

IBM PENSIONS TRUST

IBM Pension Plan (The Plan)

Annual Chair's Statement for the year ended 31 December 2023



This statement has been prepared by the Trustee of the Plan in accordance with regulation 23 of the occupational pension schemes (scheme administration) regulations 1996.

Regulations require the Trustee to prepare a statement showing how they have met certain minimum governance standards in relation to defined contribution (“DC”) benefits. As Chair of the Trustee, I have provided details of how the Trustee has embedded these standards for the year ended 31 December 2023.

This statement covers seven key areas:

- The investment strategy and performance relating to the Plan’s default arrangement(s);
- The processing of core financial transactions;
- Charges and transaction costs within the Plan;
- Value for Members assessment;
- Net Investment Returns;
- Underlying asset breakdown; and
- The Trustee’s compliance with the statutory Trustee knowledge and understanding (“TKU”) requirements.

This statement will be published on a publicly available website ([IBM Pensions Trust | Governance Documentation \(smartpensionsuk.co.uk\)](https://www.ibm-pensions-trust.co.uk/governance-documentation)) and the information concerning cost disclosures will be signposted in the annual benefit statements.

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1 Investment Principles

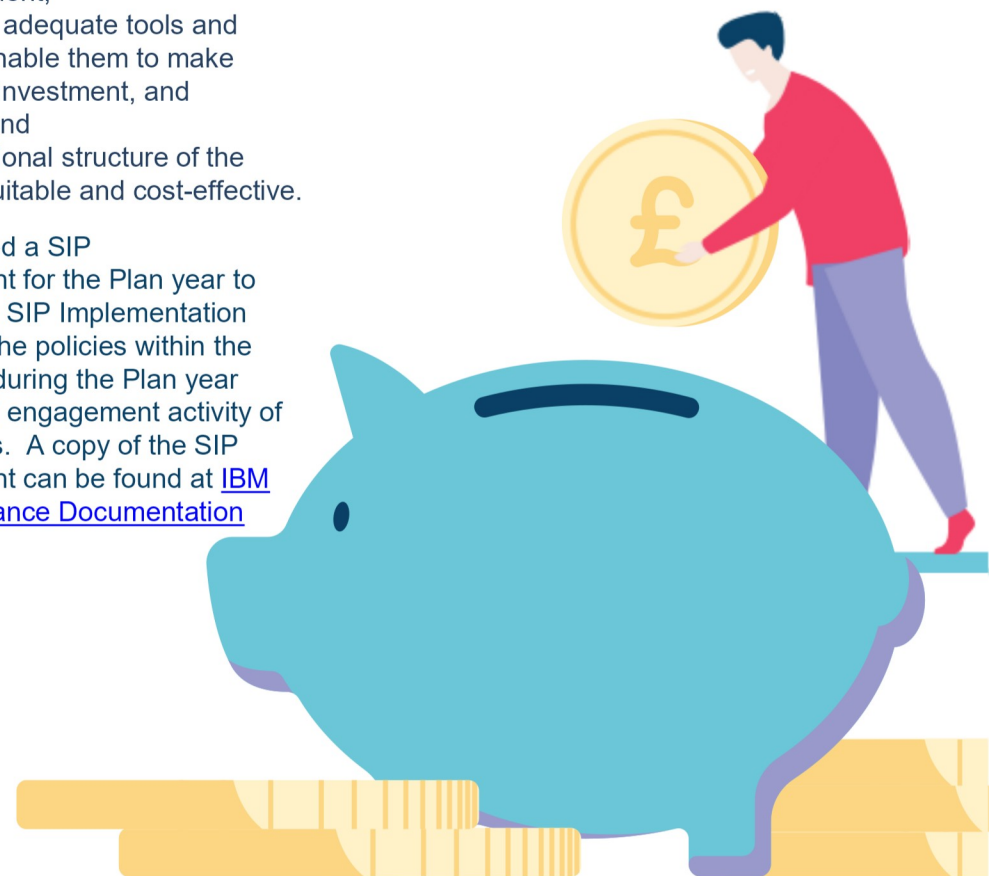
1.1 The Trustee's principal mission is to help members to maximise their retirement outcomes with an appropriate level of investment risk, by providing an investment framework which represents value for members, considering climate-related risks and opportunities where feasible, and which is in line with recognised market "good practice", taking into account guidance from the Pensions Regulator and other appropriate industry and regulatory bodies.

1.2 The Trustee's latest Statement of Investment Principles ("SIP") from November 2023, attached to this Chair's Statement, and accompanying Investment Policy Implementation Document ("IPID") have been prepared in accordance with Regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005. Specific reference to the investment principles overarching the Defined Contribution Section ("DC Section") of the Plan and further details of the Plan's current default investment arrangement(s), including their aims and objectives, can be found in Sections 6.11 to 6.44 of the SIP and Schedule C of the IPID.

1.3 The Trustee seeks to:

- Offer default investment strategies that are suitable for the profile of defaulting members based on their expected risk tolerances and retirement objectives and which embed climate change risk and opportunity considerations in their design;
- Offer a range of self-select ('Freestyle') investment options which are appropriate for the profile of most members and offer options for sustainable investment;
- Provide members with adequate tools and timely information to enable them to make informed contribution, investment, and retirement decisions; and
- Ensure that the operational structure of the Plan's DC section is suitable and cost-effective.

1.4 The Trustee has produced a SIP Implementation Statement for the Plan year to 31 December 2023. The SIP Implementation Statement sets out how the policies within the SIP have been followed during the Plan year along with the voting and engagement activity of the investment managers. A copy of the SIP Implementation Statement can be found at [IBM Pensions Trust | Governance Documentation \(smartpensionsuk.co.uk\)](https://www.ibm.com/uk/en/pensions/governance)

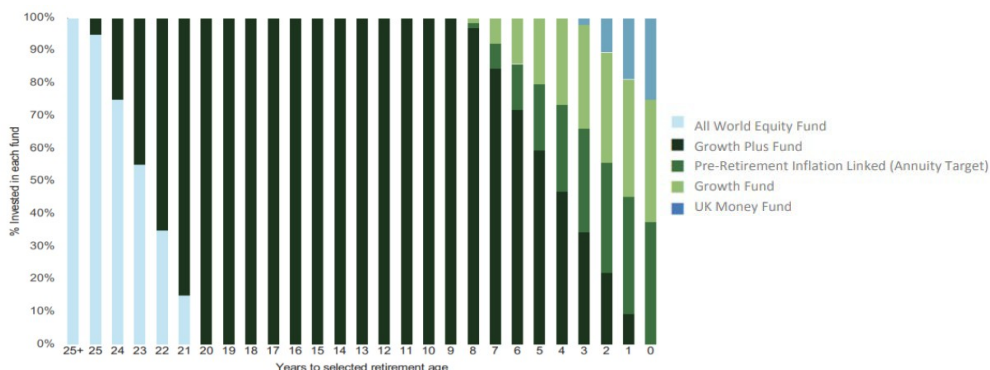


2 DC Section Investment Arrangements

2.1 Legal & General Assurance Society Limited (“LGAS”) supply bundled investment and administration services to the Trustee of the Plan. Members’ assets are held on Legal & General’s investment platform. There are a range of funds available to members on the platform which are mainly managed by Legal & General Investment Management Limited (“LGIM”) and one fund managed by HSBC Global Asset Management (“HSBC”).

Main Default Arrangement During the Plan Year – Lifecycle Balanced 2020

2.2 The Lifecycle Balanced 2020 incorporates a mixed annuity and drawdown target in addition to a 25% allocation to the Money Fund in the expectation that most members will take 25% of their DC savings as tax-free cash on retirement. The chart below shows the default arrangement structure that was in place during the Plan year ending 31 December 2023 (following implementation of the changes explained further on).



