

Victrex Pension Fund (the “Fund”)

Chair’s annual statement regarding the governance of defined contribution arrangements

Fund year - 1 April 2024 to 31 March 2025

1. Introduction

- 1.1. This statement has been prepared by the Trustee of the Victrex Pension Fund (the “Trustee”) to report on compliance with governance standards applicable to defined contribution (DC) arrangements. These standards are designed to help members achieve good outcomes from their pension savings.
- 1.2. The reporting period covered by this statement is 1 April 2024 to 31 March 2025 (“the reporting period”).
- 1.3. As required by the Regulations, the Trustee will publish this Statement on a publicly accessible website. The address for the website is: <https://www.victrexplc.com/governance/governancedocuments>

2. The Fund’s DC arrangements

- 2.1. The Fund’s DC arrangements comprise:
 - 2.1.1. The Defined Contribution Section (“the DC Section”) which is open to future contributions and is used as a qualifying workplace pension scheme for automatic enrolment purposes.
 - 2.1.2. Legacy Additional Voluntary Contributions (AVCs) for members of the Defined Benefit Section (“the DB Section”) of the Fund, which are invested in line with DC Section benefits.
- 2.2. At the start of the reporting period, funds for both DC arrangements outlined in paragraph 2.1 were invested directly with Legal & General Investment Management (LGIM), Barings LLP and Baille Gifford & Co. In the reporting period and following advice from its investment advisers, the Trustee appointed Mobius Life as its investment platform provider and made a number of changes to the underlying investment managers. The details of these changes are covered later in this statement.

3. Default investment arrangements

- 3.1. The DC Section has two default investment arrangements for the purposes of the governance standards.
- 3.2. For members who are automatically enrolled into the DC Section and do not make an alternative selection, contributions are invested in the Victrex Flexible Retirement Lifestyle Investment Option (the “default”). The default has been in place since March 2018 however following provision of professional advice, the Trustee made a number of changes to the default during the reporting period. These changes took place in October 2024 and the key features of the default following these changes are as follows:
 - 3.2.1. The default uses a ‘lifestyle’ strategy to automatically and gradually reduce risk and volatility as members approach their retirement age. The asset allocation of the default during the approach to a member’s retirement age is designed to be suitable for those members who wish to flexibly access their funds at retirement via income drawdown.
 - 3.2.2. Analysis of the DC Section’s membership demographics and retirement behaviour, regularly reviewed by the Trustee and last formally undertaken alongside the last strategic investment review, has indicated that drawdown remains likely to be the most popular manner in which members will use their DC funds at retirement.
 - 3.2.3. The default invests 75% in an LGIM Blended Equity Fund and 25% in the M&G Sustainable Total Return Credit Fund whilst a member is more than 15 years from their Selected Retirement Age (SRA). Between 15 and 10 years from members’ SRA, 25% of the total allocation is gradually

switched from the LGIM Blended Equity Fund to the LGIM Future World Multi Asset Fund. This allocation is maintained until a member reaches 6 years from their SRA.

3.2.4. Over the last 6 years before a member's SRA, an allocation to the LGIM Cash Fund is introduced which increases to 25% at SRA, and allocations to the Insight Short Dated Buy & Maintain Bond Fund and LGIM Under 5 Year Index-Linked Gilts Index Fund are introduced, which also increase to a combined 25% at SRA. The at retirement portfolio is constructed to be in line with the Trustee's expectation that member's will take their 25% tax-free lump sum at retirement and flexibly access the remainder of their pot throughout retirement.

3.3. The second default investment strategy is the Victrex Target-Annuity Lifestyle Investment Option ("the alternative default"). When it was introduced into the DC Section in March 2018, some members close to their SRA were automatically switched to this strategy unless they made an explicit choice otherwise. This arrangement was therefore also deemed a default investment arrangement for the purpose of the governance standards. This strategy is closed to new contributions. The key features of the alternative default following the investment transition in October 2024 are as follows:

3.3.1. The alternative default uses the same allocation in the early growth phase as the default, albeit this only lasts until members are 17 years from SRA.

3.3.2. Between 17 years and 7 years from SRA, a member's full allocation of the LGIM Blended Equity Fund gets gradually switched into the M&G Sustainable Total Return Credit Fund, the LGIM Future World Multi-Asset Fund and the LGIM Future World Inflation Sensitive Annuity Aware Fund. Over the remainder of the glidepath, all funds are gradually switched into the LGIM Future World Inflation Sensitive Annuity Aware Fund and the LGIM Cash Fund.

3.3.3. At a member's SRA, they will have an investment allocation of 75% in the LGIM Future World Inflation Sensitive Annuity Aware Fund and 25% in the LGIM Cash Fund. This asset allocation is designed to be suitable for members who will take 25% of their benefits at retirement as tax -free cash and use the balance to purchase an annuity.

3.4. The default SRA for the Fund is 65 although members are able to change this to suit their own circumstances.

Aims and objectives of the default investment arrangements

3.5. The Trustee's main objective in relation to the default investment arrangement is to provide a default strategy that is likely to be suitable for a typical member of the Fund's DC arrangements.

3.6. The default and the alternative default both aim to grow the value of members' DC pension savings over the longer term whilst providing less volatility (but a potentially lower return) than investing solely in a portfolio of global equities.

