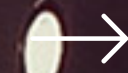


OUR DEFINED
CONTRIBUTION
SERVICE

RAILPEN



SUPPORTING YOU ALL THE WAY

The needs of you and your members - both now and in the future - are at the heart of everything we do. That's why we make sure Railpen Limited's (Railpen) services continue to evolve in line with those needs.

Whilst we are extremely proud of our Defined Benefit (DB) heritage, we also understand that the industry is broad and Defined Contribution (DC) schemes are sometimes part of an employer's benefit programme.

We know that our members trust and have confidence in the Railways Pension Scheme, and we believe that the value our customers get from being part of the wider rail family is invaluable.

That's why we provide our customers with a high-quality, value for money DC proposition.

We operate in a unique space, and being able to align all of your schemes under one service offers a significant number of benefits to you and your members.

Launching a DC scheme within our accredited master trust couldn't be easier, and we have ensured that all of our processes and technology dovetail with your existing scheme(s).

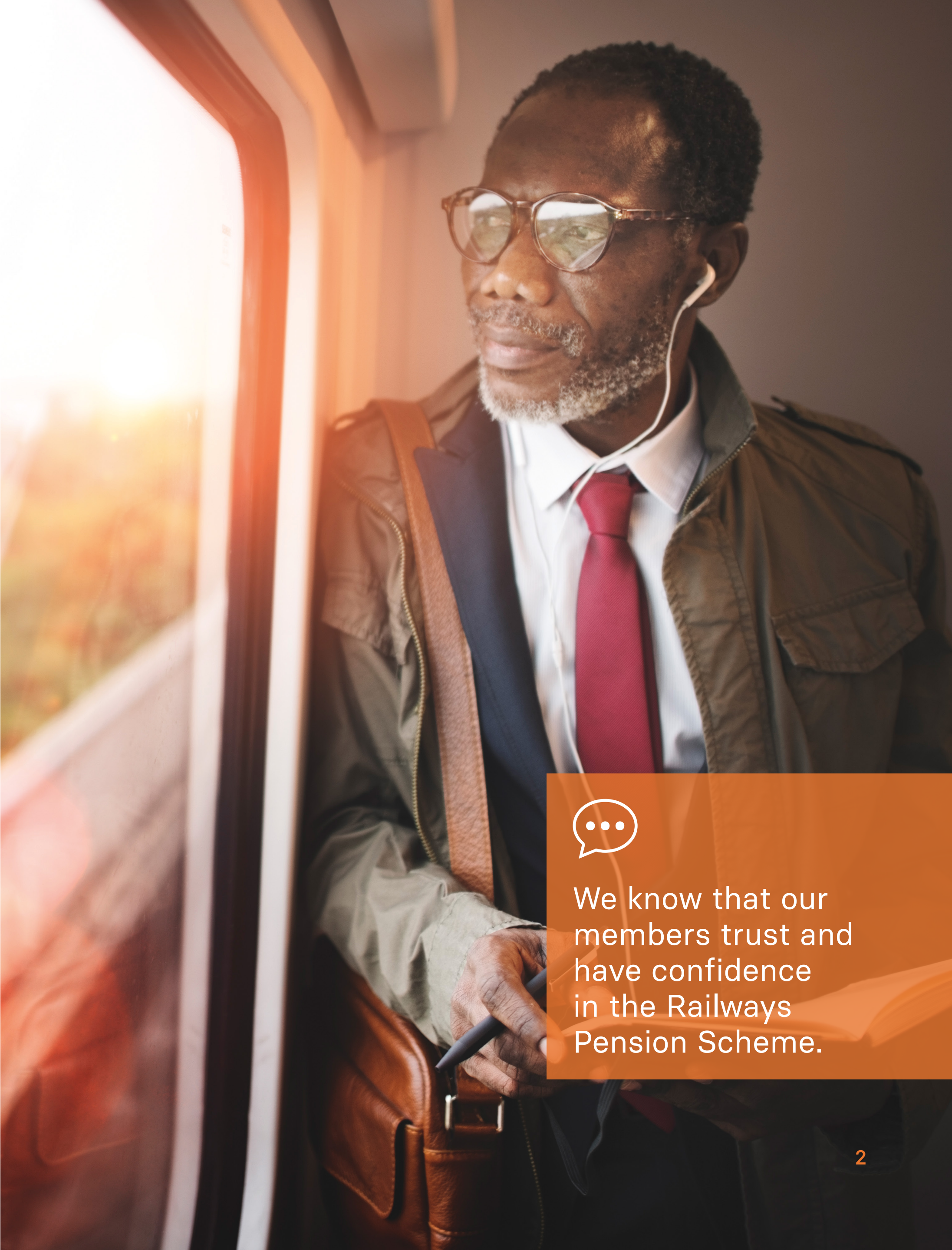
This document will give a high level overview of our DC proposition and I encourage you to speak to your Client Relationship Manager for further

information. If you are looking for a DC scheme, we would love to speak to you.