Source: LGAS

2.3 The Trustee, alongside its investment advisors, Mercer, last reviewed the Plan’s DC investment arrangements in 2022 when changes were agreed at the 8 June 2022 Trustee’s Investment Committee meeting. The review considered the retirement objective of the default Lifecycle Balanced 2020 strategy, as well as factors such as the impact of rising levels of inflation and the financial consequences of climate change on members’ pension savings.

2.4 The Trustee decided to maintain the Lifecycle Balanced 2020 strategy as the main default arrangement for DC members as part of the review in 2022 but agreed to the following underlying changes, which were implemented on 1 February 2023:

- a) Replaced some of the underlying components within the Growth and Growth Plus Funds, embedding Environmental, Social and Governance (ESG) focused funds to reduce the exposure of financial risks from climate change and increase protection against losses arising from inflation. (Note that this change is applicable to other Lifecycle strategies as listed in 2.5, the Lifecycle 2012 strategy and the Growth Plus Fund (DSL)); and
- b) Replaced the Pre-Retirement (Annuity Target) Fund with the Pre-Retirement Inflation-Linked (Annuity Target) Fund to help protect the value of members’ pension savings against losses arising from inflation. (Note that this change is also applicable to the Lifecycle to Annuity 2020 and Lifecycle 2012 strategies).

Alternative Investment Arrangements

2.5 During the Plan year, members were offered three alternative Lifecycle investment strategies which respectively targeted annuity, cash and drawdown retirement objectives. These are:

- Lifecycle to Annuity 2020 strategy;
- Lifecycle to Lump Sum 2020 strategy; and
- Lifecycle to Drawdown 2020 strategy.

Legacy Default Arrangements

2.6 There are currently two legacy default investment strategies that are no longer open to new member selection:

- Lifestyle 2002; and
- Lifecycle 2012.

2.7 As part of the investment review undertaken in 2022, the Trustee decided to close three of the legacy default arrangements which were in existence at the start of 2023 and which targeted an annuity retirement objective – Lifestyle 1997, Lifecycle to Annuity and Lifestyle 1997 (DSL). Accordingly, these strategies were closed and members' pension savings and their ongoing contributions were mapped to the Lifecycle Balanced 2020 and the Lifecycle Balanced 2020 (DSL) arrangements in January 2023. Members could select alternative fund options for their investments and ongoing contributions to be mapped into.

2.8 As part of a further review of the legacy lifecycles undertaken in June 2023, the Trustee decided that members invested in Lifecycle to Lump Sum and Lifecycle to Drawdown should be moved to the Lifecycle to Lump Sum 2020 and Lifecycle to Drawdown 2020, respectively. These changes were completed by October 2023.

2.9 The Lifecycle to Annuity and Lifecycle to Lump Sum were also additional defaults during part of the Plan's year until their closure in January 2023 and in October 2023, respectively (see notes 2.7 and 2.8).

Additional Default Arrangements

2.10 In accordance with the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Trustee has identified the following investment options as additional 'default arrangements' (as defined by these regulations):

- Growth Plus Fund (DSL);
- Money Fund;
- Lifecycle to Annuity 2020;
- Lifecycle to Lump Sum 2020;
- Lifecycle to Drawdown 2020; and
- Lifecycle Balanced 2020 (DSL).

2.11 The Lifecycle to Annuity and Lifecycle to Lump Sum were also additional defaults during part of the Plan's year until their closure in January 2023 and in October 2023, respectively (see notes 2.7 and 2.8).

2.12 The Lifecycle to Balanced 2020 (DSL) was opened following the closure of the Lifestyle 1997 (DSL).

2.13 These have been identified as 'default arrangements' as members' pension savings have been directed to these funds without members instructing the Trustee where their pension savings are to be invested; this is due to historic fund mapping exercises. The most recent review of the additional default arrangements was completed as part of the 2022 investment review and changes were made to the Lifecycle strategies and Growth Plus (DSL) Fund as outlined in 2.4. Changes were implemented in Q1 2023 and in Q3 2023. Additionally, there was a review of the legacy arrangements undertaken in 2023 as outlined in 2.8.



Self-Select (“Freestyle”) Fund Range

- 2.14** The fund range includes a wide range of asset classes which offer different levels of risk and return; for example: developed market equities, emerging market equities, real estate, listed infrastructure, annuity target funds, money market investments, gilts, and index-linked gilts. Within the fund range, two multi-asset Funds, the Growth and Growth Plus Funds, are available to members and provide exposure to a diversified range of asset classes (including commodities). The Trustee also makes available two ethical equity funds, a Shariah equity fund as well as a range of sustainable funds at competitive fees.
- 2.15** A review of the Plan’s Freestyle Fund range was last conducted in 2022 with new funds added in November 2022.
- 2.16** The Trustee will continue to keep the investment arrangements under regular review and will amend them as appropriate based on analysis of the likely requirements of Plan members. The next triennial investment strategy review is due by 2025. The Trustee is working with their investment advisor on the initial analysis for this review. Further details will be included in the 2024 Chair’s statement.

Investment Performance

- 2.17** The performance of each of the Plan’s funds, including those funds used in the default investment arrangements, are reviewed by the Trustee at each quarterly meeting. This includes fund performance against benchmarks over both shorter and longer-term periods. The Trustee also obtains periodic updates from its investment advisor on factors that have impacted performance, and on developments concerning the Plan’s investment providers that may influence future performance, including changes of senior personnel.
- 2.18** The Trustee is comfortable with the longer-term performance of the funds and their aims and objectives.

Security of assets

- 2.19** On an annual basis, the Trustee commissions its legal advisors, Sacker & Partners LLP, to revisit the position on the security of members’ assets against loss. The most recent review, which was conducted in November 2023, concluded that the overall position on asset security under the bundled arrangement with LGAS was acceptable relative to the security available in the wider market.



Environmental, Social and Governance

- 2.20** The Trustee believes that environmental, social, and governance (ESG) factors, including climate change, can impact the performance of the Plan's investments over the medium to long-term. The Trustee has delegated responsibility for the selection, retention, and realisation of investments to its investment managers and accordingly, the Trustee seeks to manage the risks and opportunities associated with these ESG factors by selecting industry leaders in investment management and against criteria which include ESG considerations.
- 2.21** The Trustee supports the aims of the UK Stewardship Code, and its investment managers are invited to operate in accordance with the guidelines laid out in the Stewardship Code which covers matters of both voting and engagement. The investment managers are encouraged to report their adherence to The Stewardship Code using the "comply" or "explain" principle where appropriate.
- 2.22** The Trustee has an ESG sub-committee to focus on the development of its ESG policies and climate-related disclosures.
- 2.23** The Trustee published its third Climate Change-related Disclosures report for the year to 31 December 2023 which provides further details on the progress against the Trustee's climate targets, how climate risks are being monitored and managed along with actions that have been taken by the Trustee. The report is available online at [IBM Pensions Trust | Governance \(smartpensionsuk.co.uk\)](https://www.ibm-pensions.co.uk/governance)



3 Core Financial Transactions

3.1 The Trustee recognises the importance of processing financial transactions promptly and accurately, as failure to do so may have an adverse effect on member outcomes and may result in members disengaging with the Plan.

3.2 The Trustee therefore operates measures and controls aimed at ensuring that all core financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately. Core financial transactions include:

- Investment of contributions paid to the Plan;
- Transfer of members' assets into and out of the Plan;
- Transfers of members' assets between investment options available in the Plan; and
- Payments from the Plan to or in respect of members/beneficiaries.

