

Chair's Annual Report

Zurich Assurance Ltd
Group Personal Pension Plans

Year ended 31 December 2025

The ZEDRA Governance
Advisory Arrangement (GAA)

September 2026

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Executive Summary

This report on Group Personal Pensions plans, which constitute the entirety of Zurich Assurance Ltd's ('the Firm') ('ZAL') workplace personal pension book, provided by the Firm has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement ('the GAA') and sets out our independent view of the value delivered to policyholders and our view of the adequacy and quality of the Firm's policies in relation to Environmental, Social and Governance (ESG) risks, non-financial considerations and stewardship.

Further background on the activity of the GAA and details of the credentials of the GAA can be found in Appendices C and D, respectively. The GAA works under an agreed Terms of Reference, the latest version of which is dated 10 March 2022, and is publicly available (see Appendix D).

This report covers the accumulation phase workplace pension product only (when policyholders are still building up savings) and is our fifth annual report.

As Chair of the GAA for this Firm, I am pleased to present this value assessment of the Firm's workplace personal pension plans. The GAA has carried out a detailed review of the Value for Money ("VfM") delivered to policyholders over the period 1 January 2025 to 31 December 2025. We use a Value for Money framework that weighs the quality of services and investment performance against the costs paid by policyholders. Further detail are set out on Appendix B.

A colour coded summary of the GAA assessment

	Weighting toward VfM assessment *	Group Personal Pensions
1. Product strategy design and investment objectives	7%	●
2. Investment performance and risk	20%	●
3. Communication	13%	●
4. Firm governance	7%	●
5. Security of policy holder benefits	7%	●
6. Administration and operations	13%	●
7. Cost and charge levels **	33%	● ● ●
Overall Value for Money assessment	100%	● ● ●

* May not add to 100% due to rounding

** Each colour-coded dot represents a cohort of customers with different cost and charge levels: from left to right, cohort 1 represents 66% of customers with small pot sizes (average £26k pot size) (representing 32% of AUM) have charges greater or equal to 0.75% p.a. (the charges on this cohort are capped at 1% based on the default investment cost), cohort 2 represents 7% of customers with medium pot sizes (representing 5% of AUM and average pot size of £43k) have charges greater or equal to 0.5% and less than 0.75% p.a., and cohort 3 represents 28% of customers with larger pot sizes (representing 63% of AUM and average pot size of £121k) have charges less than 0.5% p.a.

Quality of Service and investment features

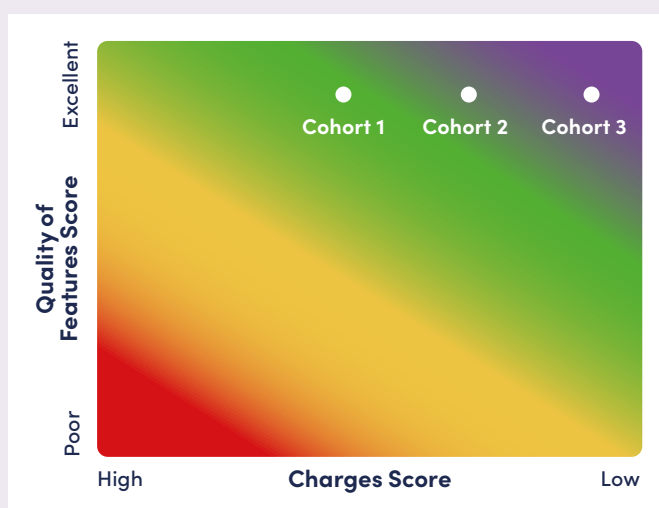
● Excellent ● Good ● Satisfactory ● Poor

Cost and charge levels

● Low ● Moderately Low ● Moderately High ● High

Value for Money scoring

The overall Value for Money score is visually represented by this heatmap.



The overall conclusion is that the Firm's Group Personal Pension plans provide good value for money.

There are no specific areas identified where the GAA has challenged the Firm to make improvements, however, the GAA has made a number of observations (detailed immediately below).

- **Product Strategy Design and Investment Objectives:** The GAA sought further clarification on the Firm's rationale for not introducing or amending default arrangements and notes the Firm's view that existing investment options are subject to robust governance and oversight, that member engagement with investment choices is historically low, and that the closed-book nature of the business limits the practical benefits of introducing new provider-driven default strategies. Whilst the GAA does not propose any specific actions at this stage, it will continue to monitor the suitability of the Firm's approach and the outcomes delivered to policyholders through the governance of the most commonly selected funds and existing lifestyle arrangements.
- **Communication:** The GAA notes that policyholders are currently unable to request investment switches through an online self-service facility, with switch requests instead requiring telephone, email or postal contact. The GAA encourages the Firm to continue exploring opportunities to enhance digital functionality for investment transactions as part of its ongoing development of customer online services.
- **Firm Governance:** Following the transfer of legacy administration services from Capita to Zurich during 2025, the GAA notes that the Firm is reviewing relevant governance and operational documentation to ensure it fully reflects the current operating model. The GAA understands that penetration testing is carried out on a risk-based approach and was performed once in 2024. The GAA observes that the Firm should review this approach and consider carrying out penetration testing for the workplace pensions book more often than once annually.
- **Administration and Operations:** While the GAA recognises an excellent delivery of SLAs for [Core Financial Transactions](#), it has observed that the processing of transfers in and out of the funds and benefit payments to members/beneficiaries have SLA target days that are comparatively longer than the industry averages. Therefore, the GAA encourages the Firm to continue exploring opportunities to reduce the target days for

achieving the SLAs, including greater automation where appropriate, to further enhance customer outcomes and service delivery.

- **Cost and Charge levels:** The GAA observes, for the assessment period of 2025, that Cohort 1 had moderately high cost and charge levels in comparison to Cohort 2 ('moderately low') and Cohort 3 ('low'). The GAA continues to encourage the Firm to continue to reduce the cost and charges applied to Cohort 1 and further improve those of Cohort 2. Furthermore, the GAA also encourages the Firm to continue managing [transaction costs](#) proactively, seeking reductions where possible without compromising members' overall investment outcomes, recognising that higher transaction costs can at times support better net returns.

The FCA requires a comparison of your pension product with other similar options available in the market. If an alternative scheme appears to offer better value, we must inform the pension provider. I can confirm that we have not considered it necessary to make this notification this year. Our view on each feature that we must make a comparison on is included in the relevant section of the report. Details of how we selected the comparator group is set out in Appendix B.

We also concluded that the Firm's policies in relation to [Environmental, Social and Governance](#) (ESG) risks, non-financial considerations and stewardship were adequate and well implemented.

