payment to LGAS to subsidise these).

The Trustee is also required to disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds but are exclusive of any costs incurred when members invest in and switch between funds. The TER and transaction

costs are the only costs borne by members. The transaction cost figures are over the 12 months to 31 March 2025.

The charges and transaction costs have been supplied by LGAS who are the Scheme's platform provider. When preparing this section of the Statement the Trustee has taken account of the relevant statutory guidance. Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. Negative figures are shown in the tables for the year as provided, but for the costs and charges illustrations zero has been used where a transaction cost is negative to give a more realistic projection (i.e. the Trustee would not expect transaction costs to be negative over the long term).

Default arrangement

The Default arrangement is the Lump Sum Targeting Strategy. The Default has been set up as a lifestyle approach, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement age and in which funds they are invested.

For the period covered by this Statement, annualised charges and transaction costs are set out in the following table. The TER for the Default is significantly lower than the charge cap of 0.75% p.a. set by legislation.

Lump Sum Targeting Strategy (Default) charges and transaction costs

The following table has four columns and five rows. The first row contains headings.

Years to target retirement date	TER (Active members) %	TER (Deferred members) %	Transaction costs %
15 or more years to retirement	0.09	0.21	0.00
10 years to retirement	0.13	0.25	0.01
5 years to retirement	0.16	0.28	0.01
At retirement	0.13	0.25	0.00

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

Cash Targeting Strategy (Legacy default) charges and transaction costs

The following table has four columns and five rows. The first row contains headings.

Years to target retirement date	TER (Active members) %	TER (Deferred members) %	Transaction costs %[1]
15 or more years to retirement	0.17	0.29	0.03

Years to target retirement date	TER (Active members) %	TER (Deferred members) %	Transaction costs %[1]
10 years to retirement	0.17	0.29	0.02
5 years to retirement	0.16	0.28	0.01
At retirement	0.13	0.25	0.00

Self-select and AVC options

In addition to the Default, members also have the option to invest in several other self-select funds.

Members previously had the option to invest in one other lifestyle, the Ex-Tobacco lifestyle which targeted cash withdrawal; this was closed in February 2025 due to no member take up.

The TER for each self-select fund (including those used in the Default) and the transaction costs over the period covered by this Statement are set out in the following table. The first three funds (the low carbon fund, the multi-asset fund and the cash fund) are the funds that are used in the Default strategy.

Self-select fund charges and transaction costs

The following table has four columns and fourteen rows. The first row contains headings.

Fund name	TER (Active members) %	TER (Deferred members) %	Transaction costs %
LGIM Low Carbon Transition Global Equity Index Fund	0.09	0.21	0.00
LGIM Multi-Asset Fund	0.16	0.28	0.01
LGIM Cash Fund	0.12	0.24	-0.13
LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund GBP Currency	0.23	0.35	0.04
LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged	0.17	0.29	0.03
LGIM World Emerging Markets Equity Index Fund	0.29	0.41	-0.11
LGIM HSBC Islamic Global Equity Index Fund	0.35	0.47	-0.06

Fund name	TER (Active members) %	TER (Deferred members) %	Transaction costs %
LGIM Ethical Global Equity Index Fund	0.33	0.45	0.00
LGIM Managed Property Fund[1]	0.93	1.05	-0.06
LGIM Global Real Estate Equity Index Fund	0.22	0.34	0.02
LGIM Corporate Bond All Stocks Index Fund	0.15	0.27	-0.05
LGIM Over 15 Years Fixed Interest Gilts Index Fund	0.11	0.23	0.06
LGIM Over 5 Year Index Linked Gilts Index Fund	0.11	0.23	0.07

[1] The LGIM Managed Property Fund was closed to new members on 1 June 2022.

