

ROCHE PENSION FUND

DEFINED CONTRIBUTION SECTION, BONUS CHOICE SECTION AND GROUP AVC ARRANGEMENT

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (“the Administration Regulations”) require the Trustee to prepare an annual statement regarding governance, which should be included in the annual trustee report. The governance and charges requirements apply to the Fund’s money purchase (or ‘defined contribution’ or ‘DC’) pension arrangements and aim to help members achieve a good outcome from their retirement savings. The Fund’s DC arrangements include the Defined Contribution Section, the Bonus Choice Section and Additional Voluntary Contributions (‘AVCs’) paid by members of the Fund’s historic Defined Benefit (or ‘DB’) Section which is now closed to future contributions given the closure of the DB Section has closed to future accrual. Members now paying additional AVCs will have these invested in their main DC Section account.

This statement has been prepared by the Trustee and covers the required governance and charge disclosures under the headings set out below for the period 1 April 2023 to 31 March 2024 (the ‘**Fund year**’).

1. The Fund’s investment strategy – including the Default Arrangements
2. Net investment returns
3. Member borne charges and transaction costs
 - i. Default arrangements
 - ii. Self-select (or ‘individual’) funds
 - iii. Illustrations of the cumulative effect of costs and charges over time
4. Value for Members assessment
5. Processing of core financial transactions
6. Trustee’s knowledge and understanding

1. The Fund’s investment strategy – including the Default Arrangements

The Trustee is required to design default arrangements in members’ interests and keep them under review. The Trustee will need to take account of the level of costs and the risk profile that are appropriate for the Fund’s membership in light of the overall objective of the default arrangements.

The Fund is used as a Qualifying Scheme for auto-enrolment purposes. The Trustee is responsible for the Fund’s investment governance, which includes setting and monitoring the investment strategy for the Fund’s default arrangements.

Default arrangements for members who do not make an alternative investment choice

The Trustee makes available a Default Investment Option for members who do not make an active investment choice. However, these arrangements are also available to members who do make an active investment choice. More details about these arrangements are set out below.

The Fund has two main default arrangements, one for the DC Section and one for the Bonus Choice Section as well as members who have DB benefits who have previously paid AVCs:

- **DC Section - Roche Flexible Retirement Lifestyle Strategy**

This arrangement assumes members will access these savings through drawdown in retirement.

- **Bonus Choice Section and members with historic DB benefits who have paid AVCs - Roche Lifestyle Strategy Targeting Cash**

This arrangement assumes members will access these savings as cash at retirement.

Additional default arrangements

The Fund also has other arrangements which are treated as default arrangements for the purposes of this statement for technical reasons. However, during the Fund year no further contributions have been invested in these arrangements unless members made an active investment choice to do so.

- The **Roche Lifestyle Strategy Targeting Annuity Purchase** remains a default arrangement because it was the Fund's main default arrangement for the DC Section before September 2020 and some of the members who were previously defaulted into this arrangement still have funds invested in it.

There are also four individual funds that are treated as additional default arrangements because some members' funds were moved into these arrangements without them making an active investment choice when changes were made to the Fund's range of self-select funds. These are as follows:

- **Roche World ESG Equity Tracker Fund (formerly known as the BlackRock ACS World ESG Equity Tracker Fund):** On 13 October 2020, the Trustee removed the BlackRock (30:70) Currency Hedged Global Equity Index Fund and replaced it with the BlackRock ACS World ESG Equity Tracker Fund in the self-select fund range.

The Roche World ESG Equity Tracker Fund invests in global equities with an aim to deliver risk and returns similar to the MSCI World Index (a pure equity index) whilst also minimising carbon exposure and maximising exposure to positive Environmental, Social and Governance (ESG) factors.

- **BlackRock Cash Fund:** On 27 October 2020, the Trustee transferred AVCs with Utmost Life and Pensions to the Fidelity platform. Members close to retirement had their AVCs automatically transferred to the BlackRock Cash Fund.

The BlackRock Cash Fund aims to achieve a rate of interest on investments consistent with maintaining capital and ensuring that its underlying assets can easily be bought or sold in the market (in normal market conditions).

- **BlackRock ESG Strategic Growth Fund:** On 20 September 2022, the Trustee removed the ASI (abrdn) Global Absolute Return Strategies (GARS) Fund from the Roche Diversified Growth Fund and the self-select fund range. The Trustee transferred self-select member assets from the ASI (abrdn) GARS Fund to the BlackRock ESG Strategic Growth Fund.

The BlackRock ESG Strategic Growth Fund invests in a range of asset classes in the UK and overseas including equities, bonds, cash/currencies, property, commodities and derivatives.

- **Roche Emerging Market ESG Equity Tracker Fund:** On 12 December 2023, the Trustee transferred self-select member assets from the BlackRock Emerging Market Equity Index Fund to the Roche Emerging Market ESG Equity Tracker Fund.

The Roche Emerging Market ESG Equity Tracker Fund invests in emerging market equities and aims to provide returns by tracking closely the performance of the Solactive L&G ESG Emerging Markets Index, the fund's benchmark index. The fund also aims to maximise exposure to positive ESG factors while minimising the carbon exposure.

The Fund's Lifestyle Strategies

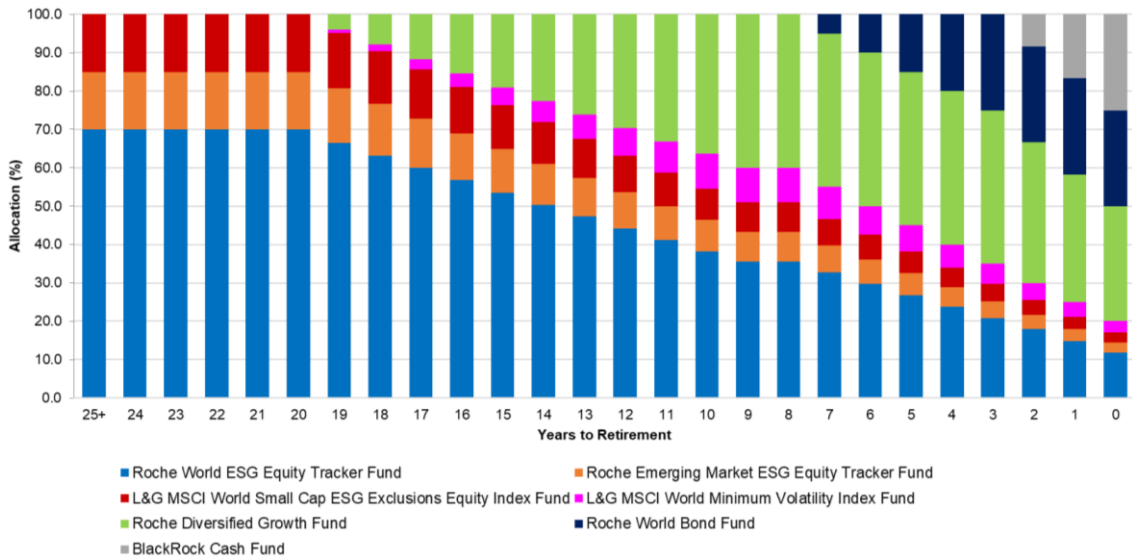
All three of the Lifestyle Strategies offered by the Fund aim to deliver efficient, cost-effective ways of growing members' retirement savings without exposing them to unreasonable risk. They invest savings in the same way until eight years before target retirement age. This is known as the 'growth phase' and aims to grow the funds in which a member invests in ("the pension account") as much as possible.

Funds in the members' accounts are switched 20 years before retirement age, from investing solely in equities to including multi-asset investments, to continue growing the pension account while reducing risk. From eight years before retirement age, the Lifestyle Strategies start to invest differently depending on whether annuity, drawdown or cash is being targeted at retirement.