The Financial Conduct Authority (FCA) issued a consultation in August 2024 on the framework for assessing Value for Money. This followed their 2023 joint consultation with the Department for Work and Pensions (DWP) and The Pensions Regulator (TPR). A further joint consultation was issued in January 2026. These consultations set out a framework of metrics and standards to assess value for money across Defined Contribution (DC) pension arrangements, including the workplace pensions reviewed by the GAA. The regulators' overall aim is to improve the value savers get from their DC pension by increasing comparability, transparency and competition across DC pension schemes, whether regulated by the FCA or TPR. The consultation does not affect this year's review, but it is likely to result in changes to how Value for Money is assessed within the next few years. We continue to monitor these developments and will amend our assessment approach when necessary.

If we use technical pensions terms or jargon in this report, we explain them in the glossary in Appendix F.

Details of the numbers of policyholders and their funds were supplied to ZEDRA for the assessment and are summarised in Appendix G.

I hope you find this value assessment interesting, informative and constructive.



Payam Kazemian

Chair of the ZEDRA Governance Advisory Arrangement for
Zurich Assurance Ltd Group Personal Pension Plans
September 2026

If you are a policyholder and have any questions, require any further information, or wish to make any representation to the GAA you should contact:

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Email: zurich.customer.service@uk.zurich.com

Website: www.zurich.co.uk/about-us/governance-advisory-arrangement

Alternatively, you can contact the GAA directly at zgl.gaacontact@zedra.com

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1. Product Strategy Design and Investment Objectives

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

We expect the default investment strategy to be designed and managed with policyholders' needs and interests in mind. This should be supported by suitable risk ratings and by considering how long members are likely to be invested and the age profile of the membership.

We want all investment options to have clear aims and objectives. In particular, we expect quantitative objectives (relative to a defined benchmark that can be independently tracked) to be in place. This helps ensure investment performance can be measured in an objective way. However we recognise that in some cases only qualitative objectives (a description of what the fund is trying to achieve or an assessment relative to a peer group) may be available. Ideally, we also want to see that these objectives link back to what policyholders need.

We also look for a strong ongoing review process for all investment options, including the default fund. Where changes are needed, we expect the Firm to make them so the investment options continue to be in policyholders' interests.

Although we cover policies on [ESG](#) financial considerations and non-financial matters separately in Section 8 of this report, we also expect to see evidence that these factors are considered when the investment strategy is designed and when investment decisions are made.

The Firm's approach

The Firm's in-scope business is administered across four different mainframe systems: Pulsar, Merlin, IPAS and CPAS. The Group DC mainframe was

decommissioned in 2022 with all schemes and members (who are all now paid-up) migrated to the existing IPAS mainframe system during the first half of 2022. As part of this migration, the firm reviewed the funds available to these members. For consistency of reporting, and to reflect the different features of the migrated book, this document continues to refer to them as Group DC plans.

The Firm does not offer any Firm designed 'default' strategies. However, a number of pension schemes within the scope of the GAA do contain Lifestyle and Glide path strategies; these relate to policies on the Corporate Pension Administration System (CPAS) and Group DC systems, which represent approximately 6% of in-scope assets under management (AUM). The Firm's approach is to review these Lifestyle and Glide path strategies every 3 years. The default strategies were originally designed by the employers and their advisers.

There is also an annual review of the performance of the funds available to the schemes with a focus on those contained within these strategies, in addition to a review of the Standard Replacement Funds. This is presented to the Investments Solutions Group. Age to maturity and the stated retirement age is considered as part of the linked review.

In addition, as at 31 December 2025 there are 222 different funds (total AUM of c£2.13bn) available to 38,892 policyholders across the various products with the Managed Fund AP and Managed 1% AP representing the largest amount of in-scope assets for the GAA (c.66% of AUM). These are mixed asset class funds and are not in themselves lifestyle or glidepath funds but can be included within a lifestyle or glidepath.

The criteria against which the glidepaths are reviewed is contained within the Firm's Fund Review Framework (previously known as the "[Unit-Linked](#) and Operational Standards"), noting that the 'Framework for Lifestyles in Contract-based schemes' would only be reviewed in the context of a new glidepath or a change to the glidepath. The Investment Solutions Group (ISG) Terms of Reference (ToR) require deep dives every year in Default funds, and the detailed process was evidenced to the GAA.

Fact sheets for the fund ranges where the majority of AUM are invested were provided to the GAA. All funds have fund objectives that are clearly shown within the fact sheets available to customers. It is noted that the Firm is closer to the setting of investment guidelines and performance of the discretionary funds, but are a step removed from the external asset manager of the wrapped funds. The Firm is not required to provide risk ratings for funds as they are not 'authorised funds'.

Factsheets contain clear qualitative fund objectives (having previously improved the clarity of its largest fund's quantitative performance comparator), and are available to customers through Zurich's website via the relevant fund centres for each plan type. During 2025, the Firm approved a rolling three-year review of standing data across all factsheets, including assessment of whether fund objectives remain consistent with fund names and the asset and sector allocations disclosed. The GAA notes that this review has now been completed across all discretionary funds, with Zurich's Investments team confirming that no material amendments to fund objectives are required, subject to a small number of outstanding actions. Progress on the review and associated actions has been evidenced through ISG reporting. The GAA also notes that fund objectives continue to be reviewed on an ongoing basis.

A review of the Strategic Asset Allocation (SAA) of the Managed funds took place in 2025. The revised allocation includes an increased exposure to US equities, funded through reductions in UK, European, Asian and cash allocations, with the lower cash allocation better reflecting the liquidity requirements of the funds. While some changes to the asset allocation for the Managed Life and Managed Pension funds have been implemented, the GAA notes that other changes have not yet been put in place, pending completion of the associated customer communications and statement

messaging. The Firm expects fund objectives to be updated by the end of 2026, which will facilitate the removal of the current UK allocation constraints within the SAA. Once complete, fund factsheets and supporting customer literature will be updated.

There is a 3-year review cycle for the limited number of true 'defaults' relating to [life-styling](#) funds in CPAS and Group DC; the full 3-year review took place in Q1 2025 relating to the 2024 year. No material changes were identified, highlighting the key themes from the previous review were: fewer members in the LIOs (Lifestyle Investment Options) & LISs (Lifestyle Investment Strategies), increases in average member ages and decrease in average term to retirement. In the interim periods, there is also an annual review of the performance of the funds available to the schemes with a focus on those contained within these strategies; evidence of the annual review performed in Q1 2025 was provided, which concluded no significant concerns and appropriate actions were being taken in relation to funds which are underperforming.

Remedial action reviews across all funds were undertaken quarterly throughout the year through the Remedial Action Process. Fund rationalisations have taken place historically for underused funds or funds where there is a crossover, especially where such rationalisation has led to policyholders being subject to reduced charges or being able to access a more modern fund. The Firm plans further fund rationalisation in the future.

The Firm proactively monitors funds suitability through reviewing policyholder feedback, complaints, Net Promoter Score feedback, and other criteria. If it is decided that a fund needs to be removed, then there is a process to identify a suitable alternative fund that will remain aligned with customer's interests.

