

Chair's Annual Report

Wesleyan Staff Group
Personal Pension Scheme

Year ended 31 December 2025

The ZEDRA Governance
Advisory Arrangement (GAA)

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Executive Summary

This report covers the Wesleyan Staff Group Personal Pension Scheme (“the Staff Scheme”), the workplace personal pension plans provided by Wesleyan (the “Firm”). It has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement (the “GAA”) for pension 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 Wesleyan Staff Group Personal Pension Scheme. The GAA has carried out a detailed review of the Value for Money (“VfM”) delivered to policyholders 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 policyholders.

This report covers the accumulation phase workplace pension product(s) only (when policyholders are still building up savings).

A colour coded summary of the GAA assessment

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

* May not add to 100% due to rounding

Quality of Service and investment features

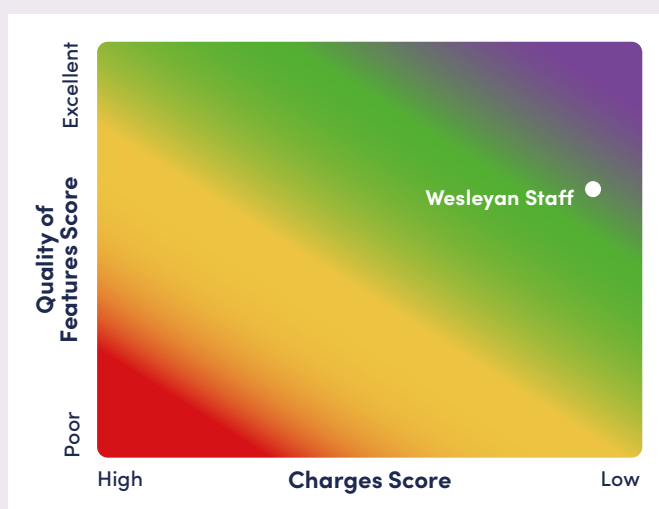
● Excellent ● Good ● Satisfactory ● Poor

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 Wesleyan Staff scheme provides good value for money.

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

Challenges

The GAA has not raised any formal concerns with the Firm, however has challenged the Firm in the following areas:

- Consistent with last year's report, we continue to challenge Wesleyan to undertake a more comprehensive review of the default and lifestyle strategies, the fund range on offer under the self-select range, and consider this in conjunction to the ongoing needs and objectives of the policyholders. We are pleased that Wesleyan has initiated such a review during 2026, and we look forward to discussing this next year.
- Policyholders do not have the online functionality to be able to check their account value, change their contribution rates or initiate investment fund switches online. This ready access is becoming more commonly available and would be a notable step forward if Wesleyan could develop their offering in this area. The GAA would like to see Wesleyan to enhance its digital capabilities to improve the customer experience in line with evolving technological expectations.
- The administration and operations service levels for 2025 were, as per 2024, below target levels. Although some improvement was made when compared to 2024, some key services still performed below SLA targets. The GAA would like to see further improvement in these areas (such as death cases, and fund switches) while retaining and building upon the improvements which had already been demonstrated in other areas.

The FCA requires a comparison of your pension product with other similar options available in the market. If an alternative scheme appears to offer better value, we must inform the pension provider.

I can confirm that we have not considered it necessary to make this notification this year. Our view on each feature that we must make a comparison on is included in the relevant section of the report. Details of how we selected the comparator group is set out in Appendix C.

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.

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

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

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, but it is likely to result in changes to how Value for Money is assessed within the next few years. We continue to monitor these developments and will amend our assessment approach when necessary.

