

Annual statement regarding governance of DC benefits: 2021 Governance Year

1 Introduction

This statement has been prepared by the trustee of the Chevron UK Pension Plan (the "**Plan**"), Chevron UK Pension Trustee Limited (the "**Trustee**") in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations (the "**Administration Regulations**") 1996 (as amended). It describes how the Trustee has met the statutory governance standards applicable to defined contribution ("**DC**") benefits in relation to:

- the default arrangement(s)
- requirements for processing financial transactions
- assessment of member-borne charges and transaction costs
- the requirement for trustee knowledge and understanding

between 1 January 2021 and 31 December 2021 (the "**2021 Governance Year**").

2 Default arrangements

The following arrangements are "default arrangements" in regard to the Plan for the purposes of the Administration Regulations:

- **Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy (the "Core Default Arrangement")**
- **Fidelity BlackRock World (ex-UK) Equity Index Fund**
- **Fidelity Blackrock UK Equity Index Fund**
- **Fidelity Blackrock Equity/Bond Split 75/25 Fund**
- **Fidelity Blackrock Over 15 Years UK Gilt Index Fund**
- **Fidelity Blackrock Cash Fund**

Together referred to as the "**Default Arrangements**".

The **Core Default Arrangement** is the arrangement that contributions in respect of the DC Element of New Section members of the Plan are paid into if a member does not make an alternative choice.

The **Fidelity BlackRock World (ex-UK) Equity Index Fund** is classified as default arrangement because some members invested in it previously chose to invest in the four regional equity funds that were mapped to this arrangement by the Trustee as part of the fund consolidation exercise in 2016.

The other four funds above are classified as default arrangements because they contain investments from certain members who previously held additional voluntary contribution (AVC) assets with Utmost Life and Pensions (which were part of Equitable Life prior to the implementation of its Guarantee Exchange Scheme effective on 1 January 2020) that were mapped into these arrangements as part of an AVC consolidation exercise which took place during 2020. Further details are set out in this statement.

Aims and Objectives of the Default Arrangements

The aims and objectives of the **Core Default Arrangement** are to provide good outcomes for members by targeting growth with an appropriate degree of risk during a member's early years of investment, and gradually moving to investment in a lower risk cash fund as the member approaches their selected retirement date (the movement towards lower risk investments being referred to in this statement as the "lifestyle strategy"). The default lifestyle strategy moves towards being 100% invested in Fidelity BlackRock Cash Fund at retirement to mitigate potentially mismatching risk by investing in the way in which members commonly take their accrued funds at retirement.

The aims and objectives of the **Fidelity BlackRock Cash Fund** are to provide a secure investment option for members who wish to take a low level of investment risk. As well as being a default arrangement in its own right following the AVC consolidation exercise in 2020, it is used to provide part of the lifestyling element of the Core Default Arrangement.

The **Fidelity BlackRock World (ex-UK) Equity Index Fund** invests in shares of overseas companies (Europe ex UK, Japan, Pacific Rim, US and Canadian markets) according to market capitalisation weightings and aims to produce a return in line with its benchmark, which is the FTSE All-World Developed ex UK Index. The aims and objectives of this Fund are to provide members with an equity-based investment option that meets their risk and return requirements and to give members the freedom to structure their own investment portfolio from the range of different asset classes that are made available.

The **Fidelity Blackrock UK Equity Index Fund** invests in shares of UK companies and aims to produce a return in line with the FTSE All Share Index. The objective of the Fund is to provide an equity-based investment option giving investors UK investment exposure.

The **Fidelity Blackrock Equity/Bond Split 75/25 Fund** invests in passively managed funds which invest in global equities (75%), corporate bonds (18.75%) and in Government index-linked securities (6.25%). The Fund aims to provide long term capital growth (by investing a significant proportion of its assets in equities), whilst investing a small element invested in bonds and government index-linked securities in order to reduce the potential investment volatility of the fund. It aims to provide a return in line with its benchmark, which is composite benchmark based on UK, overseas equity, and corporate bond and gilt indexes, in line with the target asset allocations.

The **Fidelity Blackrock Over 15 Years UK Gilt Index Fund** is designed to provide members with a lower risk investment option that also provides protection against inflation. It does this by tracking the performance of the FTSE Actuaries UK Conventional Gilts Over 15 Years Index.

2.1 Review of the Default Arrangements

Last review

No review of the Default Arrangements took place during the 2021 Governance Year.

The last formal triennial DC investment review of the strategy and performance of the Default Arrangements was completed by the Trustee, in conjunction of their investment advisors Willis Towers Watson (“**WTW**”), on 22 September 2020. Further details about this review were set out in the Trustee’s statement regarding governance of DC benefits for the 2020 Governance Year.

Environmental, Social and Governance (ESG) investment strategy

The Trustee undertook a survey of the Plan’s membership during 2021, asking a series of questions to obtain members views on the merits of ESG investing, and the likelihood of use of an ESG investment option if this were to be added to the DC Section investment portfolio. The results were reviewed by the Trustee in December 2021. Taking the results of the survey and ESG considerations more generally into account, the Trustee considered whether the overall range of investment options, including the Default Arrangement options, remained appropriate.

In December 2021 the Trustee decided that a self-select ESG option should be added into the portfolio. This is currently expected to be introduced during mid to late 2022, after a selection process conducted by WTW on behalf of the Trustee. It was agreed that ESG should not be incorporated into the Core Default Arrangement initially, but the position would be reviewed as part of next triennial DC investment review. This review will take into account the member usage of the ESG self-select option.

Next review

The next formal review of the Default Arrangements will be undertaken in 2023.

2.2 Statement of investment principles

Appended to this statement is a copy of the Plan’s latest defined contribution statement of the investment principles (dated 9 June 2021) governing decisions about investments for the purposes of the Default Arrangements, prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 (the “**Statement of Investment Principles**”).

3 Requirements for processing financial transactions

“Core financial transactions” include (but are not limited to):

- investment of contributions in the Plan
- transfers of assets relating to members into and out of the Plan
- transfers of assets relating to members between different investments within the Plan
- payments from the Plan to, or in respect of, members.

During the 2021 Governance Year, the Trustee secured that “core financial transactions” were processed promptly and accurately by ensuring that its providers were required to process transactions in this way and monitoring its providers’ compliance with these obligations.

Plan administrator

Barnett Waddingham is the main Plan administrator and provides overarching administration services in relation to the Plan. Barnett Waddingham work closely with Fidelity, the Plan's DC administrator and investment platform provider, in respect of the New Section of the Plan, ensuring that monthly contributions are reconciled and invested in a timely manner, settling DC benefits as required in tandem with DB rights in the Plan and paying combined transfer values.

Monitoring of providers' processes

The Trustee has implemented ways of ensuring that its providers process core financial transactions promptly and accurately. The first way is the "Monthly Contribution Process" designed and implemented on behalf of the Trustee and the second way is via service level agreements (SLAs).