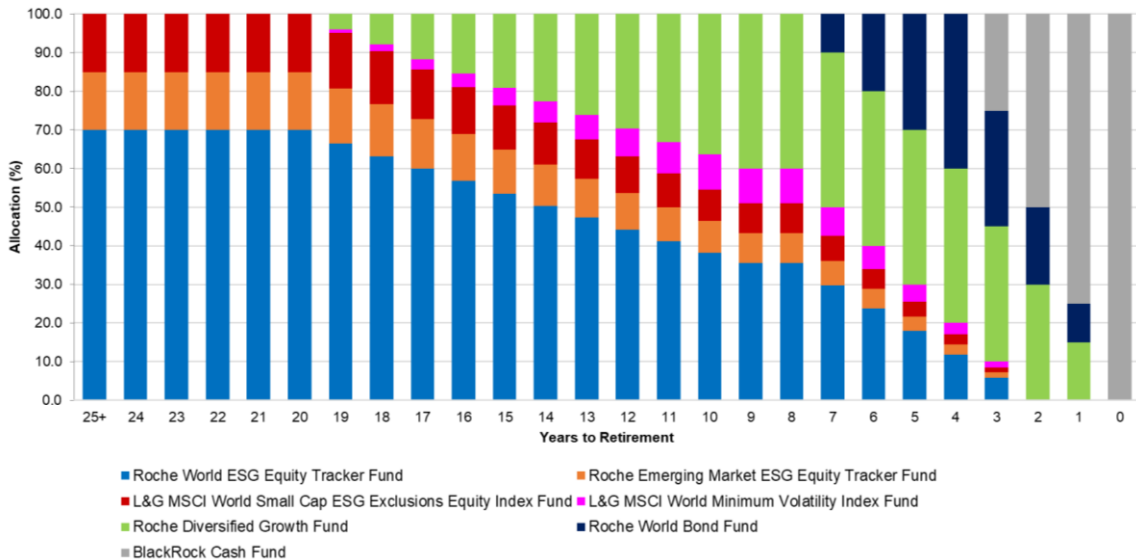
Members' accounts will be invested in funds that seek to better protect them from sudden falls in value and protect the purchasing power as members reach retirement age. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members.

The glidepaths for each of the lifestyle strategies are shown below:

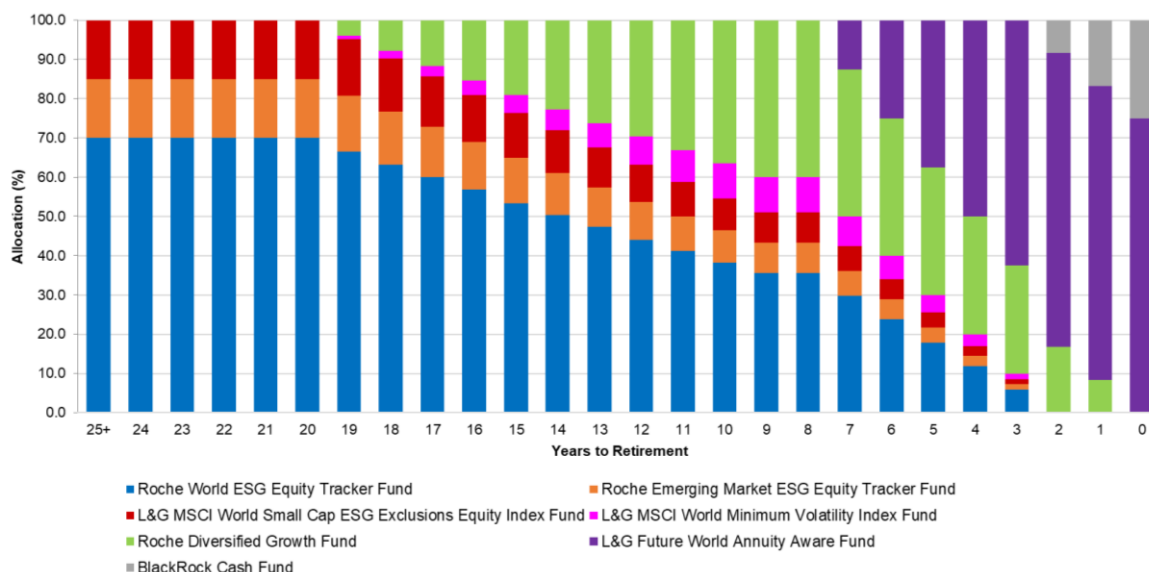
Roche Flexible Retirement Lifestyle Strategy (targeting drawdown)



Roche Lifestyle Strategy Targeting Cash



Roche Lifestyle Strategy Targeting Annuity



Further details of the default arrangements - Statement of Investment Principles

Further details of the aims, objectives and the Trustee policies regarding all of the default arrangements can be found in a document called the 'Statement of Investment Principles' (SIP) which is attached and available via the following link: [Roche Pension Fund DC & DB AVC Section \(rche\) Pension Charges | Fidelity Workplace Pensions](#).

Review of the default arrangements

The Trustee undertakes a full review of the strategy and performance of all default arrangements at least every 3 years. A full review was completed on 26 May 2023 with a number of changes agreed. The agreed changes were implemented on 12 December 2023. Further details are set out below.

Implementation of investment strategy changes during the Fund year

During the Fund year, the Trustee agreed to implement several changes to the Fund's investment strategy which are summarised below. These changes were implemented on 12 December 2023.

Default Investment Options and Additional Lifestyle Strategies

The default investment option for new DC joiners is the Roche Flexible Retirement Lifestyle Strategy, which targets income drawdown at retirement. The Roche Lifestyle Strategy Targeting Cash is the default investment option for members who were part of the DB Section and chose to pay AVCs, or members who elected to use Bonus Choice.

The investment changes implemented across both default investment options and the alternative lifestyles are set out below:

- Reduced the level of currency hedging* within the Roche World ESG Equity Tracker Fund by including a 50% allocation to the unhedged version of the BlackRock ACS World ESG Equity Tracker Fund.
- Replaced the existing BlackRock Emerging Markets Equity Fund with an ESG-tilted version, the L&G Future World Emerging Markets Equity Index Fund (the new fund has been white-labelled the "Roche Emerging Market ESG Equity Tracker Fund").
- Incorporated absolute return bonds alongside the existing passive corporate bond fund by creating a white labelled "Roche World Bond Fund". This fund is made up of an equal split of the BNY Mellon Global Dynamic Bond Fund and the BlackRock Corporate Bond All Stocks Index Fund.

*Currency hedging is a strategy used to protect investments from the risk of losing value due to changes in exchange rates between different currencies. Essentially, it involves using financial tools to lock in exchange rates, ensuring that fluctuations in currency values do not negatively impact the value of international

investments.

Self-Select Fund Range

The investment changes implemented across the self-select fund range are set out below:

- Updated the Roche World ESG Equity Tracker Fund to include a 50% currency hedge (as noted above).
- Replaced the existing BlackRock Emerging Markets Equity Fund with the Roche Emerging Market ESG Equity Tracker Fund (as noted above).
- Added the Roche World Bond Fund to the self-select fund range.

In addition to the above, as a result of a fund closure triggered by the investment manager, the BlackRock Aquila Connect Global Minimum Volatility Index Fund was replaced by the LGIM MSCI World Minimum Volatility Index Fund on 7 June 2023 (this fund is used exclusively in the Lifestyle Strategies and is not available as a self-select option).

Quarterly Performance Monitoring

The Trustee reviews the performance of all the funds against their aims, objectives and policies, as specified in the SIP, on a quarterly basis. This review includes an analysis of fund performance to check that the risk and return levels meet expectations. Performance is reviewed against target benchmarks that have been agreed with the investment managers.

Default arrangement asset allocation

The Trustee is required to disclose their full asset allocations of investments for each default arrangement. The tables below show the percentage of assets allocated in the default arrangements to specified asset classes over the year to 31 March 2024.

Where a fund invests in one or more underlying funds, the asset allocation shown is that of the underlying funds. A description of the asset classes is provided below the tables.

For more information on the investment options offered by the Fund, please see the Fund website.

Roche Flexible Retirement Lifestyle Strategy

Asset class	Average asset allocation over year to 31 March 2024 (%)			
	25 years old	45 years old	55 years old	Normal Retirement Age (NRA)
Cash	1.2%	1.2%	3.9%	28.4%
Bonds	0.0%	0.0%	2.9%	26.5%
Listed equities	98.8%	98.8%	91.9%	43.7%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.3%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	1.3%	1.1%

Source: Investment managers as at 31 March 2024.

Roche Lifestyle Strategy Targeting Cash

Asset class	Average asset allocation over year to 31 March 2024 (%)			
	25 years old	45 years old	55 years old	NRA
Cash	1.2%	1.2%	3.9%	100.0%
Bonds	0.0%	0.0%	2.9%	0.0%
Listed equities	98.8%	98.8%	91.9%	0.0%

Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	1.3%	0.0%

Source: Investment managers as at 31 March 2024.