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



Louisa Harrold

Chair of the ZEDRA Governance Advisory Arrangement for
the Wesleyan Staff scheme
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:

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

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1. Product Strategy Design and Investment Objectives

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

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

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

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

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

The Firm's approach

The Staff Scheme has a default investment strategy which was designed and implemented by Wesleyan in 2019, reflecting the requirements and choices being made by policyholders. The default option incorporates a lifestyle strategy, whereby monies in members' accounts are gradually transitioned from the Managed fund (which is the default until nearing retirement) to a combination of the Low Risk/Reward fund, along with the Managed fund, over a nine-year period prior to selected retirement age. This is designed to provide the prospect of good investment returns over the long term whilst helping to manage investment risks at each stage of the policyholder's lifetime. It is aimed at providing a strategy suitable for policyholders entering income drawdown at retirement.

An alternative lifestyle is available, incorporating a transition to 100% Deposit fund by selected retirement age, suitable for policyholders who wish to take their benefits as a cash lump sum at retirement. Alongside the lifestyle strategies, there are five funds available in a self-select capacity; these include a With-profits fund and a High Risk/Reward fund.

When designing the current investment options and default strategy in 2019, Wesleyan undertook a thorough process with the assistance of an external advisory firm. As you would expect, the default option has the largest fund holding, however there is a significant minority of staff who invest in the self-select options – this reflects the nature of a large proportion of employees being financial consultants and the popularity of the Wesleyan With-profits fund which does not form part of the default strategy.

In relation to ESG, Wesleyan has a Sustainable Investing Policy which sets out sustainability targets, and Wesleyan's "three pillar approach" which covers the areas of reducing harm, having a positive impact, and driving change.

Wesleyan are signatories of the UK Stewardship Code, the UN-sponsored Principles for Responsible Investment, Climate Action 100+, Access to Medicine Foundation, and the FAIRR initiative. Wesleyan has made a commitment to achieving net zero by 2050.

Since the end of 2025, the Sustainable Investment Policy was updated in March 2026. This will be considered as part of next year's report.

Throughout 2025, over 95% of funds are covered by the Wesleyan Sustainable Investment Policy. While externally managed funds are not yet included (which includes the High Risk/Reward fund, out of those available under the Staff workplace scheme), Wesleyan has implemented an ESG questionnaire for external fund managers to complete. The Sustainable Investment Policy is embedded into reporting and committee responsibilities, with stewardship duties reflected in the Investment Committee's terms of reference and supporting materials. Wesleyan continues to provide evidence of active voting and engagement with investee companies. Wesleyan also produce quarterly sustainable investment reports which track delivery against targets.

The Firm's strengths

All funds have a risk rating with clear aims and objectives, included on the fund factsheets, which are readily available on the Wesleyan website. The factsheets are reviewed quarterly, and the risk levels of the funds are monitored internally at least monthly and have guidelines around which each fund should operate, including a red/amber/green status highlighting when funds are drifting outside of previously agreed risk zones and when action would be required.

The investment funds undergo a thorough annual review process with input from an external specialist firm, which considers the strategies and objectives of all available funds as standalone investment funds. However, this review does not extend to assess the ongoing alignment of those strategies with the objectives of the policyholders. The Staff pension offering is also reviewed under the product review cycle every two years. This was carried out during 2025, focussing on governance and monitoring gaps, with actions focused on improving oversight, data, and processes.

The funds available to policyholders of the Staff GPP are designed to cover a range of risk appetites. A staff survey conducted in late 2023 revealed mixed views on the fund range. While 52% of respondents expressed interest in a broader fund range being made available, only 29% supported the introduction of additional funds if it would entail an annual management charge. At that time, the GAA was able to observe that the output was subsequently shared with relevant stakeholders, including a senior committee within Wesleyan (the Product Governance Committee) and the product team, with the overall conclusion that no new funds would be added at that time.

Areas for improvement

As referred to previously, a product review of the Staff GPP was undertaken in 2025, which referenced the needs and objectives of the target market in relation to their investment objectives, although this was not explored in any level of detail. It was reported that a review of the lifestyle approach had been carried out in 2024; however, the scope of this was considered unclear and potentially insufficient. Wesleyan has since confirmed that a full review of the default strategy including lifestyle design and its continuing appropriateness for the policyholders will take place during 2026. We will consider this as part of next year's report.