Service Level Agreement

3.3 A Service Level Agreement ("SLA") is in place between the Trustee and the administrator of the DC Section of the Plan (LGAS) for the administration services that are provided to assist the Trustee in fulfilling its regulatory duties. The services in scope include:

- Financial services (including the provision of timely and accurate processing of core financial transactions);
- Member administration;
- Service levels and timelines in respect of the administration service; and
- The preparation and provision of regulatory reporting requirements.

3.4 There is also a separate SLA in place between the Trustee and IBM Pensions Trust, which covers:

- Secretarial and Trustee management services;
- Financial Services;
- Operations; and
- Preparation of the Annual Report and Financial Statements of the Plan.

3.5 The Trustee reviews its SLAs with LGAS and IBM Pensions Trust on a triennial basis to determine whether the scope of responsibilities and tasks remains appropriate, and whether the targets set meet or exceed regulatory requirements. The Trustee last reviewed its SLAs with LGAS and IBM Pensions Trust at the March 2024 Governance Committee meeting.

3.6 LGAS join weekly Operations calls with IBM Pensions Trust in order to maintain a continued dialogue around operational performance and matters arising.

3.7 In addition, the Trustee's Governance Committee met during the Plan year to review the LGAS quarterly governance reports. LGAS were invited to 3 of the 4 meetings in 2023 (though LGAS always submit a governance report before every Governance Committee meeting). The LGAS governance reports provide an update on performance against the SLA and any significant issues that may have arisen in the previous quarter as well as other key operational measures.

Timeliness of Financial Transactions

3.8 During the Plan year, the timeliness of financial transactions was reported via the quarterly governance reports provided by LGAS. A summary of the SLA performance is reported to the full Trustee Board each quarter. In addition, monthly service calls are also held between the IBM Pensions Trust and LGAS where SLAs are discussed. The Pensions Trust also has access to real-time SLAs via L&G's My Scheme Intelligence online portal.

3.9 In 2023 DC contribution payments to LGAS were received and invested within 48 hours. Investment switch requests were also processed within 48 hours. This was achieved consistently throughout the Plan year.

3.10 The IBM Pensions Trust Finance Manager approved income, expense, and balance sheet accounting reconciliations for the full year by the end of January 2024 ensuring accuracy and integrity of the fund accounts. Account reconciliations reflect transactions incurred throughout the year, and accruals made for entries not yet incurred, but relevant for the 2023 financial year. Typical reconciliations include, but are not limited to, benefit payments, transfer out transactions, payments/accruals for invoices, income from investments, cash accounts and VAT.

Accuracy of Financial Transactions

3.11 The LGAS administration team delivered consistent service levels throughout the year. Details of how LGAS have serviced IBM members specifically, through the dedicated Own Trust team and IBM-dedicated specialists has been shared with the Governance Committee.

3.12 The LGAS administration team survey the interactions they have with members they support and use an independent company to email members from all LGAS clients to gather feedback. Overall, in 2023, the Net Promoter Score (NPS) was at +36 (2022: +30, 2021: +28). NPS is a measure of customer satisfaction.

3.13 Over the course of the Plan year, improvements in service levels and NPS have been driven by the different factors below:

- a) The operating effectiveness of the controls and quality processes at LGAS are reviewed as part of the annual AAF01/20 report on internal controls. As a wider business, LGAS have also adopted the ISO9001 quality assurance certificate.
- b) Webchat facility and virtual assistant is in place. The member satisfaction scores illustrate the effectiveness of these channels.
- c) Service transformation is ongoing. Positive developments within the year included end to end measurement, online scanning and document management using Generative Artificial Intelligence (AI) to read documents, more online member capability for self-service e.g. enhancement to the online Member Nomination process, telephony platform enhancements, robotics, and future AI ideation.
- d) The operations team also have an ongoing process transformation programme that involves improving the core system and processes. The core objectives being to enhance operational efficiency, colleague and member experience, future business scalability and future transformation efficiencies.

- e) The strong focus on Operational Planning has continued to be successful in 2023 with the correct resource being allocated and business planning delivered to ensure the LGAS operations team have the right resource in place to respond to member demand.
- f) There has also been significant investment in colleague development with a strong focus on apprenticeships in the Operations area for both new and existing colleagues to enable them to have the right skills for future development and to develop team members into more senior roles.

3.14 The Governance Committee and LGAS agreed a 95% SLA target for all the processes including several services such as Transfer Payment, Processing of members' contributions, Divorce Quote, Surrender, Investment Management (Switches) and others.

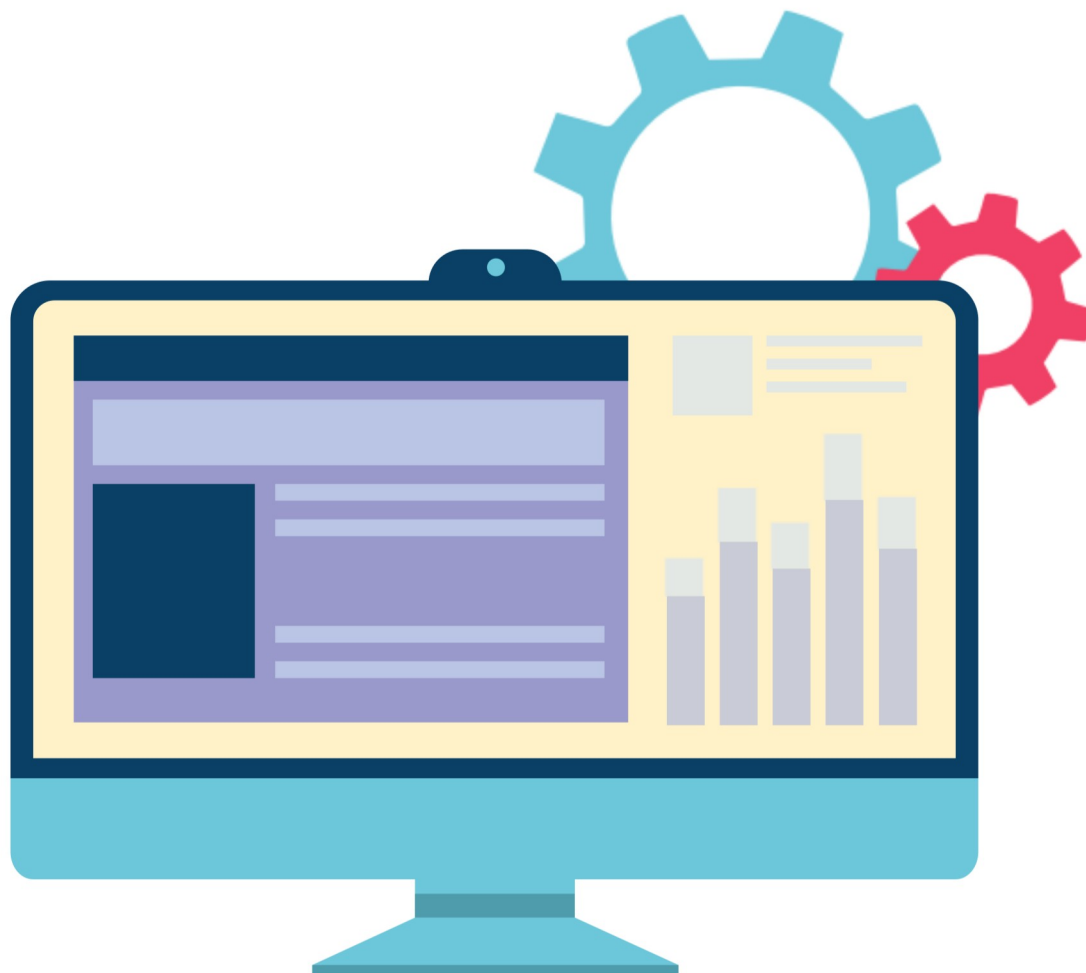
3.15 The 95% SLA target was met for most of the agreed service levels. IBM Pensions Trust have weekly meetings with LGAS to resolve any issues. Any significant issues are subsequently reported in the quarterly Governance Committee meetings where there are opportunities for the Committee to raise questions and consider further. LGAS confirmed that there have been no material administration issues in relation to processing core financial transactions, as a result of Straight Through Processing (automated processing carried out through electronic transfers with no manual intervention involved).