The Firm's strengths

The Firm has a comprehensive governance process for the strategic review of the design of the default and self-selected funds and regularly review the fund aims and objectives to ensure alignment with the interests of [relevant policyholders](#). Whilst the Firm does not offer its own default strategies, it operates established review processes for Lifestyle and Glidepath strategies, including periodic three-year reviews and annual performance assessments. The Firm takes action to make any necessary changes.

Improvements since last year

The GAA notes that the Firm has completed its review of fund objectives across all discretionary fund factsheets as part of a wider rolling three-year review programme. The GAA is therefore satisfied that the Firm has addressed the previous observation regarding the review and enhancement of fund factsheet disclosures.

Areas for improvement

GAA observations

The GAA sought further clarification on the Firm's rationale for not introducing or amending default arrangements and notes the Firm's view that existing investment options are subject to robust governance and oversight, that member engagement with investment choices is historically low, and that the closed-book nature of the business limits the practical benefits of introducing new provider-driven default strategies. Whilst the GAA does not propose any specific actions at this stage, it will continue to monitor the suitability of the Firm's approach and the outcomes delivered to policyholders through the governance of the most commonly selected funds and existing lifestyle arrangements.

2. Investment Performance and Risk

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

We expect the Firm to have strong governance in place to monitor investment performance regularly. Performance should be checked against the fund's objectives and against a clear benchmark. We expect performance to be assessed net of fees. We also expect the Firm to consider risk-adjusted returns (in other words, what return has been achieved for the level of risk taken).

If there are concerns about investment performance, we expect the Firm to take appropriate action. This could include challenging the investment manager and/or changing fund options.

The Firm's approach

The performance of discretionary funds is reviewed on a quarterly basis with updates provided to the Board, Asset Liability Management Investment Committee (ALMIC) and ISG. ZAL also monitors performance using its remedial actions process. Remedial reviews of the funds' net performance against the benchmarks were undertaken by the Firm on a quarterly basis, with follow-up actions taken as required. Within the quarterly Remedial Actions Process the review is undertaken net of any charges that are taken within the unit price. In the case of discretionary funds, where there is no underlying external fund, the analysis includes the impact of product charges. In the case of wrapped funds, where there is an external fund, the analysis is performed on the underlying fund, excluding product charges. This approach ensures a consistent view and includes the impact of asset manager charges.

Funds are ranked by the firm into quartiles on a rolling quarterly basis based on their performance over 1 year, and if consistently ranked in the bottom quartile over the medium term, then action is taken. Formal processes for close monitoring of the funds with concerns are in place, which include contact with the investment manager to discuss any issues with performance.

In addition, from review of the sector coverage by product in 2022, the Firm conducts an annual volatility review, to monitor if funds are more volatile than the sector average, which may indicate that individual managers are taking too much or too little risk.

The Firm's strengths

The quarterly Remedial Actions Process is comprehensive and covers many aspects of the governance and performance of the fund. In addition, corporate actions processes are closely linked to the governance processes in place. Overall, the GAA considers that the Firm has strong monitoring and assessment of investment performance and risks. The review process around the [net investment performance](#) and risk measures is well designed to ensure alignment with the interests of [relevant policyholders](#) and that the Firm takes action to make any necessary changes.

Lastly, around 88% of the assets invested were in-line or outperformed their benchmark weighted by Assets under Management (AUM). In particular, the Zurich Managed Funds (around 66% of AUM), outperformed their benchmarks.

Overall, the review process and governance of investment strategy performance is strong.

Improvements since last year

Investment performance improved from last year and the great majority of funds outperformed the benchmark/comparator on average weighted by assets under management (AUM).

Net Investment Performance

The net investment performance of the most significant funds (over £40 million) available to policyholders over 12 months to 31 December 2025 and, where available, the performance of the benchmarks against which those funds are measured by the Asset Manager are set out in the following table.

Fund Name	Net Investment Performance	Benchmark
Zurich Managed AP	12.97%	12.40%
Zurich Managed 1% AP	12.97%	12.40%
Zurich Equity AP	16.63%	13.53%
Zurich Balanced Managed 2000 AP	11.94%	12.40%
Zurich Managed 1 EP	12.87%	12.40%
Zurich Managed Equity & Bond AP	7.25%	10.34%
Zurich European AP	23.95%	21.71%

Comparator results

We have assessed how the [net investment performance](#) provided to the Firm's policyholders compares to other sufficiently similar employer pension arrangements. This takes account of both the nature of the provider and the performance of the investments being offered compared to a suitable benchmark.

This assessment found that the one-year net investment performance relative to benchmark for the Firm's policyholders over 2025, weighted by the size of funds invested, was average, i.e. relative to benchmark.

Areas for improvement

The GAA did not identify any specific areas for improvement.



3. Communication

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

As a minimum, we expect communications to be suitable for their purpose. They should be clear, engaging and designed with policyholders' characteristics, needs and objectives in mind.

We expect a full set of key communications. This should include annual benefit statements, pre-retirement wake-up letters and retirement option packs.

Each year, information about administration charges and transaction costs should be available to policyholders on a publicly accessible website. This should include an illustration showing how administration charges and transaction costs can reduce outcomes over time (the compounding effect).

For a high-quality communication service, we expect a strong online offering. This should include helpful tools and support materials, such as calculators that allow members to model different options using their own details. We also expect telephone support to be available. The Firm should monitor calls and ensure staff are trained and supported to give accurate information.

We expect policyholders to be able to switch investment options online. We also expect support to be available to help policyholders make decisions. In particular, there should be clear risk warnings built into the process where appropriate.

Finally, we expect the provider to offer a range of retirement options. We also expect clear signposting so policyholders know where they can get guidance and advice about their retirement choices.

The Firm's approach

The Firm provides a comprehensive suite of communications throughout the customer journey, including annual statements, transfer communications, wake-up packs and retirement communications. Communications are reviewed and updated regularly in response to customer feedback, customer journey reviews, regulatory developments and product changes. Customers can access support through the contact centre, website, email and webchat services, with some customers also able to access plan information online.

The Firm also provides a range of support to help customers make informed decisions, including educational content, signposting to Pension Wise and retirement support through HUB Financial Solutions. Policyholders can request investment switches through telephone, email or post, supported by information on the switching process and available investment options.

The Firm's strengths

The GAA found that the Firm has demonstrated a commitment to continuously improving customer outcomes through enhancements to its communications and support services. During the assessment period, improvements were made to annual statements, transfer communications and investment switch forms, with a focus on improving clarity, accessibility and customer understanding. The GAA also notes the Firm's continued investment in customer education, including content on investing, risk and diversification, and its ongoing focus on supporting vulnerable customers.

The Firm provides policyholders with access to a range of support services to help them make informed decisions, including retirement guidance through HUB Financial Solutions, educational materials and tailored customer interactions. The GAA notes that customer feedback, complaints analysis and service performance monitoring are actively used to inform enhancements, demonstrating a customer-focused approach to communication and support.

Comparator results

We have assessed how the communication materials provided to the Firm's policyholders compare to other sufficiently similar employer pension arrangements. This takes account of the nature of the provider.