GAA challenges

Consistent with last year's report, we continue to challenge Wesleyan to undertake a more comprehensive review of the default and lifestyle strategies, the fund range on offer under the self-select range, and consider this in conjunction to the ongoing needs and objectives of the policyholders. We are pleased that Wesleyan has initiated such a review during 2026, and we look forward to discussing this next year.

GAA observations

As commented in previous years' reports, the fund objectives do not contain specific measurable targets (e.g., a specified timeframe or commitment of out-performance against benchmark). Wesleyan remain comfortable that the timeframe reference covering a "medium to long term period" reference remains appropriate and that it should not be linked to a specific number of years or a range of years. In our experience, this is not an uncommon approach, although we do see some firms offering funds with a more defined target (e.g., over a five year period), which we believe is helpful when measuring fund performance.

We also observe that the benchmark used to compare investment performance is a peer comparator group. Our observations on this are that while this is of use in certain respects, there are also some drawbacks including: that the data from the peer comparator group is not audited; it is not easily publicly available to policyholders (aside from on the fact sheets); and the ranges used within the peer groups can be very wide (i.e. funds within a peer comparator group may not represent a fair comparison point). We believe that it would be helpful if, in addition to the peer comparator data, Wesleyan were also able to publish a comparison against a publicly available benchmark such as the FTSE All share or other suitable index.

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

Wesleyan's Investment Committee and With-Profits committee each meet quarterly and oversee the performance of their respective funds. There is also a 'middle office' call every Friday to consider fund performance on an ongoing basis. RAG ratings are used by management to identify areas of concern. Performance is assessed over a range of short, medium and longer time periods, relative to comparator data identified. Fund performance and risk metrics are considered against a series of pre-defined red/amber/green parameters.

The Firm's strengths

The GAA has been provided with evidence of regular reviews of fund performance which includes benchmark comparisons and attribution analysis. Evidence was also provided of regular reviews of risk levels as well as discussions around investment philosophies being followed, and feedback given to the internal fund managers.

All funds within this book of business outperformed their respective benchmarks. The funds have only experienced a single year of weak performance over the past eight years—2024—with performance appearing to recover strongly in 2025.

Net Investment Performance

The [net investment performance](#) of each of the funds available to policyholders, and the performance of the benchmarks against which those funds are measured are, set out in the following table. This shows the performance over the 12 month period ending 31 December 2025. For this purpose, the benchmarks are considered to be the sector averages, as the metric reported against in the fund factsheets, and as used by Wesleyan for their internal monitoring purposes.

Fund Name	Net Investment Performance	Benchmark
Pensions Managed	18.51%	12.40%
Low Risk/Reward	8.99%	7.44%
High Risk/Reward	13.29%	12.80%
With Profits	8.27%	4.86%
Deposit Fund	4.16%	3.79%

Note: the performance figures shown are those net of fees (with the exception of the deposit fund, which is shown gross of fees), where the published annual management charge is assumed to apply. However, in practice, the annual management charges for staff policyholders' funds (including for ex-employees) are set to be nil for all funds aside from the High Risk/Reward fund. For the High Risk/Reward fund, this is still subject to lower fees than would apply to non-staff scheme policyholders, with the usual Wesleyan element of the charges waived, but the external manager charges still applied. As a result of the lower annual management charges than published for all funds, the net investment performance for policyholders under the Staff scheme will in fact be higher than those shown above (with the exception of the deposit fund where the return will be as shown).

Comparator results

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

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

Areas for improvement

The GAA did not identify any specific areas for improvement.



