

1. Introduction

Governance requirements apply to defined contribution (“DC”) pension arrangements, to help members achieve a good outcome from their pension savings. The Trustee[s] of the Westbury Music Consultants Ltd. - Group Pension (DC) Builder Scheme (Scheme Number Z0100570) (the “Scheme”) is required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met in relation to:

- ▶ the investment options in which members’ funds are invested (this means the “default arrangement” and other funds members can select or have assets in, such as self-select or “legacy” funds);
- ▶ the requirements for processing financial transactions;
- ▶ the charges and transaction costs borne by members;
- ▶ an illustration of the cumulative effect of these costs and charges;
- ▶ net returns of the investment options;
- ▶ a ‘value for members’ assessment; and
- ▶ Trustee knowledge and understanding.

This statement covers the period from 1st April 2023 to 31st March 2024.

2. Default investment arrangements

The Scheme is not used as a Qualifying Scheme for auto-enrolment.

Members who join the Scheme and who do not choose an investment option are placed into the Scottish Widows Unitised With Profits Fund, (the “default arrangement”)

The Trustees are responsible for the Scheme’s investment governance, which includes setting and monitoring the investment strategy for the default arrangement.

Details of the objectives and the Trustee’s policies regarding the default arrangement(s) can be found in a document called the ‘Statement of Investment Principles’ (“SIP”). The Scheme’s SIP covering the default arrangement(s) is attached to this annual statement regarding governance.

The aims and objectives of the default arrangement(s), as stated in the SIP, are as follows:

- ▶ Target the best long-term performance
- ▶ Ensure the with-profits fund can always meet its guarantees

In order to meet these aims, the Scottish Widows Limited Board specifies how much of the with-profits fund can be invested in each type of asset. It does this by setting ranges for each asset type, such as company shares (also known as ‘equities’), fixed interest bonds, property and cash. The fund manager, Schroders, is then responsible for investing the funds into the underlying asset types. Specialist fund managers are responsible for managing each respective portion of the fund.

The default strategy and the performance of the default arrangement were not reviewed during the period covered by this statement. The last review was carried out on 5th September 2023. The Trustee[s] regularly monitor[s] the performance of the default arrangement and will formally review both this and the strategy at least every three years. The next review is intended to take place by 4th September 2026.

3. Requirements for processing core financial transactions

The Trustees have received assurance from the Scheme's administrator Scottish Widows that there were adequate internal controls to support prompt and accurate processing of core financial transactions relating to the Scheme during the Scheme Year. This includes the investment of contributions, processing of transfers in and out of the Scheme, transfers of assets between different investments within the Scheme, and payments to members/beneficiaries.

The Trustees receive reports about the administrator's performance and compliance with the SLA; using information provided by the administrators, the Trustees are satisfied that over the period covered by this statement.

- ▶ the administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA;
- ▶ there have been no material administration errors in relation to processing core financial transactions; and
- ▶ all core financial transactions have been processed promptly and accurately during the Scheme year.

4. Member-borne charges and transaction costs

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

The stated charges [also include any costs, e.g. administration and investment costs, since members incur these costs OR exclude any costs, e.g. administration and investment costs, since these are not met by the members].

The charges and transaction costs have been supplied by the Scottish Widows who are the Scheme's investment managers.

For the period covered by this statement, annualised charges and transaction costs are set out in the table below. The member borne charges for the Scheme's default arrangement complied with the charge cap.

Manager – Fund name	TER	Transaction costs
Scottish Widows Unitised With Profit Fund	0%	0%

5. Investment returns

This section states the annual return, after the deduction of member borne charges and transaction costs, for all default arrangements and investment options that members are able, or were previously able, to select and in which members' assets were invested during the scheme year.

When preparing this section of the statement the Trustees have taken account of the relevant statutory guidance

Fund name	1 year (%)	5 years (% pa)
Scottish Widows Unitised With Profit Fund	2.3	9.82

6. Value for members assessment

The Trustees reviews all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Scheme. The Trustees note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The Trustee's advisers have confirmed that the fund charges are competitive for the types of fund available to members.

The Trustee's assessment included a review of the performance of the Scheme's investment funds (after all charges) in the context of their investment objectives.

In carrying out the assessment, the Trustee[s] also consider[s] the other benefits members receive from the Scheme, which include:

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

Overall, the Trustees believe that members of the Scheme are receiving good value for money for the charges and cost that they incur. The Trustees believes this because the scheme benchmarks well against other schemes.

7. Trustee knowledge and understanding

The Scheme's Trustees are required to maintain appropriate levels of knowledge and understanding to run the Scheme effectively. Each Trustee must:

- ▶ Be conversant with the trust deed and rules of the Scheme, the Scheme's statement of investment principles and any other document recording policy for the time being adopted by the Trustee[s] relating to the administration of the Scheme generally,
- ▶ Have, to the degree that is appropriate for the purposes of enabling the individual properly to exercise his or her functions as trustee [director], knowledge and understanding of the law

relating to pensions and trusts and the principles relating to investment the assets of occupational pension schemes.

In addition, the Trustees of schemes that are subject to the Climate Change Governance and Reporting Requirements in Part 1 of the Schedule to the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 must have knowledge and understanding of the identification, assessment and management of risks and opportunities relating to climate change for occupational pension schemes, including risks and opportunities arising from steps taken because of climate change.

The Trustees have measures in place to comply with the legal and regulatory requirements regarding conversance and knowledge and understanding.

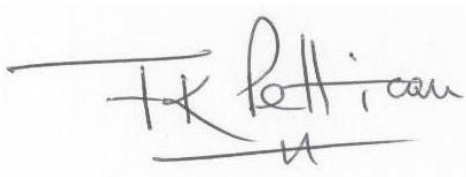
The Trustees, with the help of their advisers, regularly consider training requirements to identify any knowledge gaps. The Trustee's investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustee's advisers would typically deliver training on such matters at Trustee meetings if they were material.

All the Trustees are familiar with the current Scheme governing documentation, including the Trust Deed & Rules (together with any amendments), the SIP and key policies and procedures. In particular, the Trustees refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Scheme and, where relevant, deciding individual member cases, and the SIP is formally reviewed at least every three years and as part of making any change to the Scheme's investments.

Further, the Trustees consider that they have sufficient knowledge and understanding of the law relating to pensions and trusts and of other relevant principles relating to the funding and investment of occupational pension schemes and of the identification, assessment and management of risks and opportunities relating to climate change for occupational pension schemes, including risks and opportunities arising from steps taken because of climate change, to fulfil their duties.

All the Trustees are required to commit to completing the training, either at the relevant meetings or by personal study. All the Trustees have completed the Pensions Regulator's Trustee Toolkit (the Trustee Toolkit is a free online learning programme from the Pensions Regulator aimed at trustees of occupational pension schemes and designed to help trustees meet the minimum level of knowledge and understanding required by law).

Taking into account the knowledge and experience of the Trustees with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (e.g. investment consultants, legal advisors), the Trustees believes they are well placed to exercise their functions as Trustees of the Scheme properly and effectively.

A handwritten signature in black ink, appearing to read 'TK Bellican', with a horizontal line drawn underneath.

Date: 7th November 2024

Signed by the Chair of Trustees of the Scheme