Roche Lifestyle Strategy Targeting Annuity

Asset class	Average asset allocation over year to 31 March 2024 (%)			
	25 years old	45 years old	55 years old	NRA
Cash	1.2%	1.2%	3.9%	25.0%
Bonds	0.0%	0.0%	2.9%	75.0%
Listed equities	98.8%	98.8%	91.9%	0.0%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	1.3%	0.0%

Source: Investment managers as at 31 March 2024.

Additional default arrangements

Asset class	Asset allocation as at 31 March 2024 (%)			
	Roche World ESG Equity Tracker Fund	BlackRock Cash Fund	BlackRock ESG Strategic Growth Fund	Roche Emerging Market ESG Equity Tracker Fund
Cash	1.3%	100%	12.5%	1.9%
Bonds	0.0%	0.0%	11.2%	0.0%
Listed equities	98.7%	0.0%	70.6%	98.1%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	5.7%	0.0%

Source: Investment managers as at 31 March 2024.

Notes:

Normal Retirement Age for the Fund is age 65, members have the opportunity of selecting their own retirement date.

The following describes the types of investments covered by the above asset classes:

- **Cash:** Cash and assets that behave similarly to cash e.g. treasury bills and repurchase agreements.
- **Bonds:** Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.
- **Listed Equity:** Shares in companies that are listed on global stock exchanges.
- **Private Equity:** Unlisted equities that are not publicly traded on stock exchanges.
- **Infrastructure:** Physical structures, facilities, systems, or networks that provide or support public services.
- **Property:** Real estate, potentially including offices, retail buildings which are rented out to businesses.
- **Private Debt:** Other forms of loan that do not fall within the definition of a 'Bond'.
- **Other:** Any assets that do not fall within the above categories

2. Net investment returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduced a new requirement for the Trustee to calculate and set out in this statement the return on investments from their default and self-select funds, net of transaction costs and charges.

The tables below show performance, net of all charges and transaction costs, of all funds available to members during the Fund year to 31 March 2024.

The Trustee has taken account of statutory guidance in preparing this section of the statement.

It is important to note that past performance is not a guarantee of future performance.

(i) Default arrangements

Roche Flexible Retirement Lifestyle Strategy

Performance to 31 March 2024	Annualised returns (%)		
	1 year	3 years p.a.	Since inception*
Age of member at start of period			
25	21.3	6.5	9.6
45	21.0	6.0	8.6
55	14.6	4.4	5.9
60	11.8	2.1	3.0
65	8.4	1.3	2.2

Roche Lifestyle Strategy Targeting Cash

Performance to 31 March 2024	Annualised returns (%)		
	1 year	3 years p.a.	Since inception*
Age of member at start of period			
25	21.3	6.5	9.6
45	21.0	6.0	8.6
55	14.6	4.3	5.3
60	9.4	-0.4	1.7
65	4.9	2.3	1.9

Roche Lifestyle Strategy Targeting Annuity Purchase

Performance to 31 March 2024	Annualised returns (%)		
	1 year	3 years p.a.	Since inception*
Age of member at start of period			
25	21.3	6.5	9.6
45	21.0	6.0	8.6
55	14.6	4.3	4.6
60	8.9	-3.1	-5.1
65	4.2	-5.7	-6.1

Source: Fidelity. Mercer calculations.

Performance shown net of all charges and transaction costs.

Performance has been calculated based on a fixed weighted average of underlying fund performance in the current lifestyle strategies, with the weightings as at the ages shown. All lifestyle strategies follow the same glide-path up to 8 years before retirement, at which point the strategies begin de-risking towards their stated retirement objective, i.e. income drawdown, annuity purchase and cash.

*The Fund invested in the lifestyle strategies in October 2020, therefore 5 year performance was not available at the time of writing this report

Since inception annualised performance is shown since 30 September 2020 (performance has been chain-linked for subsequent investment changes).

(ii) Self-select investment funds

Performance to 31 March 2024	Annualised returns (%)		
	Fund name	1 year	3 years p.a.
BlackRock Corporate Bond All Stocks Index	6.1	-3.7	-0.6
BlackRock World ex UK Equity Index	25.2	11.5	13.3
BlackRock Over 15 Years UK Gilt Index	-4.9	-15.2	-8.3
BlackRock Cash	4.9	2.3	1.5
BlackRock UK Equity Index	6.7	6.7	4.6
BlackRock Over 5 year Index Linked Gilt	-7.8	-12.4	-6.9
HSBC Life Islamic	32.0	14.7	17.2
L&G Future World Annuity Aware	4.0	-8.4	-3.6
Nordea Diversified Return	4.2	2.4	3.2
Roche Diversified Growth ¹	5.7	1.3	2.9
BlackRock Aquila Connect Emerging Markets Equity ²	5.4	-2.9	2.8

Source: Fidelity. Mercer calculations.

Performance shown net of all charges and transaction costs.

¹Part of the lifestyle strategies only, not available to self-select on an individual fund basis.

²This fund was replaced with the Roche Emerging Market ESG Equity Tracker Fund in December 2023

Performance to 31 March 2024	Annualised returns (%)		
	Fund name	1 year	3 years p.a.
Roche World ESG Equity Tracker ¹	26.4	8.8	11.6
BlackRock ESG Strategic Growth ¹	7.4	1.8	2.9
L&G MSCI World Small Cap ESG Exclusions Equity Index ^{1,*}	14.7	4.3	8.8
Roche Global Sustainable Equity ¹	16.5	4.3	6.7
L&G MSCI World Minimum Volatility ^{2,*}	n/a	n/a	13.9
Roche World ESG Emerging Market Equity Tracker ³	n/a	n/a	5.1
Roche World Bond ³	n/a	n/a	3.5

Source: Fidelity. Mercer calculations.

Performance shown net of all charges and transaction costs.

*Part of the lifestyle strategies only, not available to self-select on an individual fund basis.

¹The Fund invested into these funds in October 2020, therefore 5 year performance was not available at the time of writing this report. Annualised performance since inception is shown since 30 September 2020.

²This fund replaced the BlackRock Aquila Connect Global Minimum Volatility Index (Currency Hedged) Fund in June 2023, therefore 1 and 3 year performance was not available at the time of writing this report. Since inception performance is shown since 8 June 2023.

³The funds were launched in December 2023, therefore 1 and 3 year performance was not available at the time of writing this report. Since inception performance is shown since 12 December 2023.

3. Member Borne Charges and Transaction costs

The Trustee should regularly monitor the level of costs and charges borne by members through the investment funds. These comprise:

- **Member borne charges:** these are explicit, and represent the costs associated with operating and managing an investment fund. They are identified here as a Total Expense Ratio (TER);
- **Transaction costs:** these are not explicit and incurred when the investment manager buys and sells assets within investment funds, but are exclusive of any costs incurred when members invest in and switch between funds.

The Trustee is also required to confirm that the charges on the default arrangements have not exceeded 0.75% p.a, (the legislative charge cap) and produce one or more illustrations of the cumulative effect of the costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

The costs and charges that are incurred by members during the Fund year in respect of each investment strategy and fund are set out below. These comprise the Total Expense Ratios (TERs) and transaction costs. There were no performance-based fees associated with the underlying investments used within the Fund over the year to 31 March 2024. The Trustee has taken account of statutory guidance in preparing this section of the statement.

Where transaction costs have been provided as a negative cost, these have been set to zero by the Trustee to avoid potentially understating the total level of costs and charges.