3. Communication

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

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

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

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

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

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

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

The Firm's approach

Wesleyan has a range of communication materials and channels. Core communications undergo a cycle of regular review and refresh. In particular, all written communications underwent a thorough review between April 2023 to July 2024, to ensure compliance with the requirements of the FCA's Consumer Duty. The GAA has reviewed a range of sample communications which are clear and free from jargon and the GAA believes them to be of a good standard, and can see that further review of some key documents was undertaken during 2025. The communications provided have clear risk warnings built into them and there are signposts to additional information on retirement options, and towards Pension Wise and Money Helper.

Communication by other means includes strong telephone support, and a website where policyholders can log on to obtain up to date fund pricing information. For confirmation of a policyholder's account value, policyholders can obtain this via email or telephone. Wesleyan provides call training for call handlers that includes guidance and example conversations to help staff effectively support vulnerable customers.

The website features other online materials such as guides to pensions and retirement options, and case studies, with a dedicated webpage for those who remain policyholders but who are no longer employed by Wesleyan.

At retirement, policyholders have access to the full range of options including a partial pension lump sum (known as a partial UFPLS). Policyholders must make a transfer to another Wesleyan product if they wish to draw benefits through Flexi-Access Drawdown.

Wesleyan do not offer the option to take an [annuity](#) from Wesleyan, but have partnered with a third party to assist policyholders in seeking the best annuity quotations from the wider market.

The Wesleyan website provides several guides to assist policyholders throughout the lifecycle of their policy, but there are no freely available online calculators.

Support for policyholders is provided by way of access to Wesleyan Financial consultants, which is provided at a discount for active Staff Scheme policyholders (though the full charges apply for deferred policyholders).

The Firm's strengths

The access to financial advice from Wesleyan Financial Consultants at a reduced fee as standard for active staff policyholders is a notable benefit.

The level of engagement with active staff policyholders is very strong, and Wesleyan undertake focus groups and other means to ensure they obtain feedback on the offering.

Comparator results

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

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

Areas for improvement

GAA challenges

Policyholders do not have the online functionality to be able to check their account value, change their contribution rates or initiate investment fund switches online. This ready access is becoming more commonly available and would be a notable step forward if Wesleyan could develop their offering in this area. The GAA would like to see Wesleyan enhance its digital capabilities to improve the customer experience in line with evolving technological expectations.



4. Firm Governance

Value score:



Excellent



Good



Satisfactory



Poor

What are we looking for?

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

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

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

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

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

The Firm's approach

During 2025, the Administration and operations were outsourced to SS&C Technologies ("SS&C"). This outsourcing arrangement is being managed through a transitional phase due to last for a two year period, during which time Wesleyan processes and systems will remain in place. Wesleyan demonstrated full oversight of the outsourced arrangements, with many Wesleyan staff having been transferred to SS&C and continue to support the Staff scheme as they did prior to the change. The continuing governance oversight of the outsourced SS&C arrangement includes regular weekly and monthly meetings, formal committee structures, and clear escalation routes up to executive and Board level.

From an investment perspective, Wesleyan uses internally managed funds for the Staff Scheme book of business, with governance oversight provided through the Investment committee and With-profits committee, both of which meet on a quarterly basis. These committees oversee fund performance and ensure alignment with the stated aims and objectives of the funds.

Wesleyan undertakes regular internal reviews of different aspects of the business. There is a thorough approach to reviews with Regulatory and Corporate Audit functions conducting regular reviews across the Group.

The IT underpinning the operations of the Plan is provided through use of Capita software, with oversight from a designated team. That designated team sat within Wesleyan until they were transferred to SS&C, as part of the outsourcing arrangement previously referred to. Oversight of the Capita software remained in place unchanged during the change in outsourcing arrangements. Any issues are escalated to the Product Governance Committee.

Wesleyan manages the conflict of acting as both the asset manager and product provider through robust ongoing challenge of the investment side of the business. The Investment Committee terms of reference set out that a minimum of three members of the committee must be non-executive members.

