Chair’s Annual Report

Quilter
Investment Pathways

Year ended 31 December 2025

The ZEDRA Governance
Advisory Arrangement (GAA)

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Executive Summary

This report covers the Investment Pathways policies provided by Quilter (the "Firm"). It has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement (the "GAA") for pathway policyholders. It explains our independent view of the value delivered to policyholders and whether the Firm's policies and approach to Environmental, Social and Governance (ESG) risks, non-financial considerations and stewardship are adequate and of good quality.

As Chair of the GAA for this Firm, I am pleased to present this value assessment of the Firm's Investment Pathways. The GAA has carried out a detailed review of the Value for Money ("VfM") delivered to pathway investors during 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 pathway investors.

This report covers Investment Pathways i.e. the decumulation phase of the personal pension plans only (when savings are used to provide retirement income).

A colour coded summary of the GAA assessment

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

** May not add to 100% due to rounding*

Quality of Service and investment features

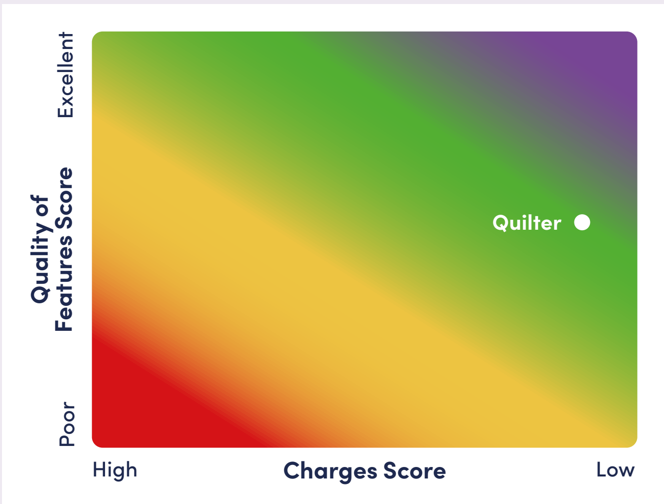
● Excellent ● Good ● Satisfactory ● Poor

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.



Our conclusion is that the Firm's Investment Pathways provide good value for money.

How we decide our Value for Money rating is explained in more detail in Appendix A of this report.

Concerns and challenges

The GAA has challenged the Firm to:

- Consider how to develop its proactive engagement with asset managers on stewardship. (This point has been raised in previous years.)

As noted in our previous report, the GAA raised the following observations:

- The GAA had wanted to see a clearer articulation of investment aims of objectives for Pathways 1 and 3 in the brochure to help pathways investors understand the level of return that the funds are trying to achieve, as well as for the purposes of performance monitoring.
- The GAA would like to see performance for Pathways 1 and 3 analysed against specific appropriate performance targets, either by reference to markets or inflation, rather than peer group benchmarks. This links to clear and quantifiable investment objectives, as noted in Section 1.

The GAA will expect to see evidence of changes made where necessary in future years.

- Customer forms are not available in electronic format and therefore not fully online. Forms can be partially completed by Quilter and then posted or emailed to customers for signature and return. The GAA would like to see electronic forms made available, as this would better support customers in completing what can be a complex process.
- Only Pathway 4 has an ESG overlay but the remaining Pathways do not have any ESG integration. The Firm's reasons for this are clearly set out.

We are pleased to confirm that the Firm has reviewed their approach on most of the items above and an update is included in this report.

The FCA requires a comparison of your Investment Pathway product with other similar options available in the market. If an alternative product appears to offer better value, we must inform the provider. 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 but further work is needed to properly embed them into business processes.

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

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

Future developments

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 or how **pathway investments** are assessed, but it is likely to result in changes to how Value for Money for pathway investments is assessed in future. We continue to monitor these developments and will amend our assessment approach when necessary.

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

Alastair Meeks
Chair of the ZEDRA Governance Advisory Arrangement for Quilter Investment Pathways
September 2026

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

Secretary to the GAA, ZEDRA Governance Ltd,
Merlin House, Brunel Road, Theale, Reading RG7 4AB

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

Please note that we do not receive complaints in respect of the Collective Retirement Account. If you would like information about your collective retirement account and/or want to make changes to it or wish to make a complaint you should contact **Quilter**.

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Contents

1. Product Strategy Design and Investment Objectives

Value score: ○ Excellent ● Good ○ Satisfactory ○ Poor

What are we looking for?