Monthly Contribution Process

The Trustee monitors compliance with the agreed Monthly Contribution Process. This is a step-by-step process which intends to ensure prompt and accurate end-to-end interactions regarding receipt and investment of contributions between the Employer, Barnett Waddingham and Fidelity.

The Trustee has agreed the Monthly Contribution Process with its providers in order to ensure and monitor timely and accurate investment of the contributions on a monthly basis. Barnett Waddingham and Fidelity have confirmed that they have complied with all applicable steps of the Monthly Contribution Process in the 2021 Governance Year.

Quarterly administration reports and SLAs

The Trustee also monitors (via quarterly administration reports) the reporting by Barnett Waddingham and Fidelity, including task performance against SLAs to check whether core financial transactions were accurate, up to date, completed within applicable statutory timescales and within the agreed SLAs. The administration reports cover performance against the SLAs and the extent to which any deadlines have been breached. The Trustee is satisfied that the SLAs in place with Barnett Waddingham and Fidelity (as appropriate to the tasks each performs), taken together cover the accuracy and timeliness all core financial transactions.

The contractually agreed SLA with Barnett Waddingham covers a range of pension scheme administration tasks including general administration (such as ensuring Employer contributions are paid to the Plan on a timely basis and reconciling these contributions), member transactions (such as maintaining records for members paying contributions and arranging transfers-out of the Plan on request), regular updates (such as validating data from a payroll file and processing contribution allocations and arranging payment to the investment managers), producing benefit statements and disinvesting DC assets in certain circumstances.

During the 2021 Governance Year, Barnett Waddingham's overall SLA performance was between 90-94% and there were no DC-related issues.

The Trustee does not have a contractually agreed SLA in place with Fidelity, however Fidelity utilises and adheres to internally agreed SLAs. These internally agreed SLAs are reflected in Fidelity's quarterly administration reports which cover the accuracy and timeliness of all core financial transactions performed by Fidelity. The quarterly administration reports cover a range of tasks including contributions, retirement and benefits, transfers in and

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transfers out. Throughout the 2021 Governance Year, Fidelity's overall SLA average was 100% and there were no reportable issues.

The performance of Barnett Waddingham and Fidelity is reviewed annually. Additionally, SLA performance in relation to the processing of transfers is monitored as part of the monthly statistics / billing process and this did not reveal any issues.

Processes to ensure core financial transactions are processed promptly and accurately

Barnett Waddingham and Fidelity have a number of processes in place to ensure that core financial transactions are processed promptly and accurately and in accordance with the relevant SLAs and Monthly Contribution Process. These include:

- Fidelity monitoring the relevant bank account four times daily and having a dedicated contribution processing team.
- For all operational unautomated processes Fidelity having a "four-eyes" checking process in place, including dealing with investments.
- Barnett Waddingham's administration team monitoring the relevant bank account and investments/disinvestments.
- All of Barnett Waddingham's processes being subject to checking. If the process involves a benefit payment, other payment or investment / disinvestment then the payment is authorised by a senior member of the team (this is not the same person who reviews the process).
- Barnett Waddingham's internal controls Cashstream transactions being reconciled against the accounting system by the accounts team at least monthly, following receipt of the bank statement. The team investigates any differences and the reconciliation process continues until the team is able to establish a cleared balance on the accounting system equal to that on the bank statement. In addition to this a monthly forecast is also completed by the administration team to ensure sufficient funds remain in the account to meet the Plan's future obligations.

The Trustee is satisfied that overall the above processes ensured that core financial transactions were processed promptly and accurately during the 2021 Governance Year.

4 Assessment of member-borne charges and transaction costs

4.1 Level of member-borne charges and transaction costs

In accordance with regulation 25(1)(a) of the Administration Regulations, the Trustee calculated the "charges" and, so far as they were able to do so, the "transaction costs", borne by members of the Plan for the 2020 Governance Year.

For these purposes:

- "charges" means, broadly, administration charges other than:
 - "transaction costs";
 - costs the court determines trustees can recover;
 - certain pension sharing on divorce costs;

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- “winding-up costs”; and
- costs solely associated with the provision of death benefits.
- “transaction costs” means the costs incurred as a result of the buying, selling, lending or borrowing of investments. Transactions can have a positive or negative effect on each fund and hence transaction costs can be positive or negative. For example, if the transaction involves a net inflow of assets into a particular fund, this can sometimes have a positive effect on the price of each unit in the fund. The reverse can also be true.
- “winding up costs” means the costs of winding up a pension scheme including (but not limited to) the cost of:
 - Legal advice
 - Tracing, consulting and communicating with members
 - Advice on exiting investments
 - Selection of an alternative scheme or investments.

The “annual management charge” is the charge for managing pension scheme investments, expressed as a percentage of the assets. It is usually deducted prior to the calculation of the unit price and may incorporate both administration and investment charges. The Trustee has also set out the “annual management charge” for each fund available under the Plan for information.

The Trustee has been working with its advisers to obtain transaction cost information covering the 2021 Governance Year for publication in this statement. However, at the time of preparing this statement, transaction cost information for the complete 2021 Governance Year is not available. This is because the underlying information had not been made available by the funds’ managers. Therefore, the transaction cost information provided in this statement is annualised and covers the period from 1 October 2020 to 30 September 2021.

Core Default Arrangement – charges

During the 2021 Governance Year the level of charges applicable to the Core Default Arrangement were as follows.

Charges of 0.200% to 0.250% of the monies held in the Core Default Arrangement (including Annual Management Charges (AMCs) of 0.200% to 0.235%) applied, depending on the asset allocation at the time of assessment of charges. For this (and the other lifestyle strategies offered by the Trustee) the allocation of the assets between the components within the lifestyle strategies will change as the member approaches their selected retirement date, and hence the range of charges which applied to members is shown. The charges are comprised of:

- 0.250% in respect of the Core Default Arrangement (including Annual Management Charge of 0.235%); and
- 0.200% in respect of the Fidelity BlackRock Cash Fund (including Annual Management Charge of 0.200%).

Core Default Arrangement – ongoing transaction costs

Ongoing transaction costs are taken into account via the unit price for each of the funds that make up the Core Default Arrangement. The following transaction cost information has been provided by Fidelity:

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- The transaction costs incurred from 1 October 2020 to 30 September 2021 ranged from 0.02% to 0.04%. This varied over time and depended on term to retirement.

The Trustee considered these transaction costs to be within their reasonable expectations when compared to market experience for similar funds (based on research undertaken by the Trustee's investment adviser).

Default Arrangements (excluding the Core Default Arrangement) – charges

The levels of charges (and Annual Management Charges (AMC) which form part of the overall charges) applicable to the Default Arrangements (excluding the Core Default Arrangement) in which assets relating to members were invested over the 2021 Governance Year were as follows.

Asset class	Fund	AMC (%)	Overall charges (%)
Global equities	Fidelity BlackRock World (ex-UK) Equity Index Fund	0.250	0.260
UK Equities	Fidelity BlackRock UK Equity Index Fund	0.250	0.260
Bonds	Fidelity BlackRock Over 15 Years UK Gilt Index Fund	0.150	0.200
Cash	Fidelity BlackRock Cash Fund	0.200	0.200
Blended fund*	Fidelity Chevron Equity/Bond Split 75/25 Fund	0.253	0.260

*Blended fund charges show where a single charge applies that is constructed from a combination of other funds within the Plan's investment fund range.

