Chair's Statement Regarding DC Section Governance

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025

Introduction

Governance requirements apply to defined contribution (DC) pension arrangements to help members achieve a good outcome from their pension savings. The Aspen Healthcare Limited Staff Pension Fund (the "Scheme") is a hybrid scheme with both a defined benefit (DB) and DC section. The Trustee of the Scheme is required to produce a yearly statement to describe how these governance requirements have been met within the DC section in relation to:

- the investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select funds);
- the requirements for processing financial transactions;
- the investment returns achieved on the funds;
- the charges and transaction costs borne by members;
- an illustration of the cumulative effect of these costs and charges; and
- a 'value for members' assessment.

This statement covers the period from 1 January 2025 to 31 December 2025.

This Statement is available online at https://pipartnershipgroup.co.uk/client-regulatory-documents/.

Default arrangement

Members of the DC section of the Scheme who have not selected an investment option are invested in the default arrangement.

The Trustee is responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the Scheme's default arrangement.

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

The aim of the default arrangement, as stated in the SIP, is to generate long-term investment growth over the majority of members' working lives and with an increased focus in the final 5 years prior to Normal Retirement Age (NRA) on reducing risk.

The Trustee formally reviews both the default arrangement strategy and its performance at least every three years or immediately following any significant change in investment policy or the Scheme's member profile. The latest review was undertaken by the Trustee on 11 November 2024 and 19 March 2025 after receiving advice from its advisers, Hughes Price Walker Limited (HPW). The Trustee concluded that no changes to its design were required at that time, and issued a letter to all members of the DC section of the Scheme in April 2025 to remind them of their options, both in terms of the funds they are invested in and the choices at retirement.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

Processing core financial transactions

The Trustee has a specific duty to secure that core financial transactions (including the investment of contributions, transfer of member assets out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members) relating to the DC section are processed promptly and accurately.

These transactions are undertaken on the Trustee's behalf by Legal & General Investment Management (LGIM) on the instructions of the Trustee and delegated authority to HPW as Scheme advisers and administrators. The Trustee receives regular reports from LGIM and HPW to enable it to assess that controls are in place and procedures are being followed appropriately.

In light of the above, the Trustee considers that the requirements for processing core financial transactions have been met.

Net investment returns

Net investment returns achieved on the three funds in which members are invested are shown in the table below. The investment returns shown are annualised.

Fund name	Year to 31 December 2025 (%)	5 years to 31 December 2025 (% p.a.)	10 years to 31 December 2025 (% p.a.)
LGIM Diversified Fund	11.12	4.76	6.84
LGIM Future World Annuity Aware Fund	5.55	(6.02)	0.73
LGIM Cash Fund	4.26	3.01	1.64

The objective of the Annuity Aware Fund is to track the cost of purchasing an annuity. The increase in the unit price of this fund reflects the typical increase in the cost of purchasing each £1 per annum of a level annuity during the year.

Member-borne charges and transaction costs

The Trustee is required to set out the ongoing charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio (TER). The TER is paid by the members and is reflected in the unit price of the funds. The stated charges exclude administration costs since these are not met by members.

The Trustee is also required to separately disclose transaction cost figures that are borne by members. In the context of this statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds. The charges and transaction costs have been supplied by LGIM.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

Default arrangement

The default arrangement has been set up as a lifestyle approach, which means that members' assets are automatically and gradually switched between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement date and in which fund they are invested.

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

Fund name	Charges (% p.a.)	Transaction costs (% p.a.)	Total costs (% p.a.)
LGIM Diversified Fund	0.3493	0.0079	0.3572
LGIM Future World Annuity Aware Fund	0.1515	0.0696	0.2211
LGIM Cash Fund	0.1250	0.1368	0.2618

Self-select options

In addition to the default arrangement, members also have the option to invest in several other self-select funds. At 31 December 2025, members weren't invested in any funds other than those listed above.