We expect the pathway investment strategies 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 the pathway 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 pathway investors need.

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

Most of the Investment Pathways funds are passively invested, which means they track indices. Passive investments offer less direct influence on corporate ESG practices.

- Pathway 1 – Vanguard Life Strategy 60% Equity
- Pathway 2 – Vanguard UK Government Bond Index Fund
- Pathway 3 – Vanguard Life Strategy 40% Equity
- Pathway 4 – Royal London Short Term Fixed Income Fund

The Firm's ESG approach remains under review. The Firm have provided evidence around objectives, monitoring approach and communications (including ESG stance) being discussed during the year under review.

For Pathway 1 (Vanguard LifeStrategy 60% Equity) and Pathway 3 (Vanguard LifeStrategy 40% Equity), there is no ESG integration; both funds are diversified and assessed as having "average" ESG exposure, with ESG not a primary factor in investment design.

For Pathway 2 (Vanguard UK Government Bond Index), there is no ESG integration; ESG is considered not relevant given investments are solely in UK government bonds.

For Pathway 4 (Royal London Short Term Fixed Income), this includes ESG/ethical overlay; excluding issuers with >10% revenue from armaments, tobacco or fossil fuels and applies ongoing ethical screening.

The overall position is that the Firm does not use ESG-focused default pathways due to investor behaviour and the limited availability of suitable multi-asset ESG solutions, but ESG considerations are reviewed and disclosed.

The Firm acknowledges that ESG factors are considered important by some investors, however across the Firm's wider platform investor behaviour has tended to prefer non-ESG investments.

In its design, the Firm has considered the likely investor characteristics for the four Investment Pathways and assigned a risk level on a scale of 1 to 10. A shortlist of funds meeting the required risk criteria was identified using the Morningstar database of open-ended funds. Selection was based on a review of past performance, costs and charges, the size of the fund, qualitative ratings and modelled projections of outcomes.

There is an annual review of funds and the latest, conducted in 2026, reaffirmed the suitability of the existing funds while identifying limited ESG integration and a lack of exposure to alternative assets as areas for potential improvement.

The aims and objectives are set out in the KIID for each fund, which is included in the Investment Pathway brochure.

The Vanguard funds for Pathways 1 and 3 are not managed to benchmarks against which the performance of the funds can appropriately be assessed, although performance can be compared to peer groups of other funds with similar investment strategies. The objectives are stated as "The Fund seeks to hold investments that will pay out money and increase in value through a portfolio comprising approximately 60%/40% shares and 40%/60% bonds and other similar fixed income investments". The Pathway 2 objective is to track a named government bond index. The Pathway 4 objective is to "achieve a total return over rolling 12 months periods" but the explicit performance targetwhich is Sonia +0.5% per annum, is also given. Therefore, we do not consider that Pathways 1 and 3 provided clear statements of aims and objectives against which they can be measured and also that could be communicated to the pathway investors. We note that the Firm has acknowledged the limited ESG integration in Pathways 1 and 3, and these areas have been flagged for improvement.

On 25 March 2026 the Firm changed the underlying investment solution for Pathways 1 and 3 to Quilter Investors Cirilium Moderate Passive Portfolio. This will be reviewed in next year's report.

The Firm's strengths

The 2025 review process was detailed and robust, covering pathway design, performance, costs, customer outcomes, and underlying fund selection. In addition to internal analysis and external benchmarking, the Firm also conducts separate customer surveys to assess satisfaction with transactions and the overall customer experience. The results are evaluated to identify opportunities for improvement.

Quarterly reviews continue to provide ongoing oversight, focusing on performance, ESG characteristics, customer segmentation, and cost metrics.

The modelling of outcomes demonstrates the alignment of each fund's objectives to the pathway investor's interests.

Improvements since last year

Although there were no changes in 2025, Pathways 1 and 3 were reviewed in November 2025 and were changed in March 2026, as noted above.

Areas for improvement

GAA observations

As we observed previously, the GAA would like to see a clearer articulation of investment aims and objectives for Pathways 1 and 3 in the brochure to help pathways investors understand the level of return that the funds are trying to achieve, as well as for the purposes of performance monitoring.

In last year's report, it was noted that the Firm had reviewed the approach for Investment Pathways 1 and 3 in detail, on the basis that while the existing funds remained fit for purpose, the Firm wanted to consider whether they could be improved.

