

HCA INTERNATIONAL LIMITED STAFF RETIREMENT BENEFITS SCHEME THE CHAIR'S ANNUAL GOVERNANCE STATEMENT

Introduction

Under legislation set out in regulation 23 of The Occupational Pension Schemes (“Scheme Administration”) Regulations 1996 (as amended) (the “Administration Regulations”), the Trustee of the HCA International Limited Staff Retirement Benefits Scheme (the “Scheme”) is required to prepare a statement (the “Statement”) on their governance of the Scheme on an annual basis.

The Trustee is pleased to present the Trustee’s annual statement on Defined Contribution (“DC”) governance for inclusion in the Report and Accounts for the Scheme, covering the period 1 April 2024 to 31 March 2025 (the “Scheme Year”). This Statement describes how the Trustee seeks to make sure that the Scheme is well managed and delivers efficient services to members. In doing so, the Trustee provides the various statutory disclosures required by legislation. This statement covers five key areas:

1. The investment strategy relating to the Scheme’s default arrangement
2. The processing of core financial transactions
3. Charges, transaction costs, and net returns within the Scheme
4. Value for Members assessment, and
5. The Trustee’s compliance with the statutory knowledge and understanding (“TKU”) requirements.

The Scheme is administered by Aviva and uses the Mercer Workplace Savings (“MWS”) investment solution and is overseen by a sole Professional Trustee, Vidett Trust Corporation Limited (“VTC”).

As set out in regulation 25A(3) of the Administration Regulations, as amended by the 2023 Regulations the Trustee has disclosed the default investment strategy’s asset allocation in Appendix B of this statement.

The Default Investment Option

The Trustee is responsible for setting the Scheme’s investment strategy and for appointing investment managers to carry out that strategy. The Trustee must also establish a default investment arrangement (“the Default”) for members who do not select their own investment options from the fund range available.

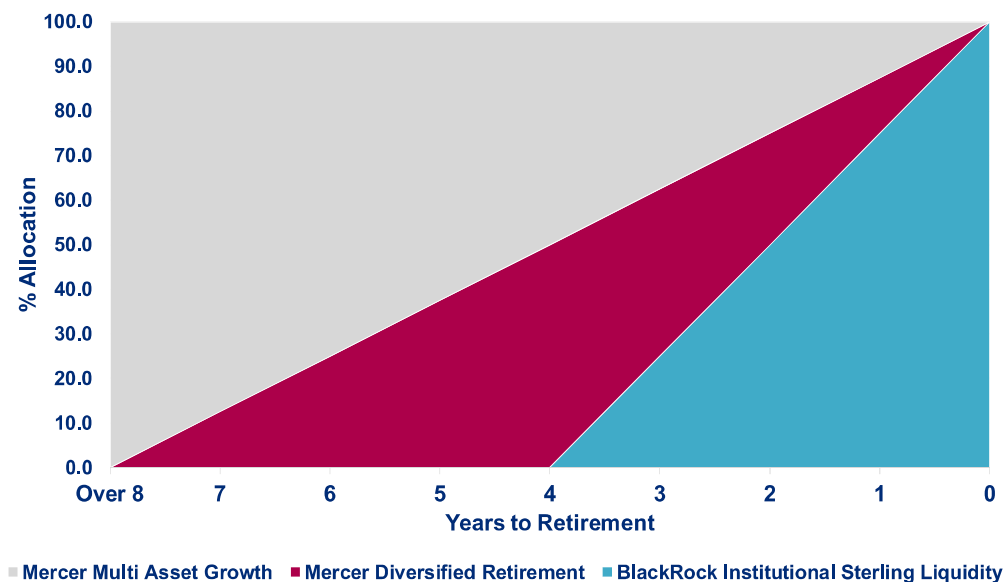
The Scheme’s investment strategy is built around three groups of members:

- “Do it for me” - these members are invested in the Default (Mercer SmartPath™ strategy), which consists of a growth orientated fund in the savings phase and a set of Target Retirement Funds which derisk assets towards the target as members approach retirement. The Default is designed to be suitable for members who intend to take their retirement benefits as a cash lump sum.
- “Help me do it” - in addition to the Default, members can also select alternative Target Retirement Funds that are designed to be suitable for individuals accessing their retirement benefits via drawdown or using them for annuity purchase.

- “Leave me to it” - members also have complete freedom to select and build their own portfolio from a range of funds made available by the Trustee. This includes Mercer funds and external manager funds that are highly rated by Mercer.