Illustration of charges and transaction costs

The illustrations shown below are for the default arrangement and for the three individual funds listed above:

- Fund A: LGIM Future World Annuity Aware Fund
- Fund B: LGIM Cash Fund
- Fund C: LGIM Diversified Fund

Scenario 1: an active member aged 64 whose starting pot is assumed to be £100,000 and starting salary is assumed to be £20,000

	Projected pension pot in today's money for a member aged 64 (£) – default strategy	
Years	Before charges deducted	After all charges deducted
1	105,487	105,247

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

	Projected pension pot in today's money for a member aged 64 (£) – self-select funds					
Years	Before charges deducted			After all charges deducted		
	Fund A	Fund B	Fund C	Fund A	Fund B	Fund C
1	106,565	102,505	104,436	106,317	102,307	104,089

Scenario 2: a deferred member aged 52 whose starting pot is assumed to be £100,000

	Projected pension pot in today's money for a member aged 52 (£) – default strategy	
Years	Before charges deducted	After all charges deducted
1	101,415	101,073
3	104,304	103,254
5	107,276	105,482
10	115,700	111,925
13	123,620	118,680

	Projected pension pot in today's money for a member aged 52 (£) – self-select funds					
Years	Before charges deducted			After all charges deducted		
	Fund A	Fund B	Fund C	Fund A	Fund B	Fund C
1	103,512	99,512	101,415	103,268	99,317	101,073
3	110,911	98,544	104,304	110,129	97,965	103,254
5	118,839	97,585	107,276	117,445	96,632	105,482
10	141,226	95,228	115,082	137,934	93,377	111,265
13	156,635	93,841	120,035	151,905	91,477	114,886

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

Notes on projected scenario calculations:

1. Projected pension pot values are shown in today's money and do not need to be reduced further for the effect of future inflation

2. Starting pot size is assumed to be £100,000 for both members.

3. Total contributions (employee plus employer) are assumed to be 15% of salary per year. It is also assumed that they increase each year in line with inflation of 2.5% and the salary is assumed to start at the following level in the first year:

   – £20,000 for the active member aged 64

   Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line with inflation to allow for prudence in the projected values.

4. Scenario 1 projection is for 1 year, being the approximate duration that the youngest active scheme member has until they reach the Scheme's Normal Pension Age. The starting salary is £20,000, being a representative salary for active members.

5. Scenario 2 projection is for 13 years, being the approximate duration that the youngest deferred member has until they reach the Scheme's Normal Pension Age.

6. Values shown above are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund.

7. The projected growth rates for the funds under the default arrangement are assumed to be as follows:

   – Future World Annuity Aware Fund: 3.60% per annum above inflation

   – Cash Fund: 0.50% per annum below inflation

   – Diversified Fund: 1.45% per annum above inflation

   These growth rates are used to calculate the pension pots before charges are deducted.

8. No allowance for active management has been made.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

Value for members

The Scheme is a "specified scheme" for the purposes of Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021. As such, the Trustee is required to carry out a detailed value for members assessment to determine whether members will receive value for money in the Scheme over the long term or whether they would achieve better value for money in a different scheme.

This detailed value for members assessment covers the following three key areas:

- Costs and charges
- Net investment returns
- Governance and administration

For the purposes of assessing costs and charges and net investment returns as part of the value for members assessment, the Trustee is required to compare those in the Scheme with three "comparison schemes" with over £100m of assets.

In assessing governance and administration, the Trustee is required to assess the value delivered across the following seven key metrics:

- Promptness and accuracy of core financial transactions;
- Quality of record keeping;
- Appropriateness of default investment strategy;
- Quality of investment governance;
- Level of trustee knowledge, understanding and skills to operate the pension scheme effectively;
- Quality of communication with scheme members; and
- Effectiveness of management of conflicts of interest.

The Trustee is required to report the outcome of the value for members assessment in the annual scheme return to the Pensions Regulator and if the conclusion is that the Scheme does not provide value for members the Trustee is also required to report what action it is taking to address matters. This can either be:

1. Transfer members to another Defined Contribution (DC) scheme and wind up the Scheme; or
2. Take steps to improve the value for members within the Scheme.

The results and conclusions of the value for members assessment carried out by the Trustee is set out below.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

In completing this value for members assessment, the Trustee has followed the Guidance for trustees of relevant occupational defined contribution schemes as published by the Department for Work and Pensions (DWP) on 21 June 2021.

Value for members – Costs and charges

The Trustee has obtained indicative costs and charges from one comparison scheme. Two other providers were contacted but they were unable to give an indicative quote due to the demographics of the Scheme. The results of the comparison are set out in the table below:

Fund name	Total ongoing charges (%)	Transaction costs (%)	Total (%)
LGIM Diversified Fund	0.3493	0.0079	0.3572
LGIM Future World Annuity Aware Fund	0.1515	0.0696	0.2211
LGIM Cash Fund	0.1250	0.1368	0.2618
Comparator A	0.1600	0.0700	0.2300

Comparator A uses a default arrangement which invests in a Sustainable Growth Core Fund. It is understood that this fund is made up of approximately 80% equity, 15% corporate bonds and 5% other investments.