Business Continuity, GDPR and Cyber Security

- 3.16** The Trustee also maintains a Business Continuity Plan ("BCP") to ensure that asset management and benefit management processes can be successfully restarted if a disaster were to occur that would compromise the running of the Plan's administration. Arrangements are in place for routinely reporting the results of the BCP revalidation and testing exercises to the Governance Committee.
- 3.17** The Trustee continues to monitor the requirements around General Data Protection Regulation ("GDPR"), with data minimisation and retention being the key areas to address.

Summary

- 3.18** Overall, the Trustee is satisfied that all core financial transactions have been processed promptly and accurately during the Plan year. The Trustee is also satisfied that, given the processes and monitoring procedures noted above, it would be able to identify and respond to any material administration issues if they were to arise in the future.



4 Charges and Transaction Costs

- 4.1 The Trustee has a regulatory requirement to report on the charges and transaction costs for the default and self-select arrangements and their assessment of the extent to which these charges and costs represent good value for members.
- 4.2 In assessing overall 'Value for Members', the Trustee believes that charges and costs should be considered alongside expected member outcomes. Charges and costs are an important consideration, but a number of other qualitative and quantitative factors are also considered in a holistic manner when making strategic decisions in relation to investment strategy with good outcomes for members being the ultimate goal for the Plan.
- 4.3 All funds attract ongoing fund charges and transaction costs, which are deducted from the funds, and which are further defined on pages 14 and 15.
- 4.4 Other than these ongoing fund charges and transaction costs, the employer, IBM United Kingdom Limited, covers the cost of all other expenses related to pension's management and administration services.

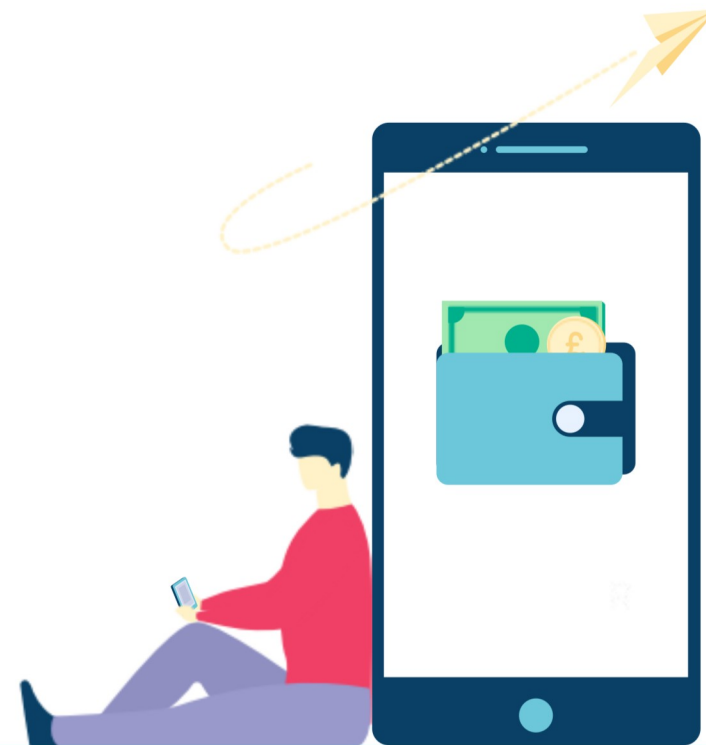
Charges

- 4.5 Ongoing fund charges include both the investment management charge ("IMC"), which is applied by LGIM as a percentage of the assets held within each fund to cover the cost of managing the investments, and other ongoing charges such as indirect fees. Taken together, these are known as the "total expense ratio" (or "TER") and are deducted via the unit price of each fund.

Transaction costs

- 4.6 Transaction costs are incurred by investment managers as a result of buying, selling, lending or borrowing investments.
- 4.7 These costs are typically categorised as being 'explicit' costs which are directly observable (such as broker commissions, transaction taxes and exchange fees), or 'implicit' costs which arise from the response of the market to trade or the timing of a trade.
- 4.8 FCA regulations since January 2018 require that firms managing DC pension schemes must be able to provide, among other things, information about implicit transaction costs calculated according to the 'slippage cost'¹ methodology. These implicit costs are not directly deducted from the fund but are captured in investment returns. They are therefore taken into account when net of fees performance is considered.

- 4.9 The Trustee fully supports transparency of costs for members. However, the key consideration for members is the performance produced net of fees; a cheaper fund does not necessarily deliver the best value for members.



¹Transaction costs are costs incurred by fund managers as a result of buying, selling, lending or borrowing investments, and include both 'explicit' and 'implicit' costs. Implicit transaction costs are calculated using the 'slippage cost' methodology which compares the price of the stocks being traded when a transaction was executed with the price at which the transaction was requested. Market movements during any delay in transacting may be positive or negative and may also outweigh other explicit transaction costs. For this reason, overall transaction costs calculated on the slippage method can be negative (beneficial to members) as well as positive.

Charges and Costs by Fund

- 4.10** A regulatory charge cap of 0.75% per annum (p.a.) was introduced in 2015 and applies to all default investment arrangements. The main default arrangement, the Lifecycle Balanced 2020 investment strategy, has a TER of between 0.09% p.a. and 0.16% p.a. of assets under management, depending on the stage at which a member's savings are invested within the strategy, and is well within the charge cap.
- 4.11** The legacy default arrangements which were in place during the Plan Year also have TERs below the charge cap of 0.75% p.a., as detailed below. Each strategy has a range of TERs depending on the stage at which a member's savings are invested within the strategy:
- a) The Lifecycle 2012 strategy has a TER ranging between 0.07% and 0.15% p.a.; and
 - b) The Lifestyle 2002 strategy has a TER ranging between 0.05% and 0.11% p.a.

Three legacy default arrangements were closed during January 2023, namely, the Lifestyle 1997, Lifestyle 1997 (DSL) and Lifecycle to Annuity. Due to the short period which these legacy default arrangements were available during the year, we have quoted the TERs as at 31 December 2022 for illustrative purposes. These ranged from 0.04% to 0.11% p.a., 0.00% to 0.05% p.a. and 0.08% to 0.14% p.a. respectively.

- 4.12** The Plan also has additional 'technical defaults' which were in use during the Plan year. The costs and charges for these are set out below and are all below the charge cap of 0.75% p.a.. Each strategy has a range of TERs depending on the stage at which a member's savings are invested within the strategy:

- a) The Growth Plus (DSL) Fund (for a small group of members of the Data Sciences section of the Plan) has a TER of 0.01% p.a.;
- b) The Money Fund has a TER of 0.06% p.a.;
- c) The Lifecycle to Annuity 2020 strategy has a TER ranging between 0.07% and 0.16% p.a.;
- d) The Lifecycle to Lump Sum 2020 strategy has a TER ranging between 0.06% and 0.16% p.a.;
- e) The Lifecycle to Drawdown 2020 strategy has a TER ranging between 0.09% and 0.16% p.a.;
- f) The Lifecycle Balanced 2020 (DSL) strategy has a TER ranging between 0.00% and 0.01% p.a.¹
- g) The Lifecycle to Lump Sum strategy was closed during the year in October 2023. Due to the shortened period this was available during the year we have quoted the TERs as at 31 December 2022 for illustrative purposes. The Lifecycle to Lump Sum strategy had a TER ranging between 0.09% and 0.14% p.a.

