

DXC Pension Plan (“the Plan”)

Chair’s Statement of DC Governance for the period from 1 July 2022 to 30 June 2023

I am pleased to present the Trustee’s statement of governance, covering the period 1 July 2022 to 30 June 2023 for the money purchase benefits in the Plan. This statement describes how the Trustee seeks to ensure that the Plan is well-managed and delivers excellent services to members. The statement examines five key areas of the Trustee’s governance, namely:

- The Plan’s various default investment arrangements;
- The processing of core financial transactions;
- Charges and transaction costs within the Plan, including pounds and pence illustrations showing the compounding effect of charges;
- Disclosure of returns on investments (net of charges and transaction costs); and
- The Trustee’s compliance with the statutory knowledge and understanding requirements.

In doing so, we provide the various statutory disclosures required by the Occupational Pension Plans (Charges and Governance) Regulations 2015, as amended.

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 (‘the 2023 Regulations’) introduced a new requirement for the Trustee to report performance-based fees (often associated with illiquid assets) incurred in relation to each default arrangement, as a percentage of the average value of the assets held by that default arrangement in the Chair’s Statement. The Trustee must also assess the extent to which any such fees represent good value for members. As there are no performance-based fees relating to any of the default arrangements in the Plan, no additional disclosures have been included in this statement.

In operating the Plan, the Trustee is supported by WTW (the provider of administration and communications services for the Plan), ISIO (Plan Secretary) and Mercer Limited (an independent advisor, covering governance, investment advice and wider Defined Contribution (‘DC’) matters). The Trustee must monitor the quality of these service providers as part of its overall governance responsibilities.

Money purchase arrangements within the Plan covered in this statement

This statement covers the following money purchase pension arrangements that exist within the Plan:

- The CSC Defined Contribution Section of the Plan.
- The Additional Voluntary Contribution (AVCs) in the CSC Defined Benefit Section of the Plan
- The LPC Defined Contribution Section (‘the LPC DC Section’).
- The AVCs in the LPC Defined Benefit Section (‘LPC DB Section’)
- The AVCs in the Rebus Section

Unless a specific section/money purchase arrangement is referenced, content should be assumed to relate to the CSC Defined Contribution Section of the Plan (‘DC Section’).

The Plan's Default investment strategy

The Statement of Investment Principles (SIP)

The SIP sets out the aims and objectives of the Plan's investment strategy. In particular, it covers the Trustee's investment policy for the DC assets, including objectives, risk and expected return and the design of the default investment strategy.

A copy of the latest agreed SIP dated February 2023 is attached as an appendix.

The performance of all the funds, including those underlying the default investment strategy, is reviewed by the Trustee each quarter.

The default investment strategy

The current default investment strategy is a lifestyle arrangement, which invests as follows:

	CSC Multi-Asset Default Fund , which invests
Asset allocation during accumulation phase	75% LGIM* Global Equity Fixed Weight 30:70 Index Fund (75% GBP currency hedging for overseas funds) 25% LGIM* Diversified Fund
Consolidation phase start date	8 years before Target Retirement Age
Asset allocation at end of consolidation phase	75% CSC Diversified Growth Fund (which invests 100% in the LGIM* Diversified Fund) and 25% CSC Targeting Cash Fund (which invests 100% in the LGIM* Sterling Liquidity Fund)

*LGIM = Legal & General Investment Management

A formal review of the investment strategy of the default arrangement was undertaken on 23 August 2022. The review included the following elements:

- Review of the investment objectives of the default investment strategy.
- The design of the growth phase and de-risking phase of the default investment strategy.
- The at-retirement allocation in the default.
- The self-select fund range, including the alternative lifestyle strategies that are available to members.
- Review of the investment arrangements in the LPC DC Section.

Following this review, the Trustee concluded that the arrangements in place remained suitable and no changes would be made.

The next formal review of the investment strategy of the default arrangement will be undertaken by August 2025.

Other investment strategies

In addition to the default lifestyle arrangement, members have the option to select from two additional lifestyle strategies, one intended for a member wishing to target an annuity purchase at retirement and one intended for a member wishing to use their individual member account to provide one or more cash lump sums. Full details are included in the SIP.

Other funds that regulations require to be treated as default arrangements

There are two additional funds that are deemed a “default arrangement” due to previous mapping exercises carried out by the Trustee and where members have not subsequently re-affirmed their investment selection. These funds are listed below:

- CSC All Shares Adventurous Fund (Active)
- CSC Targeting Cash

The Trustee administers the two funds above as technically constituting a default arrangement and in line with the governance requirements that relate to such arrangements, including an annual cap on charges (excluding transaction costs) of 0.75% p.a. of assets and the duty to review the fund at least every three years.

The Trustee previously treated two additional funds as default arrangements, the CSC AVC Multi Asset Fund and the CSC Liquidity AVC Fund. After taking advice from its DC investment and legal advisers, the Trustee no longer considers these funds as default arrangements.