The charges shown for Comparator A include the cost of administering member accounts, member communications and other matters of scheme governance. The charges shown for the LGIM funds relate to fund management charges only. The costs of administration and Scheme management are met separately by other assets held by the Scheme.

The three LGIM funds have charges of broadly similar order to Comparator A. The Trustee has therefore concluded that, in the area of costs and charges, the Scheme provides the best value it is capable of to members.

Value for members – Net investment returns

The Trustee has obtained net investment performance figures from the same comparison scheme that was used for the comparison of costs and charges. A comparison of 1-, 3- and 5-year annualised returns (where possible) is set out in the table below. The comparison has been made with the default arrangements in the comparator scheme which in some cases cover multiple funds as a lifestyling approach is used.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

Fund name	Performance figures over the period to 31 Dec 2025 (annualised) (%)		
	1 year	3 years	5 years
LGIM Diversified Fund	11.12	8.52	4.76
LGIM Future World Annuity Aware Fund	5.55	2.94	(6.02)
LGIM Cash Fund	4.26	4.66	3.01
Comparator A*	5.00	9.30	N/K

*As at 30 June 2025

Although the Comparator data shows higher performance figures over the 3-year period compared to the LGIM funds, the figures are not directly comparable due to the significant differences in asset allocations. In general, it would be expected that the Comparator A fund will achieve higher returns than the LGIM funds listed during periods of strong equity market performance.

The Trustee has concluded that, since the three LGIM funds have performed acceptably over the period relative to their own sector benchmarks, in the area of net investment returns the Scheme provides the best value it is capable of to members.

Value for members – Administration and governance

The Trustee has assessed the value for members delivered by the Scheme's governance and administration offering across the seven key areas required and the results of the assessment are set out below.

Promptness and accuracy of financial transactions

The Trustee is required to report the processes and controls in place in relation to the 'core financial transactions' including, but not limited to, investment of contributions, transfer of member assets from the Scheme, investment switches and payments out of the Scheme to members/beneficiaries.

The Trustee ensures that these important financial transactions are processed promptly and accurately. These transactions are undertaken on the Trustee's behalf by LGIM, the investment manager, and HPW, the Scheme administrator and operator of the Trustee's bank account. The Trustee receives regular reports from these parties to enable them to assess that controls are in place and procedures are being followed appropriately. The Scheme's accounts are audited annually by A4G Audit Ltd and HPW's administration department is ISO 9001 accredited.

HPW reported that all of the 18 transactions and administrative events that took place during the Scheme year were completed within the legal disclosure requirements.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

The Trustee is pleased to report that in the last Scheme year all core financial transactions were processed promptly and accurately. There were three member complaints which were dealt with promptly. The Trustee also ensures that core financial transactions are processed promptly and accurately by having the Scheme auditor independently test monthly contributions for timeliness and compliance with the Payment Schedule, as part of the annual audit process.

The Trustee has concluded that the Scheme provides good value for members in the area of financial transactions.

Quality of record keeping

The Trustee has reviewed the security and accuracy of the Scheme's record keeping policies and processes and has taken into account the following:

- The Scheme has an up-to-date privacy policy for members
- HPW and the Trustee use secure delivery methods including the use of password protected documents to transmit personal data in respect of members
- HPW, who maintains members' records on the Trustee's behalf, have in place the following measures:
  - Data is backed up daily and all backups are encrypted at source and in an offsite datacentre;
  - HPW's networks are password protected and staff passwords are reset every 6 months;
  - All HPW staff use multi-factor authentication and VPN to access HPW's server when working remotely;
  - HPW has firewalls and the anti-virus is updated daily;
  - HPW undertakes regular security patch management and has in place pro-active monitoring and alerting for new available updates;
  - On-premises data is encrypted and resides on a SAN with secure disk encryption;
  - HPW is Cyber Essentials certified and maintains the annual certification; and
  - HPW has a business continuity and disaster recovery policy in place that is regularly tested.