(i) Lifestyle strategies

There are three Lifestyle strategies under the DC arrangements, each of these are treated as default arrangements as at 31 March 2024;

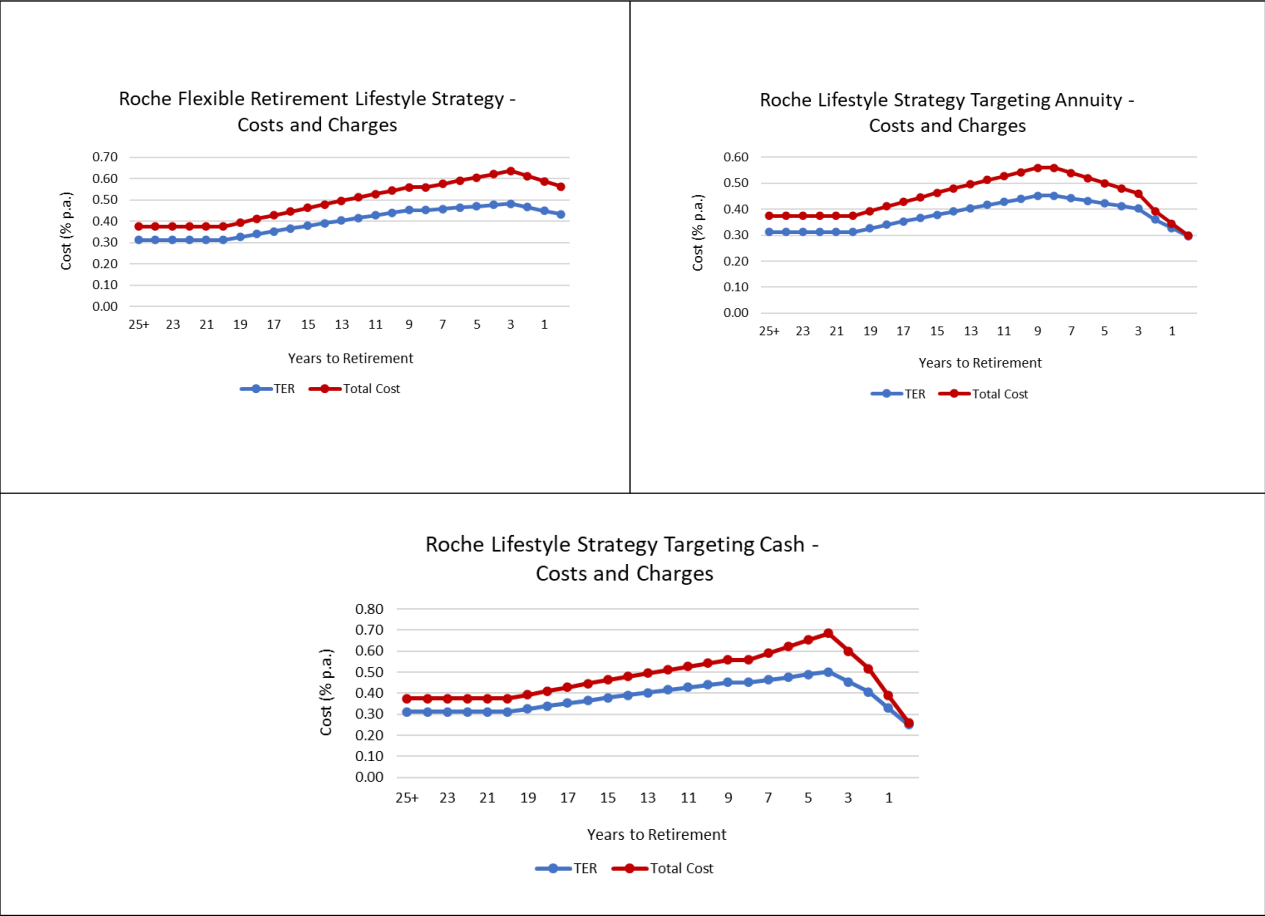
- **Roche Flexible Retirement Lifestyle Strategy:** default arrangement for the DC Section only
- **Roche Lifestyle Strategy Targeting Annuity:** legacy default arrangement for the DC section only
- **Roche Lifestyle Strategy Targeting Cash:** default arrangement for the Bonus Choice Section and for defined benefit members who have paid AVCs

A Lifestyle strategy means that member's assets are automatically moved between different investment funds as they approach their retirement date. The TER that a member pays therefore depends on how far they are away from retirement.

The TER and transaction costs ranges for each Lifestyle strategy are shown below. The table shows that all three of the default arrangements shown have levied a TER range that is below the charge cap set by the Regulations of 0.75% p.a.

Period	TER (% p.a.)	Transaction Costs (% p.a.)	Total Cost (% p.a.)
From 1 April 2023 to 31 March 2024:			
Roche Flexible Retirement Lifestyle Strategy	0.31 – 0.48	0.06 – 0.15	0.37 – 0.64
Roche Lifestyle Strategy Targeting Annuity Purchase	0.30 – 0.45	0.00 – 0.11	0.30 – 0.56
Roche Lifestyle Strategy Targeting Cash	0.25 – 0.48	0.01 – 0.18	0.26 – 0.68

The TERs, along with the total costs, for the Lifestyle strategies following the investment strategy changes are shown in the line charts below. The TERs and transaction costs for each of the funds underlying the Lifestyle strategies are shown in the table in section 3(ii).



(ii) Self-select (or 'individual') funds

Members have the option to invest in a range of self-select funds.

As explained above, four of the funds within the self-select fund range are classified as default arrangements for the purposes of this statement. These funds are highlighted in bold.

The TERs and available transaction costs for each self-select fund, including the additional default arrangements, are shown below. Importantly, the table shows that the TERs for the additional default arrangements, the Roche World ESG Equity Tracker Fund (formerly the BlackRock ACS World ESG Equity Tracker-hedged Fund), the BlackRock Cash Fund, the Roche World ESG Emerging Market Equity Tracker and the BlackRock ESG Strategic Growth Fund, are below the charge cap set by the Regulations of 0.75% p.a.

Fund	TER (% p.a.)	Transaction Costs (% p.a.)	Total Cost (% p.a.)
Roche World ESG Equity Tracker (additional default arrangement)*	0.24	0.07	0.31
BlackRock UK Equity Index Fund	0.23	0.08	0.31
BlackRock World (ex-UK) Equity Index Fund	0.23	0.01	0.24
Fidelity HSBC Islamic Global Equity Fund	0.45	0.00	0.45
Nordea Diversified Return Fund	0.89	0.24	1.13
BlackRock Over 15 Years UK Gilt Index Fund	0.23	0.03	0.26
BlackRock Over 5 Years Index Linked Gilt Fund	0.23	0.15	0.38
BlackRock Corporate Bond Index Fund All Stocks	0.25	0.05	0.30
Fidelity L&G Future World Annuity Aware Fund*	0.31	0.00	0.31
BlackRock Cash Fund (additional default arrangement)*	0.25	0.01	0.26
Roche World ESG Emerging Market Equity Tracker (additional default arrangement) *	0.53	N/A	0.53
BlackRock ESG Strategic Growth (additional default arrangement)	0.38	0.14	0.52
Roche Global Sustainable Equity Fund	0.46	0.09	0.55
Roche World Bond Fund*	0.45	0.24	0.69
BlackRock Aquila Connect Emerging Markets Equity Fund ¹	0.38	0.00	0.38

*Funds that are also included in one or more Roche Lifestyle Strategy.

¹Fund was replaced in June 2023, TER and Transaction cost information disclosed as at 13 November 2023.

Fund only available as part of the lifestyle strategy	TER (% p.a.)	Transaction Costs (% p.a.)	Total Cost (% p.a.)
Roche Diversified Growth Fund*	0.64	0.19	0.83
L&G MSCI World Minimum Volatility Fund*	0.40	N/A	0.40
L&G MSCI World Small Cap ESG Exclusions Equity Index Fund*	0.43	0.09	0.52

*Funds that are also included in one or more Roche Lifestyle Strategy.

Transaction costs are costs incurred as a result of buying and selling investments within the funds.

(iii) Illustration of the cumulative effect of costs and charges over time

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided 9 illustrations of the cumulative effect of costs and charges on the value of typical members retirement savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance and selecting suitable representative members. They are based on a number of assumptions about the future - set out below.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Fund they are not a substitute for the individual.