This assessment found that the communication materials provided to the Firm's policyholders over 2025 were above average, i.e. relative to the comparator group.

Areas for improvement

GAA observations

The GAA notes that policyholders are currently unable to request investment switches through an online self-service facility, with switch requests instead requiring telephone, email or postal contact. The GAA encourages the Firm to continue exploring opportunities to enhance digital functionality for investment transactions as part of its ongoing development of customer online services.



4. Firm Governance

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

We expect the Firm to have a clear and effective governance structure. This should include key committees with Terms of Reference that set out what each committee is responsible for, and these should be reviewed regularly. We also expect to see evidence that the key committees met during the year. Meeting packs or minutes should show that the committee's responsibilities were properly covered.

We expect a strong oversight framework for the security of IT systems, data protection and cyber-security. Cyber-security should be treated as a key risk. The Firm should monitor this area, train staff appropriately, and carry out testing (for example, penetration testing).

We expect Firms to have a comprehensive business continuity plan. The Firm should be able to demonstrate that the plan works, for example through regular testing.

We also expect a governance process to review product innovation for the workplace pension, including considering policyholder feedback. Any major change projects that affect policyholders should be properly governed.

There should be a clear and documented process for selecting and monitoring service providers. The Firm should review them regularly and make changes when needed.

The Firm's approach

The Firm provided the GAA with detailed evidence of their framework and processes covering supplier, investment, product, and resilience governance including the Supplier Delivery Management Meetings, Investment Solutions Group, Pensions Proposition Management Group, UK Territory

Oversight Committee and Asset/Liability Management Investment Committee (ALMIC) and meeting minutes demonstrating regular asset manager review meetings. Summary dashboards are presented each quarter to ALMIC. The Firm also maintains formal processes for the appointment and ongoing oversight of suppliers and asset managers, supported by service reviews, risk assessments and performance monitoring. During 2025, these arrangements supported the successful transition of legacy administration services from Capita to Zurich.

Information security controls are supported by an annually reviewed Information Security Risk Policy Manual, Cyber Essentials certification and ongoing security testing. Operational resilience arrangements include a documented Business Continuity Plan and annual scenario testing, while customer outcomes are monitored through complaints analysis and transactional Net Promoter Score (tNPS) monitoring.

The Firm's strengths

Detailed evidence was provided demonstrating effective governance across investment oversight, supplier management, product governance and information security. The GAA notes the strong monitoring arrangements in place for both suppliers and asset managers, including regular governance reporting, risk assessments and formal escalation processes where required.

The GAA also notes the Firm's continued focus on maintaining operational resilience and protecting policyholder data. During the assessment period, the Information Security Risk Policy Manual was updated, Cyber Essentials certification was maintained, and penetration testing and vulnerability management activities continued. In addition, business continuity testing was successfully completed using a cyber incident scenario, with learning

incorporated into recovery arrangements. The GAA further notes the use of customer feedback, complaints analysis and tNPS monitoring to support governance oversight and service improvements.

Improvements since last year

During 2025, the Firm successfully completed the transfer of legacy administration services from Capita to Zurich, supported by enhanced governance and transition oversight arrangements. The GAA notes that operational stability was maintained and that disruption to policyholders was minimised.

Areas for improvement

GAA observations

Following the transfer of legacy administration services from Capita to Zurich during 2025, the GAA notes that the Firm is reviewing relevant governance and operational documentation to ensure it fully reflects the current operating model.

The GAA understands that penetration testing is carried out on a risk-based approach and was performed once in 2024. The GAA observes that the Firm should review this approach and consider carrying out penetration testing for the workplace pensions book more often than once annually.



5. Security of Policyholder Benefits

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

We expect the Firm to be financially sound, with enough capital to keep operating for the foreseeable future.

We also look for appropriate protections for policyholder assets, for example in case of fraud or bankruptcy (at both the Firm and investment manager level). These protections could come from the Financial Services Compensation Scheme (FSCS) or other regulatory protections, ringfencing, or the structure of the underlying product.

We expect the Firm to have processes to protect policyholder assets from fraud and scams. We also expect the Firm to actively monitor for possible scam activity.

The Firm's approach

The Firm is an insurance company regulated by the PRA and FCA. The solvency level at the end of the assessment period was in line with the Firm's upper solvency target. In addition, the Firm continues to have for the fifth successive year a strong financial strength rating. Policyholders would also be able to claim on the FSCS if the Firm was deemed to be in default. Members would be able to claim compensation to 100% the value of the plan with no upper limit.

The Firm's strengths

The Firm's Fraud policy and key fraud controls provided through Financial Crime Risk Management Framework details governance, reporting, escalation, monitoring and assurance and is reviewed annually.

Staff working on the workplace personal pension plans book of business undertake financial crime training upon employment and at least annually. This training is risk-based training tailored to the specific roles undertaken by the individuals.

Communications provided to investors in respect of the transfer of benefits include details of pensions scams, outlining how to identify scams and what actions to take with signposting to the Smart Scam leaflet and website. The Firm performs reviews of customer wellbeing policy and training and provides case studies on scams. There were no reported pension fraud or scams in 2025, relating to the in-scope products.

Areas for improvement

The GAA did not identify any specific areas for improvement.

6. Administration and Operations

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

We expect Firms to have strong administration processes, supported by appropriate service standards and regular monitoring and reporting against those standards. We are looking for evidence that [core financial transactions](#) are processed promptly and accurately. This includes processing contributions, transfers and death benefit payments.

We expect regular internal and external assurance audits of controls and administration processes.

We expect a low level of significant complaints. We also expect a clear process for handling and resolving policyholder complaints.

The Firm's approach

The Firm is responsible for the administration of the in-scope pension business and monitors service delivery through a framework of service level agreements (SLAs), governance reporting and oversight meetings. Performance is reviewed through regular Service Delivery Management Meetings, covering core financial transactions, broader administration services, customer outcomes and operational risks. The Firm also maintains formal processes for complaints handling, operational resilience, information security and business continuity, supported by regular monitoring, testing and governance oversight.

The Firm's strengths

The GAA notes that overall administration performance remained strong throughout the assessment period, with average SLA achievement of 98.9% against an average target of 96.5% across a broad range of administration services. Core financial transaction performance also remained high, achieving an average of 99.8% against an average expected SLA of 90.7%, while the Firm continued to ensure customers received the correct pricing through its time-stamped transaction process. The GAA also notes the Firm's achievement of STAR Gold accreditation, reflecting continued improvements in transfer capabilities and service delivery.

Complaints had been raised by a small percentage of customers, with less than half of these being upheld. The Firm reviews complaints to identify any problems with the products or the administration services. Detailed reporting was completed on the root cause, type of complaint and how these were being resolved including promptness. The low level of complaints relative to the size of the book further indicates stable administration performance and effective customer service processes.

Improvements since last year

The Firm improved its performance against core financial transaction service levels during 2025, achieving an average SLA performance of 99.8% compared to 98.5% in 2024.