From March 2026 Pathway 1 and 3 have been changed, and therefore when the new pathway funds are reviewed by the GAA next year this articulation will be something we will be looking for.

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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 Platform Product and Customer Forum (formerly Investment Forum until 2024) monitors performance, risk and the take-up (Assets Under Management (AUM) and number of customers) for each pathway on a quarterly basis. There is also a more detailed annual review structured as follows:

(a) What are the needs and objectives of the identified target market for each Investment Pathway?

(b) What are the aims and objectives of the underlying Investment Pathways?

(c) How has the Firm taken into account ESG financial considerations and other financial considerations when selecting the Investment Pathways (e.g. interest rate, liquidity, concentration, exchange rate, political and counterparty risk)?

(d) Have the Pathway Investments delivered as expected, and therefore does the Investment Pathways remain consistent with the needs, characteristics and objectives of the identified target market?

(e) Have any changes been made since the last review?

(f) How does the Firm's Investment Pathways compare to others? Are they consistent or outliers?

(g) Have the Investment Pathways been distributed to the identified target market?
Have the pathway investors done anything that would contravene this?

(h) Conclusion and recommendation(s)

The Firm's strengths

There is evidence of a quarterly review of performance by the Platform Product and Customer Forum and of a robust and thorough annual review process.

The firm carries out an annual review of Investment Pathways and the GAA has had sight of the most recent report dated 18 March 2026.

Net Investment Performance

The net investment performance of the funds available to pathway investors over 12 months to 31 December 2025 and, where available, the performance of the benchmarks against which those funds are measured by the Firm are set out in the following table.

Investment Pathway	Net Investment Performance	Benchmark
1	**11.6%**	**11.6%**
2	**4.9%**	**5.0%**
3	**9.2%**	**10.2%**
4	**4.7%**	**4.4%**

Comparator results

We have assessed how the net investment performance provided to the Firm's pathway investors compares to other sufficiently similar investment pathways arrangements. This takes account of both the nature of the provider and the performance of the investments being offered.

This assessment found that the one-year net investment performance for 2025, when considered against the comparator group for each investment pathway solution is as set out in the table below.

Investment Pathway 1	below average
Investment Pathway 2	below average
Investment Pathway 3	below average
Investment Pathway 4	average

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 pathway investors' characteristics, needs and objectives in mind.

We would expect to see a comprehensive suite of communications in place suitable for pathway investors, and which enable them to choose the relevant investment pathways.

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 clearly signpost to pathway investors where they can get guidance and advice about their drawdown and retirement options.

The Firm's approach

There is customer support available online and via the telephone, with the Customer Service Centre (CSC) operating with approximately 80 agents across dedicated call and email teams. The CSC maintains a target average speed of answer of 60 seconds, and handles a wide range of financial transactions including death benefit payments.

The withdrawal journey can be commenced online or by telephone. This triggers the presentation of investment pathways to non-advised customers.

The withdrawal process is as follows:

Customers complete the online drawdown guidance tool and review supporting documents (including risk warnings and retirement options) before proceeding.

Customers receive an illustration showing the impact of the withdrawal on their account and future outcomes before confirming the transaction.

Customers must complete and return all required withdrawal forms (including any conditional forms such as investment pathway or treasured assets forms) before payment is processed.

Where a significant proportion of funds remains in cash, customers must complete a Cash Warning Form confirming awareness of inflation risk and potential erosion of value over time.

Customers also receive automated emails and letters providing withdrawal information and guidance on long-term investment decisions.

Interactive support is available via the drawdown tool, which now includes a tax screen explaining emergency tax codes and estimating tax implications. The tool also links to comprehensive tax guidance and generates personalised illustrations based on the customer's chosen pathway.

The Firm's strengths

The Firm has used an award winning third-party communication specialist to make sure that written information is clear and jargon free.

Communications include detailed guides on:

- Taxation of pension income
- All four investment pathways
- Using pension pot funds
- Annual costs and charges
- Asset breakdowns and benefit statements

We have reviewed the communications and regard them as clear, comprehensive and inclusive of risk warnings.

Guidance is available for customers who wish to switch funds, and illustrations are provided to support decision-making.

Processes and communications are kept under review in response to feedback from the team and from customers. All specific feedback and any difficulties encountered by customers using the drawdown tools are individually followed up and small changes can be made quickly.

Training programs have been introduced for call handlers to ensure consistent and informed customer support.