3.7. The default aims to reduce the exposure to large fluctuations in the value of members' DC pension savings in the approach to retirement age. The target investment portfolio at retirement age is designed for members looking to remain invested into their retirement, i.e. by taking benefits through drawdown, or a mix of retirement options that includes drawdown. It is also broadly appropriate for members who have yet to consider how they may take benefits or who do not know how they may take benefits.

3.8. The alternative default also aims to reduce the exposure to large fluctuations in the value of members' DC pension savings in the approach to retirement age. The target investment portfolio at retirement age is designed for members looking to take benefits via annuity purchase and the maximum 25% cash lump sum at retirement.

Review of the default

- 3.9. The Trustee, together with its investment advisers, Barnett Waddingham LLP, monitors the Fund's investment options, including the default strategy, on a quarterly basis. Barnett Waddingham LLP provide the Trustee with quarterly monitoring reports, which include performance figures for all funds used in the DC arrangements, analysis of both the default and alternative default strategies, peer group comparisons and commentary on any developments or changes with the fund managers or in the market environment. These quarterly reviews are part of the regular governance of the Fund and do not constitute a formal review of the default, which ordinarily follows a three-year cycle.
- 3.10. The Trustee and its investment advisers did not undertake a strategic review of the default investment strategies during the year; this was last undertaken in the 2023/24 scheme year, with strategic recommendations presented to the Trustee in June 2023.
- 3.11. As a result of this review, the Trustee concluded that it remained appropriate for the default strategy to assume that at retirement, members were likely to take benefits through flexible withdrawals, known as income drawdown. This was in light of analysis of members' projected pot sizes at retirement and past member retirement behaviour. The Trustee also concluded that the existing default retirement age of 65 remains appropriate.
- 3.12. The Trustee decided to make a number of changes to the underlying funds in the default strategies with the aim of delivering a higher level of return (net of expenses) while providing better protection against inflation over the long-term and investing in funds that take Environmental, Social and Governance (ESG) factors into consideration. The key changes were implemented in October 2024 and are as follows:
- 3.12.1. The DC arrangements' investments are now accessed through the Mobius Life investment platform which provides more efficient access to all of the investment managers used in the Fund;
- 3.12.2. The passive equity components of the default strategies were replaced by a new blended equity fund, the Barings Global High Yield Credit Strategies Fund was replaced by the M&G Sustainable Total Return Credit Fund and the Baillie Gifford Multi Asset Growth Fund was replaced by the LGIM Future World Multi Asset Fund. These changes reduced the overweight position of the equity allocation towards the UK market and now allow for increased integration of ESG.
- 3.12.3. Two new bond funds were introduced into the de-risking phase of the default in order to improve diversification and offer members better protection against long-term trends in inflation at retirement.
- 3.12.4. The cash allocation at retirement was reduced to 25% of the overall allocation to align with the Trustee's expectation that members will take their 25% tax-free lump sum at retirement.
- 3.13. The Trustee also made several changes to the available range of self-select funds and these are outlined later in the statement.

Further information on the default

- 3.14. Further details of the two default investment arrangements currently in place are set out in the attached 'Statement of Investment Principles' (SIP), which can also be found on the web address outlined in Section 1.3. This was last updated in February 2025.
- 3.15. The Trustee intends to continue undertaking strategic reviews of default investment strategies in line with the required triennial review cycle. The next review should start in 2026.

4. Core financial transactions

- 4.1. The Trustee has a duty to ensure that 'core financial transactions' are processed promptly and accurately.
- 4.2. Core financial transactions comprise the following:
 - 4.2.1. investment of contributions,
 - 4.2.2. transfers into and out of the Fund,
 - 4.2.3. investment switches within the Fund, and
 - 4.2.4. payments out of the Fund.
- 4.3. Core financial transactions for the DC Section are undertaken by Isio Group Ltd ("the administrator").

Controls and monitoring arrangements

- 4.4. The administrator provides the Trustee with comprehensive quarterly administration reports (the "stewardship reports") that allows them to monitor promptness against agreed service levels (the Service Level Agreement or "SLA"). The stewardship report includes a service dashboard which details key compliance and service indicators as well as indicating any reportable events. It also confirms who is responsible for the service i.e. the Trustee or the administrator. The Trustee reviews these reports with the administrator at each Trustee meeting.
- 4.5. SLAs were agreed as part of the contract between the Trustee and the administrator to ensure the promptness of core financial transactions. The SLAs for the core financial transactions are:
 - 4.5.1. 3 working days for investment of contributions,
 - 4.5.2. 3 working days for fund switches,
 - 4.5.3. 5 days for settlement of member payments (e.g. transfers in, transfers out, retirement payments), and
 - 4.5.4. Monthly reconciliations for each fund.
- 4.6. The administrator also has agreed to specific provisions in relation to the SLAs for example:
 - 4.6.1. To deliver the services set out with error, rework or failure rates below 1%.
 - 4.6.2. To deliver the services set within the timescales stated in no less than 95% of cases processed to completion.
- 4.7. The controls in place in relation to ensuring the accuracy of core financial transactions are:
 - 4.7.1. Complaints and errors are reported in quarterly stewardship reports, together with details of actions taken or to be taken to remedy these issues.
 - 4.7.2. The Fund's membership data is regularly reviewed, and data quality analysis is included in stewardship reports. The Fund's Common Data, which refers to data items applicable to all parts of the Fund, was reported as being 98.39% complete as at April 2025.
 - 4.7.3. The administrator's processes are subject to a formal external audit for the annual assurance report on internal controls. The latest AAF 01/20 report for the year ending 30 September 2024 cited no exceptions.
 - 4.7.4. The administrator holds ISO 9001 certification, which evidences high quality management standards.
 - 4.7.5. Daily monitoring of the Trustee's bank account.