Comparator results

We have assessed how the quality and timeliness of the administration services, including the core financial transaction processing, provided to the Firms policyholders compare to other sufficiently similar employer pension arrangements.

This assessment found that the administration services provided to the Firm's policyholders over 2025 were average, i.e. relative to the comparator group.

Areas for improvement

GAA observations

While the GAA recognises an excellent delivery of SLAs for Core Financial Transactions, it has observed that the processing of transfers in and out of the funds and benefit payments to members/beneficiaries have SLA target days that are comparatively longer than the industry averages. Therefore, the GAA encourages the Firm to continue exploring opportunities to reduce the target days for achieving the SLAs, including greater automation where appropriate, to further enhance customer outcomes and service delivery.



7. Cost and Charge Levels

Value score:	Low	Moderately Low	Moderately High	High
Cohort 1				
Cohort 2				
Cohort 3				

What are we looking for?

The GAA has reviewed the overall level of charges paid by policyholders over the year. This included assessing:

- the annual fund management and administration charges being borne by policyholders
- the transactions costs incurred by the underlying investment funds which reduce the investment return experienced by policyholders
- any other charges being paid by policyholders to manage and administer their workplace pensions
- the Firm's process for collecting and monitoring overall member charges, including [transaction costs](#).

We expect fund management charges to be in line with charges for similar investments in the wider pensions market. In doing this, we consider whether the fund is actively or passively managed and the type of assets it invests in. We also consider where most [relevant policyholder](#) assets are invested.

When looking at transaction costs, we also consider market conditions. We recognise that transaction costs can increase when markets are highly volatile.

We assess whether the overall level of administration charges is reasonable, taking into account the services provided to policyholders.

Finally, for products used for auto-enrolment pensions, we consider the government charge cap.

As well as considering average total costs and charges, we also note where there may be significant outliers (for example, higher charges for small pots).

You can find more information on the required disclosures about costs and charges paid by the Firm's policyholders in Appendix A.

The Firm's approach

The business within the scope of the GAA covers a range of different charging structures, each reflecting the nature of products offered across the wider market at different times from the late 1980s to more recently.

With the support of its previous Investment Governance Committee (IGC), the Firm implemented a charge capping exercise across their portfolio. This limits ongoing charges to 1% per annum, based on the cost of the most commonly used or default fund choice.

Risk of high charges for legacy products

As the products are legacy products, there are some legacy charging arrangements. We have generally observed that customers can be divided into three distinct groups based on the charges applied to them, which we will refer to as cohorts as following:*

- **Cohort 1:** 66% of members with smaller sized pots (average pot size of £26k), (representing 32% of AUM) have charges greater or equal to 0.75% p.a. (but as noted, the charges on this cohort are capped at 1% based on the default investment cost).

- **Cohort 2:** 7% of members with medium sized pots (5% of AUM and average pot size of £43k), have charges greater or equal to 0.5% and less than 0.75% p.a.
- **Cohort 3:** 28% of members with larger sized pots and 63% of AUM (average pot size of £121k), have charges less than 0.5% p.a.

*May not add to 100% due to rounding.

As stated, ongoing charges for all members are capped at 1% based on the default investment cost. Where members have chosen investments other than the default, their actual costs differ and may be higher (most notably including property funds). Overall, only 3% of members have charges above 1% (representing only around 2% of total AUM).

The charging structures may include percentage charges applied within the pricing of the investment funds, percentage charges applied by unit deduction at product level, and policy fees expressed as monetary amounts applied by unit deduction at product level. Some charging structures may include combinations of, and variations on, these types of charges. No charges apply for investment fund switches, and any legacy commission is paid by the Firm, so separate commission charges do not apply to member pots.

If we look at the total charges weighted by AUM, they average to just approximately 0.51% p.a., which includes all charges except transaction costs, expressed as a percentage of the total fund AUM. Whilst overall the average charges are low, the position for different policyholders varies based on pot size and those with the smallest pots are subject to charges the GAA rate as moderately high.

Transaction costs for the Firm's Managed Fund, which is actively managed and is the largest fund by AUM, were 12bps p.a. during 2025 (2024: 10bps p.a.) All Funds Transaction costs ranging from 0%-1.06% (2024 0% to 1.33%, 2023 0%-1.29%).

The Firm's strengths

A thorough value-for-money charge capping exercise was undertaken by the Firm to make sure there is an effective 1% charge cap across their portfolio and a strong monitoring process around reviewing this is in place.

Improvements since last year

The GAA notes that the Firm has maintained its charge capping arrangements, ensuring that ongoing charges for in-scope policyholders remain capped at 1%. The Firm has continued to review customer outcomes for members subject to higher charge levels and remains focused on improving accessibility and flexibility for members with smaller pension pots.

Comparator results

We have assessed the overall cost and charge levels payable by the Firm's policyholders in comparison to policyholders of other sufficiently similar employer pension arrangements. This takes account of the nature of the provider.

This assessment found that the overall cost and charge level paid by the Firm's policyholders over 2025 within all 3 Cohorts was average.

Areas for improvement

GAA observations

The GAA observes, for the assessment period of 2025, that Cohort 1 had moderately high cost and charge levels in comparison to Cohort 2 ('moderately low') and Cohort 3 ('low'). The GAA continues to encourage the Firm to continue to reduce the cost and charges applied to Cohort 1 and further improve those of Cohort 2. Furthermore, the GAA also encourages the Firm to continue managing transaction costs proactively, seeking reductions where possible without compromising members' overall investment outcomes, recognising that higher transaction costs can at times support better net returns.

8. ESG Financial Considerations, Non-Financial Matters and Stewardship

What are we looking for?

Where the Firm's investment strategy or investment decisions could materially affect policyholders' investment returns, the GAA will assess the adequacy and quality of the Firm's policies on [ESG](#) financial considerations, non-financial matters and stewardship. We consider how these factors are integrated into the Firm's investment strategy and investment decision-making. We also form a view on the adequacy and quality of the Firm's stewardship policy.

We expect the Firm to have clear policies covering these considerations:

- (a) sufficiently characterises the relevant risks or opportunities;
- (b) looks to appropriately mitigate those risks and take advantage of those opportunities;
- (c) is appropriate in the context of the expected duration of the investment; and
- (d) is appropriate in the context of the main characteristics of the actual or expected [relevant policyholders](#).

We also expect the Firm's processes to be designed so they properly consider the relevant risks and opportunities.

Where ESG considerations are delegated to external investment managers, we expect the Firm to have appropriate oversight and stewardship arrangements in place.

Although this formal requirement sits outside the overall Value for Money assessment, the GAA's Value for Money framework does take it into account where relevant. For example, when scoring Product Strategy Design and Investment Objectives in Section 1 of this report, we consider how the Firm has integrated ESG financial considerations and

non-financial matters into its investment strategy and investment decision-making.