- 4.13** All other investment options within the Freestyle range of funds attract TERs that are below the charge cap. The TERs for the individual funds range from 0.04% p.a. to 0.35% p.a. and are detailed in the tables on page 14 and 15.

- 4.14** This tables on page 14 and 15 provide details of both the IMCs and TERs as of 31 December 2023 for the investment funds available to members during the Plan year and summarises the transaction costs incurred. Transaction costs shown in this table are based on the full slippage cost methodology in compliance with the FCA's Conduct of business sourcebook rule 19.8 and are for the period from 1 January 2023 to 31 December 2023.

- 4.15** There are no performance-based fees relating to any of the default arrangements in the Plan.



¹ Investment management charges for certain Data Sciences funds are borne by the Employer.

Asset Class	Fund IMC (% p.a.)	Fund TER ** (% p.a.)	Transaction Costs (% p.a.)	Total of TER & Transaction Costs (% p.a.)
Multi-Asset Funds				
Growth Fund* ^{1,2}	0.14	0.14	0.10	0.25
Growth Plus Fund* ^{1,2}	0.15	0.16	0.10	0.26
Growth Plus Fund (formerly Consensus) *	0.15	0.16	0.10	0.26
Equity Funds				
Global Equity 70:30 Index Fund ³	0.06	0.11	0.00	0.12
Global Equity 60:40 Index Fund ^{2,3}	0.06	0.11	0.01	0.12
All World Equity Index Fund ^{1,2}	0.09	0.09	0.07	0.16
World (ex-UK) Developed Equity Index Fund	0.06	0.07	0.05	0.11
UK Equity Index Fund	0.05	0.13	-0.01	0.11
Cash Funds				
Money Fund ^{1,2}	0.05	0.06	-0.05	0.01
Specialist Funds				
Global Real Estate Equity - GBP Hedged Fund	0.20	0.22	0.12	0.34
Infrastructure Equity MFG - GBP Hedged Fund	0.34	0.34	0.05	0.39
Emerging Market Debt Fund	0.18	0.18	0.04	0.23
World Emerging Markets Equity Index Fund	0.20	0.22	0.12	0.34
Fixed Income Funds				
Over 15 year Gilts Index Fund ²	0.04	0.04	0.00	0.04
Annuity Protection Index Fund ^{2,3}	0.04	0.04	0.03	0.07
Investment Grade Corporate Bond All stocks Index Fund	0.07	0.07	-0.04	0.03
All Stocks Index Linked Gilts Fund	0.04	0.04	0.04	0.08

*These are blended funds; information on the underlying funds' ratings can be found in the Appendix.

** The TER does not include the Administration fee of 0.03% paid by the Company. The funds' TERs have been calculated using the actual additional expenses occurred in the year up to 31 December 2023 from the Cost Transparency Initiative ("CTI") data provided by LGIM in addition to the funds' IMC.

Source: LGIM. Figures as 31 December 2023, may not sum due to rounding. This information relies upon data provided by third parties.

¹ Funds form part of the default Lifecycle Balanced 2020 arrangement.

² Funds are used within the legacy and / or technical default investment arrangements.

³ Funds are closed to new member elections.

⁴ Funds form part of the default Lifecycle Balanced 2020 DSL arrangement.

Asset Class	Fund IMC (% p.a.)	Fund TER ** (% p.a.)	Transaction Costs (% p.a.)	Total of TER & Transaction Costs (% p.a.)
ESG and Ethical Funds				
Future World Fund	0.22	0.23	0.15	0.38
Ethical UK Equity Index Fund	0.15	0.15	0.01	0.17
Ethical Global Equity Index Fund	0.17	0.18	0.05	0.23
Sustainable Developed (ex UK) Equity Index Fund	0.11	0.11	0.03	0.15
Sustainable Global Equity Index Fund	0.12	0.13	0.06	0.19
Sustainable UK Equity Index Fund	0.08	0.08	0.09	0.17
Sustainable Emerging Markets Equity Index Fund	0.23	0.25	0.06	0.31
Sustainable Corporate Bond Fund	0.10	0.09	-0.04	0.05
HSBC Shariah Fund	0.23	0.35	-0.06	0.29
Pre-retirement (Annuity Target) Fund	0.07	0.07	-0.06	0.01
Pre-retirement Inflation linked (Annuity Target) Fund ^{1,2}	0.07	0.07	0.05	0.12
DSL Funds⁴				
All World Equity Index DSL Fund	0.00	0.00	0.07	0.07
Growth Plus DSL Fund	0.00	0.01	0.08	0.09
Growth DSL Fund	0.00	0.00	0.05	0.05
Pre-Retirement Inflation Linked (Annuity Target) DSL Fund	0.00	0.00	0.05	0.05
Money DSL Fund	0.00	0.01	-0.05	-0.04

*These are blended funds; information on the underlying funds' ratings can be found in the Appendix.

** The TER does not include the Administration fee of 0.03% paid by the Company. The funds' TERs have been calculated using the actual additional expenses occurred in the year up to 31 December 2023 from the Cost Transparency Initiative ("CTI") data provided by LGIM in addition to the funds' IMC.

Source: LGIM. Figures as 31 December 2023, may not sum due to rounding. This information relies upon data provided by third parties.

¹ Funds form part of the default Lifecycle Balanced 2020 arrangement.

² Funds are used within the legacy and / or technical default investment arrangements.

³ Funds are closed to new member elections.

⁴ Funds form part of the default Lifecycle Balanced 2020 DSL arrangement.

Additional Contributions

4.16 In addition to funds invested with LGIM, as at 31 December 2023, the Plan also held legacy with-profits additional contributions with Aviva Life & Pensions UK Limited (“Aviva”). During the Plan year, member withdrawals of these contributions were administered by XPS Pensions Group, the Trustee’s administrator for the DB section of the Plan. The Trustee communicates annually with members regarding these holdings. In 2024, the Trustee’s investment advisor, Mercer, conducted a review of these additional contributions held with Aviva and recommended some actions around further communications with members that the Trustee will be taking forward. The Trustee will continue to incorporate the Aviva with-profits fund as part of its annual Value for Members assessment.

4.17 Charges and costs for the Aviva with-profits funds can be summarised as follows:

Fund	Fund TER (% p.a.)	Transaction Costs (% p.a.)	Total of TER & Transaction costs (% p.a.)
Aviva With-Profits Funds	0.5	0.089	0.589

Source: Aviva. This information relies upon data provided by third parties. Note charges are currently only available to 30 September 2023.

All other AVCs are invested within the main DC arrangements with LGAS.

The Compounding Effect of Charges and Costs on Members’ DC Pensions Savings

4.18 The Trustee has prepared an illustration detailing the cumulative effect of charges and costs typically borne by a member of the Plan on their pension savings pot using the charges and transaction cost data provided by LGAS and in accordance with regulatory requirements and statutory guidance. The illustrations can be found on [IBM Pensions Trust | Governance Documentation \(smartpensionsuk.co.uk\)](https://www.ibm-pensions-trust.co.uk/governance-documentation).

4.19 The latest regulatory requirement and statutory guidance sets out that trustees and managers should present the impact of charges and costs typically paid by a member as a figure in pounds, or pounds and pence.