LPC DC Section

The LPC DC Section of the Plan also operates a default lifestyle investment option for those members who do not make an active investment decision. The structure of the lifestyle is set out in the table below:

Allocation (%)	Years to target retirement age								
	Up to 8	7	6	5	4	3	2	1	0
L&G Global Equity 60:40 Index	100	96	82	67	52	38	23	9	0
L&G Cash	0	4	18	33	48	62	77	91	100

The investment arrangements in the LPC DC Section were reviewed as part of the investment review that took place in August 2022. Following that review, it was agreed that no changes were to be made to the LPC DC Section at that time.

The Trustee appreciates there are now two DC Sections in the Plan with different default investment arrangements. The Trustee continues to monitor the suitability of the two default investment arrangements used.

The next formal review of the investment strategy of the LPC DC Section default arrangement will be undertaken by August 2025.

Processing core financial transactions

The Trustee has a specific duty to ensure that core financial transactions in relation to money purchase benefits are processed promptly and accurately. The Pensions Regulator lists core financial transactions as including:

- Receipt and investment of contributions
- Transfer of member assets into and out of the Plan
- Transfers between different investments within the Plan

- Payments to and in respect of members

During the last Plan year, the Trustee ensured the core financial transactions of the Plan were processed promptly and accurately by:

- Appointing a professional third party administrator, WTW, to undertake all administration and record keeping duties. As part of that model, WTW undertakes a daily reconciliation of all bank transactions. They also have a system of authorised signatories in force to control payments from the Trustee’s bank account. No banking errors were notified to the Trustee for the year in question.
- Having an agreement with their administration service provider (WTW) committing them to Plan specific service level agreements (“SLAs”) and having the service provider report on their performance quarterly against the SLAs above. SLAs relating to core financial transactions included:

Event	SLA (days)
Deaths	5
Retirement Settlements	5
Transfer Out Completion	5
Transfer In Completion	10
Pension Sharing	5
Investment Decision	5

The overall SLA performance over the year was 99% in Q3 2022, 99% in Q4 2022, 99.5% in Q1 2023 and 99.5% in Q2 2023. The Trustee notes SLA performance was strong over the year and understands the level of member complaints was low.

- Ensuring that appropriate internal controls are in place with WTW by receiving and reviewing AAF01/20 / ISAE 3402 audit reports. The latest report for the year to 30 September 2023, which was shared with the Secretary to the Trustee, confirmed that the administrator’s description of their control procedures covering their technology and administration solutions was fairly presented and that controls were suitably designed. There were four instances of control objective exceptions highlighted in the AAF report; however, these exceptions were minor and would not be considered to have a significant impact on the Plan.
 - A number of the internal controls rely on the administrator and payroll systems in place that perform tasks automatically. In addition, there are a number of manual checks carried out by the administrator; including:
 - Monthly reconciliations between the contribution remittance received, money received in the Trustee bank account and the schedule of contributions or payment schedule are performed by the treasury team for completeness and accuracy.
 - For each member payment that is not completed via ePA, a senior administrator or team leader reviews the calculations and the payments set up on the administration system for completeness and accuracy.
 - Member switch requests and requests for drawdown that are not requested online via ePA or via interface files are manually processed by a member of the pension administration team and authorised by a different member of the pension administration team.
 - Reports from the administration system detailing uncleared payments and unmatched payments are reviewed manually on a monthly basis

by the treasury team. Any unreconciled items are notified to the administration team to resolve.

Monthly processes have been completed in a timely and accurate manner. In addition, no statutory deadlines relating to core financial transactions have been breached during the Plan year.

Furthermore, the following controls are in place to ensure core financial transactions are processed promptly and accurately:

- A selection of core financial transactions are audited annually by a third party, Deloitte, as part of the Plan's annual report and accounts. The audit undertaken for the Plan year reported no issues with core financial transactions.
- DXC Technology ('the Company') plays a key role in ensuring core financial transactions are processed promptly and accurately. The Company agrees a monthly timetable for the contribution process with WTW each year, which sets the planned dates for contribution payments, interface delivery, reconciliation of queries and the investment with the fund managers. The Company also has internal controls around its contribution payment process and its engagement with the WTW interface team over the monthly reconciliation of queries does ensure any necessary adjustments are made for subsequent data/contribution records. While an issue arose with the monthly interface outside the Plan year in July 2023, the Trustee acknowledges that this was a one-off and was dealt with quickly.

Based on the above, the Trustee is satisfied that the requirement to process core financial transactions promptly and accurately has been met during the year in relation to the DC Section of the Plan.

AVCs in the CSC Section

AVCs in the CSC Section are invested across a number of funds with LGIM and a SEI actively managed fund. However, the Plan does not receive any new member contributions into the AVC arrangements with LGIM and SEI.

Members can switch their funds using the investment tool on Mercer OneView. Mercer trades with LGIM for investments, fund sales and switches using the industry standard Via Nova straight through processing method, enabling full automation of the instruction to LGIM, the return of the trade details from LGIM, the update of the member record following completion of the trade and the reconciliation of the unit holdings between Mercer and LGIM systems. SEI are unable to trade using straight through processing, as they require instructions to be sent by fax. The confirmation of trade details is returned to Mercer by email and are updated manually. Mercer have controls within their systems to ensure that the trades are progressed and completed timely, with a monthly unit reconciliation being completed to ensure that all trades have been completed correctly.