The Firm's approach

For ZAL Discretionary funds (mandated funds), ESG is embedded in the decision-making process within the Firm. The Zurich Risk Policy and Asset Manager Lifecycle policy both explicitly require that the Asset Manager Selection team incorporate ESG factors into the scoring for appointing new managers. No new managers have been selected over 2025. For existing managers, the Firm's discretionary managers apply ESG integration to their investment processes. In general, where two investment options are equal, the Firm expects the investment manager to choose the one with the higher ESG credentials. The Firm meets with investment managers with regards to ESG scores and engagement. The Firm believes in a high level of engagement and sees disinvestment as a last resort if this is unsuccessful.

On stewardship matters for wrapped funds (where ZAL does not set the investment mandate), the oversight approach is set out in ZAL's ESG Approach document and implemented through the Investment Solutions Group (ISG). The activities of the ISG include monitoring and engaging on matters such as strategy, performance, risk, and governance of the investments, where appropriate. The ISG does not apply a proxy voting policy on behalf of the Firm to non-discretionary investment funds but is confident that those third-party asset managers have frameworks that are sophisticated with regards to their approach to stewardship. However, the Firm is generally supportive of funds "converting" to an ESG approach and may vote in favour if there is an EGM and if considered appropriate; for example, the Firm would vote in favour unless charges materially increase (defined as an increase of 10% or 10bps).

Following the publication of the Zurich Group Climate Transition Plan, Zurich UK has updated its Climate Transition Plan, which outlines the business's approach to managing climate-related risks and opportunities and supporting the transition to a low-carbon economy. You can find out more by accessing the current [UK Climate Transition Plan](#).

For Discretionary asset managers, the Firm implements the Group led ESG policy through the inclusion of a proxy voting rights schedule within investment management agreements. The Firm's Investment Management Process and Governance Framework describe its stewardship expectations of third-party asset managers and is overseen by the ZAL Asset/ Liability Management Investment Committee and Board.

The Firm's strengths

The Firm has fully embedded ESG considerations into its investment decision making process. The Firm has produced a TCFD (Task Force on Climate-related Financial Disclosures) Report, which forms part of the ZAL Strategic & Directors' Report and Integrated Sustainability Disclosure in the Group's Annual Report.

The GAA further notes that the Firm has implemented an approach for overseeing funds making ESG-related claims, aligned to FCA anti-greenwashing requirements. As part of this process, funds with ESG designations are reviewed to ensure that any sustainability-related disclosures remain appropriately supported.

The Firm has clear policies on ESG, non-financial matters and stewardship. The GAA considers the policies to be adequate and of good quality.

Improvements since last year

During the assessment period, the Firm increased its allocation to Responsible Investment funds, with a further £150m invested across three additional RI funds following the earlier introduction of RI funds within the Managed Fund range. The GAA also notes the implementation of the Firm's framework for overseeing ESG-designated funds and sustainability-related disclosures, strengthening governance in this area.



Areas for improvement

The GAA considers the policies to be adequate and of good quality.

Appendix A:

Administration Charge and Transaction Cost Disclosures

The FCA requires administration charges and transactions costs for each Relevant Scheme to be published by 30 September each year, covering the previous calendar year. They must be available for free on a publicly accessible website. These disclosures must include the costs and charges for each default arrangement and each alternative fund choice that a member can select. They should also include an illustration of the compounding effect of the administration charges and transaction costs, on a prescribed basis, for a representative range of fund options that a policyholder can select.

The Firm has compiled these disclosures and compounding illustrations, which are provided on a publicly accessible website www.zurich.co.uk/workplace-pension-costs/full-list

If members are unable to find their statement or want further support, they can contact Zurich's Customer Contact Centre on 0370 241 6950.

The total costs and charges are a combination of two elements. Firstly, there are fund costs and charges which relate specifically to the investment fund chosen and which are always taken from the fund itself. Secondly, there are product charges which do not depend on the investment fund chosen; these may be taken within the funds or may be taken separately by unit cancellation or by adjusting the amount of payments before allocation to units. The level of some product charges may also vary at individual employer scheme level.

The Firm has provided the GAA with the following disclosures in respect of the period 1 January 2025 to 31 December 2025 in respect of the default funds.

Fund Name	Sedol	Transaction Cost Availability	One Year Transaction Cost	Annual Management Charge	Additional Fund Expenses	Current Year Total Fund Cost	Average Transaction Cost	AuM £m
Fund Used in Defaults – DC Platform								
Aquila European Equity Index ZP	B4ZS095	100.00%	0.02%	0.00%	0.02%	0.04%	0.01%	14.9
BlackRock Euro Liquidity ZP	B64GRS2	100.00%	0.02%	0.09%	0.01%	0.12%	0.02%	1.2
European Bond ZP	3382783	99.40%	0.00%	0.00%	0.25%	0.25%	0.03%	3.5
Long Dated Gilt 2EP	273772	99.89%	0.00%	0.00%	0.18%	0.18%	0.02%	0.3
Managed 2 EP	296575	98.79%	0.13%	0.00%	0.20%	0.33%	0.22%	18.9
Money Market ZP	BCZT3V7	98.01%	0.01%	0.10%	0.08%	0.19%	0.01%	0.0
Secure 2EP	297523	98.02%	0.01%	0.00%	0.08%	0.09%	0.01%	0.4
Fund Used in Defaults – CPAS								
American 1EP	297114	93.76%	0.06%	0.00%	0.06%	0.12%	0.26%	2.8
Equity Managed 1 EP	296694	97.65%	0.16%	0.00%	0.20%	0.36%	0.26%	17.5
European 1 EP	297095	98.59%	0.50%	0.00%	0.06%	0.56%	0.85%	4.2
Long Dated Gilt 1 EP	419985	99.89%	0.00%	0.00%	0.18%	0.18%	0.02%	0.3
Managed 1 EP	296683	98.79%	0.13%	0.00%	0.20%	0.33%	0.22%	53.1
Property 1 EP	297318	99.87%	0.37%	0.00%	0.55%	0.92%	0.27%	0.8
Secure 1 EP	296672	98.02%	0.01%	0.00%	0.08%	0.09%	0.01%	3.3
UK Equity 1 EP	297051	100.00%	0.11%	0.00%	0.20%	0.31%	0.21%	3.9
UK Fixed Interest 1 EP	297170	99.68%	0.00%	0.00%	0.15%	0.15%	0.05%	5.5
With Profits 4 EP*	N/A	100.00%	0.03%	0.00%	0.00%	0.03%	0.06%	17.4

Notes

Charges are the latest available up to 17/11/25. Transaction cost figures and AUM are as at 31/12/2025.

* The With Profits funds do not have [annual management charges](#) or additional fund expenses deducted in the same way as other funds; therefore, only transaction costs have been provided. Other product-related charges may be applied.

Appendix B: Overview of the Value Assessment Approach

The GAA has assessed the Value for Money delivered by comparing what policyholders pay with what they receive in return (investment performance and service quality). More detail on our approach is set out below.

