

## ConocoPhillips Pension Plan – AVC Section

**NOTE: THIS COMPLIANCE STATEMENT RELATES SOLELY TO THE PLAN'S MONEY PURCHASE BENEFITS (SUCH AS ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS) AND OTHER MONEY PURCHASE BENEFITS). THIS STATEMENT IS NOT RELEVANT TO ANY MEMBER'S DEFINED BENEFIT PENSION.**

### THE CHAIR'S ANNUAL GOVERNANCE STATEMENT

This Statement has been prepared by the Trustee of the ConocoPhillips Pension Plan ('the Plan') to demonstrate how the Plan's AVC arrangements have complied with the governance standards under the Occupational Pension Schemes (Scheme Administration) Regulations 1996, as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015. The statement covers the period from 1 April 2021 to 31 March 2022.

The Trustee recognises that for DB schemes where DC AVC pension provision is made up entirely of employee contributions, such arrangements are exempt from the above regulations. It has however prepared a statement, acknowledging that the Plan has historically received a small number of transfers-in from non AVC arrangements, which include employer contributions and contracted out rights, where such arrangements are not exempt. The Plan is therefore a "Relevant Scheme" for the purpose of the Regulations outlined above. The Trustee has concluded that, because of the nature of the defined contribution arrangements, there are no arrangements that would currently count as a "default" for the purposes of the Regulations (therefore there is no requirement to attach the Statement of Investment Principles to this statement). Furthermore, the Plan is not used as a qualifying scheme for auto-enrolment purposes. The Trustee has considered the risks to members in the context of the significance of the value of AVCs relative to members' overall benefits in the Plan and has applied a proportionate approach to meeting the relevant governance standards. The Trustee is currently undertaking an exercise which is expected to conclude in the 2022/23 reporting period aimed at converting the small number of non-AVC funds into non-DC benefits, this in turn will remove the associated DC governance requirements.

The core funds of the AVC arrangements are invested through Standard Life, the Plan also has legacy AVC arrangements with Standard Life, Santander, Phoenix Life and Clerical Medical.

#### General investment principles

One of the Trustee's general investment principles is to offer a range of suitable funds for members to invest in whilst being able to mitigate the range of risks faced (including inflation risk, capital risk, decumulation mis-match risk and opportunity cost risk). This principle is an extract from the Statement of Investment Principles (SIP). A copy of the full Statement of Principles (dated August 2021) is found on the Pension Plan website <https://www.conocophillips.co.uk/pensions-updates/>.

#### Investment strategy and monitoring

Although the Plan does not have a "default arrangement" the Trustee offers a lifestyle option that aligns with taking a cash lump sum at retirement. The objective of the lifestyle strategy is to generate capital growth by investing in the Standard Life BlackRock Managed (50:50) Global Equity Pension Fund before gradually reducing risk and volatility during the five years immediately prior to selected retirement date by automatically switching to the Standard Life Deposit and Treasury Pension Fund. The lifestyle targets a cash lump sum as the majority of members use their AVC benefits as a first port of call to fund their tax-free cash entitlement on retirement.

The investment fund range is made up of the lifestyle strategy and seven self-select funds administered by Standard Life (the "core fund range") that include funds investing in Equities, Gilts, Bonds and Cash. The core fund range detailed below is open to all members within the Plan.

The Trustee reviews the investment performance of the core funds available on an annual basis and takes investment advice from professional advisers to ensure that they have appropriate knowledge, competency, and experience to manage the Plan's AVC assets. The last review was carried out in the second quarter of 2022. Overall, the funds performed in line with their respective benchmarks within acceptable tolerances during the reporting period. The Trustee will continue to monitor the investment performance of the core funds on a quarterly basis and raise any ongoing issues with the investment managers.

There are also a number of legacy funds that were closed to future contributions with effect from 30 June 2009 which members retain investments in. The Trustee reviews these funds less frequently and acknowledges that members have the option to move to the core fund range at any time as communicated to the membership.

## **Financial transactions**

The Trustee employs Standard Life as the Plan's main AVC provider to undertake the core financial transactions on behalf of the Fund. Core financial transactions include (but are not limited to):

- investment of contributions
- transfer of members' assets to and from the Plan
- switching between investments within the Plan's fund range
- payments out of the Plan to members/beneficiaries.