Illustration of charges and transaction costs

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

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.
- The transaction cost figures used in the illustration are those provided by L&G over the past five years, subject to a floor of zero (so the illustration does not assume a negative cost over the long term). Average annualised transaction costs have been used over the past five years as this should be more indicative of longer-term costs compared to only using figures over one year. For the investment funds used within the illustration that were incepted less than five years ago, the average annualised transaction costs since inception have been used.
- The illustration is shown for the Default (the Lump Sum Targeting Strategy) since this is the arrangement with the most members invested in it (the legacy default option is not shown as the projections are the same for before costs and very similar for after costs) and two funds from the Scheme's self-select fund range. The two self-select funds shown in the illustration are:
    - the fund with highest annual member-borne costs (TER plus Scheme Year transaction costs) – this is the LGIM Managed Property Fund.
    - the fund with lowest annual member-borne costs – this is the LGIM Low Carbon Transition Global Equity Index Fund

Costs and charges illustration

The following table has nine columns and twelve rows. The first two rows contain headings:

	Default option		LGIM Managed Property Fund		LGIM Low Carbon Transition Global Equity Index Fund	
Years invested	Before costs £	After costs £	Before costs £	After costs £	Before costs £	After costs £
1	£10,400	£10,300	£10,400	£10,300	£10,400	£10,300
3	£16,800	£16,700	£16,800	£16,400	£16,800	£16,700
5	£23,700	£23,600	£23,700	£22,900	£23,700	£23,600
10	£43,100	£42,800	£43,100	£40,700	£43,100	£42,800
15	£66,200	£65,600	£66,200	£60,900	£66,200	£65,600
20	£93,600	£92,500	£93,600	£83,800	£93,600	£92,500
25	£126,200	£124,300	£126,200	£109,700	£126,200	£124,300
30	£160,300	£157,200	£164,900	£139,300	£164,900	£161,900
35	£190,500	£185,600	£210,800	£172,700	£210,800	£206,300
40	£210,100	£203,600	£265,400	£210,800	£265,400	£258,800

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
- Annual salary growth and inflation is assumed to be 2.5% since this is what is required to be used for Statutory Money Purchase Illustrations. Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line with inflation to allow for prudence in the projected values.

- The starting pot size used is £7,300. This is the approximate average (median) pot size for active members aged 30 years and younger (rather than using a whole membership average, we have taken this approach to give a more realistic 40-year projection).
- The projection is for 40 years, being the approximate duration that the youngest scheme member has until they reach the Scheme's Normal Pension Age.
- The starting salary is assumed to be £30,550. This is the approximate median salary for active members aged 30 or younger.
- Total contributions (employee plus employer) are assumed to be 9.0% of salary per year. This is the approximate median total contribution for active members.
- The projected annual returns used are as follows:
  - Default option: 3.5% p.a. above inflation for the initial years, gradually reducing to a return of 0.00% p.a. above inflation at the ending point of the lifestyle.
  - LGIM Managed Property Fund: 3.5% p.a. above inflation.
  - LGIM Low Carbon Transition Global Equity Index Fund: 3.5% p.a. above inflation.

5. Investment returns

This section shows the annual return, after the deduction of investment fund member borne charges (excluding the LGAS's administration charge) and transaction costs, for all investment options in which member assets were invested during the Scheme year, over periods to 31 March 2025. The Trustee has had regard to statutory guidance in preparing this section.

The annual LGAS administration charge differs for active members (0.03% p.a.) and deferred members (0.15% p.a. on policy values up to £22,158 and 0.03% p.a. on values above £22,158); since the active member administration charge is so low, the figures shown would not be materially impacted by this (i.e. depending on rounding they may be 0.1% lower at the most). The deferred member returns net of administration charges will be 0.1% p.a. to 0.2% p.a. lower than the figures shown below depending on rounding.

For the Default, returns are shown over the Scheme year for a member aged 25, 45 and 55 at the start of the period the returns are shown over. The Trustee is keeping a record of returns calculated in each annual Statement to build up to showing 5 years of returns; currently 5 years of data is not on record, but it will be possible to show 5 year returns in next year's Statement.

The following two tables show the returns of the Default and legacy Default lifestyles, and they have three columns and four rows. The first row contains headings.

Default Lifestyle net returns

Age of member at the start of the period	1 year (%)	3 years (% p.a.)
25	4.8	6.4
45	4.8	6.4
55	4.0	3.3

Legacy Default Lifestyle net returns

Age of member at the start of the period	1 year (%)	3 years (% p.a.)
25	7.4	7.1
45	7.4	7.1
55	5.1	3.5

The following table shows the returns of the self-select funds and has three columns and fourteen rows. The first row contains headings. The first three funds (the low carbon fund, the multi-asset fund and the cash fund) are the funds that are used in the Default strategy