Kind Regards,



Nic Cromack
Chief Officer, Benefits



We know that our members trust and have confidence in the Railways Pension Scheme.



TOGETHER, WE'RE STRONGER

We are keen to build on our rich history together.

We still recognise the value and importance of DB schemes, but we know that some of our existing customers also use DC arrangements and, in response, we have strengthened our DC proposition. We passionately believe that aligning all schemes within one high-quality and trusted service offers members and customers the very best experience and outcomes.

By providing DC arrangements within the wider rail family, we can give assurance, comfort, efficiency and an extremely robust service to you and your members.

Railpen is a trusted provider in the railways industry, with:

- a customer-centric culture and operating model
- mutual status, meaning our profits are reinvested for the benefit of members and employers
- an industry-leading approach to sustainable ownership

We offer exceptional:

- scale
- experience
- expertise

Underpinned by:

- investment in the service, including a commitment to reinvesting our profits
- a proven track record

All of which demonstrates our capability to meet your requirements – and can be delivered at no additional cost to you.

If you are considering a DC arrangement, this document will provide an overview of our services, but if you need any further information, please get in touch with your Client Relationship Manager. We are really excited to share this introduction of our DC proposition and to start building a stronger relationship with you.

Our customers trust Railpen to offer the best possible service to every member, as we continually seek to innovate and improve.

We have robust controls in place to ensure member information is safe and secure.

PROPOSITION SUMMARY

Railpen is an established, experienced, pensions provider and administrator, which looks after the interests of half a million members across the UK and overseas.

With a strong heritage in the transport sector, Railpen has unparalleled knowledge, understanding and experience. It has provided support to both employers and members for almost three decades, following the privatisation of British Rail.

Established in 1992, the Industry-Wide Defined Contribution (IWDC) section was authorised by the Pensions regulator in August 2019. The Railways Pension Scheme's master trust is unique in that it is specifically designed for rail and associated industries. It also combines both public and railways-oriented private sector benefits.

We offer an extremely robust, innovative and trusted service to DC clients at no additional cost.