Default Arrangements (excluding the Core Default Arrangement) – transaction costs

The following transaction cost information has been provided by Fidelity and shows the annualised transaction costs for the period from 1 October 2020 to 30 September 2021):

Asset class	Fund	Transaction cost (%)
Global equities	Fidelity BlackRock World (ex-UK) Equity Index Fund	0.02
UK Equities	Fidelity BlackRock UK Equity Index Fund	0.06

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Bonds	Fidelity BlackRock Over 15 Years UK Gilt Index Fund	0.00
Cash	Fidelity BlackRock Cash Fund	0.02
Blended fund*	Fidelity Chevron Equity/Bond Split 75/25 Fund	0.04

*Blended fund charges show where a single charge applies that is constructed from a combination of other funds within the Plan's investment fund range.

The Trustee considered these transaction costs to be within their reasonable expectations when compared to market experience for similar funds (based on research undertaken by the Trustee's investment adviser).

Self-select funds (excluding those covered above) - charges

The levels of charges (and Annual Management Charges (AMC) which form part of the overall charges) applicable to other funds which were available on a self-select basis through Fidelity and in which assets relating to members were invested over the 2021 Governance Year were as follows:

Asset class	Fund	AMC (%)	Overall charges (%)
Global equities	Fidelity BlackRock 30:70 Currency Hedged Global Equity Fund	0.270	0.280
Bonds	Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	0.200	0.200
	Fidelity BlackRock Corporate Bond Index Fund All Stocks	0.200	0.210
Emerging markets	Fidelity BlackRock Emerging Markets Fund	0.350	0.400
Multi-asset	Fidelity Chevron BlackRock Consensus Fund	0.200	0.230
Shariah Law	Fidelity HSBC Islamic Pension Fund (previously named HSBC Amanah Global Equity Index Fund)	0.450	0.450
Blended funds*)	Fidelity Chevron Equity/Bond Split 50/50 Fund	0.235	0.250

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	Fidelity Chevron Equity 100 Fund	0.270	0.280
Lifestyle strategies	Fidelity Chevron Equity/Bond Split 75/25 Lifestyle Strategy	0.200 to 0.253 (depending on the member's stage within the strategy)	0.200 to 0.260 (depending on the member's stage within the strategy)
	Fidelity Chevron Equity 100 Lifestyle Strategy	0.200% to 0.270% (depending on the asset allocation within the strategy)	0.200% to 0.280% (depending on the asset allocation within the strategy)

*Blended fund charges show where a single charge applies that is constructed from a combination of other funds within the Plan's investment fund range.

Self-select funds (excluding those covered above) – transaction costs

The following transaction cost information has been provided by Fidelity and shows the annualised transaction costs for the period from 1 October 2020 to 30 September 2021):

Asset class	Fund	Transaction costs (%)
Global equities	Fidelity BlackRock 30:70 Currency Hedged Global Equity Fund	0.05
Bonds	Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	0.01
	Fidelity BlackRock Corporate Bond Index Fund All Stocks	0.04
Emerging markets	Fidelity BlackRock Emerging Markets Fund	1.59
Multi-asset	Fidelity Chevron BlackRock Consensus Fund	-0.04
Shariah Law	Fidelity HSBC Islamic Pension Fund (previously named HSBC	-0.79

Amanah Global Equity Index Fund)		
Blended funds*	Fidelity Chevron Equity/Bond Split 50/50 Fund	0.04
	Fidelity Chevron Equity 100 Fund	0.05
Lifestyle strategies	Fidelity Chevron Equity/Bond Split 75/25 Lifestyle Strategy	0.02% to 0.04% (depending on the member's stage within the strategy)
	Fidelity Chevron Equity 100 Lifestyle Strategy	0.02% to 0.05% (depending on the asset allocation within the strategy)

*Blended fund charges show where a single charge applies that is constructed from a combination of other funds within the Plan's investment fund range.

The transaction costs shown for the Fidelity BlackRock Emerging Markets Fund and the Fidelity HSBC Islamic Pension Fund show significant deviations from the transaction costs shown in recent years for these funds. These two funds are the funds within the investment range available that are viewed by the Trustee's investment adviser as having the highest potential level of investment volatility. However, these deviations in transaction costs are considered to be reasonable taking account of market conditions. This is because, in both cases, the fund managers imposed an anti-dilution levy on the funds. An anti-dilution levy is an adjustment imposed on transactions within the funds aimed at ensuring that such investment transactions do not take place on terms which do not take full account of the investment market volatility present at the time. This is a standard approach taken by investment managers in times of investment market volatility and the Trustee's investment adviser has confirmed that the size of the anti-dilution levies (and the resultant level of the transaction costs) for these funds is within normal market expectations in similar circumstances.

Former Utmost Life and Pensions investment funds

The Plan previously offered a range of Equitable Life investment funds (Unit-linked and With-profits) that were only available for historic additional voluntary contributions (AVCs) and were not available to New Section members of the Plan. During 2020, the Trustee transitioned the assets investment in these funds into investment funds on the Fidelity platform, as set out below. In May 2021, a further asset restructure exercise took place to transfer relevant assets to the Core Default Arrangement. Further details are provided below.

On 1 January 2020 Equitable Life implemented the outcome of its successful Guarantee Exchange Scheme (GES) to transfer its UK investments to Utmost Life and Pensions (Utmost), and close its With-Profits Fund, moving these assets to its temporary Secure Cash Fund pending their transfer to a longer-term investment choice (or choices). Equitable Life added an uplift to the amounts transferred to the Utmost Secure Cash Fund as part of its GES.

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Following this, the Trustee transferred the investments in the Utmost Secure Cash Fund to the Fidelity BlackRock Cash Fund in April 2020. Its original intention had been to transfer these investments to the Core Default Arrangement, but the increased investment market volatility in 2020 due to the Coronavirus pandemic led the Trustee (on investment advice) to invest the proceeds in the BlackRock Cash Fund instead, with a view to moving the assets to the default once market conditions were more stable. Following further investment advice, the Trustee implemented the move from the BlackRock Cash Fund to the Core Default Arrangement in May 2021 for all members who were under the age of 55 on 1 May 2021. More details are set out below.

In July 2020 the Trustee transferred the unit-linked investments held with Utmost (formerly invested in the same funds through Equitable Life) into the existing range of unit linked investment funds held with Fidelity, using an investment mapping recommendation provided by its investment adviser.

In May 2021, the Trustee undertook an asset restructure exercise. The purpose of this exercise was to transfer assets from the BlackRock Cash Fund to the Core Default Arrangement, in line with the Trustee's original plan for the investments transferred in from the Utmost Secure Cash Fund in April 2020. In addition, any members who were 100% invested in the BlackRock cash fund (for whatever reason) were given the opportunity to participate in the bulk transfer to the default investment strategy.