Each illustration, A, B and C is shown for a different type of member invested in the **Roche Flexible Retirement Lifestyle Strategy** - as this is the default arrangement that most of our members have their Pension Account invested in. Illustrations D, E, F, G, H and I show members invested in each of the other default arrangements; i.e. the **Roche Lifestyle Strategy Targeting Cash**, the **Roche Lifestyle Strategy Targeting Annuity**, the **Roche World ESG Equity Tracker Fund**, the **BlackRock Cash Fund**, **BlackRock ESG Strategic Growth Fund** and the **Roche Emerging Market ESG Equity Tracker Fund**. Each illustration is shown as a chart and a table as follows:

- Chart: This shows a projection of the member's Pension Account at retirement age, with and without member borne costs and charges applied.
- Table: These show the projected Pension Account if the typical member were also invested in the fund with the highest total charge – Fidelity Nordea Diversified Return Fund - which has the lowest total charge - the BlackRock World (ex-UK) Equity Index Fund

Assumptions made about the illustrations

The following assumptions have been made for the purposes of the below illustrations which have been produced by Fidelity:

- *Projected fund values are shown in today's monetary terms, which means that they have been adjusted for the effect of future inflation.*
- *Annual salary growth and inflation is assumed to be 2.5% p.a.*
- *Starting fund values and future contributions used are representative of the average for the Fund*
- *Where on-going contributions are assumed, these increase in line with inflation each year.*
- *The assumed growth rates (gross of costs and charges) on the funds used within the illustrations are set out below:*

<i>Roche World ESG Equity Tracker*</i>	<i>5.00%</i>	<i>BlackRock Cash Fund*</i>	<i>1.00%</i>
<i>Roche Diversified Growth Fund*</i>	<i>3.00%</i>	<i>Fidelity Nordea Diversified Return Fund</i>	<i>3.00%</i>
<i>L&G MSCI World Small Cap ESG Exclusions Equity Index Fund*</i>	<i>5.00%</i>	<i>L&G MSCI World Minimum Volatility Fund*</i>	<i>5.00%</i>
<i>Roche World Bond Fund*</i>	<i>3.00%</i>	<i>BlackRock ESG Strategic Growth</i>	<i>3.00%</i>
<i>BlackRock World (ex-UK) Equity Index Fund</i>	<i>5.00%</i>	<i>Fidelity L&G Future World Annuity Aware Fund*</i>	<i>5.00%</i>
<i>Roche Emerging Market ESG Equity Tracker*</i>	<i>7.00%</i>		

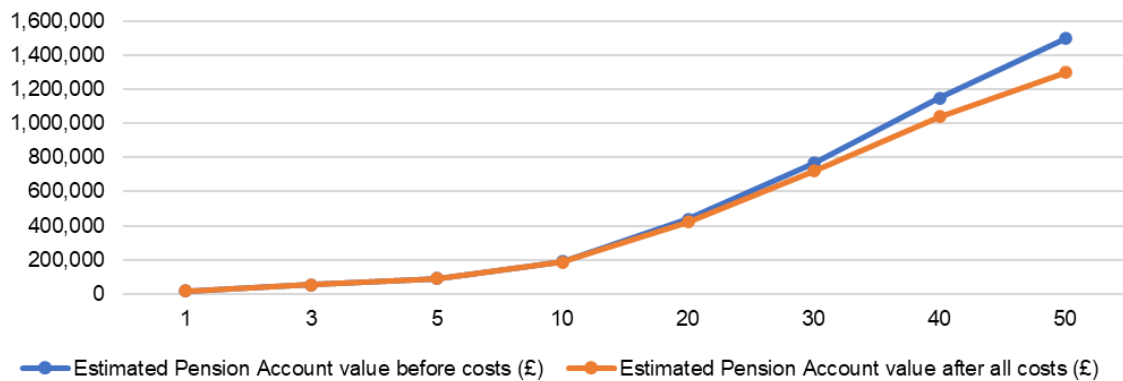
**Funds that are also included in one or more Roche Lifestyle Strategy*

For the Roche Flexible Retirement Lifestyle Strategy, the Roche Lifestyle Targeting Cash Strategy and the Roche Lifestyle Targeting Annuity Purchase Strategy, the projections allow for the changing proportion invested in the different underlying funds. Assumptions are similar to assumptions used for the annual benefit statements (which are based on the Actuarial Standard TM1 guidance produced by the Institute and Fellowship of Actuaries).

Values shown are estimates and are not guaranteed. It is recommended that members consider both the level of costs and charges and the expected return on assets (i.e. the risk profile of the strategy) in making investment decisions. For full details of the assumptions made, see the Further notes and assumptions' section here: [Roche Pension Fund DC & DB AVC Section \(rche\) Pension Charges | Fidelity Workplace Pensions](#).

Illustration A: is based on a new Fund member who has 50 years until their retirement and is invested in the Roche Flexible Retirement Lifestyle Strategy. The member has £1,400 of total monthly contributions being paid into their Pension Account.

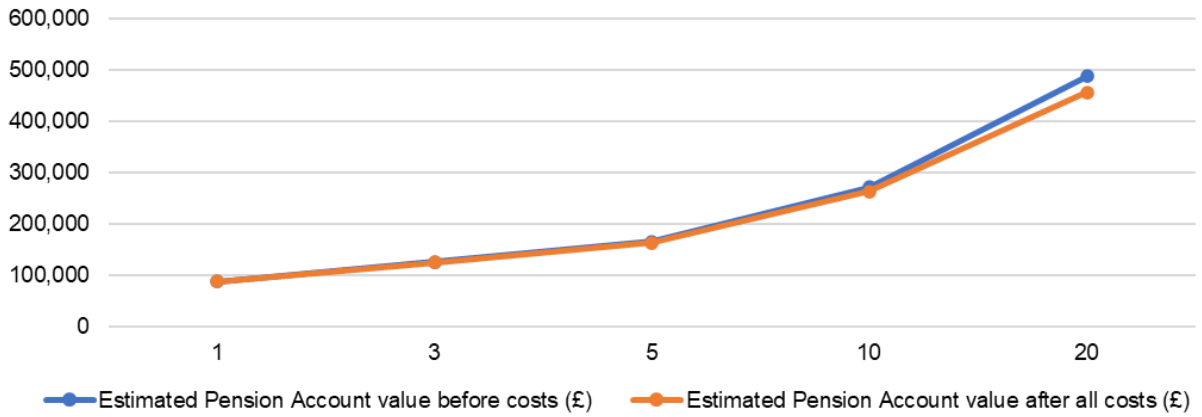
Youngest Active Member



Projected Pension Account in today's money									
Year	BlackRock World (ex UK) Equity Fund			Roche Flexible Retirement Lifestyle Strategy			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	16,800	16,800	0	16,800	16,800	0	16,600	16,500	100
3	51,700	51,500	200	51,900	51,600	300	50,200	49,300	900
5	88,300	87,800	500	89,000	88,100	900	84,000	81,700	2,300
10	188,000	185,000	3,000	190,000	187,000	3,000	170,000	160,000	10,000
20	427,000	416,000	11,000	440,000	423,000	17,000	349,000	311,000	38,000
30	731,000	702,000	29,000	767,000	720,000	47,000	536,000	452,000	84,000
40	1,110,000	1,050,000	60,000	1,150,000	1,040,000	110,000	733,000	585,000	148,000
50	1,610,000	1,500,000	110,000	1,500,000	1,300,000	200,000	940,000	709,000	231,000

Illustration B: is based on a typical active member who has 20 years until their retirement and is invested in the Roche Flexible Retirement Lifestyle Strategy. The member has a current fund value of £68,000 and has £1,400 of total monthly contributions being paid into their Pension Account.

Typical Active Member



Projected Pension Account in today's money									
Year	BlackRock World (ex UK) Equity Fund			Roche Flexible Retirement Lifestyle Strategy			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	86,400	86,300	100	86,700	86,400	300	84,900	84,100	800
3	124,000	124,000	0	125,000	124,000	1,000	119,000	116,000	3,000
5	165,000	163,000	2,000	165,000	163,000	2,000	153,000	147,000	6,000
10	274,000	270,000	4,000	271,000	263,000	8,000	241,000	224,000	17,000
20	537,000	521,000	16,000	488,000	456,000	32,000	423,000	371,000	52,000

Illustration C: is based on a deferred member (a member who is no longer making contributions into their Pension Account) who has 20 years to their retirement and is invested in the Roche Flexible Retirement Lifestyle Strategy. The member has a current fund value of £68,000.