4.20 The illustrations have taken into account the following elements:

- 1) Savings pot size;
- 2) Salary increases and inflation;
- 3) Contributions;
- 4) Real terms investment return, gross of charges and costs;
- 5) Adjustment for the effect of charges and costs; and
- 6) Time

4.21 To illustrate the impact of charges on a typical member’s pension savings pot, we have provided examples below:

- For the purposes of the charges and costs illustrations, all active members are assumed to maintain a consistent % of salary contribution per year to their pension (with salary expected to grow in line with inflation) and a member’s retirement age is assumed to be 65. This may differ from your normal retirement age or your target retirement age.

- Active members:

Younger (Age 31):	A starting annual contribution of £5,635	A starting fund value of £89,900
Average (Age 52):	A starting annual contribution of £10,700	A starting fund value of £97,050

- Deferred members:

Younger (Age 31):	No ongoing contributions	A starting fund value of £89,900
Average (Age 52):	No ongoing contributions	A starting fund value of £97,050

- The illustrations include all member costs, including the Total Expense Ratio, estimated transaction costs and inflation.

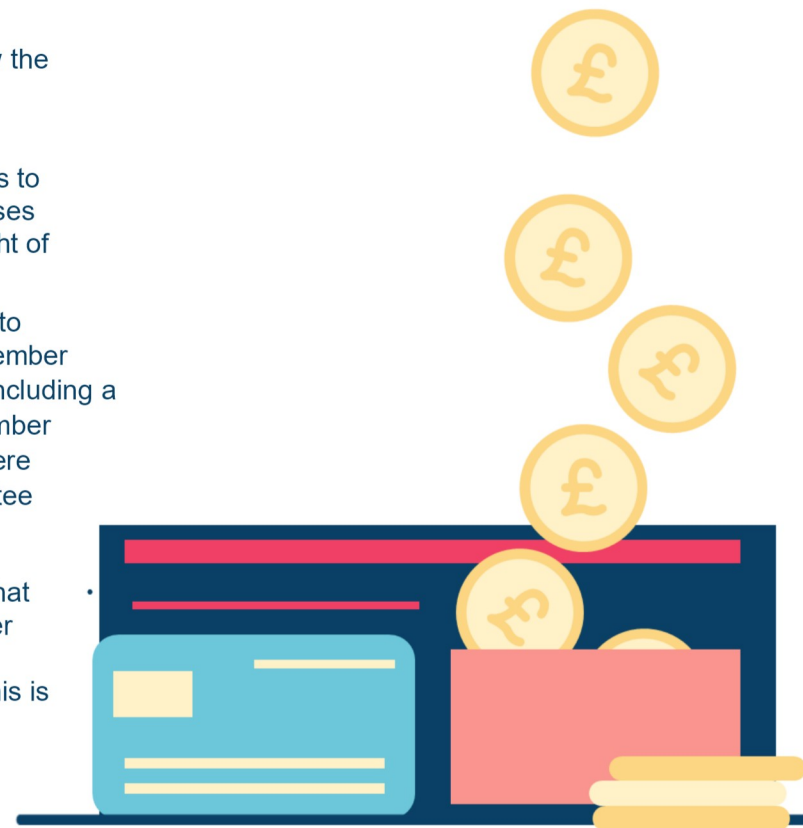
- The gross projected real growth rate for each fund and the usage in each of the arrangements are as follows:

Fund	Gross Projected Real Growth Rate (% p.a.)	Default Arrangement	Legacy Default Arrangement		Technical Default Arrangement			
		Lifecycle Balanced 2020	Lifestyle 2002	Lifecycle 2012	Lifecycle to Annuity 2020	Lifecycle to Lump Sum 2020	Lifecycle to Drawdown 2020	Lifecycle to Balanced (2020)
All World Equity Index Fund	2.5	✓		✓	✓	✓	✓	✓
Growth Plus Fund	0.5	✓		✓	✓	✓	✓	✓
Growth Fund	0.5	✓		✓			✓	✓
Pre-retirement Inflation linked (Annuity Target) Fund	2.5	✓		✓	✓			✓
Money Fund (lowest charging)	-1.5	✓	✓	✓	✓	✓	✓	✓
Global Equity 60:40 Index Fund	2.5		✓					
Annuity Protection Fund	2.5		✓					
Infrastructure Equity Fund (highest charging)	4.5							
Growth Plus Fund (DSL)	0.5							

The funds' projected real growth rates are based on AS TM1 v5.0 SMPI guidance as owned by the Financial Reporting Council.

5 Value for Members

- 5.1** The Trustee is required to undertake a review of the charges and costs incurred by members to ascertain whether they represent good value for members.
- 5.2** The Trustee is committed to ensuring that members receive good value from the Plan. In conjunction with the Trustee's investment advisors, the Trustee has undertaken a formal value for members' assessment ("VFM"); this has been the case since 2015. In March 2024, Mercer conducted the Trustee's most recent VFM assessment evaluating the charges borne by members in relation to the services received during 2023.
- 5.3** The overall Value for Member assessment covered the following aspects:
- Investment charges for the default and self-select arrangements (paid for by the member);
 - Transaction costs;
 - Performance of the investment funds;
 - Mercer's ratings for the funds;
 - Plan governance;
 - Investment design and range;
 - Member services; and
 - The costs funded by the Company, (rather than the member) of:
 - o Plan administration;
 - o Trustee's advisory costs; and
 - o Member communication.
- 5.4** Mercer has concluded that the charges and costs represent good value for members and that the funds offered to members are:
- Highly rated by Mercer;
 - Offer a competitive fee rate (relative to peer group analysis and standard fees); and
 - Are performing in line with expectations over the longer-term.
- 5.5** In addition to this:
- Charges for the default investment arrangements are significantly below the charge cap of 0.75% p.a.;
 - There is a wide range of investment options which gives members access to traditional and alternative asset classes with ongoing monitoring and oversight of fund performance; and
 - Regular communications are issued to members either directly or via the member site (www.smartpensionsuk.co.uk), including a member survey undertaken in November 2023 following which, the findings were discussed in the Investment Committee meeting held in December 2023.
- 5.6** In summary, Mercer has considered that the Plan's fund range continues to offer **'good value'** for member in terms of price, performance and productivity; this is Mercer's highest rating.



6 Long-term Net Investment Returns

- 6.1** Trustees are required to report on the net investment returns for the Plan's default arrangement(s) and for each fund/strategy which Plan members are, or have been able to, select, and in which members are invested during the Plan year. Net investment returns refer to the returns on funds minus all transaction costs and charges.
- 6.2** The table below includes the long-term net investment return for the Plan's default arrangement(s) which have been calculated in accordance with the statutory guidance.

Strategy	Annualised returns to 31/12/2023 (%)		
Lifecycle Balanced 2020 (Default)			
Age of member	1 Year	Since inception date of 01/12/20	
25	20.2	8.1	
45	14.3	6.9	
55	14.3	6.8	
Lifecycle to Annuity 2020			
Age of member	1 Year	Since inception date of 01/12/20	
25	20.2	8.1	
45	14.3	6.9	
55	14.3	6.8	
Lifecycle Lump Sum 2020			
Age of member	1 Year	Since inception date of 01/12/20	
25	20.2	8.1	
45	14.3	6.9	
55	14.3	6.8	
Lifecycle to Drawdown 2020			
Age of member	1 Year	Since inception date of 01/12/20	
25	20.2	8.1	
45	14.3	6.9	
55	14.3	6.8	
Lifecycle to Balanced 2020 (DSL)			
Age of member	Since inception date of 01/02/2023		
25	14.8		
45	10.4		
55	10.4		

Strategy	Annualised returns to 31/12/2022 (%)		
Lifecycle 2012			
Age of member	1 Year	5 Years	10 Years
25	20.2	11.6	9.9
45	14.3	9.2	6.9
55	8.7	4.1	3.8
Lifestyle 2002			
Age of member	1 Year	5 Years	10 Years
25	10.8	8.6	7.4
45	10.8	8.6	7.4
55	10.8	8.6	3.4

Source: LGIM and Mercer. 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 lifecycle, with the weightings as at the ages shown. Assumed retirement age is 65.