LPC DC Section

The LPC DC Section became a section of the Plan on 26 March 2021. The LPC DC Section of the Plan is a closed arrangement, meaning no contributions are paid into the funds.

It is noted that the service levels provided by the LPC Section administrator, Mercer, in the Plan year are collated across the LPC Section as a whole (DB and DC). Service level performance was reported as 96% for Q3 2022, 95% for Q4 2022, 99% for Q1 2023 and 98% for Q2 2023. The number of member complaints over the Plan year was low and there were no regulatory or data breaches.

The Trustee notes that members participating in this arrangement receive an annual benefit statement in line with statutory provisions, confirming the amounts held in their account and the movements in the year. These statements are issued by the administrators.

AVCs in the LPC Section

The LPC DB Section holds AVCs with ReAssure and Prudential for a small number of members. These arrangements are also closed and do not receive new contributions. Whilst Mercer administer the DB Section, member records and investments are maintained by the relevant provider. The Trustee notes that members participating in these arrangements receive an annual benefit statement in line with statutory provisions, confirming the amounts held in their account and the movements in the year. These statements are produced by the relevant provider and issued by the administrator of the LPC DB Section.

The Trustee monitors the administration of the LPC Section as part of the Administration Committee meetings.

The latest Mercer administration AAF 01/20 & ISAE 3402 internal controls report covering the year to 31 December 2022 was shared with the Secretary to the Trustee. This report confirmed that the administrator's description of their control procedures covering their technology and administration solutions was fairly presented and that controls were suitably designed. There were four instances of control objective exceptions highlighted in the AAF report; however, these exceptions were minor and would not be considered to have a significant impact on the Plan.

AVCs in the Rebus Section

The Rebus Section AVCs are held with Standard Life. No new contributions are invested in this arrangement. Whilst Capita administer this Section, member records and investments are maintained by Standard Life. Capita report any delay in settling benefits to the Trustee. The Trustee notes that members participating in these arrangements receive an annual benefit statement in line with statutory provisions confirming the amounts held in their account and the movements in the year. These statements are produced by the relevant provider and issued by Capita.

Based on the above, the Trustee is satisfied that the requirement to process core financial transactions promptly and accurately has been met during the year in relation to the money purchase arrangements in the LPC and Rebus Sections of the Plan.

Charges, transaction costs and value for members

The Trustee is required to report on the charges and transaction costs experienced by members for the fund choice available and assess the extent to which the charges and costs represent good value for members.

The charge a member pays is split between investment charges and administration charges. These charges are set out below.

In relation to transaction costs, we note that when buying and selling investments, transaction costs can be incurred. Transaction costs are not explicitly deducted from a fund but are captured in its investment performance (in other words, the higher the transaction costs, the lower the returns produced by a fund). The Financial Conduct Authority ("FCA") has provided guidance (in Policy Statement 17/20) to investment managers regarding calculations and disclosures of transaction costs. Due to the way in which transaction costs

are required to be calculated, they can be negative or positive in nature; a negative figure is effectively a gain (on average) from trading activity, whilst a positive figure is effectively a cost from trading activity.

The tables below show the total expense ratio (TER) and the total transaction costs for each of the funds underlying the Plan's default investment arrangements and self-select funds. The overall charge being deducted from a member's fund, if in the default investment arrangements, will reflect the member's allocations in each of the underlying funds. In addition, the administration costs will depend on the member's fund value.

Charges

Administration

The CSC Defined Contribution Section of the Plan is responsible for meeting its running costs, other than investment advisory and annuity purchase services, which continue to be met by the Company.

To cover these costs, an administration charge is deducted from every individual member account (IMA). The charge ranges from 0.08% to 0.14% per annum depending on the value of the IMA. 25% of the relevant annual charge is deducted each quarter from the IMA. The Company and Trustee keep the charge under review.

Investment

The constituent investment funds that make up the default investment option along with associated charges are set out in the table below. The administration charge is **not** included in the charges set out in the table:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2023 (p.a.)
CSC Multi Asset Default*	0.17%	0.07%
CSC Diversified Growth	0.33%	0.00%
CSC Targeting Cash	0.10%	-0.12%

** for the CSC Multi Asset Default, a proportion of the costs of each of the underlying funds has been used to calculate overall blended costs*

Allowing for the weightings of the underlying funds in accordance with the agreed phasing matrix, the TER charge profile for the lifestyle strategy ranges from 0.17% p.a. during the accumulation phase up to circa 0.31% p.a. (i.e. blended from 90% at 0.33% and 10% at 0.10%) at three years from target retirement date.