- 4.7.6. Monthly bank account and unit holding reconciliations.
- 4.7.7. Regular checking processes are in place for all core financial transactions. These processes define authorisation limits, segregation of duties and embeds these aspects within the administrator's workflow systems.

Performance during reporting period

4.8. The quarterly stewardship reports received from the administrator reported the following SLA attainment rates over the reporting period, covering transactions in both the Fund's DC Section and DB Section. The table below breaks this down by type of transaction:

Work Type	SLA achievement over Fund year	Number of cases outside of SLA	Number of days over SLA target
Investment of Contributions	100%	-	-
Transfer settlements	>99%	3	<1
Investment switches	100%	-	-
Payments out of the Fund	>99%	1	<1

4.9. The administrator's quarterly reports identified no material issues with the accuracy of core financial transactions.

Assessment

4.10. In view of the controls and monitoring arrangements in place, and the lack of issues either experienced during the reporting period or left unresolved at the end of the reporting period, the Trustee believes that core financial transactions have been processed promptly and accurately over the reporting period.

5. Member-borne charges and transaction costs

5.1. Members bear charges and transaction costs, which will differ depending on the investment options in which their pension savings are invested:

- 5.1.1. Charges: these are expressed as a percentage of the value of a member's holdings within an investment fund, and can be made up of a combination of charges, e.g. annual management charge and additional expenses. We refer to the total annual charge as the Total Expense Ratio (TER).
- 5.1.2. Transaction costs: these relate to the variable costs incurred within an investment fund arising from the trading activities of the fund, e.g. incurred in the buying and selling of securities, which are not accounted for in the TER charge.

Charges in relation to the Fund's DC arrangements

Default investment strategies

5.2. The following table provides details of the charges and transaction costs for each of the default investment strategies applicable to the Fund's DC arrangements over the reporting period:

Investment option	TER (p.a.)	Transaction costs (p.a.)
Pre-Oct 2024 Victrex Flexible Retirement Lifestyle Investment Option *	0.330% - 0.455%	0.082% - 0.199% **
Pre-Oct 2024 Victrex Target-Annuity Lifestyle Investment Option *	0.145% - 0.549%	-0.004% - 0.271% **
Post- Oct 2024 Victrex Flexible Retirement Lifestyle Investment Option	0.219% - 0.267%	0.095% - 0.115%
Post- Oct 2024 Victrex Target-Annuity Lifestyle Investment Option *	0.314% - 0.574%	0.423% - 0.650%

* The quoted TER and transaction costs for each default strategy are calculated as a composite of the underlying fund charges and transaction costs. These will vary depending upon each member's term to their target retirement age.

** As we were not able to obtain meaningful data from the underlying managers for the previous version of the lifestyle strategies given that they ceased to exist part way through the reporting period, we have provided last year's transaction cost data instead.

Other investment funds

5.3. The following table provides details of the charges and transaction costs for each of the other investment options applicable to the Fund's DC arrangements over the reporting period, including those which are used in the Fund's default investment strategies (data sourced from each relevant investment manager) and those which are no longer in use following the October 2024 asset transition and platform implementation:

Investment fund	TER (p.a.) Pre Oct 2024	TER (p.a.) Post Oct 2024	Transaction costs (p.a.) **
Baillie Gifford Global Alpha Growth Fund	0.590%	0.545%	0.180%
Baillie Gifford Multi Asset Growth Fund	0.560%	0.565%	0.490%
Baillie Gifford UK Equity Alpha Fund	0.560%	0.555%	0.070%
Baillie Gifford UK and Worldwide Equity Fund	0.470%	0.555%	0.060%
HSBC Islamic Global Equity Index Fund	N/A	0.332%	0.010%
LGIM Active Corporate Bonds – All Stocks Fund	0.260%	0.265%	0.200%
LGIM Cash Fund *	0.125%	0.115%	0.130%
LGIM Future World (ex UK) Developed Equity Index Fund*	N/A	0.145%	0.010%
LGIM Future World Emerging Markets Equity Index Fund *	N/A	0.315%	0.140%

Investment fund	TER (p.a.) Pre Oct 2024	TER (p.a.) Post Oct 2024	Transaction costs (p.a.) **
LGIM Future World Inflation Sensitive Annuity Aware Fund*	0.150%	0.125%	0.040%
LGIM Future World Multi Asset Fund	N/A	0.345%	0.180%
LGIM Future World UK Equity Index Fund*	N/A	0.119%	N/A
LGIM UK Equity Index Fund	0.140%	0.094%	0.650%
LGIM Under 5 Year Index-Linked Gilts Index Fund*	N/A	0.103%	0.010%
LGIM World (ex-UK) Equity Index Fund *	0.220%	0.140%	0.260%
LGIM World Emerging Markets Equity Fund*	0.460%	0.365%	0.150%
Insight Short Dated Buy & Maintain Bond Fund*	N/A	0.215%	0.110%
M&G Sustainable Total Return Credit Fund*	N/A	0.415%	0.080%
Baring Global High Yield Credit Strategies Fund***	0.550%	N/A	0.090%

* As well as being individual investment options, these funds have been used within the default investment strategies over the reporting period.