The Trustee confirms that the Scheme's member records were last reviewed in March 2026, when the common data scored 100% and the scheme-specific data scored 100%. (Note that these scores relate to the Scheme as a whole, including the much larger defined benefit section.) It is the Trustee's intention for the data to be reviewed on at least a triennial basis going forward and consider member tracing to maintain current addresses for members on case-by-case basis, as required.

Whilst the Trustee is satisfied that these measures demonstrate the effectiveness of the controls that are in place to deal with data security and cyber risk, the Trustee recognises that the Scheme's risk register should be comprehensively reviewed as part of their planned Scheme governance review.

The Trustee has concluded that, in relation to the quality of record keeping, the Scheme provides good value for members.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

Appropriateness of default strategy

The LGIM Diversified Fund aims to provide long-term investment growth through exposure to a diversified range of asset classes including UK and overseas equities, property, infrastructure, commodities and bonds. The Trustee considers this still to be an appropriate vehicle for members' accounts during the growth phase of investment.

The default strategy then automatically switches member accounts into the LGIM Future World Annuity Aware Fund (75%) and the LGIM Cash Fund (25%) in stages during the five years prior to members' target retirement age, which is defaulted to their Normal Retirement Age of 65. Whilst the default strategy is appropriate for members who are targeting annuity purchase, it may not be as suitable for members who do not intend to buy an annuity. It is also recognised that the current default strategy design may not be ideal for members intending to retire early, for example. Members are therefore reminded to keep their retirement plans and investment options under review.

The Trustee has concluded that, in relation to their default investment strategy, the Scheme provides good value for members.

Quality of investment governance

The Trustee delegates tasks in relation to investment advice to HPW and tasks relating to individual investments for the pooled vehicles to LGIM. Whilst HPW is not authorised under the Financial Services and Markets Act 2000, they are able in certain circumstances to offer a limited range of investment services to clients because they are licensed by the Institute and Faculty of Actuaries. They can therefore provide these investment services if they are an incidental part of the professional services they have been engaged to provide. The Trustee therefore receives section 36 investment advice from HPW as and when required.

The Trustee is responsible for the investments of the Scheme's assets and for maintaining a Statement of Investment Principles (SIP) which sets out details of the Trustee's investment governance practices. The SIP confirms that the Trustee:

- Sets an objective for all member investment options, including expected risks and returns;
- Monitors fund performance on a quarterly basis and compare investment returns against the relevant performance objectives;
- Periodically reviews the investment options available to members;
- Receives appropriate advice before amending the SIP; and
- Reviews the SIP at least every three years.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

The Trustee reviews the current suitability of the default strategy every three years and without delay following any significant change in investment policy, or the demographic profile of DC members. The Trustee also reviews the individual fund performance at every Trustee's meeting. The Trustee is satisfied that this is a proportionate level of monitoring and review for the Scheme.

Members are reminded about their investment options on at least an annual basis when they receive their statutory money purchase illustrations (SMPIs). The Trustee reviews these communications that are drafted by HPW before they are issued to members. The Trustee will also work with HPW in drafting any member communications that might follow any actions taken as a result of the default strategy review.

The Trustee has concluded that, in relation to the quality of investment governance, the Scheme provides good value for members.

Level of trustee knowledge, understanding and skills to operate the Scheme effectively

The Trustee is required by law to possess, or have access to, sufficient 'knowledge and understanding' to run the Scheme effectively. The Trustee must:

- Be conversant with the trust deed and rules of the Scheme, the Scheme's SIP and any other document recording policy for the time being adopted by the Trustee relating to the administration of the Scheme generally;
- Have, to the degree that is appropriate for the purposes of enabling the individual properly to exercise their functions as trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment of the assets of occupational pension schemes.

The Trustee takes this responsibility seriously and works with its professional advisers to address any areas where its knowledge might be less than the Pensions Regulator would expect.

The Trustee has measures in place to comply with the legal and regulatory requirements regarding conversance and knowledge and understanding. Details of how the conversance and knowledge and understanding requirements have been met during the period covered by this statement are set out below.

Pi Trustees, an independent professional trustee firm, is the appointed trustee to the Scheme. The staff of Pi Trustees undertake appropriate training at or outside regular Trustee meetings. The staff also benefit from experience gained from managing other occupational pension schemes. The Trustee, with the help of its advisers, regularly considers training requirements to identify any knowledge gaps.