The qualifying criteria for the exercise were those members in receipt of an asset transfer payment from Utmost Life & Pensions on either 20th April 2020 or 20th & 23rd July 2020, had not affected any switch instructions on these assets, and were aged 55 or under as at 1st May 2021.

The participants were grouped as follows:

- Members fund holdings are 100% in Blackrock Cash Fund, and is all assets transferred in. These members whole funds were automatically switched to the default lifestyle. (247 members)
- Members fund holdings are 100% in Blackrock Cash Fund but includes contribution types other than assets transferred in. Members holdings that were transferred in were automatically switched to the default lifestyle. Members were given the option to opt-in to switch the remainder of their fund at the same time. (6 members)
- Members fund holdings are not 100% Cash and includes contribution types other than assets transferred in. Members holdings that were transferred in were automatically switched to the default lifestyle. Members were given the option to opt-in to switch their holdings under other contribution types in the Blackrock Cash Fund. (4 members)
- Members fund holdings are not 100% Cash and includes contribution types other than assets transferred in. Members holdings that were transferred in were automatically switched to the default lifestyle. (3 members)
- Members fund holdings are not 100% Cash and includes contribution types other than those transferred in. Their holdings that were transferred in are not 100% in the Blackrock Cash Fund. Members holdings in the Blackrock Cash Fund that were transferred in were automatically switched to the default lifestyle. These members were communicated to separately to ask them to make changes to their investment choices themselves. (4 members)
- Members did not receive an asset transfer from the WP Utmost policy on 20 April 2020 but have 100% of their funds invested in the Blackrock Cash

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Fund. Members were given the option to opt-in to switch their funds into the default lifestyle. (74 members).

This fund restructure was completed in one tranche on 20 May 2021 with a total value of £2,296,800. Based on the total traded value, the cost of this transition was c.£3k (0.13%). The transaction costs for the main constituent fund of the Core Default Arrangement, the Chevron Equity/Bond 50/50 Fund, and its underlying investments are set out below:

Fund	Transaction costs (%)
iShares Corporate Bond All Stocks	0.32
iShares Index-Linked Gilt Fund	0.08
BlackRock ACS 30:70 Global Equity Fund	0.00

4.2 Illustrative examples of the cumulative effect of costs and charges

Appended to this statement are illustrative examples of the cumulative effect of costs and charges on the value of a member's accrued rights (in accordance with Reg 23(1)(ca) of the Administration Regulations 1996).

The illustrations have been prepared in accordance with the relevant statutory guidance and reflect the impact of costs and charges for a range of Plan members and investment funds.

4.3 Net investment returns

The Trustee is required to report on the net investment returns for their Default Arrangements and for each fund which Plan members are, or have been, able to select and in which they have assets invested during the 2021 Governance Year. Net investment returns refers to the returns on funds minus all transaction costs and charges (see above).

When preparing this section of the statement, the Trustee has taken account of the DWP's statutory guidance on "Completing the annual Value for Members assessment and Reporting of Net Investment Returns".

The figures for net investment returns used in the tables below have been provided by Fidelity and show returns over one year, five years and since fund inception.

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Asset class	Fund	1 year net investment return to 31.12.2021 (%)	5 year annualised net investment return to 31.12.2021(%)	Annualised net investment return from fund inception to 31.12.2021 (%)***
Global equities	Fidelity BlackRock 30:70 Currency Hedged Global Equity Fund	19.7	10.8	9.4 (since 15/2/2010)
	Fidelity BlackRock World (ex-UK) Equity Index Fund	23.3	13.4	10.9 (since 25/2/2005)
UK equities	Fidelity BlackRock UK Equity Index Fund	17.2	4.0**	4.0 (since 17/4/2019)
Bonds	Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	4.0	4.9	7.7 (since 13/4/2006)
	Fidelity BlackRock Corporate Bond Index Fund	-3.3	3.2	5.1 (since 26/1/2017)
	Fidelity BlackRock Over 15 Years UK Gilt Index Fund	-7.3	3.9	6.6 (since 13/4/2006)
Emerging markets	Fidelity BlackRock Emerging Markets Fund	-2.1	7.4	4.1 (since 6/12/2010)
Multi-asset	Fidelity Chevron BlackRock Consensus Fund	12.0	7.2	7.8 (since 18/10/2013)
Shariah Law	Fidelity HSBC Islamic Pension Fund (previously named HSBC Amanah Global Equity Index Fund)	27.3	18.2	14.1 (since 7/7/2008)
Blended funds*	Fidelity Chevron Equity/Bond Split 50/50 Fund	8.8	7.6	8.0 (since 17/10/2011)
	Fidelity Chevron Equity 100 Fund	19.7	10.8	10.1 (since 17/10/2011)
	Fidelity Chevron Equity/Bond Split 75/25 Fund	14.2	9.3	9.1 (since 17/10/2011)

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Cash	Fidelity BlackRock Cash Fund	-0.1	0.3	1.2 (since 13/4/2006)
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*Blended fund charges show where a single charge applies that is constructed from a combination of other funds within the Plan's investment fund range.

**5 year returns are not available for the Fidelity BlackRock UK Equity Index Fund as it was launched in April 2019. Therefore this figure reflects the net investment returns from this inception date to 31 December 2021.

***The return data provided in this column shows percentage returns over the period from each fund's inception to 31.12.2021. It does not show return data over time periods that are necessarily comparable and this should be taken into account when reading this table.

Paragraph 27 of DWP's relevant statutory guidance says that trustees should provide details of these returns at ages 25, 45 and 55 for funds where the investment returns vary by age, such as in a lifestyle strategy. Lifestyle strategies are identified because the way assets are invested changes as members approach retirement, meaning that the investment returns can vary by age. The Plan's DC Section has three lifestyle strategies (including the Core Default Arrangement) as detailed earlier in this statement. However in each of these strategies there is no difference in the asset allocation at ages 25, 45 and 55 as members remain 100% invested in the blended fund which forms the accumulation phase of these strategies (see the Blended Fund information shown above) and therefore the investment returns for members are not different at these ages.

4.4 Value assessment

In accordance with regulation 25(1)(b) of the Administration Regulations, and with regard to [statutory guidance](#), the Trustee assessed the extent to which the charges and transaction costs borne by members, as set out in section 4.1 above, represent good value for members. This section of this statement explains the assessment that was carried out in relation to the 2021 Governance Year and its results.

How value for members has been assessed

To help them with their assessment, the Trustee obtained an independent value for members assessment for the 2021 Governance Year from its investment consultant.

As noted in section 3 above, administration services for the Plan are provided by both Fidelity and Barnett Waddingham. Members pay for the administration of their DC accounts with Fidelity through the bundled annual management charge and additional expenses which make up the overall charges. Secondly, additional overarching Plan administration is carried out by Barnett Waddingham for which members do not bear the cost. Taking this into account, the value for members assessment included:

- (a) a review of the member borne costs and charges levied and a comparison of the costs and charges to those levied in relation to other bundled schemes in the market;
- (b) a review of the net investment returns of the Default Arrangements and self-select options against their benchmarks;
- (c) a review of governance, administration and communication factors against seven key metrics. These key metrics cover the following areas:

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- Scheme governance
- Risk management
- Core financial transactions and record keeping
- Default strategy and investment governance
- Communication and engagement
- At retirement support options
- Broader financial support (including advice).