** In certain circumstances, the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes down the price of the asset being traded, whilst the transaction was in progress, resulting in the asset being purchased for a lower price than when the trade was initiated.

*** This fund is no longer available for investment following the investment changes and asset transition implemented in October 2024. The TER provided is effective as at 31 March 2025 and the transaction costs relate to the period from 1 January 2024 to 31 December 2024.

Impact of costs and charges

- 5.4. To demonstrate the impact of charges and transaction costs on members' pension savings over time, the Trustee has produced illustrations in line with statutory guidance from the Department of Work and Pensions entitled 'Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes'. These illustrations are set out in the Appendix.

Net investment returns

- 5.5. From 1 October 2021, trustees of all relevant pension schemes are required to calculate and state the annualised return, net of transaction costs and charges, of all of the investment options members were able to select, and in which members' assets were invested, during the reporting period.
- 5.6. For the investment options where the net returns vary with age, such as lifestyle strategies, the investment returns are shown over 1 year, 3 years and 5 years for a member aged 25, 45 and 55 at the start of the reporting period.

Victrex Flexible Retirement Lifestyle Option

5.7. The Victrex Flexible Retirement Lifestyle Option invests in a number of underlying funds and the returns shown in the table below give a weighted average based on the proportion of each fund held. For members aged 25 and 45 the same underlying funds will be held over the respective periods and therefore the returns achieved will be identical. The automatic de-risking starts at 15 years before a member's SRA, which we have assumed to be 65 for the purpose of this reporting..

Age at start of investment period	Annualised returns to 31 March 2025		
	1yr net return	3yr net return (p.a.)	5yr net return (p.a.)
25	5.75%	6.90%	12.68%
45	5.75%	6.90%	12.68%
55	6.42%	6.70%	11.13%

Victrex Target-Annuity Lifestyle Option

5.8. The Victrex Target-Annuity Lifestyle Option invests in a number of underlying funds and the returns shown in the table below provide a weighted average based on the proportion of assets held in each fund. The automatic de-risking starts at 17 years before a member's SRA, which we have assumed to be 65 for the purpose of this reporting. The returns assume that the automatic switches occur annually at the end of the Fund year.

Age at start of investment period	Annualised returns to 31 March 2025		
	1yr net return	3yr net return (p.a.)	5yr net return (p.a.)
25	5.75%	6.90%	12.68%
45	5.75%	6.90%	12.44%
55	6.00%	3.05%	4.83%

Self-Select Funds

5.9. The following table provides the annualised net returns for each of the self-select options provided to members for the periods to 31 March 2025, including the new self-select options available from October 2024.

Following the transition of the DC Section assets to the Mobius Life investment platform, Mobius Life have only been able to provide net investment return information for Q1 2025. In addition, where individual funds were available to members prior to this transition, we have provided illustrative returns information for longer periods, which was sourced directly from the investment managers.

Fund	Q1 2025 net return	1yr net return (p.a.)	3yr net return (p.a.)	5yr net return (p.a.)
Baillie Gifford Global Alpha Growth Fund	-6.9%	-3.5%	2.3%	9.2%
Baillie Gifford Multi Asset Growth Fund	2.0%	6.7%	-0.2%	3.7%
Baillie Gifford UK Equity Alpha Fund	-4.2%	0.3%	-0.4%	3.1%

Fund	Q1 2025 net return	1yr net return (p.a.)	3yr net return (p.a.)	5yr net return (p.a.)
Baillie Gifford UK and Worldwide Equity Fund	-1.4%	3.5%	2.0%	9.1%
LGIM UK Equity Index Fund	5.7%	11.4%	7.5%	12.2%
LGIM World (ex-UK) Equity Index Fund	-5.2%	4.1%	8.0%	15.2%
LGIM World Emerging Markets Equity Fund	-1.3%	9.6%	3.3%	8.2%
LGIM Future World Multi Asset Fund	0.8%	N/A	N/A	N/A
LGIM Active Corporate Bonds – All Stocks	1.2%	3.0%	-0.5%	0.4%
LGIM Under 5 Year Index-Linked Gilts Index Fund	1.4%	N/A	N/A	N/A
LGIM Future World Inflation Sensitive Annuity Aware Fund	-0.5%	-3.7%	-7.6%	-4.2%
LGIM Cash Fund	1.1%	4.9%	4.0%	2.4%
Insight Short Dated Buy and Maintain Bond Fund	1.4%	N/A	N/A	N/A
HSBC Islamic Global Equity Index Fund	-9.6%	N/A	N/A	N/A
M&G Sustainable Total Return Credit Fund	1.5%	N/A	N/A	N/A
Barings Global High Yield Credit Strategies Fund *	N/A	7.47%	4.38%	7.55%

* This fund was no longer available for investment by members after October 2024, however illustrative net investment return information has been provided for periods to 31 March 2025.