In 2025, Wesleyan implemented significant governance structural changes, consolidating multiple committees into a streamlined framework that includes the continuation of the Product Governance Committee, the introduction of a new monthly Customer Operations Committee, and the establishment of a senior oversight body, the Customer Committee, which replaces the Group Product Governance Committee. The Customer Operations Committee is held monthly, which includes vulnerable customers as an agenda item.

GDPR and data protection policies are in place and reviewed annually. In relation to cyber security, phishing testing is conducted quarterly, with additional training for those who click on test emails. In 2025, annual penetration testing was carried out across a range of systems, with results limited to informational alerts only and no significant issues identified, supported by ongoing third party testing of key outsourced systems through Capita and oversight via Wesleyan's internal security governance framework.

Wesleyan provided the GAA with a comprehensive Business Continuity Policy, which is subject to annual review (most recently in March 2024 and 2025); however, no evidence of testing was provided.

While there has been little specific product innovation for the Staff pension scheme in recent years, Wesleyan's communications contain QR codes which allow policyholders to provide feedback and engage.

The Firm's strengths

Wesleyan maintains a comprehensive governance framework for appointing and monitoring internal and external service providers, with evidence of regular reviews being undertaken, and challenging conclusions reached when deemed appropriate. Minutes have been provided for a selection of committee meetings, and terms of reference for the relevant committees provided.

Areas for improvement

GAA observations

Wesleyan has been very open to engaging with policyholders, with dialogue and feedback actively encouraged and considered through the DC Governance Committee. However, as this committee has now been discontinued, the GAA would like to understand what alternative arrangements are in place to ensure continued encouragement of feedback and a forum in which this is discussed.



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

As a UK registered insurance company, Wesleyan Assurance Society is required to adhere to the rules in relation to capital adequacy and solvency ratios as laid out by the Prudential Regulation Authority (PRA). The PRA sets testing thresholds and the GAA is satisfied that based on these requirements, policyholders' interests are protected and we have no concerns about the financial strength of Wesleyan.

Solvency II regulations require Wesleyan to hold sufficient capital to cover a 1 in 200 stress event. In practice a significant buffer capital is held above this. The solvency ratio for the Firm at the end of 2025 was 238%, which although less than at the end of 2024 (261%) is well in excess of the required level and illustrates the considerable financial strength of Wesleyan and its ability to withstand extreme events.

Wesleyan are alert to the risk of fraud and pension scams. Wesleyan has both a fraud policy and a financial crime policy. Pension transfers identified at higher risk of being a potential scam are subject to thorough due diligence including requests for further information from the receiving scheme and posing questions to the customer about how they have been contacted and their level of understanding about their new scheme.

Fraud risks are reviewed across the business on a regular basis to ensure they are being identified and controls remain effective. Internal processes are in place to help identify cases of account takeover and attempted fraud. Annual fraud awareness training is carried out by all staff, including how to spot potential phishing attacks or scams.

The Firm's strengths

Wesleyan Assurance Society operates under the PRA regime which provides the GAA with reassurance that policyholders' interests are protected, and latest solvency figures show a financial robustness in excess of the required levels.

Wesleyan confirmed that no frauds or scams were detected during 2025.



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 Administration team work to a target of completing tasks within 2 to 11 working days, depending on the task, including investing of new premiums within 5 days. In practice, all contributions are invested using unit pricing relevant on the date that they are received (which is the 1st of each month). This process remains consistently achieved in all cases. The target for achieving the Service Level Agreement timescales ("SLA"s), aside from investing of new contributions, is 85%.

All colleagues within the team are required to have a recognised industry qualification to improve knowledge and administration competency when working with pensions or be working towards

such a qualification. Wesleyan continues to monitor call quality to ensure accurate and helpful communication with staff members.