The Trustee's investment consultant has developed a checklist of key features that it would expect to be present in leading DC schemes and the value for members assessment reflects the presence or absence of those key features.

The framework for this value for member assessment reflects the more detailed assessment under regulation 25(1A) of the Administration Regulations that some schemes are required to carry out in relation to scheme years ending after 31 December 2021. This requirement does not apply to the Plan (because it has assets in excess of £100 million as at the date of its last audited accounts and because this statement relates to the scheme year ending on 31 December 2021). However, the Trustee decided to use this framework and took account of the relevant statutory guidance as it provides an appropriately robust framework for the Plan's value of members assessment.

Although the Trustee did assess the 'broader value' offered to members by various elements of the governance, administration and communication factors they do not pay for, the Trustee did not take these elements into account when concluding its value for members assessment for the purposes of regulation 25(1)(b) of the Administration Regulations.

Summary of Trustee's conclusions in relation to each factor assessed

(a) Costs and charges

- Total Expense Ratio (TER) - the TER of the growth phase of the Core Default Arrangement is 0.245%, which when benchmarked against other bundled schemes similar to the DC section indicates that it provides **good value**.
- Transaction costs - the transaction cost benchmarking undertaken showed that most of the transaction costs for the Plan's DC funds were either below average or between the average and 75th percentile for each comparable sector. As a result, this was assessed as providing **fair value** to members.

(b) Net investment returns

- Default investment strategy performance – the components of the Core Default Arrangement have all performed in line with or above benchmark over a 5 year period to 31 December 2021. As a result this was assessed as providing **good value** for members.
- Self-select fund performance - over the five year period to 31 December 2021, the performance of the self-select fund range has been consistent when compared to their benchmarks. As a result this was assessed as providing **good value** to members

(c) Governance, administration and communication

- Scheme governance - the Plan exhibits most of the identified key features relating to Trustee Knowledge and Understanding, self-assessment and their governance approach. In common with most schemes, a key area for further action related to the development of and inclusion and diversity policy for the Plan. This is under consideration by the Trustee in the 2022 Governance Year.
- Risk management - the Plan exhibited all of the current key features in relation to managing risk for the scheme. One future action is for the Trustee to comply with a new combined code of practice on governance which is being introduced by the Pensions Regulator. This is not yet in force and the Trustee will be working on this over the next year. Members will hear more on this in due course.
- Core financial transactions and record keeping - the Plan exhibited all of the key features with this metric. Further information on this area is provided in section 3 of this statement.
- Default strategy and investment governance - the Plan exhibited most of the key features within this metric. The Plan does not offer a range of lifestyle options targeting specific retirement outcomes. However, this reflects the Trustee's view that members are unlikely to take their DC section benefits in the form of annuity or drawdown in view of the structure of the DC Section which is provided to members of the Plan's DB arrangement whose annual pensionable earnings are over a salary cap or who wish to make AVCs to supplement their DB benefits. The Trustee formed this view having taken advice from its investment adviser which considered current member retirement choices and likely future choice, projecting forward the value of their benefits. Further information on the default strategy and investment governance over the 2021 Governance Year can be found in sections 2 and 4 of this statement.
- Communication and engagement - the Plan's communication and engagement strategy is primarily based around the information made available to members through its DC Section provider, Fidelity. Fidelity is highly rated by the Trustee's advisers and was found to support the Trustee in meeting most of the expectations. Fidelity does however lag behind some other providers in its digital communications and this is an area for future discussion with Fidelity.
- At retirement support and options - the key expectations in this metric are based around the fact that most members of defined contribution schemes will use their DC account value to provide the core of their retirement benefits. However, for the Plan the defined benefit rights accrued in the Plan form the core part of most members' retirement benefits, and their DC account values are typically used to provide tax-free cash on retirement. As a result, some of the key features are not relevant for the Plan. Taking this into account the Plan exhibited most of the relevant key features within this metric. However, the Trustee will continue to monitor how members use their DC account value to determine whether more at retirement support is needed by members.
- Broader financial support (including advice) - for the reasons noted above, some of the key features within this metric are not relevant for the Plan. However, the Plan does provide access to a facilitated advisory service for members and a wellbeing strategy has been put in place by the employer. As a result, most of the relevant key

features were found to be exhibited by the Plan but the Trustee will continue to monitor member needs and review the support requirements accordingly.

Overall conclusion

The Trustee reviewed the independent value for members assessment and agreed with its conclusions that the combined value provided to members by the investment, administration and communication services they pay for represents **good value** compared with the overall charges members pay. The assessment concluded that the Plan provides high quality and appropriate services to meet the needs of the Plan membership.

5 Trustee knowledge and understanding (TKU)

The Trustee obtains advice on investment, legal and other issues from its professional advisers and is also able to call on the technical and investment expertise of the Company, in areas including legal compliance, data protection, pensions and benefits, and investment.

The Trustee Directors themselves collectively have a wealth of experience and knowledge across different areas, including the Trustee's legal obligations and trust law duties, information security and data protection obligations, finance, audit and business strategy experience. This enables the Trustee to challenge its advisers and other third parties appropriately and set and monitor suitable business plans for the Plan.

The Trustee Directors' approach to meeting the TKU requirements during the 2021 Governance Year included:

- receiving regular training and updates in relation to legal issues affecting the Plan, which enabled the Trustee Directors to learn about and discuss current legislative and regulatory requirements relating to the law on pensions and trusts. For example, at the June 2021 Trustee Board training day, the Trustee Directors received training on climate change regulations affecting pension schemes, general Trustee responsibilities and liaison with regulatory bodies. At the September 2021 Trustee Board training day, the Trustee Directors received training on the Pension Schemes Act 2021 and the Pensions Regulator's new Code of Practice.
- receiving regular updates on the latest pensions news and insights from their professional advisers, which enabled the Trustee Directors to keep up to date with relevant legal developments. For example, all the Trustee Directors receiving email updates (on a weekly, monthly and quarterly basis) from various sources including the Pensions Regulator, their legal and actuarial advisers.
- receiving regular updates regarding funding and investment, which enabled the Trustee Directors to learn about and discuss the principles relating to funding of occupational pension schemes and the investment of the assets of such schemes. For example, at the March 2021 Board the Investment Committee provided an update regarding the Implementation Statements and at the September 2021 Board meeting the Investment Committee provided an update regarding investment beliefs.
- considering and applying the Plan's trust deed and rules, Statement of Investment Principles, statement of funding principles and other relevant policies where applicable to Trustee decisions. For example, in the 2021 Governance Year:

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- the Trustee Directors reviewed and adopted a new defined contribution Statements of Investment Principles which was considered by the Trustee Directors at the June Trustee Board meeting such that the Trustee Directors have a working knowledge of this document. In adopting the new defined contribution Statements of Investment Principles, the Trustee discussed the document at its June Trustee Board meeting, considered and applied the relevant Plan rules and applicable legislation, and consulted the Company.
- the Trustee Directors updated a number of the Trustee's policies including the Notifiable Events Policy, the Whistleblowing Policy, the Member Nominated Directors Policy and the Internal Disputes Resolution Policy.
- attending the Trustee Board training days on 29 June 2021 and 28 September 2021, where the Trustee Directors received training from the Trustee's professional advisers and discussed the results of the survey on Trustee effectiveness.
- some Trustee Directors attending other online conferences hosted by external parties on various topics, including the Pensions Regulator's 2020 vision, the implications of Covid-19 for pension scheme trustees and cyber security).