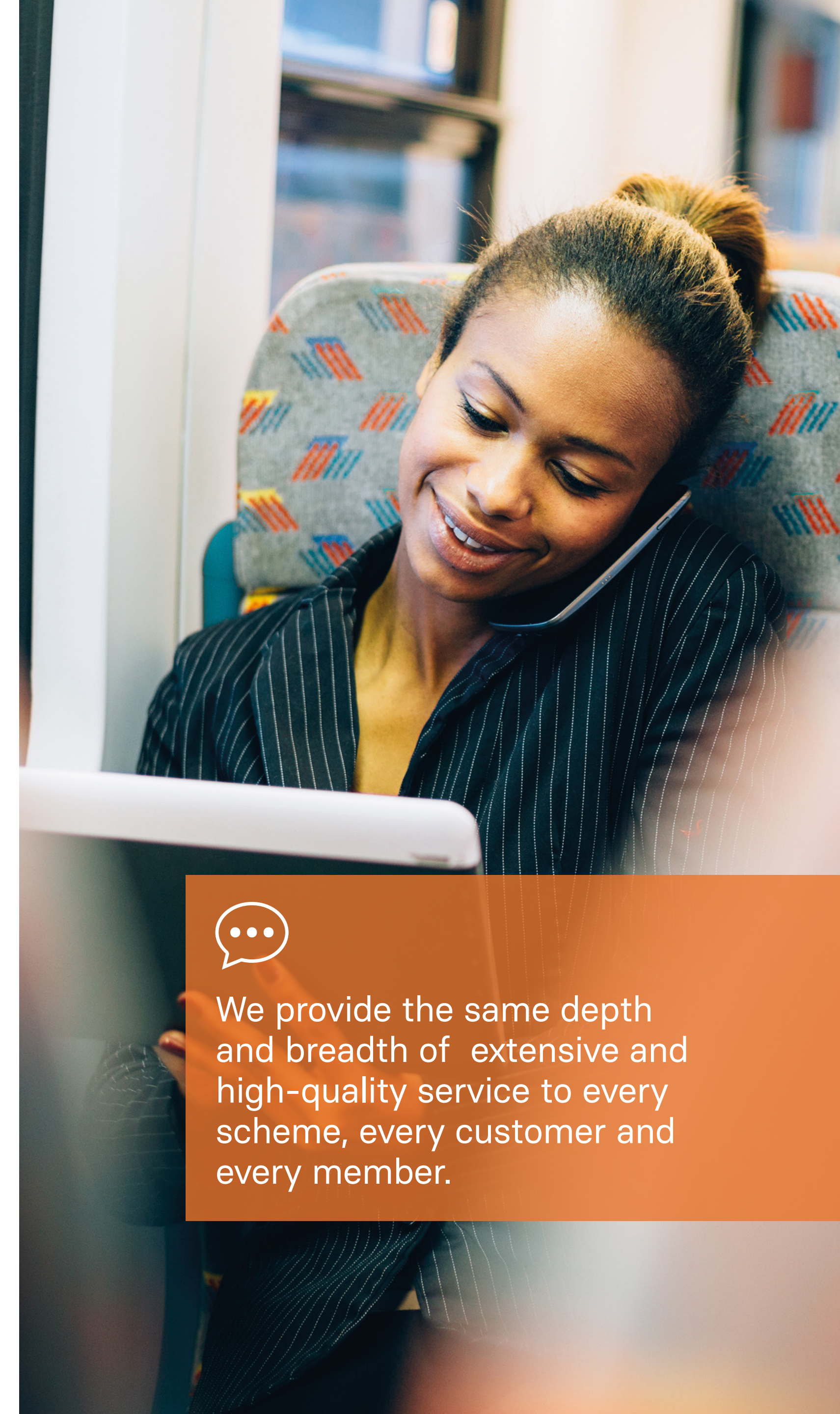
What our service includes

Our service includes, but is not limited to, the following;

- A simple and transparent charging structure for members, with no additional core costs or fees. And absolutely no costs to employers.
- Strong and stable pension administration at scale, underpinned by unparalleled knowledge of the rail industry. This enables us to offer our clients a highly cohesive and aligned service.
- Unrivalled DC controls and reconciliation processes to ensure that day-to-day contributions, investment and membership transactions are handled on a timely and accurate basis. This is the bedrock of good DC vehicles.
- A high-quality and proven investment capability, which offers a focused range of appropriately tailored funds that empower members to make confident investment decisions.
- A robust administration platform which enables increased levels of automation and straight-through processing. We have also developed highly innovative member and employer portals which offer significant self service functionality.
- An award-winning in-house Communications team with long-standing expertise in the railways pensions industry. This means clear messaging for you and your members.



We provide the same depth and breadth of extensive and high-quality service to every scheme, every customer and every member.



OUR UNIQUE SPACE

Railpen can offer you an aligned service, resulting in a straightforward and complete experience for you and your members.

Our ability to offer parity of service (in the administration, investment and continuous improvement space) between the DB and DC schemes is unique to Railpen, and offers you and your members significant value. In addition to our strong core service, internal capability and robust governance, we believe there are four distinct areas that Railpen offers and that sets us apart:

1. We offer one overall solution, which means:

- One relationship.
- One Trustee.
- One end-to-end solution and service.

2. We have a customer-centric culture, which means:

- We care about our employers and the retirement outcomes of our members.
- Our transformation and change initiatives are focused on enhancing customer journeys and maximising the user experience.
- We gather and collate rich and meaningful customer insights to help us continually evolve and drive better member outcomes.
- We have the capability and flexibility to make timely investment decisions.

3. We are a mutual company, which means:

- We believe in the concept of a rail family where all clients receive the same great experience.
- We are a not-for-profit organisation, so surplus is reinvested for the benefit of our customers.
- Our clients benefit from our service enhancements and innovations at no extra cost.
- The Railpen Board Mutual Committee oversees correct allocation of costs and revenues between Trustee and non-Trustee business.

4. We are redefining the role of administrator, which means:

- We believe that our role goes far beyond good administration.
- Our proposition is being redesigned to take a more active role in helping members plan earlier and more effectively leading up to, and at the point of, retirement.
- We believe in financial wellness for members, and seek to provide as much support to them as possible throughout their pension journey.



An appropriate blend of active and passive management to balance risk and returns.

OUR INVESTMENT CAPABILITY

A proven, highly-skilled investment capability.