There is a Service Level Agreement (SLAs) in place with Standard Life for all core financial transactions including (but not limited to) the investment of contributions, fund switches and payments into and out of the Plan (such as transfers and retirements). These SLAs are the Trustee's agreed levels for the promptness and accuracy of processing core financial transactions. All SLAs are no more than 10 working days and are all within legal disclosure limits. Standard Life's performance is reviewed by the Trustee on a quarterly basis via Standard Life's management information report. Standard Life's performance against its SLAs was on average 87% over the reporting period and consequently no member complaints were received. All core financial transactions were completed within the agreed timescales during the reporting period.

During the reporting period the Trustee took the following steps with the aim of ensuring that core financial transactions were processed promptly and accurately:

- Monitoring, assessing and reconciling financial transactions and performance against SLAs on an ongoing basis via Standard Life's quarterly reports. Throughout the reporting period Standard Life completed all core financial transactions either via straight through processing or within their agreed SLA.
- Regular member contributions received have always been submitted to Standard Life's online portal for investment well in advance of The Pension Regulator's deadline.
- Standard Life documented its controls in the relation to core financial transaction actions via the Pension Internal Control Statement.
- Company representatives of the in-house pensions team, providing services to the Trustee, regularly monitored the AVC provider's service levels, recorded any service issues and promptly escalated matters with the relevant provider. During the reporting period it was identified that a couple of requested disinvestments were delayed as a result of Phoenix Life (one of the legacy AVC providers) not paying the member's AVC funds into the Trustee bank account in a timely fashion. The issues were subject of a formal complaint to Phoenix Life and have been subsequently satisfactorily resolved. The in-house pensions team found that the processes involving Standard Life were completed in a timely manner.
- Standard Life operates a process management system which includes competency levels for administrators and integrated process guides.
- Standard Life has in place appropriate internal processes and controls that include the checking and reconciliation of investment and banking transactions. This includes an 'enter check' process which

ensures the administrator that submits a financial transaction request cannot also authorise the request. It also has in place an authorisation process which increases in seniority in relation to the size of the monetary amount.

- Standard Life undertakes a daily reconciliation of units with the investment managers and a daily reconciliation of the Trustee bank account.

Based on all the above, the Trustee is satisfied that the Plan's core financial transactions have been processed promptly and accurately during the Plan year.

### Charges and transaction costs

The investment charges and Standard Life administration costs are paid by the members through the funds' annual management charges (AMCs) with Standard Life.

Transaction costs are those incurred by fund managers as result of buying, selling, lending or borrowing investments. These costs are taken into account via the unit price for each of the funds. Transactions can have a positive or negative effect on each fund and hence transaction costs can be positive or negative. For example, if a transaction involves a net inflow of assets into a particular fund, this can sometimes have a positive effect on the price of each unit in the fund, the reverse can also be true.

The charges applied to the current core fund range of unit-linked funds including those that make up the Plan's lifestyle investment option are in the range of 0.33 to 0.34% p.a.

The Trustee also offered access to a Deposit account with Santander (formerly Abbey National). There are no explicit charges for the Santander Deposit Account, the costs of operating the fund are taken into account prior to the annual interest amount being declared and applied.

The level of charges and transaction costs applying during this period (1 April 2021 to 31 March 2022) for all funds are shown in the table below. The funds that make up the core range are highlighted in bold.

Fund	Effective total member borne deductions (Fund Management Charge plus additional expenses, less scheme rebate of 0.50% p.a.)	Transaction costs (Rounded to four decimal places)
<b>Standard Life BlackRock ACS World ex UK Equity Tracker Pension Fund</b>	<b>0.33%</b>	<b>0.0321</b>
<b>Standard Life BlackRock Managed (50:50) Global Equity Pension Fund</b>	<b>0.34%</b>	<b>0.0696</b>
<b>Standard Life iShares Corporate Bond Index Pension Fund</b>	<b>0.33%</b>	<b>0.1432</b>
<b>Standard Life iShares Index Linked Gilt Index Pension Fund</b>	<b>0.33%</b>	<b>0.0672</b>
<b>Standard Life iShares Over 15 Year Gilt Index Pension Fund</b>	<b>0.33%</b>	<b>0.0086</b>
<b>Standard Life iShares UK Equity Index Pension Fund</b>	<b>0.33%</b>	<b>0.1778</b>
<b>Standard Life Deposit &amp; Treasury Pension Fund</b>	<b>0.33%</b>	<b>0.0213</b>
Standard Life Managed Pension Fund	0.34%	0.1157
Standard Life International Equity Pension Fund	0.34%	0.1207
Standard Life FTSE Tracker Pension Fund	0.33%	0.0329
Standard Life Asia Pacific ex Japan Equity Pension	0.44%	0.0458
Standard Life Ethical Pension Fund	0.33%	0.0626