The Trustee has systems in place to ensure the Trustee Directors are conversant with the Plan's trust deed and rules, Statement of Investment Principles, statement of funding principles and other Trustee policies relating to the administration of the Plan and have knowledge and understanding of the laws relating to pensions and trusts and the principles regarding funding and investment in relation to occupational pension schemes. These systems include identifying knowledge gaps and what appropriate training is needed for existing Trustee Directors. For example, the systems in place during the 2021 Governance Year included:

- the Trustee Directors undertaking the survey on Trustee effectiveness referred to above which is used to help assess the effectiveness of the Trustee Board and to ask the Trustee Directors to provide details of any areas of training they felt the Trustee Board would benefit from receiving. Some of the Trustee Directors suggested that further training was needed in relation to ESG and the impact on pension schemes and this topic was then covered during the June 2021 Trustee Board training day. The Trustee Directors will further develop their knowledge and understanding of this topic and others in the future, by receiving ad hoc training sessions at the quarterly Trustee Board meetings and at the 2022 Trustee Board training days due to be held on 21 June 2022 and 27 September 2022. The Trustee Directors will also be completing a survey on Trustee Knowledge and Understanding in 2022, which is completed every two years.
- the Trustee Directors, having previously completed all of the core modules (both DB and DC) in the Pensions Regulator's Trustee Toolkit, each hold the Pension Regulator's Trustee Toolkit certificate. The Trustee Toolkit is an online learning programme from the Pensions Regulator aimed at trustees of occupational pension schemes. The Trustee Toolkit includes a series of online learning modules and downloadable resources developed to help trustees meet the minimum level of knowledge and understanding required by law. The Trustee's training policy requires each Trustee Director to complete the Trustee Toolkit every four years. The dates on which each of these Trustee Directors last completed the core modules of the Trustee Toolkit are as follows:
 - William Alan Dennison – 9 July 2018

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- John Trevor Jones – 7 February 2022
- Simon Owens – 28 August 2018
- David Poulter – 12 April 2019
- John Gregor Cameron – 22 November 2020
- Andrew Clitheroe – 3 April 2020
- Audrey Lamastro – 25 January 2021
- Nahid Ali – 12 April 2021
- Beth Claar – 1 March 2021

In addition to completing the core modules of the Trustee Toolkit, all the Trustee Directors (including the three new Trustee Directors referred to below) have completed the more recent pension scams module of the Trustee Toolkit.

- the Trustee Directors being encouraged to undertake additional study.

No new Trustee Directors were appointed in the 2021 Governance Year, however the Trustee has a structured induction process in place for any new Trustee Directors that is designed to ensure that they acquire the appropriate level of Trustee Knowledge and Understanding within 6 months of their appointment. That process includes:

- undertaking one-to-one training with the Plan's Actuary, covering their duties and responsibilities and the operation of the DC benefits;
- receiving a New Trustee Orientation Pack on appointment including the key documentation of the Plan (Plan's Trust Deed and Rules, Statement of Investment Principles, statement of funding principles, schedule of contributions and other Trustee policies relating to the administration of the Plan). The provision of this information as part of the induction pack ensures that all Trustee Directors are familiar with these documents from the start of their appointment;
- attending a Trustee meeting in an observational capacity prior to appointment;
- being given an overview by the outgoing Trustee Director before being appointed and receiving an overview on the role of a Trustee Director from the Pensions Manager before the first Trustee meeting; and
- being given the support required to complete the Pensions Regulator's Trustee Toolkit.

Overall, the Trustee's Directors consider that as a result of the induction process, training and study undertaken as referred to above, both collectively and personally their own knowledge and understanding, together with the advice which is available to the Trustee, enables the Trustee to properly exercise its function as trustee of the Plan.

Signed on behalf of the Trustee

Simon Owens
Chair of Chevron UK Pension Trustee Limited

Date

APPENDIX 1 – Defined Contribution Statement of Investment Principles

APPENDIX 2 – Illustrative examples of the cumulative effect of costs and charges

In order to achieve greater transparency about costs, new regulations came into force on 6 April 2018 which require the Trustee to provide members with additional information in relation to investment charges and transactions costs. These must be set out as example member illustrations that have been prepared with regard to the relevant statutory guidance: “Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational pension schemes” (September 2018).

The illustrations have been prepared in accordance with the relevant statutory guidance and reflect the impact of costs and charges for a range of Plan members and investment funds.

As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustee has had to make a number of assumptions about what these might be. The assumptions are explained in the Notes section below the illustrations.

Within this Appendix we have provided illustrations based on:

- The potential period of Plan membership for the youngest member and average age of a Plan member
- The different member types within the Plan:
 - Members of the New Section with DC Element by virtue of earning over the earnings cap for Defined Benefit Section accrual
 - DB Section members (not New Section members) paying additional voluntary contributions
 - Deferred members with no new contributions going into the Plan
- A range of investment choices have been illustrated, including:
 - Fidelity BlackRock Cash Fund - the fund that most members invest in. This is also considered to carry the lowest level of potential investment returns.
 - Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy – this is the New Section’s core default investment strategy
 - Fidelity HSBC Islamic Pension Fund (previously named HSBC Amanah Global Equity Index Fund) – the fund with the highest level of charges and is also considered to carry the highest level of potential investment returns.
 - Fidelity BlackRock Over 15Yr UK Gilt Index Fund - This fund has the lowest charge of any of the funds offered by the Trustee
 - Fidelity BlackRock World (ex) UK Index Fund - This fund is classified as a default investment arrangement
 - Fidelity BlackRock UK Equity Index Fund - This fund is classified as a default investment arrangement
 - Fidelity BlackRock Equity/Bond Split75/25 Fund - This fund is classified as a default investment
- Risk and return ratings have been determined with input from the Trustee’s investment adviser

The table below shows the age, salary, contribution and starting fund sizes used for the purpose of the illustrations:

Criteria	1. New Section		2. AVC payers		3. Deferred	
	1a (youngest)	1b (average)	2a (youngest)	2b (average)	3a (youngest)	3b (average across Plan)
Age	31	46	32	50	24	53
Salary	£84,700	£102,600	£60,000	£84,000	n/a	n/a
Contributions	In line with age related scheme design (based on salary over the DB Earnings Cap)	In line with age related scheme design (based on salary over the DB Earnings Cap)	£600	£4,700	n/a	n/a
Fund size	£400	£42,900	£44,400	£73,000	£400	£29,800

The illustrations below show the projected fund values based on certain assumptions before and after charges so that the potential impact of charges is clearly shown. Members should be aware that these are simply illustrations, and so the actual fund values and implication of charges for members' investments may be different if members' personal details or investment choices differ from those shown or the assumptions are not borne out. This means that the information contained in this Appendix is not a substitute for the individual and personalised illustrations which are provided to members each year by the Plan.