The Default for the Scheme is the Target Cash Path lifestyle strategy, which became effective in December 2016. It was selected as retirement data demonstrated that members were more likely to withdraw their benefits as a cash lump sum at retirement. This strategy is invested in the Aviva MyMoney Mercer Growth/Balanced Risk Fund until January in the eighth year before selected retirement age. At this point, assets are switched out of the Mercer Growth Fund into the Target Cash Retirement fund. At a member’s selected retirement age, the strategy will be fully invested in the Cash Fund. This strategy is designed to be suitable for individuals who wish to withdraw their pension savings as a cash lump sum at retirement. As at the Scheme year-end, 31 March 2025, c.84% of member assets are invested in the default investment strategy.

Mercer Target Cash Path



Assets invested in the Default are invested in a manner which aims to assist with the security, quality, liquidity and profitability of a member’s portfolio. The Trustee formally reviews their risk register at least annually to ensure the Trustee remains comfortable with members’ exposure to various risks. The Trustee will continue to review the Default regularly (at least once every three years) to ensure that it is in the best interests of members. However, the Trustee also recognises that the Default will not be appropriate for all members and therefore encourages members to carefully consider and regularly review their investment strategy.

Following the last MWS strategy review, MWS had proposed making changes to the Mercer SmartPath™ strategy as follows:

- Increase exposure to growth assets during the growth phase by introducing a new Mercer Long Term Growth Fund up until 16 years from Target Retirement Age;
- Lengthen the glidepath from 8 years to 16 years to account for increased risk taken earlier in the glidepath;

- The updated Mercer SmartPath™ strategy would be delivered as a Target Date Fund.

After careful consideration of the proposed changes, the Trustee formally decided to adopt the changes at the trustee meeting held 24 June 2025. The updated Mercer SmartPath™ strategy was implemented after the Scheme year end covered by the Statement, in May 2025, and the Trustee communicated with members in advance to notify them of the changes.

The Trustee also conducted its own detailed investment strategy review during the Scheme year, although this completed after the Scheme year end, in July 2025. The review considered the performance and strategy of the Scheme's investment options, comprising both the Default and self-select investment options, to ensure the options available reflected the greater flexibility available to retiring members.

The review included Scheme membership analysis which looked at fund sizes, contribution levels, investment and retirement behaviour - to inform a Trustee decision on a suitable default target retirement objective. The analysis supported continuing to offer a default strategy targeting cash lump sum withdrawal at retirement.

The review also included modelling analysis of the updated Mercer SmartPath™ strategy, which showed an improvement in expected member outcomes achieved by the updated Mercer SmartPath™ strategy.

The investment strategy review therefore concluded that the Scheme's investment options remain appropriate, and no changes were recommended. The next investment strategy review is scheduled for July 2028.

On 23 December 2016, the Trustee moved the Scheme administration and investments from the Friends Life NGP Platform to the Friends Life My Money Platform, now known as the Aviva My Money Platform. As part of this change, assets invested in several funds were mapped without member consent. Guidance released by the Department for Work & Pensions in April 2018 explained that when members' assets are moved without consent, the funds in which those assets had previously been invested may become classed as default arrangements. We are therefore reporting the following funds as additional default arrangements (technical defaults) within the Scheme:

- BlackRock (30:70) Currency Hedged Global Equity Index Fund;
- Mercer Growth Fund;
- Mercer Pre-Retirement Fund;
- Mercer Diversified Growth Fund.

In addition to the technical defaults noted above, the Trustee offers a range of active and passive self-select options on the Aviva MyMoney platform. The 'self-select' funds are for members who are confident in making their own investment choices and want to tailor their investments to suit their own circumstances. Furthermore, although the target outcome of the Default is lump sum cash withdrawal, Mercer SmartPath™ strategies targeting annuity purchase and drawdown at retirement are available as self-select options.

Over the Scheme year, the Trustee has reviewed the performance of the investment funds and the Default against their stated objectives on a quarterly basis. To enable the Trustee to review the performance of the investment funds, Mercer Workplace Savings (“MWS”) provide the Trustee with quarterly reports that highlight net performance against benchmarks and also any changes to the rating Mercer assigns to funds (including ESG ratings where appropriate).

These reports are reviewed by the Trustee, and any concerns are raised with the investment manager via Mercer. The quarterly performance reports help monitor fund performance to ensure it remains consistent with the Trustee’s aims and objectives as stated in the Statement of Investment Principles (“SIP”).

The Scheme asset allocation of the default arrangement can be found in *Appendix B*.

Statement of Investment Principles

In accordance with the Administration Regulations, the Trustee has appended the latest copy of the SIP prepared for the Scheme in compliance with Section 35 of the Pensions Act 1995 and regulation 2 / regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005, dated October 2023. The SIP is currently under review following implementation of the updated Mercer SmartPath™ strategy and completion of the detailed investment strategy review.