Typical Deferred Member

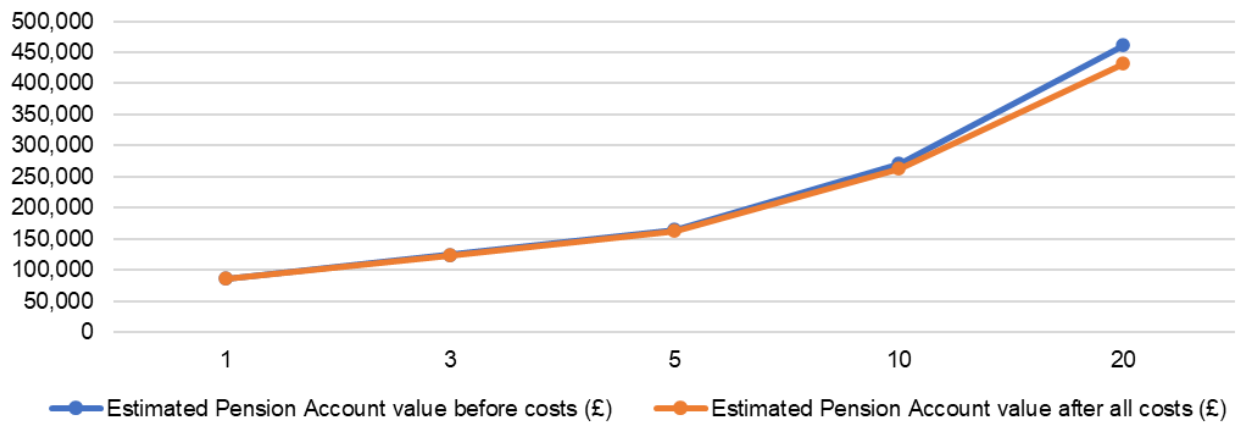


Projected Pension Account in today's money

Year	BlackRock World (ex UK) Equity Fund			Roche Flexible Retirement Lifestyle Strategy			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	69,600	69,400	200	69,800	69,500	300	68,300	67,500	800
3	73,000	72,500	500	73,500	72,600	900	68,900	66,600	2,300
5	76,700	75,700	1,000	77,100	75,500	1,600	69,600	65,800	3,800
10	86,500	84,400	2,100	85,600	81,800	3,800	71,300	63,700	7,600
20	110,000	104,000	6,000	98,400	88,600	9,800	74,900	59,700	15,200

Illustration D: is based on a typical active member who has 20 years until their retirement and is invested in the Roche Lifestyle Strategy Targeting Cash. The member has a current fund value of £68,000 and has £1,400 of total monthly contributions being paid into their Pension Account.

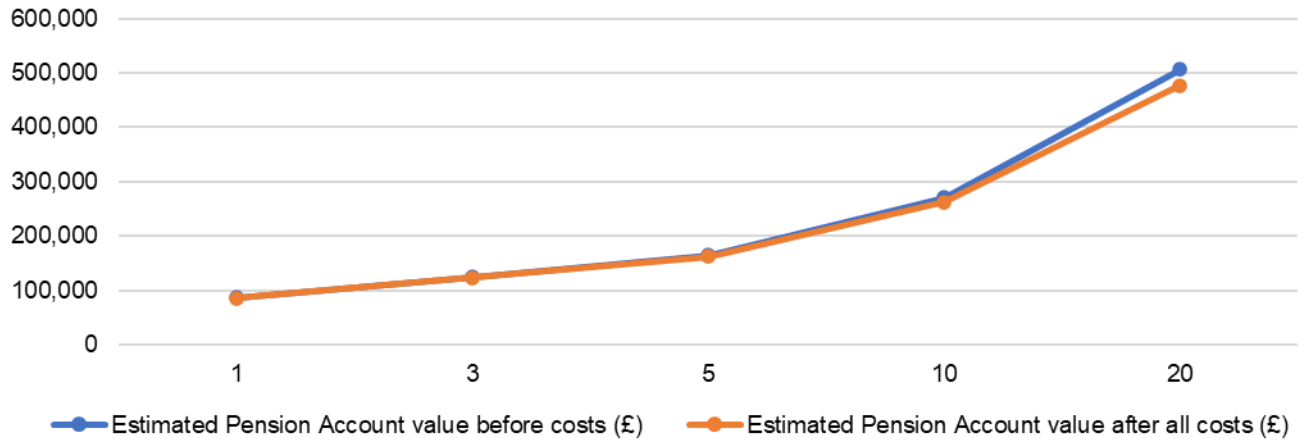
Typical Active Member



Projected Pension Account in today's money									
Year	BlackRock World (ex UK) Equity Fund			Roche Lifestyle Strategy Targeting Cash			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	86,400	86,300	100	86,700	86,400	300	84,900	84,100	800
3	124,000	124,000	0	125,000	124,000	1,000	119,000	116,000	3,000
5	165,000	163,000	2,000	165,000	163,000	2,000	153,000	147,000	6,000
10	274,000	270,000	4,000	271,000	263,000	8,000	241,000	224,000	17,000
20	537,000	521,000	16,000	461,000	432,000	29,000	423,000	371,000	52,000

Illustration E: is based on a typical active member who has 20 years until their retirement and is invested in the Roche Lifestyle Strategy targeting Annuity. The member has a current fund value of £68,000 and has £1,400 of total monthly contributions being paid into their Pension Account.

Typical Active Member

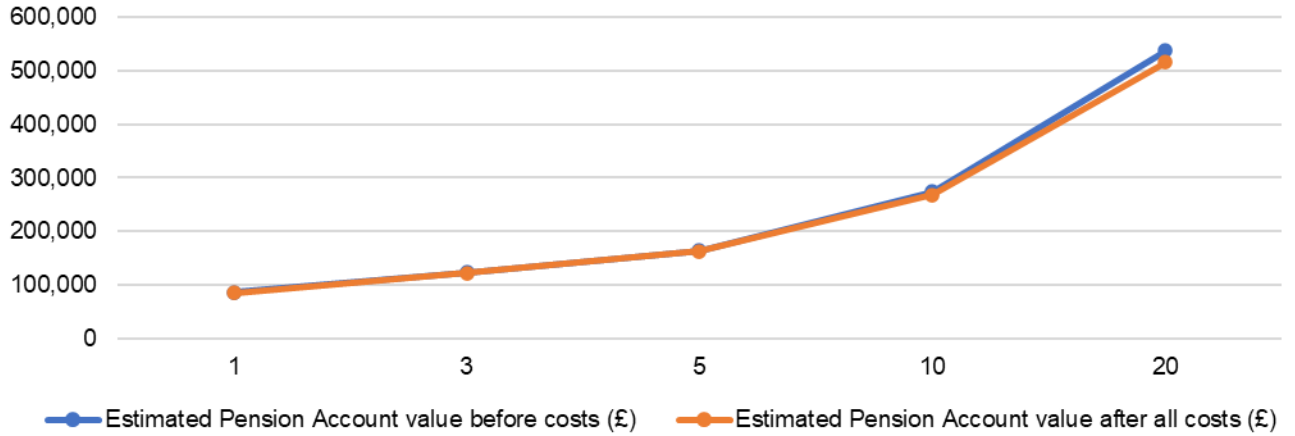


Projected Pension Account in today's money

Year	BlackRock World (ex UK) Equity Fund			Roche Lifestyle Strategy Targeting Annuity Purchase			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	86,400	86,300	100	86,700	86,400	300	84,900	84,100	800
3	124,000	124,000	0	125,000	124,000	1,000	119,000	116,000	3,000
5	165,000	163,000	2,000	165,000	163,000	2,000	153,000	147,000	6,000
10	274,000	270,000	4,000	271,000	263,000	8,000	241,000	224,000	17,000
20	537,000	521,000	16,000	506,000	477,000	29,000	423,000	371,000	52,000

Illustration E: is based on a typical active member who has 20 years until their retirement and is invested in the Roche World ESG Equity Tracker Fund. The member has a current fund value of £68,000 and has £1,400 of total monthly contributions being paid into their Pension Account.

Typical Active Member

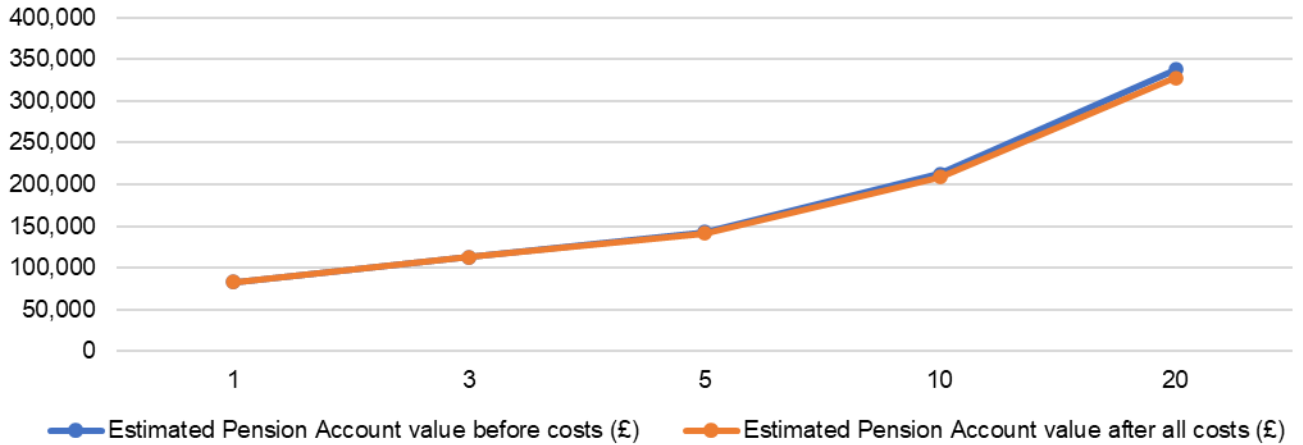


Projected Pension Account in today's money

Year	BlackRock World (ex UK) Equity Fund			Roche World ESG Equity Tracker Fund			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	86,400	86,300	100	86,400	86,200	200	84,900	84,100	800
3	124,000	124,000	0	124,000	123,000	1,000	119,000	116,000	3,000
5	165,000	163,000	2,000	165,000	163,000	2,000	153,000	147,000	6,000
10	274,000	270,000	4,000	274,000	268,000	6,000	241,000	224,000	17,000
20	537,000	521,000	16,000	537,000	516,000	21,000	423,000	371,000	52,000