As noted earlier in this Statement, there are two funds that are deemed to be "default arrangements" due to mapping exercises carried out by the Trustee where members have not subsequently re-affirmed their investment selection. The charges in respect of the funds deemed a default at year end have been listed below for completeness:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2023 (p.a.)
CSC All Shares Adventurous Fund* (Active)	0.61%	0.33%

CSC Targeting Cash	0.10%	-0.12%
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The administration charge is **not** included in the charges set out in this table

* the Total Expense Ratio has been calculated as the sum of the Annual Management Charge and Administration/Custody Fee provided by SEI

The Trustee also makes available two additional lifestyle strategies (CSC Targeting Annuity Lifestyle Option and CSC Targeting Cash Lifestyle Option) and a range of risk-graded self-select funds which may be chosen by members. These strategies and funds allow members to take a more tailored approach to managing their own pension investments. The fees and transaction costs relating to these investments are set out in the table below. The administration charge is **not** included in the charges set out in the table:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2023 (p.a.)
CSC All Share Adventurous	0.12%	0.09%
CSC All Share Adventurous (Active)*	0.61%	0.33%
CSC Multi Asset Adventurous (Active)*	0.83%	0.28%
CSC Multi Asset Default**	0.17%	0.07%
CSC Multi Asset Moderate**	0.14%	0.08%
CSC Multi Asset Moderate (Active)*	0.78%	0.22%
CSC Diversified Growth	0.33%	0.00%
CSC Targeting Drawdown	0.37%	0.10%
CSC Targeting Annuity	0.05%	-0.02%
CSC Targeting Cash	0.10%	-0.12%

* the Total Expense Ratio has been calculated as the sum of the Annual Management Charge and Administration/Custody Fee provided by SEI

** for the CSC Multi Asset Default and CSC Multi Asset Moderate a proportion of the costs of each of the underlying funds has been used to calculate overall blended costs

- Based on the proportions held in the underlying funds, the TER charges for the two additional lifestyle investment strategies available are 0.06% p.a. for the CSC Targeting Annuity Lifestyle Option and 0.10% p.a. for the CSC Targeting Cash Lifestyle Option at retirement. The TER is 0.17% p.a. in the growth phase of both additional lifestyle strategies.
- The self-select funds have TER charges ranging from 0.05% p.a. to 0.97% p.a.

AVC arrangements

CSC Section

LGIM and SEI arrangements

Charges and costs for the AVCs within the Plan are set out below.

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2023 (p.a.)
Aggressive*	0.65%	0.33%

AVC Multi-Asset**	0.17%	0.07%
Global Equity	0.12%	0.09%
Fixed Interest Gilts (Over 15 Years)	0.07%	0.03%
Sterling Non-Gilts (Over 15 Years)	0.09%	0.04%
Liquidity	0.10%	-0.12%
Sterling Non-Gilts	0.04%	-0.03%
Index-Linked Gilts (Over 5 Years)	0.07%	0.22%
Diversified	0.33%	0.00%

* the Total Expense Ratio has been calculated as the sum of the Annual Management Charge and Administration/Custody Fee provided by SEI

** for the AVC Multi-Asset, a proportion of the costs of each of the underlying funds has been used to calculate overall blended cost

LPC DC Section

The constituent investment funds that make up the default investment option along with associated charges are set out in the table below:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2023 (p.a.)
L&G Global Equity 60:40 Index	0.21%	0.04%
L&G Cash Fund	0.13%	0.06%

Members also have access to four self-select funds, including the two funds used in the default investment option above. Associated charges for the two additional funds are set out below:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2023 (p.a.)
L&G Over 15 Year Gilts Index	0.10%	0.03%
L&G UK Equity Index	0.18%	0.03%

AVCs in the LPC DB Section and Rebus Section

Charges and transaction costs have been requested from Standard Life (Rebus Section), Prudential (LPC DB Section) and ReAssure (LPC DB Section). Whilst complete charges information wasn't available for the Plan year, the following information was received (noting some of the information is not at year end as required).

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 31 December 2022 (p.a.)
Prudential UK Equity	0.76%	0.01%

Prudential Long Term Gilt Passive	0.66%	0.04%
Prudential With Profits Cash Accumulation Fund	*	0.20%
ReAssure Unitised With Profits Fund	*	**

* There is no explicit fee for this fund as it is incorporated into payout rates.

** Information has been requested for this fund but was not available at time of writing.

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2023 (p.a.)
Standard Life Managed Pension Fund	1.02	0.18
Standard Life North American Equity Pension Fund	1.01	0.14
Standard Life Stock Exchange Pension Fund	1.02	0.16
Standard Life Global Equity 50:50 Pension Fund	1.01	0.26
Standard Life Multi Asset Managed (20-60% Shares) Pension Fund	1.02	0.17
Standard Life International Equity Pension Fund	1.02	0.17
Standard Life UK Equity Pension Fund	1.01	0.15
Standard Life At Retirement (Multi Asset Universal) Pension Fund	1.04	0.23
Standard Life European Equity Pension Fund	1.01	*
Standard Life FTSE Tracker Pension Fund	1.01	*
Standard Life Money Market Pension Fund	1.01	0.00

*Transaction costs for these funds were requested but not available at the time of writing.

The Trustee will continue to work with the providers to gather the outstanding information required and review during the next Plan year if received.

Impact of costs and charges on pot size

The Trustee has prepared the following illustrative examples of the cumulative effect of costs and charges on members' investments over time. In doing, so we have had regard to guidance produced by the Department of Work and Pensions. Please note that these are illustrative examples which should help members understand the impact on their savings of investment management and administration charges and transaction costs. The Trustee regularly monitors the level of charges to ensure they provide value for money.