All defined contribution funds are invested by our high-quality in-house investment capability, which is led by globally recognised industry practitioners. They ensure we have the control, influence and confidence to maximise all funds. They also have the right governance in place to deliver complete cost transparency and long-term sustainability.

Our investment capability provides:

- A robust approach to sustainable ownership, rising to meet and answer Environmental, Social and Governance (ESG) factors.
- An active approach to the management of some funds to maximise returns.
- Primary funds managed by Railpen, meaning there are no external fund managers generating additional annual management charges (AMCs) or hidden transaction fees.
- Significant expertise, demonstrated by good performance results year on year.

The investment managers at Railpen are responsible for the safekeeping and investment of circa £35 billion on behalf of the Scheme's 350,000 members connected with the railway industry. Of this, circa £1.6 billion is made up of DC assets under management.

Free of the constraints experienced by many asset managers, Railpen uses the size of its assets to invest wisely and influentially. Its convictions and a clear set of investment beliefs guide it through complex and changing markets.

Our Railpen Investments Board is well established and led by a world-leading team of experts. Our long-standing investment governance model offers support beyond retirement, providing

a cradle to grave service to members. It consists of a team of experienced investment experts.

We believe ESG factors materially impact long-term investment returns and must be taken into account. ESG considerations are a core foundation of our investment approach and our process considers how investment decisions made today could impact the world tomorrow.



OUR SOLUTION

Our DC solution has evolved significantly. And we are proud of the great experience we provide.

Our DC solution continues to evolve, with more services moving online and new services being added for members. Highlights include:

A market-leading drawdown vehicle

Members have access to a value-for-money drawdown vehicle, which is unavailable in the retail space, delivered by our industry renowned partner, Legal & General.

This arrangement is available to our members seeking to exercise DC freedoms, either by transferring from the Defined Benefit (DB) Scheme to a DC arrangement, or as a member with a DC pot.

This means we can offer members a high-quality retirement solution at a price they could not access through the retail space.

It protects members who would traditionally be exposed to the open market. And shields them from facilities and charging solutions offered by other retail vehicles, which may not offer the most advantageous solution.

Help from a leading financial adviser

Our members can access a leading financial adviser through our strategic partnership with Liverpool Victoria.

This that means members who truly need it, can now get value for money advice, from a service approved by our Trustee.

A robust administration platform

We continue to strengthen our administration platform and digital proposition through continual improvement and innovation, increasing the levels of automation, self-service capabilities and straight through processing.





An IWDC modelling tool and lifestyle calculator

We are passionate about helping members to plan earlier and save more effectively. To help make that as easy as possible we have developed:

- an IWDC specific retirement options modelling tool
- a lifestyle calculator

The modelling tool allows members to explore different retirement options and can be accessed via the member portal now.

We also provide a retirement budget calculator, built using the PLSA retirement living standards, to help members understand what their costs are likely to be when they retire.

Both are designed to help members understand the income they may need in retirement, take stock of their current position and have the confidence to make the best decisions for them.