Illustration G: is based on a typical active member who has 20 years until their retirement and is invested in the BlackRock Cash Fund. The member has a current fund value of £68,000 and has £1,400 of total monthly contributions being paid into their Pension Account.

Typical Active Member

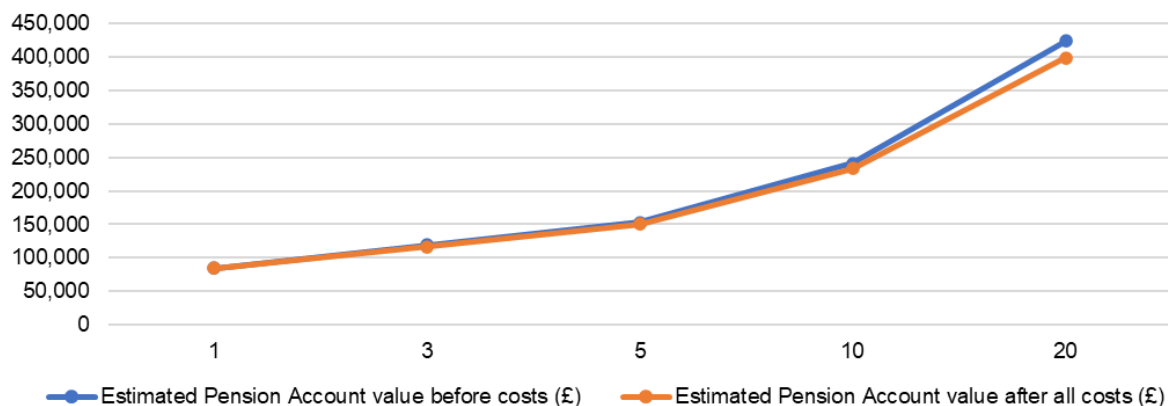


Projected Pension Account in today's money

Year	BlackRock World (ex UK) Equity Fund			BlackRock Cash Fund			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	86,400	86,300	100	83,400	83,200	200	84,900	84,100	800
3	124,000	124,000	0	113,000	113,000	0	119,000	116,000	3,000
5	165,000	163,000	2,000	143,000	141,000	2,000	153,000	147,000	6,000
10	274,000	270,000	4,000	213,000	209,000	4,000	241,000	224,000	17,000
20	537,000	521,000	16,000	338,000	328,000	10,000	423,000	371,000	52,000

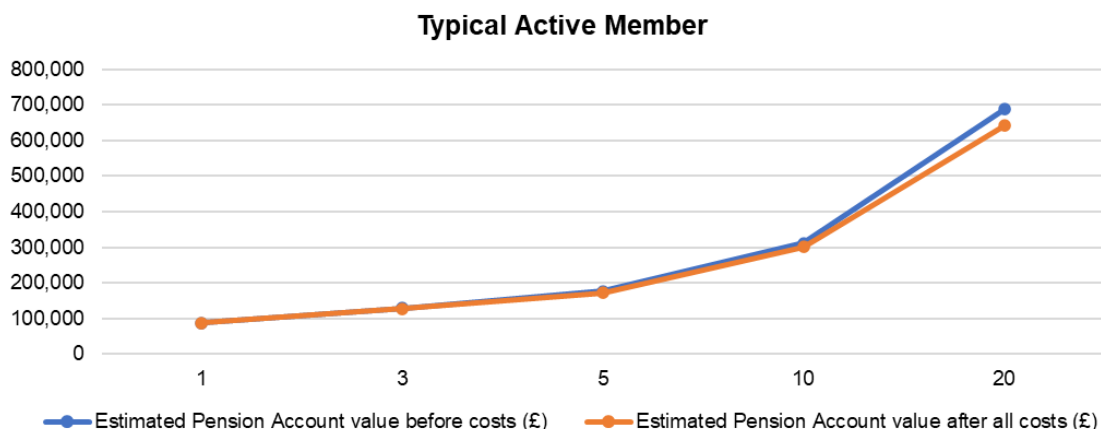
Illustration H: is based on a typical active member who has 20 years until their retirement and is invested in the BlackRock ESG Strategic Growth Fund. The member has a current fund value of £68,000 and has £1,400 of total monthly contributions being paid into their Pension Account.

Typical Active Member



Projected Pension Account in today's money									
Year	BlackRock World (ex UK) Equity Fund			BlackRock ESG Strategic Growth Fund			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	86,400	86,300	100	84,900	84,500	400	84,900	84,100	800
3	124,000	124,000	0	119,000	117,000	2,000	119,000	116,000	3,000
5	165,000	163,000	2,000	153,000	150,000	3,000	153,000	147,000	6,000
10	274,000	270,000	4,000	241,000	233,000	8,000	241,000	224,000	17,000
20	537,000	521,000	16,000	423,000	398,000	25,000	423,000	371,000	52,000

Illustration I: is based on a typical active member who has 20 years until their retirement and is invested in the Roche Emerging Market ESG Equity Tracker. The member has a current fund value of £68,000 and has £1,400 of total monthly contributions being paid into their Pension Account.



Year	BlackRock World (ex UK) Equity Fund			Roche Emerging Market ESG Equity Tracker			Fidelity Nordea Diversified Return Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
1	86,400	86,300	100	87,900	87,500	400	84,900	84,100	800
3	124,000	124,000	0	130,000	128,000	2,000	119,000	116,000	3,000
5	165,000	163,000	2,000	177,000	173,000	3,000	153,000	147,000	6,000
10	274,000	270,000	4,000	312,000	301,000	8,000	241,000	224,000	17,000
20	537,000	521,000	16,000	687,000	641,000	25,000	423,000	371,000	52,000

4. Value for Members assessment

The Administration Regulations require the Trustee to make an assessment of charges and transaction costs borne by members and the extent to which those charges and costs represent good value for money for members.

Every year, the Trustee captures all member-borne charges (including transaction costs) and considers the benefits of membership of the Fund's DC arrangements so they can assess whether members are getting good value. The most recent value for members assessment was completed in June 2024 and covered the period from 1 April 2023 to 31 March 2024.

Working in conjunction with our DC advisers, the Trustee has developed our own cost-benefit analysis framework which we use to assess whether our members receive good value relative to the costs and charges they pay. Benchmarking relative to other pension arrangements and/or industry best practice guidelines is also undertaken.

The costs borne by members are the TERs and transaction costs set out in sections 3(i) and 3(ii).

The Trustee has considered the benefits of membership under the following 5 categories: governance, investments, administration, retirement support and, member communications and engagement.

We have set out below our beliefs in relation to each of these categories. These beliefs have formed the basis of our analysis of the benefits of membership. We have also highlighted some of the key benefits of membership in each of these categories.

Governance: The Trustee believes in having robust processes and structures in place to support effective management of risks and ensure members interests are protected, increasing the likelihood of good outcomes for members.

- The Trustee regularly reviews and updates its governance processes and procedures to ensure that these meet regulatory and industry best practice requirements.
- The Trustee has established a Governance Sub-committee to ensure that governance matters are given sufficient focus. The Sub-committee meets regularly and reports back to the full Board at quarterly meetings.
- The Trustee has put in place a professional Scheme Secretary whose remit is to work with the board to ensure the Fund is efficiently and properly run, members' benefits are secure and support efficient and effective governance.
- This Trustee board has an Investment sub-committee which has a goal to provide a good quality savings plan for its members.