For an arrangement where the net returns vary with age – for example a lifestyle arrangement, specific results for savers aged 25, 45, and have been used.

The 2020 lifecycle arrangements have been in place for less than 5 years and hence the 5 year and 10 year performance are not available.

6.3 The table below includes the long-term net investment return for the Plan's Freestyle funds calculated in accordance with the statutory guidance:

Freestyle fund	Inception Date	Annualised net returns to 31/12/2023 (%p.a.)		
		1 year	5 years	10 years
Growth Fund^{1,2}	04/04/2012	8.7	4.1	-
Growth Plus Fund^{1,2}	04/04/2012	14.3	9.2	-
Growth Plus Fund (DSL) ^{3,4}	08/04/1997	14.5	9.4	-
Global Equity 70:30 Index Fund ³	09/04/1997	10.1	8.5	-
Global Equity 60:40 Index Fund ^{2,3}	06/12/2002	10.8	8.6	-
All World Equity Index Fund^{1,2}	04/04/2012	20.2	11.6	-
World (ex-UK) Developed Equity Index Fund	05/10/2011	20.5	13.2	-
UK Equity Index Fund	05/10/2011	7.7	6.7	-
Money Fund^{1,2,4}	15/07/2009	4.7	1.4	-
Global Real Estate Equity - GBP Hedged Fund	23/03/2015	10.5	3.3	-
Infrastructure Equity MFG - GBP Hedged Fund	19/08/2013	0.5	6.5	-
Emerging Market Debt Fund	17/04/2012	8.0	1.0	-
World Emerging Markets Equity Index Fund	17/04/2012	2.6	4.3	-
Over 15 year Gilts Index Fund	09/04/1997	2.1	-6.4	-
Annuity Protection Index Fund ^{2,3}	06/12/2002	1.9	-5.2	-
Investment Grade Corporate Bond All stocks Index Fund	17/04/2012	8.8	0.4	-
All Stocks Index Linked Gilts Fund	17/04/2012	2.3	-3.7	-

Source: LGIM, net of fees. Funds in bold are components of the Plan's default investment arrangement. We note that the performance figures shown above reflect the underlying pooled fund used by the Plan and is based on daily midday mid-prices.

¹ Funds form part of the default Lifecycle Balanced 2020 arrangement.

² Funds are used within the legacy default investment arrangements.

³ Funds are closed to new member elections.

⁴ This fund is also a 'technical default'.

(-) represents performance data that is not available due to the inception date of the fund.

Freestyle fund	Inception Date	Annualised net returns to 31/12/2023 (%p.a.)		
		1 year	5 years	10 years
Future World Fund	08/01/2021	17.3	-	-
Ethical UK Equity Index Fund	06/12/2002	8.0	6.3	-
Ethical Global Equity Index Fund	17/04/2012	22.3	13.5	-
Sustainable Developed (ex UK) Equity Index Fund	14/11/2022	21.9	-	-
Sustainable Global Equity Index Fund	14/11/2022	20.8	-	-
Sustainable UK Equity Index Fund	14/11/2022	6.1	-	-
Sustainable Emerging Markets Equity Index Fund	14/11/2022	2.0	-	-
Sustainable Corporate Bond Fund	14/11/2022	9.8	-	-
HSBC Shariah Fund	15/11/2022	27.2	-	-
Pre-retirement (Annuity Target) Fund	05/10/2011	8.1	-2.0	-
Pre-retirement Inflation linked (Annuity Target) Fund^{1,2}	12/01/2017	4.9	-3.5	-

Source: LGIM, net of fees. Funds in bold are components of the Plan's default investment arrangement. We note that the performance figures shown above reflect the underlying pooled fund used by the Plan and is based on daily midday mid-prices.

¹ Funds form part of the default Lifecycle Balanced 2020 arrangement.

² Funds are used within the legacy default investment arrangements.

³ Funds are closed to new member elections.

⁴ This fund is also a 'technical default'.

(-) represents performance data that is not available due to the inception date of the fund.

6.4 The Plan also has legacy additional contributions invested with Aviva as detailed in 4.15. Investment returns over the year to 31 December 2023 are shown below calculated in accordance with the statutory guidance.

	1 year performance for policies written pre 9 July 2001	1 year performance for policies written post 8 July 2001
Aviva With Profits Fund	9.8	10.3

Source: Aviva, 31 December 2023. Information provided by Aviva does not clarify whether investment returns are net or gross of charges.

7 Asset Allocation Disclosure

- 7.1** The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 (“the 2023 Regulations”) introduced new requirements for trustees of certain occupational pension schemes.
- 7.2** For the first scheme year that ends after 1 October 2023, trustees of relevant occupational pension schemes are required to disclose their full asset allocations of investments from their default arrangements.
- 7.3** The table on the right includes full asset allocations of investments from the Plan’s default arrangements as at 31 December 2023 which have been calculated in accordance with the statutory guidance.
- 7.4** Note that figures may not sum due to rounding.

7.5 Lifecycle Balanced 2020 (Main Default)

	Percentage allocation – Age 25 (%)	Percentage allocation – Age 45 (%)	Percentage allocation – Age 55 (%)	Percentage allocation – Age 65 (%)
Cash	4.9	1.7	1.7	22.6
Bonds	0.4	19.5	19.5	62.5
Listed Equities	94.7	78.8	78.8	14.9
Private Equity	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0

7.6 Lifecycle to Annuity 2020

	Percentage allocation – Age 25 (%)	Percentage allocation – Age 45 (%)	Percentage allocation – Age 55 (%)	Percentage allocation – Age 65 (%)
Cash	4.9	1.7	1.7	22.3
Bonds	0.4	19.5	19.5	77.8
Listed Equities	94.7	78.8	78.8	0.0
Private Equity	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0

7.7 Lifecycle to Drawdown 2020

	Percentage allocation – Age 25 (%)	Percentage allocation – Age 45 (%)	Percentage allocation – Age 55 (%)	Percentage allocation – Age 65 (%)
Cash	4.9	1.7	1.7	23.0
Bonds	0.4	19.5	19.5	47.3
Listed Equities	94.7	78.8	78.8	29.7
Private Equity	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0

7.8 Lifecycle Lump Sum 2020

	Percentage allocation – Age 25 (%)	Percentage allocation – Age 45 (%)	Percentage allocation – Age 55 (%)	Percentage allocation – Age 65 (%)
Cash	4.9	1.7	1.7	89.0
Bonds	0.4	19.5	19.5	11.0
Listed Equities	94.7	78.8	78.8	0.0
Private Equity	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0



7.9 Lifecycle Balanced 2020 (DSL)

	Percentage allocation – Age 25 (%)	Percentage allocation – Age 45 (%)	Percentage allocation – Age 55 (%)	Percentage allocation – Age 65 (%)
Cash	4.9	1.7	1.7	22.6
Bonds	0.4	19.5	19.5	62.5
Listed Equities	94.7	78.8	78.8	14.9
Private Equity	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0

7.10 Lifestyle 2002

	Percentage allocation – Age 25 (%)	Percentage allocation – Age 45 (%)	Percentage allocation – Age 55 (%)	Percentage allocation – Age 65 (%)
Cash	0.0	0.0	0.0	22.3
Bonds	0.0	0.0	0.0	77.2
Listed Equities	100	100	100	0.0
Private Equity	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0



7.11 Lifecycle 2012

	Percentage allocation – Age 25 (%)	Percentage allocation – Age 45 (%)	Percentage allocation – Age 55 (%)	Percentage allocation – Age 65 (%)
Cash	4.9	1.7	1.0	22.3
Bonds	0.4	19.5	59.4	77.8
Listed Equities	94.7	78.8	39.6	0.0
Private Equity	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0

7.12 Growth Plus Fund (DSL) and the Money Fund

	Growth Plus Fund (DSL)	Money Fund
Cash	1.7	89.0
Bonds	19.5	11.0
Listed Equities	78.8	0.0
Private Equity	0.0	0.0
Infrastructure	0.0	0.0
Property/Real Estate	0.0	0.0
Private Debt/Credit	0.0	0.0
Other	0.0	0.0

7.13 Notes: Normal Retirement Date for the Plan is age 65, members have the option 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. It only includes invested cash and not the cash balance held by the Plan or accounting values such as net current assets.

Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at an agreed later date. The term refers generically to corporate bonds or government bonds (such as gilts).

Listed Equities – Shares in companies that are listed on a stock exchange and can be bought and sold on that stock exchange. Owning shares makes shareholders a part owner of the company, and usually entitles them to a share of the profits (if any) payable as dividends.

Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Private equity funds can encompass a broad range of investment styles, including: Venture Capital – Small, early stage businesses that may have high growth potential, albeit at significant risk, Growth Equity – Relatively mature companies that are going through a transformational event with potential for growth, Buyout or leveraged buyout funds – Invested in more mature businesses, often taking a controlling interest, Leveraged buyout funds take out loans to raise the funds required to invest.

Infrastructure – Physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons

Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.

Private Debt – Non-bank lending to companies not issued or traded publicly. They are 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.

8 Trustee Knowledge and Understanding

8.1 In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee Directors are required to maintain an appropriate level of knowledge and understanding which, together with the professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Plan.

8.2 The Trustee has a Trustee Knowledge and Understanding ("TKU") process in place that ensures that each Trustee Director has a working knowledge of the Plan's governing documentation, documents setting out their policies and the SIP together with an understanding of the laws relating to pensions trusts and investment principles. The Governance Committee oversees the Trustee's approach to meeting the TKU requirements. The current TKU process is set out below.

Recruitment

8.3 The Trustee's recruitment process ensures new Trustee Directors will have the necessary skills and basic level of understanding required by having:

- A Trustee Fitness and Propriety process which outlines the eligibility requirements for the appointment of Trustee Directors;

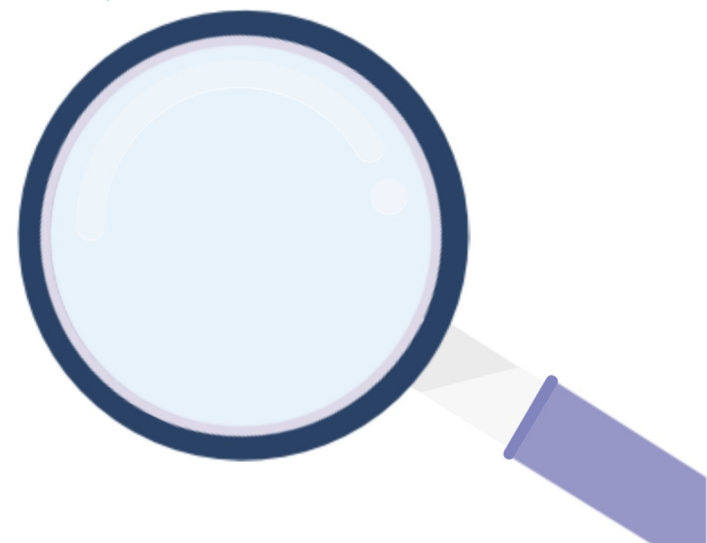
- A Trustee Recruitment process for member nominated Trustee Directors (MNDs) that is achieved via a democratic election process. The Trustee approved on the 7th of December 2023 that in the future, MND appointments will be achieved via a nomination and selection process.
- Education and training sessions that are provided to potential candidates to enable them to understand the roles and responsibilities ahead of their respective nomination;
- A recruitment process for company appointed Trustee Directors which is managed by the Company; and
- A process for appointing a chair of the Trustee Board and the leadership qualities required for that role.

Induction Process

8.4 There is a specific and structured training programme for new Trustee Directors upon being appointed which includes:

- An induction education session with the IBM Pensions Trust Manager (covering the topics set out below);
- A requirement for all Trustee Directors to undertake and complete The Pensions Regulator's Trustee Toolkit course within six months of taking up office; and
- Attendance at various sub-committees as an observer to build knowledge and understanding of specific issues.

8.5 During 2023, there were no changes to the Trustee Directors, however the incumbent MNDs were re-elected through the democratic election process.



Ongoing Education

- 8.6** For existing Trustee Directors, the ongoing education program is determined as a result of specific requirements that arise during the year, taking into account any knowledge gaps or education priorities identified during the Trustee Directors' self-assessment survey.
- 8.7** Trustee training sessions were held over the Plan year covering the following topics to ensure trustees are kept up to date on pensions and trust law and the principles of investment and scheme documents:
- Illiquid assets in DC;
 - Mansion House pension reforms;
 - Pension elements of the 2023 Autumn Statement; and
 - Climate Change-related Disclosures.
- 8.8** A log of Trustee Directors' attendance at education sessions and Committee meetings is maintained.
- 8.9** All Plan documents are available to the Trustee Directors via a dedicated Trustee online repository to ensure they maintain a working knowledge of these. The SIP was updated and approved by the Trustee during the Plan Year.

The Trustee Effectiveness Assessment

- 8.10** There is an annual evaluation of the performance and effectiveness of the board. It is in the form of a questionnaire sent to all Trustee Directors to complete. The most recent evaluation that was conducted in December 2023 revealed that there was overall consensus that the Board and Committees were effective in 2023.
- 8.11** The questionnaire included a question on 'improvement suggestions'. The Governance Committee is considering these suggestions and will propose potential actions for 2024. Work will be continued on the Trustee's effectiveness through compliance with TPR's new General Code of Practice, ensuring an "Effective System of Governance".



Utilising Advisors

8.12 The Trustee believes that the best run schemes utilise the combined skill and knowledge of both the Trustee and their professional advisors. The relevant skills and experience of those advisors are key criteria when evaluating advisor performance and selecting new advisors.

8.13 Additionally, the following measures have applied during the period:

- Professional advisors, where relevant, attend the Trustee's formal meetings; and
- The Trustee receives briefings from their advisors on relevant legislative and regulatory developments and DC topics at each relevant meeting.

8.14 Trustee meetings typically occur at least four times a year, with additional meetings as needed and minutes are taken and then approved at the next meeting. Advisors are invited to all relevant meetings.

8.15 Taking into account actions taken individually and as a trustee group, which includes an independent professional trustee organisation, and the professional advice available to it, the Trustee considers that it is able to exercise its function as a Trustee appropriately.

Summary

8.16 The Trustee Effectiveness review undertaken in 2023, the combined knowledge and understanding of the Board (with expertise drawn from different professional and investment related backgrounds), the matching of Trustee expertise to the relevant Trustee Committees, together with tailored training and professional advice undertaken in 2023, has enabled the Trustee to properly exercise its functions in the Plan year.

I confirm that the above Chair's Statement has been produced and approved by the Trustee to the best of its knowledge.

Signed for and on behalf of IBM United Kingdom Pensions Trust Limited as Trustee of the IBM Pension Plan

e-Signed by Robert Tickell

By... on 2024-07-25 15:40:58 GMT

Date: 25th July 2024

Chair of Trustee