Standard Life UK Equity Pension Fund	0.33%	0.0412
Standard Life Stock Exchange Pension Fund	0.35%	0.1256
Standard Life Pension With Profits One Fund	**	0.1545
Standard Life Multi Asset Managed (20-60% Shares)	0.34%	0.1641
Standard Life Index Linked Bond Pension Fund	0.33%	0.0334
Standard Life Property Pension Fund	0.35%	0.2376
Standard Life European Equity Pension Fund	0.33%	0.0122
Standard Life Pension With Profits One 2006 Fund	**	0.1545
Standard Life Mixed Bond Pension Fund	0.33%	0.0379
Standard Life Far East Equity Pension Fund	0.40%	0.1537
Standard Life Global Equity 50:50 Pension Fund	0.33%	0.3579
Standard Life UK Smaller Companies Pension Fund	0.82%	-0.0692
SL Jupiter UK Mid Cap Pension Fund	1.17%	0.1568
Standard Life Annuity Targeting Pension Fund	0.33%	0.0748
Clerical Medical Adventurous Pension	0.5%*	0.16%
Clerical Medical Balanced Pension	0.5%*	0.22%
Clerical Medical Cash Pension	0.5%*	0.06%
Clerical Medical With-Profits	1.0%*	0.18%
Phoenix Life With Profits	1.00%	0.5302%*
Phoenix life Deposit Pension	0.90%	0.0066%*
Phoenix Life UK Equity Pension	0.92%	0.0701%*
Phoenix Life International Equity Pension	0.93%	0.1316%*
Phoenix Life Mixed Pension	0.97%	0.1238%*
Phoenix Life Indexed Linked	0.92%	0.0543%*
Phoenix Life Fixed interest	0.92%	0.0328%*

\* Fund management charges and transaction costs were only given up to 31 March 2021 for these funds.

\*\* There are no explicit fund management charges or additional expenses, deductions are taken into account prior to the announcement of bonuses and after guaranteed investment returns are taken into account.

The Financial Conduct Authority (FCA) published its policy statement on the disclosure of transaction costs in workplace pensions, the statement confirmed that from 3 January 2019, providers must provide within a reasonable timescale information about transaction costs (those costs incurred in buying and selling funds) calculated according to the methodology set out in the FCA's policy statement (known as the 'slippage cost' methodology).

Standard Life, Clerical Medical and Phoenix Life have provided the Trustee with transaction costs incurred by members at a fund level as detailed in the table above. Total transaction costs have been calculated as a percentage of the average fund value over the Plan year. Clerical Medical were unable to provide

confirmation of no changes to the fund charges applicable as at 31 March 2021 to meet the deadline for production of the 2022 Chair's Statement.

The Trustee has taken into account the new statutory guidance which requires trustees to make available certain information on a publicly accessible website. This includes an illustration of the cumulative impact over time of costs and charges on the value of typical Plan member's DC funds. This illustration is included in Appendix 1 and can also be accessed using the website address: <https://www.conocophillips.co.uk/pensions-updates/>. In producing this illustration, the Trustee in conjunction with its Investment Consultant, has taken account of the relevant statutory guidance.

## Investment Returns

Taking account of the Department of Work and Pensions guidance, below is the investment performance (net of fees) of the investment options available within the Plan.