Disclosure of asset allocations of the default

- 5.10. We have provided further details in the tables below of the underlying asset allocation of the default investment arrangements. We have provided this information in line with statutory guidance.
- 5.11. Within the Victrex Flexible Retirement Option and the Victrex Target-Annuity Lifestyle Option, the underlying assets change over time. Asset allocations are shown for members aged 25, 45, 55 and 1 day before retirement age, all assuming retirement at age 65.

Victrex Flexible Retirement Option

Asset Class	Allocation (%) 25-year-old	Allocation (%) 45-year-old	Allocation (%) 55-year-old	Allocation (%) 1 day before retirement age
Cash	0.0%	0.0%	0.0%	25.0%
Bonds	0.0%	0.0%	8.0%	21.0%
Listed Equities	75.0%	75.0%	58.0%	22.0%
Private Equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/Real Estate	0.0%	0.0%	1.0%	1.0%
Private Debt/Credit	25.0%	25.0%	25.0%	25.0%
Other	0.0%	0.0%	8.0%	6.0%

Victrex Target-Annuity Lifestyle Option

Asset Class	Allocation (%) 25-year-old	Allocation (%) 45-year-old	Allocation (%) 55-year-old	Allocation (%) 1 day before retirement age
Cash	0.0%	0.0%	0.0%	25.0%
Bonds	0.0%	0.0%	26.0%	75.0%
Listed Equities	75.0%	75.0%	27.0%	0.0%
Private Equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/Real Estate	0.0%	0.0%	2.0%	0.0%
Private Debt/Credit	25.0%	25.0%	35.0%	0.0%
Other	0.0%	0.0%	11.0%	0.0%

Costs in relation to investment transitions

5.12. When an investment manager moves assets via cash transfer, they incur costs which are passed to members implicitly via an adjustment in the effective unit price used to value their assets at the point of the trade. These are known as spread costs and are reported as a percentage of the assets transferred.

- 5.13. The transition of assets following the strategic investment review took place in October and November 2024 via a mix of methodologies, aimed at trying to reduce the cost to members of the changes. This included unit re-registration, novation and cash transfer. Spread costs were incurred where cash transfers took place and were reported by Mobius Life as follows (as a percentage of the assets transferred) and are expressed as ranges where multiple trades took place on different days with different costs:

Investment fund	Type of Trade	Cost of trades
Baillie Gifford Multi Asset Growth Fund	Sell	-0.25% - 0.34%
Baillie Gifford UK and Worldwide Equity Fund	Sell	0.39%
Insight Short Dated Buy & Maintain Bond Fund	Buy/Sell	0.00%
Blended Global Equity Fund	Buy/Sell	-0.06% - 0.14%
LGIM Cash Fund	Buy/Sell	0.00%
LGIM Future World Inflation Sensitive Annuity Aware Fund	Buy/Sell	-0.23% - 0.23%
LGIM Future World Multi Asset Fund	Buy/Sell	-0.06% - 0.15%
LGIM UK Equity Index Fund	Sell	-0.06%
LGIM Under 5 Year Index-Linked Gilts Index Fund	Buy/Sell	0.00%
LGIM World (ex-UK) Equity Index Fund	Sell	-0.04%
M&G Sustainable Total Return Credit Fund	Buy/Sell	0.00%

- 5.14. The costs noted above are implicit and do not impact members' fund values, which remained the same before and immediately after the transition.
- 5.15. Further 'out of market' costs can arise where trades between funds cannot be made instantaneously. The process of disinvestment from the ceding fund and investment in the new fund will usually occur over a number of days, with the funds being held in cash for the interim period. As a result of this, in rising market, members will miss out on investment returns that they would have received had their funds been invested, and vice versa for falling markets. Analysis from the Trustee's investment advisers indicated that the 'out of market' impact of this transition was 0.12% of the value of assets transferred.
- 5.16. The Trustee reviewed the transition methods available prior to the switches taking place and put together a transition plan to ensure that risks and costs to members were mitigated as far as possible. The Trustee and its advisers reviewed market conditions in the approach to the transition and determined that it was suitable to proceed. As the actual costs incurred were acceptable and the changes made to member's investments (which the Trustee judges to be beneficial to members over the long term), the Trustee considers that exercise overall provided good value to members.

Value for members

- 5.17. The Trustee is required to assess annually the extent to which the charges and transaction costs borne by members represent good value.
- 5.18. Analysis was undertaken by the Trustee's professional advisers, Barnett Waddingham LLP, and the findings set out in a report produced in August 2025. The Trustee considered the report and has confirmed its assessment of the value for members provided by the Fund's DC arrangements as set out in this statement.