Projected Pension pot in today's money (£'s) – CSC Section

Active “Young” Member

We assume an initial pot size of £2,700, which is based on the youngest members' pot sizes in the Plan using last year's membership data.

Years	Default Lifestyle		Most Expensive: CSC Multi Asset Adventurous (Active)		Least Expensive: CSC Targeting Annuity	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£2,700	£2,700	£2,700	£2,700	£2,700	£2,700
1	£5,718	£5,698	£5,720	£5,654	£5,616	£5,605
5	£19,024	£18,799	£19,051	£18,318	£17,696	£17,582
10	£38,827	£37,990	£38,931	£36,242	£33,773	£33,384
15	£62,849	£60,865	£63,105	£56,813	£51,009	£50,162
20	£91,989	£88,134	£92,497	£80,423	£69,488	£67,979
25	£127,339	£120,638	£128,235	£107,518	£89,299	£86,896
30	£170,220	£159,385	£171,689	£138,616	£110,539	£106,983
35	£222,239	£205,572	£224,525	£174,306	£133,311	£128,312
40	£285,101	£260,349	£288,768	£215,266	£157,724	£150,960
45	£352,807	£316,832	£366,882	£262,275	£183,898	£175,007
47	£378,349	£337,611	£402,661	£282,969	£194,889	£185,037

Years	CSC All Share Adventurous Fund (Active)		CSC Targeting Cash	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£2,700	£2,700	£2,700	£2,700
1	£5,749	£5,694	£5,580	£5,567
5	£19,451	£18,823	£17,245	£17,110
10	£40,545	£38,174	£32,157	£31,711
15	£67,107	£61,397	£47,446	£46,506
20	£100,554	£89,268	£63,121	£61,497
25	£142,671	£122,718	£79,192	£76,686
30	£195,706	£162,862	£95,668	£92,076
35	£262,489	£211,041	£112,561	£107,670
40	£346,584	£268,863	£129,880	£123,470
45	£452,478	£338,257	£147,636	£139,480
47	£502,160	£369,760	£154,864	£145,943

Active “Median” Member

We assume an initial pot size of £63,830, which is based on the average pot size in the Plan using last year's membership data.

Years	Default Lifestyle		Most Expensive: CSC Multi Asset Adventurous (Active)		Least Expensive: CSC Targeting Annuity	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£63,830	£63,830	£63,830	£63,830	£63,830	£63,830
1	£72,773	£72,518	£72,805	£71,969	£71,081	£70,944
5	£112,207	£110,492	£112,429	£106,863	£101,116	£100,269
10	£170,474	£165,594	£171,521	£156,251	£141,090	£138,961
16	£246,570	£235,058	£259,504	£225,236	£192,882	£188,562

Years	CSC All Share Adventurous Fund (Active)		CSC Targeting Cash	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£63,830	£63,830	£63,830	£63,830
1	£73,292	£72,591	£70,479	£70,313
5	£115,821	£111,015	£97,409	£96,417
10	£181,289	£167,644	£131,836	£129,436
15	£282,620	£250,752	£174,298	£169,636

Notes

1. The projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The assumed real terms investment returns (i.e. after allowing for future inflation) and assumed charges and costs for each of the funds illustrated are as follows:
3. The illustrations assume an administration charge of 0.14% p.a. applies to all members.

	Default Lifestyle	CSC Multi Asset Adventurous (Active)	CSC Targeting Annuity	CSC All Share Adventurous Fund (Active)	CSC Targeting Cash
Assumed real-terms investment return*:	Ranges from 3.90% to 2.75%	3.80%	1.40%	4.50%	0.50%
Assumed future charges**:	Ranges from 0.44% to 0.31%	0.97%	0.19%	0.75%	0.24%
Assumed future transaction costs***:	Ranges from 0.04% to 0.00%	0.18%	0.00%	0.21%	0.0%

* accumulation rate assumed in SMPI projections minus the inflation rate (2.5%), gross of transaction costs.

** the illustrations assumes the Administration charge for each fund is 0.14% throughout the members invested time horizon.

***based on average aggregate transaction cost information for the years from 30 June 2019 and 30 June 2023. A negative figure represents a positive transaction cost.

4. Initial salary is assumed to be £48,580 and £22,000 for the median and young member, respectively.
5. Future inflation is assumed to be 2.5% each year.
6. The illustration assumes that further contributions will continue to be paid in. The figures show an assumed contribution of 13% (representing both employee and employer's contribution, including tax relief) and increasing in line with assumed earnings inflation of 2.5% each year. 13% represents the approximate total average contribution rate paid. Contributions are assumed to be paid at the end of each month.
7. The timeframe shown reflects the approximate length of time that the youngest Plan member and median Plan member has until they reach the Plan's normal pension age.
8. This is not a personal illustration. The values shown are illustrations and are not guaranteed. Actual values could be significantly higher or lower than those shown in the illustrations.