Fund	One Year (annualised)	5 Year (annualised)
Standard Life BlackRock ACS World ex UK Equity Tracker Pension Fund	15.99	0.03
Standard Life BlackRock Managed (50:50) Global Equity Pension Fund	10.92	1.58
Standard Life iShares Corporate Bond Index Pension Fund	-5.60	0.98
Standard Life iShares Index Linked Gilt Index Pension Fund	3.35	0.53
Standard Life iShares Over 15 Year Gilt Index Pension Fund	-8.14	1.56
Standard Life iShares UK Equity Index Pension Fund	12.87	1.04
Standard Life Deposit & Treasury Pension Fund	-0.17	-0.05
Standard Life Managed Pension Fund	5.77	1.51
Standard Life International Equity Pension Fund	10.17	1.14
Standard Life FTSE Tracker Pension Fund	12.72	1.31
Standard Life Asia Pacific ex Japan Equity Pension	-6.96	10.99
Standard Life Ethical Pension Fund	-2.81	7.12
Standard Life UK Equity Pension Fund	10.75	0.27
Standard Life Stock Exchange Pension Fund	8.21	1.69
Standard Life Pension With Profits One Fund	14.5	-5.1
Standard Life Multi Asset Managed (20-60% Shares)	3.20	0.94
Standard Life Index Linked Bond Pension Fund	2.52	-0.43
Standard Life Property Pension Fund	23.92	8.48
Standard Life European Equity Pension Fund	4.93	3.06

Standard Life Pension With Profits One 2006 Fund	14.5	-5.1
Standard Life Mixed Bond Pension Fund	-5.31	0.72
Standard Life Far East Equity Pension Fund	-4.25	11.41
Standard Life Global Equity 50:50 Pension Fund	11.80	-0.40
Standard Life UK Smaller Companies Pension Fund	3.97	20.62
SL Jupiter UK Mid Cap Pension Fund	-20.32	10.98
Standard Life Annuity Targeting Pension Fund	-6.97	-0.27
Clerical Medical Adventurous Pension	11.42	5.15
Clerical Medical Balanced Pension	-3.81	2.31
Clerical Medical Cash Pension	0.03	0.01
Clerical Medical With-Profits	10.1	7.8

Despite repeated engagements with Phoenix Life and numerous requests for net performance information the provider was unable to provide this information. It states that its systems are unable to produce net investment performance for their funds. The Trustee along with its advisors will continue to engage with Phoenix Life to ensure that this information can be provided in future statements for the benefit of the seven members that remain invested in these funds.

In the table below we have provided net investment returns for the Plan's Lifestyle strategy. This strategy automatically switches members investments as they approach their target retirement age. Therefore, we have shown the investment performance based on the members' age. We have assumed a target retirement age of 65.

Age of member		One year annualised (31.03.21 – 31.03.2022)	Five year annualised (31.03.16 – 31.03.2022)
Cash Lifestyle	Aged 25 at start of period	10.92	1.58
	Aged 45 at start of period	10.92	1.58
	Aged 55 at start of period	10.92	1.58

Source: Standard Life

Notes:

- Standard Life has confirmed that returns are net of all costs and charges and have been calculated in line with the requirements of the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 and accompanying statutory guidance.
- The charges assumed are those currently applicable to a single contribution of £10,000 paid at the beginning of the reporting period.
- Returns are annualised geometric means over the time periods displayed. For example, if a net fund return over a 5 year period was 15.9% this would be shown as 3% p.a. in the '5 year' column.
- Returns are net of all costs and charges borne by members, including platform or product administration charges, fund management charges, additional fund expenses and transaction costs.

- The net returns reflect the current charge arrangement. These charges could vary in the future.
- For age specific returns, a normal retirement age of 65 has been used.

## **Value for Members ('VFM')**

The Trustee is committed to ensuring that the DC arrangements (including AVCs) of the Plan provide VFM (i.e. that the costs and charges deducted from members' funds provide good value for members in relation to the benefits and services provided by or on behalf of the Trustee).

In accordance with the Pensions Regulator's DC Code of Practice No 13, the Trustee considers VFM on an annual basis and in July 2022, in conjunction with its professional advisers, the Trustee undertook an assessment of whether the total cost of membership in the AVC Section represented value for members for the reporting period. This assessment considered the services members pay for (including investment, administration and communications) and assessed the extent to which these services both meet members' needs and have performed over the reporting period. Consideration was also given to 'broader value', i.e. the wider benefits and services members receive in relation to the Plan for which they do not pay (included scheme management).