Improvements since last year

A customer survey was undertaken in 2025 with follow up calls, and the results suggest the Firm proactively engages with policyholders.

New customer pension support webpages are now available.

Comparator results

We have assessed how the communication materials provided to the Firm's pathway investors compare to other sufficiently similar investment pathways arrangements. This takes account of the nature of the provider.

This assessment found that the communication materials provided to the Firm's pathway investors over 2025 were average relative to the comparator group.

Areas for improvement

GAA observations

In line with previous years' observation, customer forms are not available in electronic format and therefore not fully online. Forms can be partially completed by Quilter and then posted or emailed to customers for signature and return. The GAA would still like to see electronic forms made available, as this would better support customers in completing what can be a complex process.

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 pathway investors' feedback. Any major change projects that affect pathway investors 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 Platform Product and Customer Forum (PPCF) is responsible for the governance of the pension product. It is also responsible for the governance and oversight of the Investment Pathway solutions to ensure they remain consistent with the needs, characteristics and objectives of their identified target market. Since Investment Pathways were launched, what was known as the investment forum has monitored aspects such as the take up of investment pathways, absolute and relative performance, risk as well as cost and charges data at its quarterly meetings; since 2024 these aspects are now overseen by the PPCF. As mentioned in section 2, the forum monitors investment performance quarterly with a detailed annual review also conducted.

There is a framework in place to oversee the outsourced technology provider, FNZ.

There are policies in place covering IT security and personal data, as well as a business continuity plan.

During 2025, the Firm notified three incidents to the Supervisory Authority. All three were precautionary notifications, two within the supply chain (cyber-attack and ransomware attack) and one case of inappropriate sharing. All three cases have been closed with no further action by the regulator.

IT controls are based on a defence-in-depth model combining organisational, technical and procedural controls, overseen by an Information Security team. Security includes controlled access on a need-to-know basis with formal approvals and audits, strict change control processes, data classification and Data Loss Prevention monitoring for outbound communications, secure hosting in controlled data centres, and regular staff training on cyber risks such as phishing and password security. Data handling (capture, storage, processing and destruction) is managed securely, with third-party providers subject to ongoing security assessment and governance checks.

Feedback is sought from customers entering drawdown and any concerns are followed up individually.

The Firm's strengths

The Firm's documented approach to monitoring and managing service providers and funds is comprehensive and robust.

There is a steering group to oversee and review the effectiveness of the platform performance and a monthly management board meeting to identify and resolve issues that emerge.

The Operations Committee monitors operational performance through management information and key performance indicators, business continuity management oversight, operational resilience performance.

IT & Security are charged with reviewing IT and information security performance and also review and monitor production performance and root cause analysis and remediation.

The Risk and Compliance Committee has collective oversight, awareness and review of risks and actions being taken to mitigate such risks, review management of significant breaches and themed issues/challenges.

The Firm maintains programmes for business continuity management and IT disaster recovery ensuring that client data and critical business services will be recovered in the event of a major incident. This is governed by a business continuity policy which all Quilter operations are required to conform. The policy requires that business continuity plans are maintained, detailing critical business functions, tasks and dependencies.

There was no change in 2025 for Business Continuity Plan (BCP) testing frequency. There have been no significant disruptions to operational services during the last 12 months.

Quilter have mapped the dependencies across six domains (People, Process, Technology, Facilities, Third Party and Information) required to support Important Business Services (IBS) and taken steps to assess their level of resilience and identify any potential vulnerabilities. Where potential vulnerabilities are detected, actions are agreed to assess and remediate.

An Operational Resilience internal audit was completed in 2024, and a further audit was reported in Q1 2026.

A number of tests relating to Operational Resilience were undertaken in 2025 and in prior years, in line with the Firm's established testing approach. Quilter's approach to Operational Resilience testing is proportionate to the risks faced by the business and its IBS. A testing schedule is maintained and subject to ongoing review, setting out the scope, methodology, and rationale for each planned test. Testing scenarios are developed using a documented scenario library, ensuring the selection of an appropriate test type and theme. These scenarios are tailored to the relevant IBS to ensure they remain severe but plausible and proportionate to the nature of the service. Any specific considerations arising during the scenario development process are captured in a structured manner. Tests are then formally documented and executed in accordance with the defined testing methodology. Following each test, a formal debrief is conducted, and lessons learned are recorded. This includes an assessment of whether impact tolerances were breached, as well as the identification of required actions. Agreed actions are documented, assigned, and tracked through to completion. Test outcomes are reviewed through the internal governance framework and are incorporated into the annual Operational Resilience Self-Assessment.