Example Member	Years	Chevron Equity/Bond Split 50/50 Lifestyle Strategy		Fidelity BlackRock Cash Fund		Fidelity HSBC Islamic Pension Fund		BlackRock Over 15 Years UK Gilt Index Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
New Section 'Over the Cap' members (youngest member)	1	£700	£600	£600	£600	£700	£700	£600	£600
	3	£1,200	£1,100	£1,100	£1,100	£1,200	£1,200	£1,100	£1,100
	5	£1,700	£1,600	£1,600	£1,600	£1,800	£1,700	£1,600	£1,600
	10	£3,000	£2,900	£2,800	£2,700	£3,400	£3,300	£2,700	£2,600
	15	£4,700	£4,600	£4,300	£4,200	£5,600	£5,400	£4,000	£4,000
	20	£6,500	£6,400	£5,700	£5,600	£8,100	£7,700	£5,400	£5,300
	25	£8,800	£8,500	£7,500	£7,300	£11,300	£10,700	£6,900	£6,800
	30	£11,000	£10,600	£9,200	£8,900	£15,000	£14,000	£8,400	£8,200
	34	£12,400	£11,800	£10,500	£10,200	£18,300	£16,900	£9,400	£9,200
New Section 'Over the Cap' members (average member)	1	£46,600	£46,500	£46,000	£45,900	£47,500	£47,300	£45,700	£45,600
	3	£54,000	£53,600	£52,100	£51,800	£57,100	£56,400	£51,100	£50,900
	5	£61,900	£61,200	£58,500	£57,900	£67,500	£66,200	£56,700	£56,400
	10	£85,400	£83,500	£77,200	£76,000	£99,600	£96,200	£73,300	£72,400
	15	£108,600	£105,400	£95,100	£93,100	£135,900	£129,400	£88,500	£87,200
	19	£123,400	£119,200	£108,800	£106,000	£168,300	£158,500	£99,900	£98,100

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Fidelity BlackRock World (ex) UK Index Fund		Fidelity BlackRock UK Equity Index Fund		Fidelity BlackRock Equity/Bond Split75/25 Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
New Section 'Over the Cap' members (youngest member)	1	£700	£700	£700	£700	£700	£700
	3	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200
	5	£1,800	£1,800	£1,800	£1,800	£1,700	£1,700
	10	£3,400	£3,300	£3,400	£3,300	£3,200	£3,100
	15	£5,600	£5,400	£5,600	£5,400	£5,100	£5,000
	20	£8,100	£7,900	£8,100	£7,800	£7,300	£7,000
	25	£11,300	£10,900	£11,300	£10,900	£10,000	£9,600
	30	£15,000	£14,400	£15,000	£14,400	£12,900	£12,300
34	£18,300	£17,400	£18,300	£17,400	£15,300	£14,600	
New Section 'Over the Cap' members (average member)	1	£47,500	£47,400	£47,500	£47,400	£47,000	£46,900
	3	£57,100	£56,600	£57,100	£56,600	£55,500	£55,100
	5	£67,500	£66,700	£67,500	£66,700	£64,700	£63,900
	10	£99,600	£97,500	£99,600	£97,400	£92,200	£90,100
	15	£135,900	£131,800	£135,900	£131,600	£121,900	£118,000
	19	£168,300	£162,200	£168,300	£161,800	£147,200	£141,500

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Chevron Equity/Bond Split 50/50 Lifestyle Strategy		Fidelity BlackRock Cash Fund		Fidelity HSBC Islamic Pension Fund		BlackRock Over 15 Years UK Gilt Index Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
DB AVC payers (youngest member)	1	£45,200	£45,100	£44,600	£44,500	£46,100	£45,900	£44,300	£44,200
	3	£46,800	£46,400	£45,000	£44,700	£49,700	£49,000	£44,100	£43,900
	5	£48,400	£47,800	£45,400	£44,900	£53,400	£52,300	£43,800	£43,500
	10	£52,600	£51,200	£46,300	£45,400	£63,600	£61,000	£43,300	£42,700
	15	£56,800	£54,600	£47,200	£45,800	£75,200	£70,700	£42,900	£42,000
	20	£61,100	£58,000	£48,000	£46,300	£88,300	£81,400	£42,400	£41,300
	25	£65,500	£61,500	£48,800	£46,700	£103,100	£93,200	£42,000	£40,700
	30	£69,100	£64,200	£49,600	£47,100	£119,800	£106,300	£41,600	£40,100
	33	£69,500	£64,300	£50,100	£47,300	£130,900	£114,800	£41,400	£39,800
DB AVC payers (average member)	1	£78,000	£77,800	£77,000	£76,900	£79,600	£79,200	£76,500	£76,400
	3	£88,200	£87,500	£85,000	£84,500	£93,200	£92,100	£83,300	£83,000
	5	£98,400	£97,200	£92,800	£91,900	£107,600	£105,500	£89,900	£89,300
	10	£124,100	£121,300	£111,600	£109,800	£146,800	£141,500	£105,500	£104,200
	15	£144,500	£140,200	£129,700	£126,700	£191,100	£181,300	£119,900	£117,900

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Fidelity BlackRock World (ex) UK Index Fund		Fidelity BlackRock UK Equity Index Fund		Fidelity BlackRock Equity/Bond Split75/25 Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
DB AVC payers (youngest member)	1	£46,100	£46,000	£46,100	£46,000	£45,700	£45,500
	3	£49,700	£49,300	£49,700	£49,300	£48,200	£47,800
	5	£53,400	£52,700	£53,400	£52,700	£50,900	£50,200
	10	£63,600	£62,000	£63,600	£61,900	£57,900	£56,300
	15	£75,200	£72,400	£75,200	£72,200	£65,400	£62,800
	20	£88,300	£83,900	£88,300	£83,700	£73,500	£69,600
	25	£103,100	£96,900	£103,100	£96,500	£82,200	£76,900
	30	£119,800	£111,300	£119,800	£110,800	£91,600	£84,600
33	£130,900	£120,700	£130,900	£120,100	£97,600	£89,500	
DB AVC payers (average member)	1	£79,600	£79,400	£79,600	£79,400	£78,800	£78,600
	3	£93,200	£92,500	£93,200	£92,500	£90,700	£90,000
	5	£107,600	£106,300	£107,600	£106,200	£102,900	£101,600
	10	£146,800	£143,500	£146,800	£143,300	£135,200	£131,900
	15	£191,100	£185,000	£191,100	£184,600	£169,900	£164,100