Our approach

The GAA believes that Value for Money is not the same for everyone. What people see as “good value” can change over time, depending on what matters most to them at that point.

Even so, it is always a balance between costs and what policyholders get in return (investment performance and service). Our approach is to compare the total costs paid by policyholders with the investment performance achieved and the quality of the services provided.

The key steps the GAA follows when conducting the Value for Money assessment are:

- We send the Firm a detailed data request, asking for information about service and quality features. We also ask for full details of [net investment performance](#) and all costs and charges, including [transaction costs](#).
- We hold formal meetings with the Firm to review the data and to question or challenge any areas of concern. We keep minutes of these meetings. We also keep a log of any challenges raised, whether informally or through formal escalation.
- Once we have received the information, the GAA meets to discuss and agree provisional Value for Money scores using the GAA’s framework. We also carry out the required comparisons against a suitable comparator group for certain Quality of Service and Investment Features and for Costs and Charges as required by the regulations.

- We then share and discuss the provisional Value for Money score (including the detailed breakdown) with the Firm before finalising our report.

The GAA’s framework rates the Firm against seven features. These cover Quality of Service and Investment Performance and Strategy (the “Quality of Service and Investment Features”), as well as the Costs and Charges paid by policyholders. We assess this against what the GAA considers to be good practice.

The Quality of Service and Investment Features are based on the FCA’s requirements for ongoing Value for Money assessments in [COBS 19.5.5](#). This includes communications with policyholders and the processing of [core financial transactions](#). The assessment also includes other areas the GAA considers important, based on our experience of Value for Money assessments over many years. For example, we consider the Firm’s governance, approach to engagement and innovation, security of IT systems and data protection, financial security for policyholders, and the quality of administration processes.

Each Quality of Service and Investment Feature is broken down into sub-features. We score each sub-feature using a numeric scale. For each sub-feature we use score descriptors to help apply scores consistently across different clients. We then combine the sub-feature scores to produce an overall score for each feature, which ranges from Poor to Excellent.

We also assess the value of the costs and charges that policyholders pay. This mainly focuses on ongoing charges for investment management, administration and any platform fees. We also

consider the transaction costs within the underlying funds, how these are controlled, and any additional costs policyholders must pay to manage their policies. We then rate costs and charges on a scale from Low to High, using our knowledge of typical costs and charges in the pensions market.

We combine the scores for each feature using the weightings shown in the Executive Summary to determine the Overall Value for Money rating. The weightings reflect the GAA's view of what matters most to policyholders. They are weighted more heavily towards the features highlighted in the regulations as most relevant to value. Where possible, we also consider the likely needs and expectations of this group of policyholders.

In each section of the report, we describe the Firm's approach for each feature. We also set out the rating the GAA has given, and any areas for improvement we have identified.

The report also includes a section where the GAA sets out its view on whether the Firm's policies on [ESG](#) financial considerations, non-financial considerations and stewardship are adequate and of good quality. This is mainly a qualitative assessment, and we compare the Firm's policies with policies we have seen elsewhere.

We also carry out a comparative assessment against a suitable comparator group. This includes net investment performance, the quality of communications, the quality and timeliness of administration (including processing of core financial transactions), and costs and charges. We include the results in the relevant sections of the report. We also consider whether, overall, another provider may offer better Value for Money and, if so, we will inform the Firm. Details of how comparator providers and products were determined are set out in Appendix C.

Appendix C:

Approach to Comparisons

The FCA requires a comparative assessment of certain sub-features of the Value for Money assessment. The GAA must compare the Firm's offering with a selected group of other similar product options available in the market, using publicly available information. If an alternative scheme (or schemes) would offer better value, we must inform the pension provider.

ZEDRA's GAA operates for a number of Firms, all of whom have agreed that the GAA can make use of the data we have gathered on their offerings to conduct the required comparisons this year. This is done on an anonymised basis.

How the comparators were selected

The GAA has selected several comparator products that we believe are sufficiently similar products to be comparable to those provided by the Firm for this purpose. The choice was based on the following broad criteria:

- Type of product i.e. whether accumulation or pathways, and within accumulation whether the product is a SIPP or workplace group personal pension.
- Products where Firms provide similar services, for example whether the provider has responsibility for setting and monitoring the investment strategy.

Based on these criteria we believe that the comparator products chosen will provide a reasonable comparison for the policyholders of the products covered by this report.

Comparison of Net Investment Performance

We have assessed how the net of fees investment performance provided to the Firm's policyholders compares to other similar employer pension arrangements. This takes account the performance of the investments being offered. Where multiple

investment funds are made available, we have considered the amount invested by [relevant policyholders](#) in each fund.

Comparison of Communication provided to policyholders

We have assessed how the full range of communication materials, including any websites and modelling tools, provided to the relevant policyholders compares to other sufficiently similar employer pension arrangements. This takes account of the type of pension product provided, and whether the communication materials are fit for purpose considering the age profile of the relevant policyholders.

Comparison of Administration Services

We have assessed how the quality and timeliness of the administration services, including the core financial transaction processing, provided to the Firms policyholders compares to other sufficiently similar employer pension arrangements.

Comparison of costs and charges

We have undertaken the comparison of cost and charge levels considering three categories of charges:

- Annual Administration and Investment Fund Charges
- [Transaction Costs](#)
- Other Costs and Charges

We have assessed the overall cost and charge levels payable by the Firm's policyholders in comparison to policyholders of other sufficiently similar employer pension arrangements. This takes account of the type of product provided. The costs of services that are provided directly to the policyholder and paid for separately by the policyholder (for example financial or investment advice) are not included.

Appendix D: GAA Activity and Regulatory Matters

This section explains what the GAA has done over the year and covers other matters that we must include in our annual report.

GAA engagement and actions this year

In early 2026, we prepared and issued a data request covering all relevant workplace pension policies.

Members of the GAA met with representatives of the Firm to start the Value for Money assessment for the 2025 calendar year and to agree timescales.

We then met with representatives of the Firm to discuss the information provided in response to the data request. This allowed the GAA to meet key staff responsible for areas such as investment strategy (and how it has changed over time), the fund range (including default design), investment governance, approach to [ESG](#), non-financial matters and stewardship, administration and communications, and risk management. In some cases, this meeting was virtual.

We discussed the GAA's provisional Value for Money scoring for the Firm's in-scope workplace pensions. We also discussed the Firm's approach to meeting the costs and charges disclosure requirements in [COBS 19.5.13](#).

As part of the Value for Money assessment, the Firm provided the GAA with the information we requested. This included supporting evidence such as minutes and other documents for discussion at the site visit.

Over the last year, the GAA reviewed our Value for Money assessment framework and scoring method to ensure it remains suitable and can be applied consistently. The framework is largely unchanged from last year, but we improved the data request and realigned some elements of our assessments to streamline our reporting and made the overall process more efficient.

We keep minutes of all formal meetings with the Firm. We also keep a log of any concerns raised by the GAA, whether informally or as formal escalations.