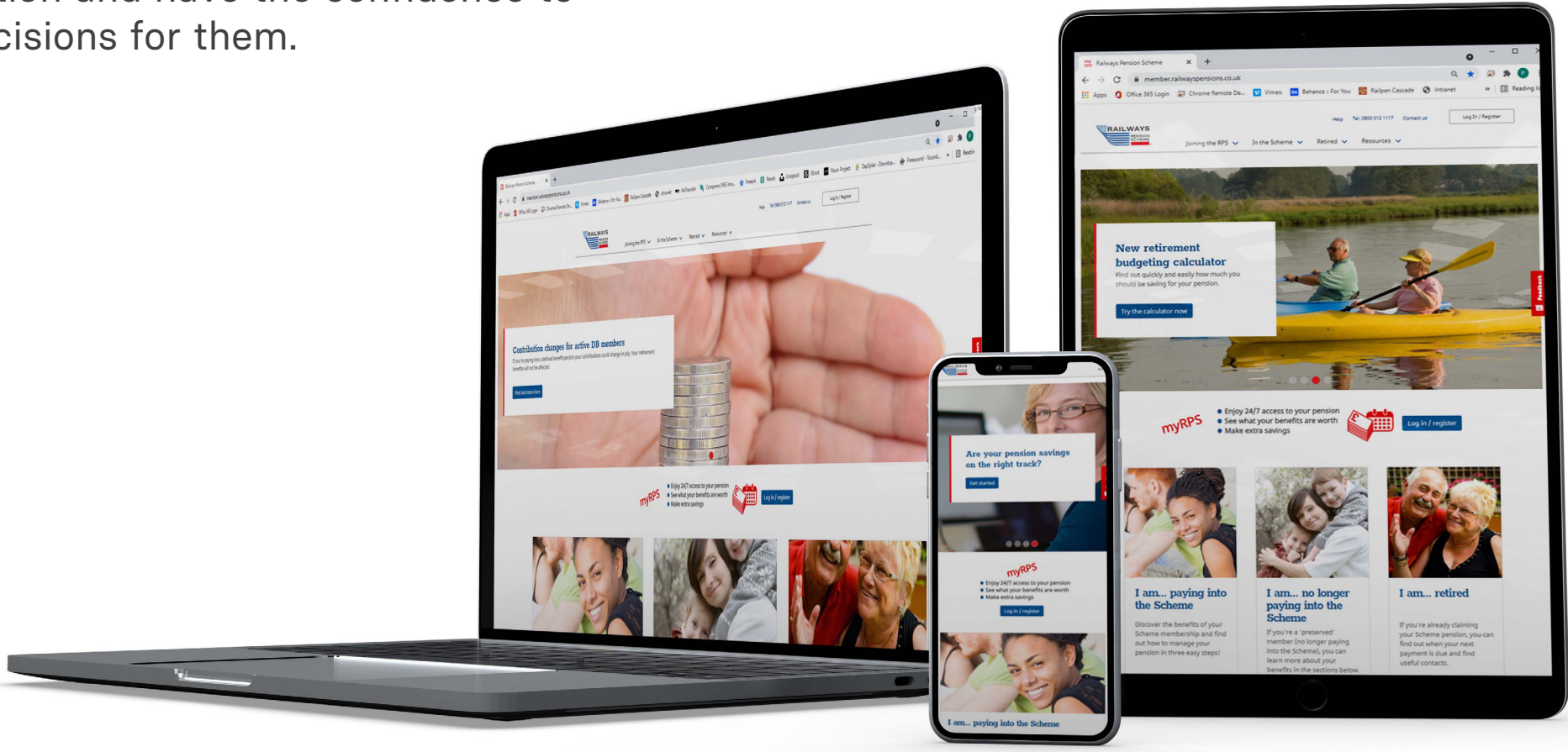
A comprehensive member portal

Our member portal, has been enhanced with the user at the centre of its design.

It offers members the opportunity to complete a broad range of transactions online including:

- generating estimates
- switching funds
- submitting a nomination
- managing their personal details

And holds a wide range of video content and guidance information, tailored around the various stages of the member journey.



VALUE FOR MONEY

Railpen continues to lead the industry in fee transparency.
We have no additional costs for members.

Our charging structure is simple and transparent. It is based on an annual management charge (AMC) per selected fund (which includes the member administration charges), with no employer charges at all. Despite this, our customers benefit from our full range of services.

We are independently recognised worldwide as one of the few managers setting the ‘gold standard’ for investment funds, with truly inclusive costs.

Using detailed analysis, our managers ensure they have identified all fees associated with a fund. This includes not just the top tier management fees, but also downstream fees that may be charged by managers of composite funds.

We continually review our charging model, and over the last few years, we have seen a year on year decrease for many funds.

We offer an expertly structured combination of default funds and self-select funds. A member can switch between funds at any time using our online portal, completely free of charge. Our Lifestyle Strategy, which is our default accumulation vehicle, is a multi-asset (diversified growth) fund which invests across a range of financial markets and economies. We offer three lifestyle strategies, which target specific retirement outcomes.

They all share a common objective, to build pension savings when members still have a long way to go until they retire, and reduce risk of a fall in value as they near retirement.

We actively manage our Lifestyle Strategies, so while this may have a slightly higher AMC than some competitors which use passively managed funds, we believe this can help us achieve better outcomes for our members with no additional or hidden costs. Our current AMC charges are shown to the right:

Fees to be updated	Annual Management Charge (AMC)
Long Term Growth Fund	0.54%
Global Equity Fund	0.37%
Deposit Fund	0.38%
Socially Responsible Equity Fund	0.60%
Corporate Bond Fund	0.42%
UK Government Fixed-Interest Bond Fund	0.35%
UK Government Index-Linked Bond Fund	0.33%
Lifestyle strategies	
Target Lump Sum Lifestyle	Linked to underlying funds listed above
Target Flexible Drawdown Lifestyle	
Target Annuity Lifestyle	

To arrange a further discussion, please email us at crmteam@railpen.com or contact your Client Relationship Manager

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- @ Steve.Birks@railpen.com