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Chevron Equity/Bond Split 50/50 Lifestyle Strategy		Fidelity BlackRock Cash Fund		Fidelity HSBC Islamic Pension Fund		BlackRock Over 15 Years UK Gilt Index Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Deferred New Section members (youngest member)	1	£400	£400	£400	£400	£400	£400	£400	£400
	3	£400	£400	£400	£400	£400	£400	£400	£400
	5	£400	£400	£400	£400	£500	£400	£400	£400
	10	£400	£400	£400	£400	£500	£500	£300	£300
	15	£400	£400	£300	£300	£600	£500	£300	£300
	20	£400	£400	£300	£300	£700	£600	£300	£300
	25	£400	£400	£300	£300	£700	£700	£300	£300
	30	£500	£400	£300	£300	£800	£700	£200	£200
	35	£500	£400	£300	£300	£900	£800	£200	£200
	40	£500	£400	£300	£300	£1,100	£900	£200	£200
Deferred New Section members (average member)	41	£500	£400	£300	£300	£1,100	£900	£200	£200
	1	£29,900	£29,800	£29,500	£29,500	£30,500	£30,400	£29,300	£29,300
	3	£30,200	£29,900	£29,000	£28,800	£32,100	£31,700	£28,400	£28,300
	5	£30,500	£30,000	£28,500	£28,200	£33,700	£33,000	£27,500	£27,300
	10	£30,500	£29,600	£27,200	£26,700	£38,100	£36,500	£25,400	£25,000

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Fidelity BlackRock World (ex) UK Index Fund		Fidelity BlackRock UK Equity Index Fund		Fidelity BlackRock Equity/Bond Split75/25 Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Deferred New Section members (youngest member)	1	£400	£400	£400	£400	£400	£400
	3	£400	£400	£400	£400	£400	£400
	5	£500	£400	£500	£400	£400	£400
	10	£500	£500	£500	£500	£500	£400
	15	£600	£600	£600	£600	£500	£500
	20	£700	£600	£700	£600	£500	£500
	25	£700	£700	£700	£700	£600	£500
	30	£800	£800	£800	£800	£600	£600
	35	£900	£900	£900	£900	£700	£600
	40	£1,100	£1,000	£1,100	£1,000	£700	£600
Deferred New Section members (average member)	41	£1,100	£1,000	£1,100	£1,000	£700	£600
	1	£30,500	£30,500	£30,500	£30,500	£30,200	£30,200
	3	£32,100	£31,800	£32,100	£31,800	£31,100	£30,900
	5	£33,700	£33,300	£33,700	£33,200	£32,100	£31,600
	10	£38,100	£37,100	£38,100	£37,100	£34,500	£33,500

Projected fund values are rounded to the nearest hundred.

Notes:

1. Projected pension account values are shown in today's terms.
2. Projections take account of the Plan's age-related contribution structure.
3. Charges and costs are deducted before the application of investment returns.
4. Inflation is assumed to be 2.5% each year.
5. Contributions, where applicable, are assumed from age 20 to 65 and increase in line with assumed earnings inflation of 0% per year in real terms.
6. Values shown are estimates and not guaranteed.
7. The real projected growth rates for each fund are as follows (based on Fidelity's Statutory Money Purchase Illustration (SMPI) assumptions which are used for benefit statements):
 - Fidelity BlackRock Cash Fund: -0.90%
 - Chevron Equity/Bond Split 50/50 Lifestyle Strategy: from -0.90% to 0.45% (adjusted depending on term to retirement)
 - Fidelity HSBC Islamic Pension Fund: 2.50%
 - Fidelity BlackRock Over 15Yr UK Gilt Index Fund: -1.60%
 - Fidelity BlackRock World (ex) UK Index Fund: 2.50%
 - Fidelity BlackRock UK Equity Index Fund: 2.50%
 - Fidelity BlackRock Equity/Bond Split75/25 Fund: 1.48%
8. The Plan's normal retirement age is 65.
9. The DB Earnings Cap as at 1 April 2022 is £87,806
10. The DB Earnings Cap is assumed to increase with inflation
11. Transaction cost assumptions have been based on the latest information provided by Fidelity and cover different periods depending on the fund concerned. The Trustee endeavored to use an annualised average of transaction costs incurred in the year to 31 December 2019, 31 December 2020, and 31 December 2021 as an ongoing assumption. However, the transaction costs in the year to 31 December 2020 were not made available by Fidelity due to incomplete underlying data, and the transaction costs in the year to 31 December 2021 were not available from Fidelity at the date of this disclosure. The Trustee has used an average of actual available annual transaction costs in line with the DWP guidance. The transaction cost assumptions are:
 1. Fidelity BlackRock Cash Fund: 0.010% p.a. (based on the average transaction costs for the periods from 1 January 2019 to 31 December 2019, 1 October 2019 to 30 September 2020, and 1 October 2020 to 30 September 2021)
 2. Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy: 0.040% p.a. (based on the average transaction costs for the periods from 1 January 2019 to 31 December 2019, 1 October 2019 to 30 September 2020, and 1 October 2020 to 30 September 2021)
 3. Fidelity HSBC Islamic Pension Fund 0.003% p.a. (based on the average transaction costs for the periods from 1 June 2018 to 30 June 2019, 1 October 2019 to 30 September 2020, and 1 October 2020 to 30 September 2021))
 4. Fidelity BlackRock Over 15Yr UK Gilt Index Fund: 0.003% (based on the average transaction costs for the periods from 1 January 2019 to 31 December 2019, 1 October 2019 to 30 September 2020, and 1 October 2020 to 30 September 2021))

5. Fidelity BlackRock World (ex) UK Index Fund: 0.020% (based on the average transaction costs for the periods from 1 January 2019 to 31 December 2019, 1 October 2019 to 30 September 2020, and 1 October 2020 to 30 September 2021))
6. Fidelity BlackRock UK Equity Index Fund: 0.037% (based on the average transaction costs for the periods from 1 January 2019 to 31 December 2019, 1 October 2019 to 30 September 2020, and 1 October 2020 to 30 September 2021))
7. Fidelity BlackRock Equity/Bond Split 75/25 Fund: 0.043% (based on the average transaction costs for the periods from 1 January 2019 to 31 December 2019, 1 October 2019 to 30 September 2020, and 1 October 2020 to 30 September 2021))

The averaged transaction cost assumptions shown above include an overlapping period of assessment between 1 October 2019 and 1 December 2019 rather than being based on consecutive year on year historic transaction cost figures. This is because Fidelity's transaction cost information availability now has a time lag after the year end and so in the last two years, the transaction costs have covered the year to 30 September rather than 31 December. However the averaging for the purpose of the illustrations will remove some of the effect including an overlapping period in the calculations, and as the projections are based on several assumptions which may not be borne out in practice, the Trustee's legal and investment advisers have confirmed that this approach is reasonable given the information available.

12. The age-related contribution structure is as follows;

Tier	Age	Contribution rate
Tier 1	Under 30	10%
Tier 2	30-39	15%
Tier 3	40-49	20%
Tier 4	50 and over	25%