The Trustee is familiar with, and has access to, copies of the current Scheme governing documentation, including the Trust Deed & Rules (together with any amendments), the SIP and key policies and procedures. In particular, the Trustee refers to the Trust Deed & Rules as part of considering and deciding to make any changes to the Scheme and, where relevant, deciding individual member cases, and the SIP is formally reviewed every three years and as part of making any change to the Scheme's investments. Any new member of the Trustee board is required to be familiar with these documents.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

Furthermore, the Trustee considers that it has sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties.

Taking into account the knowledge and experience of the Trustee with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisers, the Trustee believes it is well placed to exercise its functions as Trustee of the Scheme properly and effectively.

The Trustee holds regular meetings and is in regular communication with HPW over specific member cases and issues as required. The Trustee considers that it has an open and constructive relationship with the employer.

The Trustee has concluded that the level of trustee knowledge, understanding and skills demonstrated by the current trustee enables the Scheme to operate effectively and provides good value for members.

Quality of communication with Scheme members

Communications with members are predominantly drafted by HPW and are often reviewed by the Trustee before being issued where appropriate, such as bulk communications (e.g. SMPIs). There have been no specific member complaints relating to the quality or accuracy of member communications or any breaches of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 in the year to 31 December 2025.

Where the email addresses of members are held on record, and such members have informed HPW their preference is to receive communications electronically, HPW will typically correspond via email with those members.

Regulations came into effect on 30 November 2021 which require trustees and scheme managers to ensure specific checks are made before proceeding with a member's request to transfer their pension. The aim of these regulations is to protect scheme members and pension trustees. Since the regulations came into effect, HPW has incorporated all the new requirements into its processes and communications for transfers. Furthermore, as part of its commitment to combat pension scams, HPW has made the pledge to combat pension scams with the Pensions Regulator.

In accordance with the Stronger Nudge guidance published by the Government, HPW has also incorporated the following into its relevant processes, procedures and communications:

- Written explanation of the nature and purpose of the appropriate guidance to the member;
- Facilitating the booking of a Pension Wise appointment, including offering to book the appointment;
- Where the offer is accepted, taking reasonable steps to book the appointment for the member;
- Where the offer is declined, providing details of how the member can book the appointment; and
- Explanation that, in order for the member's application to proceed, they must take guidance or opt out of doing so.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

The Trustee has reviewed the quality of communication with Scheme members and have concluded that the Scheme provides good value for members in this area.

Effectiveness of management of conflicts of interest

The Trustee has reviewed the effectiveness of the Scheme's management of conflicts of interest and concluded that, in this area, the Scheme provides good value to members. In arriving at this conclusion, the Trustee took into account the following:

- The Scheme has a written conflicts of interest policy that is subject to regular review.
- Processes and procedures are in place requiring trustees to declare and discuss any potential conflicts of interest.
- A conflicts of interest register is in place that is up to date and discussed at each trustee meeting.

Controls are in place to ensure that conflicts of interest for trustees and advisers are declared on appointment.

Chair's Statement for Aspen Healthcare Limited Staff Pension Fund for the year ended 31 December 2025 (continued)

Value for members – Overall assessment

A summary of the conclusions reached by the Trustee is set out in the table below.

Area	Assessment	Comments
Costs and charges	Best value capable of to members	Charges for funds in the default strategy are below the cap.
Net investment returns	Best value capable of to members	Funds have performed as expected over the long term.
Governance – core financial transactions	Good value for members	All core financial transactions were processed promptly and accurately.
Governance – record keeping	Good value for members	Trustee can demonstrate the Scheme provides good quality record keeping.
Governance – default investment strategy	Good value for members	Default investment strategy continues to be appropriate.
Governance – investment governance	Good value for members	Trustee can demonstrate that it has documented and robust investment governance procedures in place and that these are adhered to.
Governance – trustee knowledge and understanding	Good value for members	The Trustee considers that the Trustee board is sufficiently diverse and that it is well placed to exercise its functions as trustee of the Scheme properly and effectively.
Governance – member communications	Good value for members	Trustee can demonstrate that it has met its statutory obligations and satisfies the regulatory expectations.
Governance – conflicts of interest	Good value for members	Scheme has robust conflicts of interest processes and policies in place.
Overall	Good value for members	The Trustee concludes that the Scheme offers good value for members.

Value for members – Conclusions

The Trustee has concluded that, overall, the Scheme does provide good value for members.

Signed by the Chair of Trustees of the Aspen Healthcare Limited Staff Pension Fund

.....

Date .....