- 5.19. Recognising that low cost does not necessarily mean good value, the assessment considered whether the services for which members pay or share the costs are suitable for, relevant to and (likely to be) valued by members and whether performance of the services had been effective. Consideration was also made of the costs relative to other options available in the market.
- 5.20. The charges and transaction costs borne by members relate to the costs of providing the investment management services. Various other investment-related services for which members do not directly bear the costs are nevertheless inextricably linked to creating the environment under which investment returns are delivered, e.g. strategy, monitoring and the investment governance structure, so these were included in the assessment.
- 5.21. Other services paid for by the Company were excluded but nevertheless deliver value to members, e.g. administration and communication services, the services of professional advisers and the operation of the Trustee, with a duty to act in the best interest of members.
- 5.22. In relation to the quality of investment services provided, the assessment considered:
- 5.22.1. The range of investment options available and the design of the defaults
 - 5.22.2. The arrangements for monitoring the performance of the investment options and reviewing the investment strategy
 - 5.22.3. The investment governance arrangements
 - 5.22.4. The investment services relative to the other options available on the market.
- 5.23. The Trustee concluded that the DC Section continues to offer **excellent value** in relation to the charges and transaction costs borne by members.
- 5.24. Some of the key factors recognised by the Trustee in reaching this conclusion are:
- 5.24.1. The Fund has an appropriate governance structure, where investment matters are considered by the Trustee at regular meetings with the help of professional advisers. The Trustee also periodically holds investment sub-committee meetings to ensure that investment matters can be given the necessary attention.
 - 5.24.2. Members in the DC arrangements have access to a range of investment options, including a default investment strategy and a wider range of funds. The investment strategy, including the default investment strategy, is reviewed every three years, using analysis of membership demographics and retirement behaviour, to ensure its continued suitability. Changes agreed following the completion of such a review were implemented in the Fund year as detailed in section 3.
 - 5.24.3. The Trustee has robust processes in place to continually monitor the performance and strategy of the investments with assistance from its professional advisers. These processes include regular reviews of the funds' sustainability and custodial arrangements.
 - 5.24.4. The costs members pay are competitive relative to other options available in the market.
- 5.25. The assessment considered just those services for which members bear or share the costs. Factors that were not considered but that add value include:
- 5.25.1. The services fully paid for by the Company, e.g. the DC Section's administration and communication, services and the services of legal advisers, consultants and auditors.
 - 5.25.2. The operation of the Trustee, with a duty to act in the best interest of members (includes the services of a professional trustee, whose costs are met by the Company).
 - 5.25.3. The Company contributions available.

- 5.25.4. The operation of salary sacrifice, providing an optional, tax efficient way of paying contributions to the Fund.
- 5.25.5. Financial education sessions run by Wealth at Work on a recurring basis, which also give members the opportunity to ask questions and provide feedback on the Victrex Pension Fund, which is passed on to the Trustee.

6. Trustee knowledge and understanding

The Trustee

- 6.1. As at 31 March 2025, the Trustee comprises a sole independent professional trustee, BESTrustees Limited.
- 6.2. BESTrustees Limited is represented by Peter Godding and Andrew Boorman (“the Trustee”), who have the requisite qualifications, experience, knowledge and skills in order to undertake a trustee role effectively.
- 6.3. As a result of this appointment, it is not expected that there will be significant changes to the Trustee in the future.

Trustee knowledge and understanding requirements

- 6.4. Trustees are required to be conversant with a scheme’s main documents and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of Fund assets.

Approach

- 6.5. The Trustee aims to remain conversant with the Fund’s Trust Deed and Rules as well as all other Fund documents such as the Statement of Investment Principles, the risk register and current policies, e.g. conflict of interest. The Trustee does so through its experience in governing the Fund, as well as specific activities over the reporting period and access to professional advice.
- 6.6. Having conducted regular formal reviews since appointment as Trustee with the assistance of its professional advisers, the Trustee is conversant with the following trust documents and policies:
 - 6.6.1. Definitive Trust Deed & Rules
 - 6.6.2. Statement of Investment Principles
 - 6.6.3. Risk Register
 - 6.6.4. Integrated Risk Management Policy
 - 6.6.5. Data Protection Policy and Privacy Notice
 - 6.6.6. Data Sharing Agreement with the Company
 - 6.6.7. Conflicts of Interest Policy and Register
 - 6.6.8. Internal Dispute Resolution Procedure
 - 6.6.9. Member Booklet
 - 6.6.10. Schedule of Contributions
- 6.7. The Trustee aims to achieve and maintain knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets through a combination of training and taking professional advice. As an independent and professional trustee, the Trustee holds multiple trustee roles which provides a breadth of experience and exposure to different professional advisers. The Trustee is also an accredited member of the Association of Professional Pension Trustees.

- 6.8. BESTrustees Limited governance procedures oversees its representatives and provides peer review support on all significant decisions in line with its sole trustee governance procedures (overseen via a separate Board Committee).

Trustee Training

- 6.9. The Trustee undertakes regular training activities to aid professional development and keep abreast of relevant pension issues. In addition, the Trustee complies with Continuous Professional Development requirements of both the Association of Professional Pension Trustees and the Pensions Management Institute, as per its responsibility as a professional trustee, and the Trustee considers that this is an efficient and effective way to record training received and assess this for any gaps.
- 6.10. The Trustee received Scheme-specific training at meetings and supplements this with matter such as attending seminars and industry events, reading pensions-related literature and receiving ongoing support from BESTrustees Limited.
- 6.11. During the reporting period, the Trustee has undertaken the following training in relation to DC issues:
- 6.11.1. The requirements of the Pension Regulator's General Code of Practice, including completion of a gap analysis exercise to ensure that an Effective System of Governance is in place and identify any areas for improvement.
 - 6.11.2. Updating and monitoring the ESG Policy Monitoring Log.
 - 6.11.3. Evolving requirements in relation to connecting the Fund's data to the Pensions Dashboard ecosystem.
 - 6.11.4. Matters relevant to reviewing the DC Section's investment strategy and investment platform provider and implementing agreed changes.
 - 6.11.5. Legislative updates and developments in the defined contributions pensions market.