The Plan's AVC arrangement with Standard Life is a bundled arrangement where members cover the cost of administration, communication and investment. The assessment found that overall members are receiving sufficient value as:

- Following completion of the 2020/21 VFM assessment which found that the charges payable within the Standard Life arrangement were higher than the averages found within the FTSE 350 and the average payable across all of Willis Towers Watson clients, the Trustee engaged with Standard Life and agreed a 34% reduction in the charges members pay. Within the 2021/22 VFM assessment the Trustee benchmarked the charges again and found that these are now below the market average.
- The AVC section is administered by Standard Life. Overall SLA performance was 87% over the reporting period.
- Standard Life's member helpline has delivered the best performance across the pensions market in terms of the time taken to answer the phones and the feedback provided by members.
- The funds that make up the core fund range performed in line with their agreed objectives.
- Standard Life enables members to view their pension accounts online. Members also have access to a range of online tools to help them make investment decisions and monitor investment performance as well as assist with their financial planning.
- Members have the ability to use their AVCs, or the balance of their Non-AVC DC legacy fund as the case may be (where the Plan is required to pay a Guaranteed Minimum Pension (GMP), in respect of transferred in GMP rights), to fund their overall Plan tax-free cash entitlement. This is a key driver for value because individuals benefit from giving up less of their DB pension in return and the lifestyle strategy is well designed for this option.
- Members currently invested in any of the non-AVC legacy funds (which they have self-selected) have the option of switching their investments into the Core Fund Range.
- Some of the Non-AVC DC legacy funds contain valuable features such as capital guarantees and guaranteed investment returns.

As part of the assessment the Trustee also considered the value of those services where the costs are met by the Sponsoring Employer (rather than the members). Below are some of the key areas where the Plan offers value:

- The Trustee, Pensions Manager and broader Company support monitor the Plan, this includes engaging with service providers to address any service issues that are identified.
- The Trustee monitors the Plan's investment options on an ongoing basis to ensure they continue meet their performance objectives.
- The Trustee and Company provide targeted communications at key points and work together on complex matters, such as the transition of assets in 2020 from Utmost into the core fund range with Standard Life.

Although the Trustee acknowledges that some of the legacy AVC options contain valuable features (such as capital guarantees and guaranteed investment returns), the Trustee focussed its value assessment on the value provided within the core AVC range as the Trustee does not have the power to transfer individuals out of the non-core or legacy AVC options. The Trustee will continue to communicate with individuals invested outside of the core AVC options to make them aware that they can transfer into the core fund range at any time.

### **Trustee's knowledge and understanding (TKU)**

The Trustee has a TKU process in place which, together with the advice available to it, enables it to exercise its functions as Trustee of the Plan. The Trustee is satisfied that it has met its knowledge and understanding duties during the Plan year and that it has sufficient knowledge and understanding of the law relating to pensions and trusts, and the principles relating to the funding and investment of occupational schemes. The Trustee's approach to meeting the TKU requirements include:

- Ensuring each Trustee Director has a working knowledge, through training, of all key documents setting out the Trustee's current policies (including the Trust Deed and Rules and the Statement of Investment Principles)
- All Fund documents and meeting minutes are easily accessible on a dedicated SharePoint site established for this purpose
- Ensuring that all new directors complete the Trustee Toolkit within six months of their appointment and that their training remains current.
- A centralised training log is maintained on a quarterly basis and forms part of a formal annual review
- Annual tailored Trustee training day, including training from legal, investment and actuarial advisers
- Training from advisers and service providers on topical items is provided as and when required i.e. following the output of the formal annual review or in advance of a particular project.
- The Trustee receives general updates from its advisers about matters relevant to the Plan
- Below are some examples of training topics that were covering during the reporting period:
  - Actuarial valuations including the process, and legal and regulatory requirements
  - Triennial valuations and Scheme Funding Regime
  - The Pension Regulator's Annual DB Funding Statement
  - Complying with the policies of the Statement of Investment Principles (SIP)
  - De-risking – Endgame planning
  - Sustainable Investments

All of the Plan's Trustee Directors in office during the reporting period had completed the Pension Regulator's Toolkit and were experienced in their role as Trustee Directors for the Plan. The Directors bring a strong mix of skills and experiences from their senior corporate roles in various disciplines of Law, Finance, Business Development and Management Strategy, many of which are relevant to their roles as Directors of the Plan. The Board's effectiveness is further enhanced by the inclusion of a professional independent trustee who was appointed in 2019.

We believe that implementation of the combination set out above of the Trustee Directors' knowledge and understanding, experience, skills and training activities, together with the specialist advice available to them, enables the Trustee to properly exercise its function as Trustee of the Plan.