Projected Pension pot in today's money (£'s) – LPC Section

Deferred “Young” Member

We assume an initial pot size of £17,200, which is based on the youngest members' pot sizes in the Plan using last year's membership data.

Years	Default Lifestyle		L&G Global Equity 60:40 Index		L&G Cash	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£17,200	£17,200	£17,200	£17,200	£17,200	£17,200
1	£17,891	£17,851	£17,891	£17,851	£17,290	£17,264
5	£20,944	£20,709	£20,944	£20,709	£17,655	£17,524
10	£25,503	£24,935	£25,503	£24,935	£18,122	£17,855
15	£31,054	£30,022	£31,054	£30,022	£18,601	£18,192
20	£36,557	£34,973	£37,813	£36,147	£19,092	£18,535
24	£38,308	£36,412	£44,265	£41,936	£19,495	£18,814

Deferred “Median” Member

We assume an initial pot size of £30,190, which is based on the average pot size in the Plan using last year's membership data.

Years	Default Lifestyle		L&G Global Equity 60:40 Index		L&G Cash	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£30,190	£30,190	£30,190	£30,190	£30,190	£30,190
1	£31,403	£31,332	£31,403	£31,332	£30,348	£30,303
5	£36,761	£36,350	£36,761	£36,350	£30,988	£30,759
10	£43,955	£42,994	£44,763	£43,766	£31,808	£31,339
15	£47,171	£45,754	£54,506	£52,696	£32,648	£31,930

Notes

1. The projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The assumed real terms investment returns (i.e. after allowing for future inflation) and assumed charges and costs for each of the funds illustrated are as follows:

	Default Lifestyle	L&G Global Equity 60:40 Index	L&G Cash
Assumed real-terms investment return*:	Ranges from 4.00% to 0.50%	4.00%	0.50%
Assumed future charges:	Ranges from 0.21% to 0.13%	0.21%	0.13%
Assumed future transaction costs**:	0.02%	0.02%	0.02%

* accumulation rate assumed in SMPI projections minus the inflation rate (2.5%), gross of transaction costs.

** based on average aggregate transaction cost information for the years to 30 June 2021 and 30 June 2023. A negative figure represents a positive transaction cost.

3. Future inflation is assumed to be 2.5% each year.
4. The timeframe shown reflects the approximate length of time that the youngest Plan member and median Plan member has until they reach the Plan's normal pension age.
5. This is not a personal illustration. The values shown are illustrations and are not guaranteed. Actual values could be significantly higher or lower than those shown in the illustrations.

Value for members

The Trustee is committed to ensuring that members receive value for members (i.e. that the costs and charges provide good value in relation to the benefits and services provided) and so consider this on an ongoing basis. The Trustee has concluded, following receipt of a report from their independent Defined Contribution adviser, that the Plan offers reasonable to good value, relative to peers and alternative arrangements, in relation to member-borne deductions, noting some areas where performance could be improved (noted below).

The value for members' assessment considered the following:

- Ongoing charges i.e. total expense ratios
- Net of cost performance
- Transaction costs where available.
- Plan governance and management, administration and communications

The value for members' assessment concluded that the Plan's money purchase benefits, services and options represent reasonable to good value for money for members based on the following:

- Members have access to institutional-priced investment fund management at charges which are competitive. Generally, the charges were found to be broadly in line with and, for the most part, better than comparative rates with the exception of the actively managed SEI funds in the CSC Defined Contribution

Section and two LGIM funds in the LPC Defined Contribution Section, where it was identified that value could be improved.

- In relation to transaction costs, the Trustee notes a number of challenges to assess these costs:
 - No industry-wide benchmarks for transaction costs exist.
 - The methodology leads to some curious results, most notably “negative” transaction costs.
 - Explicit transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs.
- There has been mixed performance of the LGIM funds over the last three years, noting that the prevailing adverse market conditions have had an impact on the performance of some funds. The actively managed SEI funds have lagged their respective performance targets over the same period. All funds within the LPC DC Section have performed in line with their respective benchmarks.
- Members receive a comprehensive and high-quality administration service with online access to their accounts and modelling tools available. Administration performance is reviewed by the Trustee on a quarterly basis.
- Members receive good communication material and a high level of governance and Trustee oversight.

In addition to the above comments, it is noted that members have access to a variety of well-designed investment options which the Trustee regularly monitors and updates and which should meet the membership’s different returns/risks and income preferences.

AVC arrangements

The Plan has a number of Additional Voluntary Contribution (AVC) arrangements in the CSC Section with underlying funds managed by LGIM and SEI. In general, the performance of the AVC funds with LGIM have been in line with expectations and prices appear to be competitively priced and comparable to the DC Section fees. The SEI AVC fund has the same underlying fund as the CSC All Share Adventurous Fund in the DC Section, but a higher fee applies. This has been assessed as providing reasonable value based on performance over the three years to 30 June 2023 and the higher fee.

The LPC DB Section holds AVCs with ReAssure and Prudential for a small number of members. Two of the funds offered are with profits funds and the other two are unit-linked funds. Providing a comparison between with profits funds and their peers is extremely difficult due to the differing terms and guarantees and timing of contributions, therefore value has not been assessed for these funds. The fees for the unit-linked AVC arrangements offered by Prudential are much higher than those typically seen in modern DC arrangements, although they are not out of line with many other legacy AVC arrangements.