During 2025, the Firm continued to develop the customer mobile application, which has high user engagement, throughout 2025. This now has improved withdrawal functionality and fraud controls plus an added feature to allow customers to declare vulnerabilities online.

The Firm has also implemented 'Withdrawal Notifications' and 'Depleted Fund notifications' to support compliance with the FCA Consumer Duty and to improve outcomes for self-serve withdrawal customers.

Finally, the Firm has introduced monitoring and reporting controls to identify customers whose regular income is projected to be exhausted. Customers are proactively notified where depletion risk is identified, addressing a previously detected gap where no automated communication was available.

Areas for improvement

The GAA did not identify any specific areas for improvement.

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 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 most recent AKG report has awarded a financial strength rating of A ('Superior') for Quilter Investment Platform Limited and B+ ('Very strong') for Quilter Life and Pensions Limited, as at 27 October 2025.

The Solvency Capital Requirement coverage ratio was 139% at 31 December 2025.

The Firm is FCA regulated. Pathways investors' funds are held in a Collective Retirement Account ("CRA") wrapper.

The units purchased are held separately from the Firm's own investments with Quilter Life & Pensions Limited as the legal and beneficial owner and the units are notionally attributed to each CRA. Customer money and assets are segregated and ring-fenced from the company's own money and assets. Additional information on protections in place are included in the "Protecting your money" document.

In the event of insolvency of Quilter Life & Pensions Limited, the Financial Services Compensation Scheme ("FSCS") would provide full protection with no upper limit.

In the event of insolvency of the asset manager providing the fund, protection is provided by the ring-fencing of assets by that asset manager (as enforced by the FCA). The FSCS would not apply as the Firm is not eligible to claim.

The Firm has a Group Fraud Policy in place which is reviewed annually. Quilter operates a three line of defence model to ensure assessment/monitoring of the effectiveness of fraud controls.

We were provided with details of the due diligence process to prevent fraud and scams, together with the warnings to customers.

There were no incidences of fraud or scams for pathway investors.

The Firm's strengths

We have no concerns about the financial strength of the Firm, and we deem its fraud and scam protection processes to be Excellent.

The Firm has a vulnerable customer (VC) framework, which is reviewed annually. All front-facing staff have an annual mandatory VC training to complete which highlights how to identify a VC. There is also a VC unit within the CSC new starter training.

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 has internal Service Level Agreements ("SLAs") of 2 working days for single income withdrawal and transfer out, 4 working days for full income withdrawal, investment switch and crystallisation, and 7 working days for death claims. This is more stringent than their disclosed Terms & Conditions, which generally stipulates payment within 10 working days.

The Firm's strengths

In 2025, SLA performance was strong across most transaction types. Death Claims, Full Income Withdrawals, Transfers Out and Investment Switches achieved between 94% and 100% against SLA.

Crystallisations achieved 90%, with remedial action taken through the recruitment of two additional administrators. Single Income Withdrawals achieved 92%. Overall, SLA performance was generally positive, with lower results mainly linked to crystallisation and single income withdrawal processing.

These are the SLAs covering the whole book of business as the Firm is unable to split them out for the policyholders only under the GAA review.

Customer outcomes are subject to ongoing review to identify opportunities to improve outcomes and reduce the proportion of cases requiring corrective action.

Call answering statistics declined from an average of 1.67 minutes in 2024 to an average of 7.22 minutes in 2025. This was caused by resourcing issues. The Firm has noted that there have been drastic improvements so far in 2026.

There were six complaints in 2025, of which five related to delays/timescales and one related to general administration/customer service. Three complaints were rejected outright, two were upheld with apology only, and one was upheld with compensation provided as a goodwill gesture in recognition of the inconvenience caused. Overall, complaints were low in volume and mainly reflected processing delays rather than systemic issues.

Comparator results

We have assessed how the quality and timeliness of the administration services, including core transaction processing, provided to the Firm's pathway investors compare to other sufficiently similar investment pathway arrangements.

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

Areas for improvement

The GAA did not identify any specific areas for improvement.

7. Cost and Charge Levels

Value score: ● Low ○ Moderately Low ○ Moderately High ○ High

What are we looking for?