The key dates are:

Item	Date
Issue Data Request	24/02/2026
Kick off meeting	23/03/2026
Site visit	27/04/2026
GAA Panel Review Meeting	21/05/2026
Discuss Provisional Scoring	29/06/2026

The arrangements put in place for policyholders' representation.

The following arrangements are in place to ensure that policyholders' views can be represented directly to the GAA:

- The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been and will continue to be communicated to policyholders via www.zurich.co.uk/about-us/governance-advisory-arrangement
- The Firm will receive and review policyholder communications, to make sure this channel is not used for individual complaints and queries. It is intended for more general representations that apply to more than one policyholder or group of policyholders. Where the Firm decides a communication is a representation to the GAA, it will pass it on in full, without editing or comment, for the GAA to consider.

In addition, the GAA has set up a dedicated inbox at zgl.gaacontact@zedra.com so that policyholders can make representations to the GAA directly. The Firm has included details of this email address on www.zurich.co.uk/about-us/governance-advisory-arrangement

Appendix E: ZEDRA GAA Credentials

In February 2015, the Financial Conduct Authority (FCA) introduced new rules for providers of workplace personal pension plans (called relevant schemes). These rules took effect from 6 April 2015. From that date, providers had to set up an Independent Governance Committee or appoint a Governance Advisory Arrangement. The main role of either body is to:

- Act solely in the interests of the relevant policyholders of those pension plans, and to
- Assess the “value for money” delivered by the pension plans to those relevant policyholders.

These requirements were extended to firms providing investment pathways from 1 February 2021.

The FCA rules require the Chair of each Independent Governance Committee and each Governance Advisory Arrangement to produce an annual report covering a number of prescribed matters.

The ZEDRA Governance Advisory Arrangement (“the GAA”) was established on 6 April 2015. It has been appointed by a number of workplace personal pension providers and investment pathways providers. ZEDRA is a specialist provider of independent governance services, mainly to UK pension arrangements. We also act as an independent trustee on several hundred trust-based pension schemes, and we sit on several IGCs. More information on the ZEDRA GAA can be found at www.zedra.com/GAA/

The members of the ZEDRA GAA are appointed by the Board of ZEDRA Governance Ltd. The Board is satisfied that, individually and collectively, the members of the GAA have the expertise, experience and independence needed to act in the interests of relevant policyholders and pathway investors.

The Board of ZEDRA Governance Ltd has appointed ZEDRA Governance Ltd to the GAA. Most of ZEDRA Governance Ltd’s Client Directors represent ZEDRA Governance Ltd on the GAA.

The Board of ZEDRA Governance Ltd has also appointed Dean Wetton, acting on behalf of Dean Wetton Advisory UK Ltd, to the GAA. Dean Wetton and Dean Wetton Advisory UK Ltd are independent of ZEDRA.

For each Firm, the Board of ZEDRA Governance Ltd appoints either a specific named Client Director of ZEDRA Governance Ltd or Dean Wetton of Dean Wetton Advisory Ltd to act as Chair of the GAA.

More information on each of ZEDRA’s Client Directors, their experience and qualifications can be found at www.zedra.com/people/

Information on Dean’s experience and qualifications can be found at <https://deanwettonadvisory.com>

The GAA has a conflicts of interest register and a conflicts of interest policy. The aim is to ensure any potential conflicts are identified and managed effectively, so they do not affect ZEDRA Governance Ltd’s or Dean Wetton Advisory Ltd’s ability to represent the interests of relevant policyholders or pathway investors.

The Terms of Reference for the GAA agreed with the Firm can be found at: www.zurich.co.uk/about-us/governance-advisory-arrangement

Appendix F: Glossary

Please note that some of the terms referred to in this glossary may not be applicable to your product.

Active management

The investment of funds where the skill of the investment manager is used to select particular assets at particular times, with the aim of achieving higher than average growth for the assets in question.

Annual Management Charge or AMC

A deduction made by the pension provider or investment manager from invested assets, normally as a percentage of the assets. The AMC is generally how the pension provider or investment manager is paid for their services.

Annuity

A series of payments, which may be subject to increases, made at stated intervals, usually for life. If the annuity is "joint life", it will continue to a spouse (usually at a lower rate) after the death of the original person receiving the payments ("the annuitant").

COBS

The Conduct of Business Sourcebook prepared by the Financial Conduct Authority (FCA). When we use COBS in this report we are referring to Chapter 19 of the COBS which sets out the provisions relevant to the Value for Money Assessment of workplace pensions.

Core financial transactions

The essential processes of putting money into a pension policy or taking it out, namely:

- Investment of contributions.
- Implementation of re-direction of future contributions to a different fund.
- Investment switches for existing funds, including life-styling processes.
- Settlement of benefits – whether arising from transfer out, death or retirement.

Decumulation

The process of converting pension savings to retirement income.

Environmental, Social and Governance (ESG)

The three main factors looked at when assessing the sustainability (including the impact of climate change) and ethical impact of a company or business. ESG factors are expected to influence the future financial performance of the company and therefore have an impact on the expected risk and return of the pension fund investment in that company.

Flexible access

Accessing pension savings in the form of income and/or lump sums. Pension savings that are not being accessed immediately will generally remain invested.

Life-styling

An automated process of switching investment strategy as a policyholder approaches retirement, in a way that is designed to reduce the risk of a policyholder's retirement income falling.

Net Investment Performance

The investment performance of the fund after deducting all asset management charges, administration charges, taxes and fees for managing the fund including any transaction costs.

Pathway investor

A retail client investing in a Firm's pathway investment offering.

Pathway investment

A drawdown fund which is either a capped drawdown pension fund or a flexi-access drawdown pension fund.

Relevant policyholder

A member of a Relevant Scheme who is or has been a worker entitled to have contributions paid by or on behalf of his employer in respect of that Relevant Scheme.

Relevant Scheme

A personal pension scheme or stakeholder pension scheme for which direct payment arrangements are, or have been, in place, and under which contributions have been paid for two or more employees of the same employer.

Transaction costs

A combination of explicit and implicit costs included within the price at which a transaction (i.e. buying or selling an asset) takes place.

With profits

An insurance contract that takes part in the profits of an insurance company. The insurance company aims to distribute part of its profits to with-profits policy holders in the form of bonuses.

Unit-linked

A type of investment where the investments of numerous people are pooled together and divided into units of equal value. The value, or price, of each unit depends on the value of the assets of the unit linked fund. The unit price determines the number of units the policyholder receives when they invest money in the fund, and the sum they receive when they sell their units.

Appendix G: Data Table

Membership data as at 31 December 2025.

Mainframe system	Number of members	Assets Under Management
Pulsar	22,762	£1,638m
Merlin	8,681	£190m
IPAS	3,350	£125m
CPAS	3,593	£81m
Group DC*	506	£34m

* Group DC customers were migrated onto the IPAS mainframe system in 2022. Please note that this was primarily a system migration and there was no material change or reduction to the customer offerings.



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