As noted in the governance section, during 2025, the administration and operations were outsourced to SS&C Technologies. This outsourcing arrangement is being managed through a transitional phase due to last for a two year period, during which time Wesleyan processes and systems will remain in place. Wesleyan demonstrated full oversight of the outsourced arrangements, with many Wesleyan staff having been transferred to SS&C and continue to support the Staff scheme as they did prior to the change.

Last year we reported extremely low achievement of standard processes within the SLA target timescales. Looking at the 2025 calendar year, there was some improvement, but this still falls short of the 85% target level.

There were also a large number of complaints relating to the Staff pension scheme over 2025 (albeit that fewer than in 2024), with 20 logged in total, of which 17 were upheld (many of which related to delays in provision of information or delays in process by Wesleyan and therefore directly linked to the lower SLA achievements over 2024 and 2025). Wesleyan confirmed that all complaints followed a clear process, including use of an external assessment to assess use of the process and to identify any possibly improvements in process.

Improvements since last year

SLAs improved significantly in 2025 compared to 2024, with overall achievement in SLA timescales rising to 83.7% from 61.1%. This improvement was evident across key areas: retirements were completed within five days in 98.8% to 100% of cases (with data split across different retirement types and ages), future contributions met SLA requirements in 100% of cases, and fund switches—while still below target—improved to 70% for existing funds, up from 37% in 2024. It was also notable that SLAs in death cases were still very low at 50%.

It was verbally reported that the SLA timescales had maintained sustained improvement into 2026, and the GAA was able to see a live demonstration of the system used to monitor SLA attainment which appeared to support this belief. Wesleyan's view is that the transition to SS&C has gone well and this is now being seen with an improvement in SLA statistics since late 2025, and Wesleyan expects to see a further improvement in the numbers for 2026.

Comparator results

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

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

Areas for improvement

GAA challenges

Although some progress has been made, there clearly remains room for improvement, with some key services still performing below SLA targets. The GAA would like to see further improvement in these areas, particularly in relation to death cases, which achieved agreed timescales in only 50% of cases for 2025, and fund switches, which, while improved, remain significantly below target levels.



7. Cost and Charge Levels

Value score:



What are we looking for?

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

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

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

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

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

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

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

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

The Firm's approach

There are no [annual management charges](#) levied on policyholders, unless they have selected the Higher Risk Reward, where a charge of 0.76% p.a. applied for 2025, which represents the underlying external fund costs.

No charge is made when policyholders switch from one fund to another.

The Firm's strengths

Overall investment charges are assessed to be Low on the basis that there are no Annual Management Charges applied for any of the investment options other than the Higher Risk / Reward fund, which we understand does not apply to many policyholders.

This assessment would change to Moderately Low, if based solely on the ongoing charges figure for the Higher Risk / Reward Fund of up to 0.76% p.a. We understand that Wesleyan has no direct control over this charge.

Wesleyan has provided full transaction costs for the year, and the GAA believe these to be of a low level (with the exception being the With-profits fund where at 0.06%, we would assess these transaction charges to be moderately low). All cost and charges, including transaction costs, are discussed at the Product Governance Committee.

Comparator results

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

This assessment found that the overall cost and charge level paid by the Firm's policyholders over 2025 was below average, i.e. 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 policyholders' investment returns, the GAA will assess the adequacy and quality of the Firm's policies on [ESG](#) financial considerations, non-financial matters and stewardship. We consider how these factors are integrated into the Firm's investment strategy and investment decision-making. We also form a view on the adequacy and quality of the Firm's stewardship policy.

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

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

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

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

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

The Firm's approach

During the period Wesleyan, as asset owner, carried out a review of its Sustainable Investing Policy that it expects asset managers to adhere to when managing directly invested customer funds. In addition to the existing sustainability targets, the policy includes the requirement to adhere to Wesleyan's "three pillar approach" which covers the areas of reducing harm, having a positive impact, and driving change.