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

- the annual fund management and administration charges being borne by pathway investors;
- the transactions costs incurred by the underlying investment funds which reduce the investment return experienced by pathway investors;
- any other charges being paid by pathway investors to manage, access and invest their drawdown funds; and
- 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 pathway investors' 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 pathway investors.

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).

The Firm's approach

The investment pathway charge is based on fund size. The investment charge is the same for all customers within each fund, but the product charge is based on their total assets held with the Firm (ie across all products held) and may reflect a special deal with a particular adviser and/or scale benefits from family linking, where the charge is calculated using total assets held across family members.

We were provided with details of the actual charges paid by each individual pathway investor over 2025.

We were also provided with transaction costs incurred by each fund, which were between 0.00% and 0.07%, and calculated on the DC workplace methodology.

There are no additional charges applied.

The Firm's strengths

We observed a range of charges across the Investment Pathways offered with the average investment charge and transaction costs as follows:

Investment Pathway	Average Product Charge pa	Investment Charge pa	Transaction Costs for the Year
1	**0.28%**	**0.22%**	**0.05%**
2	**0.27%**	**0.12%**	**0.01%**
3	**0.27%**	**0.22%**	**0.07%**
4	**0.30%**	**0.15%**	**0.00%**

The GAA rating reflects the charges applied for the investment pathways made available by the Firm, and we believe that the Firm offers appropriate charges to pathway investors. The GAA considers the charges to be low.

Comparator results

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

This assessment found that the overall cost and charge levels paid by the Firm's pathway investors over 2025 were below average relative to the comparator group.

Areas for improvement

The GAA did not identify any specific areas for improvement.

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 pathway investors' 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

We have been provided with a copy of the Firm's Responsible Investment policy, which contains a specific section on integrating ESG into investment pathways as follows:

"The Firm's existing investment pathways have not been designed to incorporate ESG factors into their investment approach. The four pathways invest primarily in index-tracking funds which means that they track a standard index, and as such they do not take into account ESG factors in their construction.

When selecting the underlying investment solutions for our pathways, the Firm considers whether the underlying groups have signed up to initiatives such as the UN Principles for Responsible Investment and the UK Stewardship Code, as they would expect engagement and use of voting rights. In addition, the Firm actively monitor those solutions that do apply explicit ESG criteria and take this into consideration as part of the regular reviews of pathway solutions."

The funds used for Investment Pathways are not directly managed by the Firm.

The Firm's strengths

We believe that the overall policy sets out a clear articulation of the Firm's position on ESG and the specific actions it will take in relation to portfolios which are directly managed. This includes stewardship and non-financial factors such as the exclusion of controversial weapons.

The GAA considers that the Firm's policies on ESG, non-financial matters and stewardship are adequate and of good quality.

Areas for improvement

GAA challenge

As raised in previous years, Quilter should consider how to develop its proactive engagement with asset managers on stewardship.

GAA observations

At present, only Pathway 4 has an ESG overlay but the remaining Pathways do not have any ESG integration. Quilter's reasons for this are clearly set out.

Appendix A: Overview of the Value Assessment Approach

The GAA has assessed the Value for Money delivered by comparing what pathway investors 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 pathway investors get in return (investment performance and service). Our approach is to compare the total costs paid by pathway investors 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 pathway investors. 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 pathway investors 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 pathway investors, 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 pathway investors 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 pathway investors. 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 B.

Appendix B: 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 pathway investors compares to other similar employer pension arrangements. This takes account of 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 pathway investors 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 pathway investors 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 pathway investor and paid for separately by the pathway investor (for example financial or investment advice) are not included.

Appendix C: GAA Activities 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 where applicable), 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	12/02/2026
Kick off meeting	26/02/2026
Site visit	30/04/2026
Gaa panel review meeting	27/05/2026
Additional questions to firm	11/06/2026

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 Quilter
- 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. This email address can also be found via https://www.quilter.com/products-and-services/pensions/governance-advisory-arrangement--investment-pathways/ in the 'Contact Us' section.

Appendix D: 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 **https://platform.quilter.com/products-and-services/pensions/governance-advisory-arrangement--investmentpathways/** through the link in the 'Our Responsibility to You' section, under 'For more information, read our Terms of Reference.'

Appendix E: Glossary

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 F: Data Table

Investment Pathway	Number of customers	Value in pathway
1	166	£16,886,435
2	8	£575,930
3	82	£10,806,446
4	48	£2,975,779

As of 31/12/25 there were 304 customers in an investment pathway. Total Investment Pathway book value = £31,224,591.

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