Access to professional advice

- 6.12. The Trustee also consults with professional advisers as and when required, for example on consultancy, investment and legal matters. The professional advisers are engaged to pro-actively alert the Trustee on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Fund's documents, attending Trustee meetings and in delivery of training at these meetings.
- 6.13. During the reporting period, the Trustee obtained advice and support from its professional advisers to undertake the following activities:
- 6.13.1. Implementation of and asset transition into a range of new funds, for use in both the default investment strategy and self-select fund range.
 - 6.13.2. The appointment and implementation of Mobius Life as new investment platform provider.
 - 6.13.3. The annual Value for Members assessment
 - 6.13.4. Completion of the annual governance statement
 - 6.13.5. Quarterly monitoring of administration performance and issues
 - 6.13.6. Quarterly performance monitoring of the Fund's investments
 - 6.13.7. Monitoring of the integration of ESG factors within the Fund's investments
 - 6.13.8. Annual implementation statements
 - 6.13.9. A custodian summary document for the Fund's investments.

6.14. The Trustee assesses its advisers informally on a regular basis.

Assessment

6.15. The Trustee considers that the professional and independent status of the Trustee, its knowledge, skills and understanding, and the professional advice which is available to it, enables them to properly and effectively exercise its trustee functions in relation to the Fund's DC arrangements.

For and on behalf of BESTrustees Limited

Date 28 August 2025

Appendix – Illustrations on the impact of cost and charges

A1.1. To demonstrate the impact of member-borne charges and transaction costs on the value of members' pension savings, the Trustee has produced illustrations in accordance with statutory guidance. These show the impact of charges and transaction costs for representative cross-sections of the membership and investment options.

Parameters used for the illustrations

A1.2. To determine the parameters used in these illustrations, the Trustee has analysed the membership of those invested in the DC Section and the DB Section AVCs over the Fund year.

A1.3. The Trustee has ensured that the illustrations take into account the following:

A1.3.1. A representative range of pot sizes, including:

- £54,000 – the rounded, median pot size across all members with DC benefits in the Fund
- £0 – to provide a representative illustration for new joiners to the Fund's DC Section

A1.3.2. A representative range of costs and charges, including the fund with the lowest charges, the fund with the highest charges and the charges on all default strategies.

A1.3.3. Representative periods of Fund membership, covering at least the duration that the youngest member would take to reach normal retirement age (a period of 50 years is shown).

A1.4. The Trustee has included future contributions in the illustrations as the DC Section remains open to contributions. This includes:

- £779 p.m. – the most common total contribution rate (21%) calculated against the rounded median salary for active members of the Fund (£45,000).
- £0 p.m. – to provide a representative illustration for deferred members

A1.5. The investment funds and strategies used in these illustrations have been chosen from the range used by Fund members using the rationale outlined in the below table.

Investment option	Rationale for inclusion	Assumed return above inflation
Victrex Flexible Retirement Lifestyle Investment Option	Default strategy	0.50% to 2.50%
Victrex Target Annuity Lifestyle Investment Option	Default strategy	1.40% to 2.50%
Baillie Gifford Multi Asset Growth Fund	Highest costs and charges	1.50%
LGIM Under 5 Year Index-Linked Gilts Index Fund	Lowest cost and charges	-0.50%

A1.6. The projected growth rates, gross of costs and charges, for each investment option are in line with the 2025 Statutory Money Purchase Illustrations (SMPIs) used in the Fund's annual benefit statements. The assumptions used this year take into account new guidance which looks at the likely volatility in the investment returns you might receive when setting the future expected return assumption. All of the assumptions this year are lower than the assumptions used last year which means that, other things remaining equal, the projections below will also be slightly lower.

Guidance to the illustrations

A1.7. For each illustration, the savings pot has been projected twice: firstly, for the assumed investment return gross of costs and charges; and secondly for the assumed investment return net of costs and charges.

A1.8. Projected pot sizes are shown in today's terms, so do not need to be reduced further for the effects of future inflation. Inflation is assumed to remain constant throughout the term of the illustrations, at 2.5% per year.

A1.9. Values shown are estimates and not guaranteed.

A1.10. The starting date for the illustrations is 31 March 2025.

A1.11. The illustrations are presented in two different ways:

A1.11.1. For the default, a lifestyle strategy, the illustrations should be read based on the number of years until the member reaches their Selected Retirement Age (SRA). This is because the underlying funds used and therefore the costs and charges change over time, and this is reflected in the illustrations.

A1.11.2. For the individual funds, the illustrations should be read based upon the number of future years that a member expects to be invested in those funds.

Victrex Flexible Retirement Lifestyle Investment Option

A1.12. This is a default strategy for the DC Section and the most popular choice by number of members. The illustrations below assume that the member is wholly invested in this fund throughout their period of membership.