The Firm's strengths

Wesleyan are signatories of the UK Stewardship Code. They are signatories for Principles for Responsible Investment, Climate Action 100+, Access to Medicine Foundation, and the FAIRR Initiative. Wesleyan has made a commitment to be net carbon neutral operationally by 2023 and net zero by 2050.

The GAA noted that evidence of the sustainable investing policy was embedded into reporting and committee responsibilities, and this included stewardship responsibilities.

Overall, the GAA concludes the policies on [ESG](#) financial considerations, non-financial matters and stewardship are adequate and of good quality.

Areas for improvement

The GAA did not identify any areas for improvement. The GAA considers the policies to be adequate and of good quality.



Appendix A: Administration Charge and Transaction Cost Disclosures

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

The Firm has compiled these disclosures and compounding illustrations, which are provided on a publicly accessible website at: www.wesleyan.co.uk/about/corporate-governance

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

Projected pension pot in today's money										
Fund Choice:	Default Arrangement (Managed)		Fund A: Higher Risk Reward		Fund B: With Profits		Fund C: Deposit		Fund D: Low Risk Reward	
Year	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
1	11,700	11,700	11,700	11,600	11,700	11,700	11,600	11,600	11,700	11,700
3	15,500	15,500	15,500	15,200	15,500	15,500	15,200	15,200	15,500	15,500
5	19,800	19,800	19,800	19,200	19,800	19,700	19,200	19,200	19,800	19,800
10	33,100	33,100	33,100	31,200	33,100	32,900	31,200	31,200	33,100	33,100
15	50,800	50,800	50,800	46,800	50,800	50,500	46,800	46,800	50,800	50,800
20	74,400	74,400	74,400	66,900	74,400	73,800	66,800	66,800	74,400	74,400
25	105,000	105,000	105,000	92,500	105,000	104,000	92,400	92,400	105,000	105,000
30	146,000	146,000	146,000	125,000	146,000	144,000	124,000	124,000	146,000	146,000
35	199,000	199,000	199,000	166,000	199,000	196,000	166,000	166,000	199,000	199,000
40	268,000	268,000	268,000	218,000	268,000	264,000	217,000	217,000	268,000	268,000

Notes

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. The starting pot size is assumed to be £10k.
3. Inflation is assumed to be 2% each year.
4. Contributions are assumed to be paid from age 22 to 68 and to increase at 2% per year.

5. Values shown are estimates and are not guaranteed.
6. The projected growth rate for each fund are as follows:
 - Managed fund: 5%
 - Higher risk reward fund: 5%
 - With Profits fund: 5%
 - Deposit fund: 4.2%
 - Low risk reward: 5%

Appendix B:

Overview of the Value Assessment Approach

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

Our approach

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix C:

Approach to Comparisons

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

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

How the comparators were selected

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

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

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

Comparison of Net Investment Performance

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

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

Comparison of Communication provided to policyholders

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

Comparison of Administration Services

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

Comparison of costs and charges

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

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

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

Appendix D: GAA Activity and Regulatory Matters

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

GAA engagement and actions this year

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

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

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

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

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

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

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

Item	Date
Issue Data Request	04/02/2026
Kick off meeting	06/02/2026
Site visit	31/03/2026 and 01/05/2026
GAA Panel Review Meeting	18/05/2026
Discuss Provisional Scoring	09/06/2026

The arrangements put in place for policyholders' representation

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

- The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been and will continue to be communicated to policyholders via:
www.wesleyan.co.uk/about/corporate-governance
- 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.

Appendix E: ZEDRA GAA Credentials

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

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

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

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

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

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

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

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

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

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

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

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

The Terms of Reference for the GAA agreed with the Firm can be found at: www.wesleyan.co.uk/about/corporate-governance

Appendix F: 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 G: Data Table

Summary of Wesleyan Staff Plan data at 31 December 2025

Staff Workplace Pension Scheme	
Total number of policy holders	3,256
Contributing	1,157
Non-contributing	2,099
Total value of assets (market value)	£228.9m



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