The UK Equity fund has underperformed its benchmark over the three year period, whereas the Fixed Income Gilts fund has tracked its benchmark.

Value could potentially be improved for the members invested in these funds; however the Trustee acknowledges it may be challenging for it to source an alternative given the level of assets involved.

The Rebus Section of the Plan holds AVCs with Standard Life. Three of the funds available are with profits funds and the rest are unit-linked. Standard Life have provided charges and performance for the 1 and 5 year periods to 30 June 2023 for the unitised funds, however, benchmark data was not included. While the charges are much higher than seen in modern DC arrangements, no benchmark performance data was provided, therefore overall value is difficult to assess.

Net Investment Returns

The Occupational Pensions Plans (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 introduced new requirements for trustees of 'relevant' occupational pension schemes to calculate and publish the investment returns for the Plan's default arrangements, any additional default arrangements and those self-select investment options in which members were able to select over the year, after taking account 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 Plan year.

CSC Section

CSC Targeting Drawdown Lifestyle (Default)	Annualised returns to 30 June 2023	
	1 Year	5 Years
Age of member at start of period		
25	9.4%	6.0%
45	9.4%	6.0%
55	9.4%	5.2%

CSC Targeting Annuity Lifestyle	Annualised returns to 30 June 2023	
	1 Year	5 Years
Age of member at start of period		
25	9.4%	6.0%
45	9.4%	6.0%
55	9.4%	4.1%

CSC Targeting Cash Lifestyle	Annualised returns to 30 June 2023	
	1 Year	5 Years
Age of member at start of period		
25	9.4%	6.0%
45	9.4%	6.0%
55	9.4%	2.5%

Self-Select funds	Annualised returns to 30 June 2023	
	1 Year	5 Years
CSC All Shares Adventurous	12.3%	6.9%

CSC All Shares Adventurous (Active)*	7.7%	5.2%
CSC Multi Asset Adventurous (Active)	5.5%	3.7%
CSC Multi Asset Default	9.4%	6.0%
CSC Multi Asset Moderate	-0.6%	2.2%
CSC Multi Asset Moderate (Active)	0.9%	1.8%
CSC Diversified Growth	1.1%	3.2%
CSC Targeting Drawdown	2.9%	2.8%
CSC Targeting Annuity	-14.3%	-4.2%
CSC Targeting Cash*	3.0%	0.8%

Source: LGIM, SEI and Mercer estimates.

*These are technical default funds.

LPC DC Section

LPC DC Section Lifestyle (Default)	Annualised returns to 30 June 2023	
	1 Year	Since Inception*
Age of member at start of period		
25	10.2%	3.3%
45	10.2%	3.3%
55	10.2%	5.9%

* The LPC DC Section became a section of the Plan on 26 March 2021. Therefore, since inception return is shown instead of 5 years. Inception date taken as 31 of March 2021 for representative purposes

Self-Select funds	Annualised returns to 30 June 2023	
	1 Year	Since Inception*
UK Equity Index	7.7%	6.7%
Global Equity 60:40 Index	10.2%	6.4%
Fixed Interest	-25.0%	-20.5%
Cash	2.8%	1.4%

*The LPC DC Section became a section of the Plan on 26 March 2021. Therefore, since inception return is shown instead of 5 years. Since inception date taken as 31 March 2021 for representative purposes.

Source: LGIM and Mercer estimates.

CSC Section – AVCs

Self-Select funds	Annualised returns to 30 June 2023	
	1 Year	5 Years
SEI Aggressive	7.8%	5.3%
AVC Multi Asset*	9.7%	-
AVC Multi Asset (formerly the AVC Balanced)	9.6%	4.9%
AVC Multi Asset (formerly the Balanced Core)	9.5%	4.8%
Global Equity Market Weights (30:70) Index Fund	12.5%	7.0%

Fixed Interest Gilts (Over 15 Years)	-25.0%	-8.0%
Sterling Non-Gilts (Over 15 Years)	-15.9%	-5.2%
Liquidity	3.1%	0.9%
Sterling Non-Gilts	-7.8%	-2.0%
Index-Linked Gilts (Over 5 Years)	-20.0%	-5.5%
Diversified	1.3%	3.3%

Source: SEI, LGIM and Mercer estimates.

*Fund has only been added within last 3 years so 5 year performance history not available.