Self-select fund net returns

Fund name	1 year (%)	5 years (% p.a.)
LGIM Low Carbon Transition Global Equity Index Fund[1,2]	4.8	-
LGIM Multi-Asset Fund	3.5	6.1
LGIM Cash Fund	5.1	2.5
LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund GBP Currency	6.8	15.8
LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged	7.4	14.1
LGIM World Emerging Markets Equity Index Fund	8.1	8.0
LGIM HSBC Islamic Global Equity Index Fund	3.6	16.2
LGIM Ethical Global Equity Index Fund	2.5	14.9
LGIM Managed Property Fund	6.5	2.8
LGIM Global Real Estate Equity Index Fund[1]	2.3	5.8
LGIM Corporate Bond All Stocks Index Fund	2.3	-0.8
LGIM Over 15 Years Fixed Interest Gilts Index Fund	-7.3	-12.6
LGIM Over 5 Year Index Linked Gilts Index Fund	-9.3	-9.7

[1] The LGIM Low Carbon Transition Global Equity Index Fund and LGIM Global Real Estate Equity Index Fund were added to the self-select range on 1 June 2022 and therefore any members invested in these funds will not have experienced five years of performance as at 31 March 2025.
[2] The LGIM Low Carbon Transition Global Equity Index Fund launched in April 2021 and therefore does not have five years of performance data yet.

6. Value for members assessment

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

The Trustee reviews all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Scheme. The date of the last review was 6 June 2025, and it covered the Scheme year ending 31 March 2025.

The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The Trustee is confident that the administration service provided by LGAS is of a very good standard and represents a significant improvement on quality of administration that members historically experienced, and communications are clear and informative. Over the previous Scheme year, the Trustee's investment advisers negotiated fees with LGIM and secured better value for money for members. The Trustee is comfortable that this has improved the value for money received by members. It is also satisfied that charges for both active and deferred members are competitive compared to other similar schemes (based on analysis carried out by the Trustee's investment advisers).

The assessment included a review of the performance of the Scheme's investment funds (after all charges and transaction costs) in the context of their investment objectives. The returns on the investment funds members can choose during the period covered by this statement have been broadly consistent with their stated investment objectives.

In carrying out the assessment, the Trustee also considers the other benefits members receive from the Scheme, which include:

- its oversight and governance, including ensuring the Scheme is compliant with relevant legislation, and holding regular meetings to review the Scheme and address any material issues that may impact members;
- the design of the Default and how this reflects the interests of the membership as a whole;
- the range of investment options and strategies;
- the quality of communications delivered to members;
- the quality of support services, such as the Scheme website where members can access fund information online; and
- the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards.

As detailed in the earlier section covering the processing of core financial transactions, the Trustee is comfortable with the quality and efficiency of the administration processes at LGAS.

The Trustee believes that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches and expect this to lead to greater investment returns net of costs over time.

Overall, the Trustee believes that members of the Scheme are receiving good value for money for the charges and cost that they incur, for the reasons set out in this section.

7. Trustee knowledge and understanding

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

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

The Trustee is committed to undertaking regular training, either as part of Trustee meetings or by personal study. With the help of the Trustee's investment advisers, it regularly considers training requirements to identify any knowledge gaps. The investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. Advisers typically deliver training on such matters at Trustee meetings if they were material. During the period covered by this Statement, the Trustee received training on various matters including securitised credit. Additionally, it receives quarterly updates on topical pension issues from its investment advisers. A training log is maintained in line with best practice and the training programme is reviewed regularly to ensure it is up to date. The training programme was last updated in July 2025. The Scheme has an induction process in place for new Trustee Directors.

Three out of the five Trustee Directors have completed the Pensions Regulator's Trustee Toolkit (an online learning programme, designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law).

The Chair of the Trustee is an independent trustee with wide-ranging experience on multiple trustee boards. The other Trustee Directors have wide experience of governance roles, including one who is a Trustee on other pension schemes. This experience and knowledge is a further indication that the Trustee has sufficient knowledge and understanding to appropriately oversee the Scheme.

Considering the Trustee's knowledge and experience and the specialist advice received from its appointed professional advisors (e.g. investment consultants, legal advisors), it believes that it is well placed to exercise its functions as the Trustee of the Scheme properly and effectively.

Signed: P A Evans Date: 23 October 2025

Signed by the Chair of the Trustee of the RNIB Retirement Benefits Scheme