Projected Pension Pot in Today's Money						
Years to SRA	Starting Value: £54,000 Contributions: £779 pm		Starting Value: £54,000 Contributions: £0 pm		Starting Value: £0 Contributions: £779 pm	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£54,000	£54,000	£54,000	£54,000	£0	£0
1	£64,764	£64,585	£55,317	£55,152	£9,447	£9,433
5	£110,512	£109,232	£60,915	£60,011	£49,597	£49,221
10	£174,259	£170,611	£68,714	£66,690	£105,545	£103,921
15	£246,170	£238,822	£77,513	£74,113	£168,657	£164,709
20	£327,288	£314,626	£87,438	£82,363	£239,849	£232,263
25	£418,793	£398,867	£98,635	£91,530	£320,158	£307,336
30	£522,015	£492,484	£111,265	£101,718	£410,751	£390,766
40	£762,633	£704,597	£140,239	£124,264	£622,394	£580,333
50	£985,533	£888,648	£162,934	£139,476	£822,599	£749,173

Note on how to read this table: If an active member had £54,000 invested in this option on 31 March 2025, when they come to retire in 10 years, the savings pot could grow to £174,259 if no charges are applied but to £170,611 with charges applied. The change in the asset allocation in the final 15 years to SRA will have an impact on the assumed rate of return as well as the costs and charges applied to members and, as such, there will not be a consistent level of charges applied across the entire glidepath.

Victrex Target Annuity Lifestyle Investment Option

A1.13. This is a default strategy for the DC Section. The illustrations below assume that the member is wholly invested in this fund throughout their period of membership.

Projected Pension Pot in Today's Money						
Years to SRA	Starting Value: £54,000 Contributions: £779 pm		Starting Value: £54,000 Contributions: £0 pm		Starting Value: £0 Contributions: £779 pm	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£54,000	£54,000	£54,000	£54,000	£0	£0
1	£64,764	£64,585	£55,317	£55,152	£9,447	£9,433
5	£110,512	£109,232	£60,915	£60,011	£49,597	£49,221
10	£174,259	£170,611	£68,714	£66,690	£105,545	£103,921
15	£246,170	£238,822	£77,513	£74,113	£168,657	£164,709
20	£327,288	£314,626	£87,438	£82,363	£239,849	£232,263
25	£418,793	£398,867	£98,635	£91,530	£320,158	£307,336
30	£522,015	£492,484	£111,265	£101,718	£410,751	£390,766
40	£738,952	£680,454	£135,748	£119,861	£603,205	£560,593
50	£990,077	£893,146	£162,852	£139,334	£827,224	£753,812

Note on how to read this table: If an active member had £54,000 invested in this option on 31 March 2025, when they come to retire in 10 years, the savings pot could grow to £174,259 if no charges are applied but to £170,611 with charges applied. The change in the asset allocation in the final 17 years to SRA will have an impact on the assumed rate of return as well as the costs and charges applied to members and, as such, there will not be a consistent level of charges applied across the entire glidepath.

Baillie Gifford Multi Asset Growth Fund

A1.14. This is the fund with the highest charges through the DC Section. The illustrations below assume that the member is wholly invested in this fund throughout their period of membership.

Projected Pension Pot in Today's Money						
Years of Future Membership	Starting Value: £54,000 Contributions: £779 pm		Starting Value: £54,000 Contributions: £0 pm		Starting Value: £0 Contributions: £779 pm	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£54,000	£54,000	£54,000	£54,000	£0	£0
1	£64,192	£63,414	£54,790	£54,074	£9,402	£9,340
5	£106,475	£101,200	£58,069	£54,370	£48,407	£46,830
10	£162,904	£148,723	£62,444	£54,742	£100,460	£93,981
15	£223,585	£196,572	£67,148	£55,117	£156,436	£141,454
20	£288,837	£244,748	£72,208	£55,495	£216,629	£189,253
25	£359,006	£293,255	£77,648	£55,875	£281,358	£237,380
30	£434,461	£342,094	£83,498	£56,258	£350,963	£285,836
40	£602,856	£440,777	£96,555	£57,031	£506,302	£383,746
50	£797,582	£540,818	£111,652	£57,815	£685,930	£483,002

Note on how to read this table: If an active member had £54,000 invested in this option on 31 March 2025, after 10 years of membership, the savings pot could grow to £162,904 if no charges are applied but to £148,723 with charges applied.

LGIM Under 5 Year Index-Linked Gilts Index Fund

This is the option with the lowest charges provided through the DC Section. The illustrations below assume that the member is wholly invested in this fund throughout their period of membership.

Projected Pension Pot in Today's Money						
Years of Future Membership	Starting Value: £54,000 Contributions: £779 pm		Starting Value: £54,000 Contributions: £0 pm		Starting Value: £0 Contributions: £779 pm	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£54,000	£54,000	£54,000	£54,000	£0	£0
1	£63,048	£62,983	£53,737	£53,677	£9,311	£9,306
5	£98,800	£98,382	£52,696	£52,404	£46,104	£45,977
10	£142,518	£141,452	£51,423	£50,856	£91,095	£90,596
15	£185,180	£183,250	£50,181	£49,353	£134,999	£133,896
20	£226,811	£223,813	£48,969	£47,895	£177,843	£175,917
25	£267,437	£263,177	£47,786	£46,480	£219,651	£216,697
30	£307,082	£301,378	£46,632	£45,107	£260,450	£256,271
40	£383,522	£374,427	£44,406	£42,481	£339,116	£331,947
50	£456,314	£443,224	£42,287	£40,007	£414,027	£403,217

Note on how to read this table: If an active member had £54,000 invested in this option on 31 March 2025, after 10 years of membership, the savings pot could grow to £142,518 if no charges are applied but to £141,452 with charges applied.