LPC Section – AVCs

Net of fees investment performance to the Plan year end was requested from Prudential, but this could only be provided to 30 September 2023. Therefore this has been reflected in the table below:

Self-Select funds	Annualised returns to 30 September 2023	
	1 Year	5 Years
Prudential UK Equity	13.9%	2.3%
Prudential Long Term Gilt Passive	-11.1%	-8.3%

Source: Prudential

Rebus Section – Standard Life AVCs

Self-Select funds	Annualised returns to 30 June 2023	
	1 Year	5 Years
Standard Life Managed Pension Fund	2.1%	2.4%
Standard Life North American Equity Pension Fund	6.1%	10.3%
Standard Life Stock Exchange Pension Fund	6.9%	4.5%
Standard Life Global Equity 50:50 Pension Fund	6.3%	3.9%
Standard Life Multi Asset Managed (20-60% Shares) Pension Fund	-1.4%	0.5%
Standard Life International Equity Pension Fund	8.2%	6.4%
Standard Life UK Equity Pension Fund	3.4%	0.6%
Standard Life At Retirement (Multi Asset Universal) Pension Fund	0.3%	1.0%
Standard Life European Equity Pension Fund	18.9%	6.1%
Standard Life FTSE Tracker Pension Fund	7.4%	2.1%
Standard Life Money Market Pension Fund	1.9%	0.0%

Source: Standard Life

Maintaining the Trustee's knowledge and understanding (TKU)

Requirements

In accordance with section 247 of the Pensions Act 2004, the Trustee Directors are required to maintain an appropriate level of knowledge and understanding which, together with professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Plan.

The Trustee Directors are also required to explain how their combined knowledge and understanding, together with the advice which is available to them, enables them to properly exercise their functions as trustees of the Plan.

The Trustee Directors must also be conversant with the Plan's own documentation, including the trust deed and rules, statement of investment principles and any other document recording current policy relating to the administration of the Plan generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustee Directors are able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee. In addition, Trustee Directors are also required to have a knowledge and understanding of the law relating to trusts and pensions.

How the Trustee Directors have met these requirements

The Trustee assesses its training needs annually in light of their business plan priorities and with regard to the statutory requirements. Each committee chair discusses training requirements with the Plan Secretary when agreeing each meeting agenda. In addition, the Trustee's advisers also suggest training sessions they feel would be beneficial to the Trustee's knowledge and understanding.

A number of training sessions were undertaken during the year to ensure the Trustee was up to date with the latest developments in pension law and industry trends. Activities included:

- Current regulatory and legislative developments training provided by the Plan's legal advisers
- The Trustee considered current topics papers on a quarterly basis from the Plan's DC Consultant, covering such items as industry trends and important legislative requirements relating to DC plans.
- A formal review of the investment strategy of the default arrangement was undertaken on 23 August 2022. The Trustee worked with its DC investment consultant to review the appropriateness of the DC Section's investment strategy, assessing the membership and taking into account current industry trends
- The Trustee completed its first Taskforce on Climate-related Financial Disclosures (TCFD) report for the Plan year. The Trustee worked with its DC investment advisers considering governance, strategy risk management and setting climate-related metrics and targets to assess against. Training was provided by the Trustee's DC investment adviser throughout the process.
- The Trustee completed a review of the AVC arrangements in the Plan in conjunction with its DC investment adviser following recent merger activity. Following the review the AVC fund range was rationalised and the underlying investments were updated to take into account current best practice in November 2022.

In addition to the above, the Trustee has been working with its advisers to consider the DC governance landscape, the wider DC landscape and where the Plan fits within this. Following this review, the Trustee has agreed to a proposal from the Company to use an alternative arrangement for future DC pension provision.

The Trustee Directors undertook a number of additional activities during the Plan year that involved giving detailed consideration to pensions and trust law, the Plan's governing documents and investment principles. This allowed them to exercise their knowledge and understanding and to further strengthen their capabilities. In particular, the Trustee, with the assistance of its legal advisers, has been undertaking a project to restructure the Plan Rules. This project is ongoing and a working group of the Trustee Directors have had a number of sessions with the legal advisers on this topic during the Plan year.

The Plan's legal advisers also attend Trustee and Committee meetings when required (either in person or by conference call) and provide ongoing support to the Trustee Directors in relation to legal matters and the interpretation of the Plan's documentation.

In addition to the above, the Statement of Investment Principles and Investment Policy Implementation Document for the DC Section of the Plan were reviewed and updated in February 2023.

The Trustee secretariat function is outsourced to professional advisers. Consequently, the Trustee's agendas and sub-committee agendas are prepared by professional advisers who do so with a view to ensuring compliance and best practice.

There were no board effectiveness surveys undertaken during the year. However, this is informally picked up between the Chair of Trustee and Trustee Secretary when discussing each quarterly board meeting agenda. The Trustee has an ongoing objective to monitor its meeting and governance arrangements to ensure effective decision making.

The Trustee Directors believe they have a good range of different skillsets and expertise. The Trustee Directors' combined knowledge and understanding complements this and, together with the advice available to them from a range of appointed professional advisers, gives them a broad base of knowledge and experience. This allows the Trustee Directors to identify and analyse issues and recognise where further advice may be required, so as to properly exercise their functions as a Trustee of the Plan.

Taking account of actions taken individually and as a Trustee body, together with the professional advice available to them, the Trustee Directors consider themselves able to exercise their function as Trustee appropriately.

The Chair's Statement regarding money purchase benefits governance was approved by the Trustee and signed on its behalf by:

Signed: *Mark Greenhalgh*

Date: 25th January 2024

Mark Greenhalgh
DXC Pension Trustee Ltd - Chair