**Signed:**

*M Rice - Jones*

**Date: 21/10/22**

**Chair of the Trustee  
ConocoPhillips Pension Plan**



## Appendix – Costs and Charges illustrations

In order to achieve greater transparency about costs, new regulations came into force on 6 April 2018 which require the Trustee to provide members with additional information in relation to investment charges and transactions costs. These must be set out as example member illustrations that have been prepared with regard to the relevant statutory guidance: "Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational pension schemes".

The illustrations below show the projected fund values based on certain assumptions before and after charges so that the potential impact of charges is clearly shown. Members should be aware that these are simply illustrations, and so the actual fund values and implication of charges for members' investments may be different if members' personal details or investment choices differ from those shown or the assumptions are not borne out. This means that the information contained in this Appendix is not a substitute for the individual and personalised illustrations which are provided to members each year.

The following table gives a summary of the projected fund and the impact of costs and charges up to a normal retirement age of 65. The Trustee has taken account of the Statutory guidance and presented the following member examples;

- youngest member and
- average member (based on the membership within the core fund range)

The Trustee has elected to provide illustrations that represent the options that have the largest number of members invested in them as well as the largest amount of assets. As such these focus on the Core AVC options within the Plan. The illustrations also demonstrate the highest and lowest expected returns (after the deduction of charges). As such these focus on the Core AVC options within the Plan.

### Youngest member (within the core AVCs)

Starting Age:	35
Starting Fund Value:	£10,000
Investment Option:	100% ConocoPhillips 5 Year Lifestyle Profile
Salary:	£40,000
Contribution rate:	12%
Age at which benefits taken:	65

Year	ConocoPhillips 5 Year Lifestyle Profile		Blackrock Managed (50:50) Global Equity Pension Fund		Standard Life Deposit and Treasury Pension Fund	
	Before Charges	After all charges are taken	Before Charges	After all charges are taken	Before Charges	After all charges are taken
1	£15,000	£15,000	£15,000	£15,000	£14,600	£14,500
3	£25,700	£25,500	£25,900	£25,700	£23,800	£23,700
5	£37,200	£36,700	£37,800	£37,300	£33,300	£32,900
10	£69,900	£68,200	£72,100	£70,400	£57,400	£56,300
15	£108,000	£104,000	£113,000	£109,000	£82,300	£80,000
20	£154,000	£147,000	£163,000	£156,000	£108,000	£104,000
25	£208,000	£196,000	£225,000	£212,000	£134,000	£129,000
NRD	£270,000	£252,000	£297,000	£277,000	£161,000	£153,000

### **Average member**

Starting Age: 54  
Starting Fund Value: £50,000  
Salary: £54,000  
Contribution Rate: 12.00%  
Age at which benefits taken: 65

<b>100% ConocoPhillips 5 Year Lifestyle Profile</b>					<b>Standard Life Deposit and Treasury Pension Fund</b>	
<b>SL Blackrock Managed (50:50) Global Equity Pension Fund</b>						
Year	Before Charges	After all charges are taken	Before Charges	After all charges are taken	Before Charges	After all charges are taken
1	£57,400	£57,200	£57,900	£57,700	£55,800	£55,600
3	£72,900	£72,200	£74,800	£74,100	£67,700	£67,100
5	£89,500	£88,100	£93,300	£91,800	£79,700	£78,600
10	£134,000	£130,000	£146,000	£141,000	£110,000	£108,000
NRD	£143,000	£139,000	£157,000	£152,000	£116,000	£113,000

### **Transaction Costs**

SL Blackrock Managed (50:50) Global Equity Pension Fund: 0.0544%  
Standard Life Deposit and Treasury Pension Fund: 0.0592%  
SL iShares Corporate Bond Index Pension Fund: 0.0217%

### **Growth Rates**

SL Blackrock Managed (50:50) Global Equity Pension Fund: 5.00%  
Standard Life Deposit and Treasury Pension Fund: 1.00%  
SL iShares Corporate Bond Index Pension Fund: 2.00%

How the illustrations are calculated:

- Values are not guaranteed
- Projected values are shown in today's terms and do not need to be reduced further for the effect of inflation
- Inflation is assumed to be 2.00% each year
- Contributions are assumed to increase by 3.5% each year
- Negative transaction costs are assumed to be zero
- Where Standard Life have not received Transaction Cost Data a value of 0 is used