Investments: The Trustee believes in provision of default arrangements that deliver suitable risk /return outcomes and a range of alternative investment options suitable for the needs of the membership.

- The Fund offers Lifestyle strategies that target all permissible routes members may take for accessing their savings in retirement. The Fund also offers a range of self-select (or 'individual funds) across the risk/return spectrum. The investment funds available have been designed, following advice from the Fund's investment adviser, with the specific needs of members in mind. The structure of the default arrangements used for members that do not make an investment decision suitably reflect how members are expected to access their funds at retirement.
- The Trustee also considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing ones. The Trustee considers sustainability themed investments with a view to introducing new fund options where they believe they may be appropriate for the Fund's members.
- The Trustee and their advisers have monitored performance closely over the Fund year to ensure that the investment strategy remains appropriate for the long term.

Administration: The Trustee believes in good customer experience and providing members with the right information at the right time through the right medium.

- The Trustee is satisfied that the administrator has sufficient checks in place to monitor and report on the standard of the administration service, and the member experience, and to ensure that when administrative errors do occur, they are promptly identified and addressed.
- Members have online access to their Retirement Accounts and a member helpline is available. The member experience is monitored through surveys that members are asked to complete after contacting the helpline, call statistics and complaint details.

Retirement support: The Trustee believes it is important to have retirement processes that enable members to make informed decisions and select appropriate option(s) at retirement.

- Members are signposted to financial planning and key communications sign-post Pension Wise, and unbiased Independent Financial Advice.
- The Fund has implemented a retirement options policy to enable members to access their benefits more flexibly. These options are now available to members.
- The Trustee undertook a review of the retirement journey for members in September 2022 with a focus on communications.
- As a result of the funds being invested through the Fidelity platform, the Fidelity Retirement Service is available to members and provides practical information, tools and other retirement support.

Member communications and engagement: The Trustee believes in getting impactful messages in relevant ways to the right people at the right time to empower them to consciously do the right thing for their future.

- The Fund provides effective communications that are accurate, clear, informative and timely. The Fund issues bi-annual newsletters to members providing topical updates on topics such as changes to minimum pension age, changes to investment strategy and removal of the lifetime allowance.
- From time to time the Trustee undertakes member engagement campaigns to encourage members to engage with their pension savings.
- As and when any changes are made to members' investment options, the Trustee issues targeted communications to ensure impacted members understand their options and can make decisions which are appropriate for their circumstances.
- The Fund has a dedicated website to provide members with all latest information and sign post them to relevant information e.g. PlanViewer and MoneyHelper websites.

Does the Fund deliver value for members?

The Trustee assessment for the over the period 1 April 2023 to 31 March 2024 concluded that the charges and transaction costs borne by members are competitive in comparison to current market rates and represent good value for members relative to the benefits of membership of the Fund's DC arrangements.

5. Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Fund, transfers between different investments within the Fund and payments to and in respect of members/beneficiaries.

Core financial transactions are undertaken on behalf of the Trustee by the Fund's DC administration and platform provider, Fidelity, whilst the Company is responsible for ensuring that contributions are paid promptly on members' behalf. The timing of such payments is monitored by the Trustee predominantly from quarterly administration reports submitted by Fidelity. The Fund Secretary also holds regular meetings with Fidelity to support and monitor the administration function and help ensure good member experiences.

The Trustee has service level agreements (SLAs) in place with Fidelity. The SLAs detail a number of key administration processes to be performed and the target timescale within which each of these processes should be completed. There are SLAs in place for all core financial transactions. Under the current agreement, Fidelity aims to accurately complete all financial transactions within 5 working days, with the exception of the investment of contributions, which is within 2 working days of receipt from the Company and after reconciliation by Fidelity. During the Fund year, Fidelity met the SLA requirements with an average of 98.9% of activities completed within 5 working days for the DC and AVC Section, and 99.6% on average for the Bonus Choice Section.

The Trustee, with their DC adviser, reviews the key administration processes adopted by Fidelity from time to time and received assurances from Fidelity in respect of their checking and peer review processes, in order to minimise the risks of inaccurate or late payment of core financial transactions. Key processes to help meet SLAs include:

- Provision of quarterly administration reports – covering areas such as asset values, contribution payments, membership statistics, service levels and membership complaints and experience metrics – enabling the Trustee to check core financial transactions and review processes relative to any member complaints made involving core financial transactions
- Monthly contribution checks and daily reconciliation of the Trustee's bank account
- Checks for all investment and banking transactions prior to processing
- Straight-through processing for many tasks therefore, avoiding the need for manual intervention and, in turn, significantly reducing the risk of error
- Annual data reviews leading to identification of missing or potentially incorrect data
- Documentation and operation in line with quality assurance policies and procedures
- Operation in line with the business continuity plan and confirmation that the administrator has prioritised core financial transactions during this period

Controls around administration and the processing of core financial transactions are documented in the Fund's risk register, which is regularly reviewed.

Have core financial transactions been processed in a timely and accurate manner?

There were no significant issues with core financial transactions in the period. The Trustee therefore concludes that core financial transactions have been processed in a timely and accurate manner.

6. Trustee Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustee Directors to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as Trustee Directors properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7.

The information in this section relates to the whole Trust and not solely to the DC arrangements.

The Trustee has processes and procedures in place to meet the Pension Regulator's Trustee Knowledge and Understanding requirements (as set out in their Code of Practice No 7).

Changes to the Trustee board during the Fund year

There were no changes to the trustee board during the scheme year.

Onboarding new trustees

The Fund has a structured induction programme for newly appointed member nominated trustee directors. This includes:

- an induction pack including access to key Fund documentation such as the Trust Deed and Rules
- onboarding calls to introduce them to advisers and provide an overview of their roles and responsibilities

Trustee training

The Trustee directors discussed their training needs and, with input from their advisers developed a training plan for the Fund year taking account of any identified gaps, the Trustee's business plan, ongoing projects and relevant forthcoming developments. This plan was adjusted during the year to ensure the right training was delivered to the right individuals at the right time. Some training areas delivered over the Fund year included requirements of the new DB funding code, changes to methodology and assumptions used for SMPs and breach assessment and reporting.

Training logs are maintained for each Trustee director. In addition to attending Fund specific training, the Trustee Directors receive DC and legal updates at Trustee meetings. The Chair of Trustee is also subject to continuous professional development requirements.

Sub-committees

The Trustee Board delegates some aspects of the Fund's management to sub-committees including an Investment Sub-committee, Governance Sub-committee, and ad hoc project sub-committees. The members of each sub-committee receive additional training in the areas and topics which are relevant to the sub-committee's functions.

Trustee effectiveness

A Trustee Effectiveness review was not undertaken during the scheme year. The previous Trustee effectiveness review was undertaken in 2022 which resulted in changes being made over 2023 such as a new training schedule for trustee directors.

Trustee knowledge and understanding

All Trustee directors have access to key Fund documents through a secure online facility.

The Trustee also regularly engages with its professional advisers to ensure it takes advice when needed including having the advisers attend quarterly meetings and key sub-committee meetings. The Chair also holds monthly update calls with the actuarial and legal advisers.

Throughout the Fund year, the Trustee demonstrated –

- a working knowledge of the Trust Deed and Rules, the current Statement of Investment Principles and any relevant policy documents; and
- sufficient knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding and investment of occupational schemes.

A few examples of how the Trustee demonstrated these matters are set out below:

- Review of quarterly administration reports to monitor service delivery against agreed service level standards and assessing the member experience
- Reviewing quarterly investment reports to assess fund performance against benchmarks, and funds against overall Fund aims and objectives, as set out in the Statement of Investment Principles
- Review and update to the Statement of Investment Principles following the investment strategy review
- Review and update to the risk register taking into account relevant legal requirements
- Responding to member queries throughout the period and exercising its discretions under the Fund rules in the event of the death of a member

Does the Trustee board's combined knowledge and experience together with the support of their advisers enable them to properly exercise their functions as Trustee?

The Trustee considers that they meet the Pension Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their advisers, enables them to properly exercise their functions as the Trustee of the Fund.

Signed on behalf of the Trustee of the Roche Pension Fund by the Chair of the Trustee

Rachel Croft on behalf of Independent Governance Group
Chair of the Trustee
Roche Products Pension Trust Limited