The SIP covers the following key matters in relation to the default arrangement:

- The Trustee’s aims and objectives in relation to the investments held in the default arrangement
- The Trustee’s policies on issues such as: the kinds of investments to be held; the balance between different kinds of investments; risks, including the ways in which risks are to be measured and managed; the expected return on investments; the realisation of investments; and the extent (if at all) to which social, environmental or ethical considerations are taken into account when selecting, retaining or realising investments, and

An explanation of how these aims, objectives and policies (which together form the Trustee’s “default strategy”) are intended to ensure that assets are invested in the best interests of members whose benefits are invested in the default arrangement.

A copy of the latest SIP is published on the website (<https://vfm.aviva.co.uk/hca-international>). This Statement will be available from the same site and will be signposted in the annual benefit statements which are issued by Aviva.

Requirements for Processing Core Financial Transactions

As required by the Administration Regulations, the Trustee must ensure that “core financial transactions” are processed promptly and accurately. Core financial transactions are (broadly):

- Investment of contributions made to the Scheme by members and their employer(s),
- Transfers into and out of the Scheme of assets relating to members,
- Switches of members’ investments between different funds within the Scheme, and
- Payments from the Scheme to or in respect of members (e.g. payment of death benefits).

The Trustee has delegated the administration of Scheme member records to Aviva and have also appointed Aviva to provide investment platform services to the Scheme. These transactions are therefore undertaken on the Trustee’s behalf by Aviva.

The Trustee operates a system of internal controls aimed at monitoring the Scheme’s administration and management. Included in this system are mechanisms for ensuring the prompt and accurate processing of financial transactions, including core transactions such as the payment and investment of contributions, the transfer of member assets into and out of the Scheme and the payment of benefits. Contributions and investments, and the records relating to them, are reconciled at least monthly by the administrator.

The Trustee sets minimum timescales with its administrators for all services, including core financial functions. The Service Level Agreement (“SLA”) in place with Aviva covering core financial transactions are as follows:

The total Service Level achieved in the Scheme year for the processing of core financial transactions was 99.7%.

Service Level Agreement	Description	Target Service Level %	Service Level Achieved %
2 working days	Contribution Processing	100%	100.0%
3 working days	Investment Transactions	97%	100.0%
5 working days	Payments Out	97%	99.5%
5 working days	Payments In	97%	100.0%

The processes adopted by Aviva to help meet the SLAs include:

- Timeliness of transactions monitored and reported (escalating/reallocating resources if necessary)
- Straight through processing for contribution payments - automated system (validations built in)
- Manual processes require a separate processor and authoriser (segregation inbuilt into system)
- Quality audit checks are undertaken on a sample of processes throughout the year
- Unit reconciliation between investment and administration systems undertaken daily and are checked and approved weekly (by FNZ), and
Payments checked and approved independently by one or more individuals (depending on value).

Management information is provided quarterly so that the Trustee can ensure the prompt and accurate processing of financial transactions, including core transactions such as the payment of contributions into the Scheme, the transfer of member assets out of the Scheme, switches of investments, and the payment of benefits. The Trustee gets further data on any events that breach the target timescale, including the amount of time it took to complete and why. The Trustee also monitors the accuracy of the Scheme’s common data. For this Scheme year, the common data score was 92.2%. This represents a marginal improvement from last year’s common data score of 91.8%. HCA International Limited (the “Company”) is working closely with Aviva to provide a number of missing addresses in order to improve the score.

Over the period of this statement, Aviva has met all service level targets, including their overall target. The Trustee is therefore satisfied that Aviva’s controls, as the administrator, to

process transactions promptly and accurately are in place. The Trustee has been working with MWS and Aviva to ensure effective oversight of member processing and has regular updates and calls to discuss outstanding items and any concerns.

As a wider review of the Scheme administrator, the Trustee receives an annual assurance report on the administrator's internal controls. The latest report received was for the period to 31 December 2024 (published in June 2025) and noted the Independent Service Auditor's opinion that, in all material aspects, its controls were suitably designed and those tested operated effectively.

The Payment Schedule sets out timescales for the Company to remit monthly contributions to the Scheme. However, agreed practice provides for payment of contributions in advance of these timescales. The deduction and payment of contributions is reviewed by the Trustee and its advisers on an ongoing basis. Both Aviva and the Company also have additional controls in place internally.

The Scheme's risk register details all the risks to members and is monitored and reviewed at each Trustee meeting and updates made as appropriate.

Members have access to an online portal that enables them to conduct their own checks of accuracy in relation to financial transactions such as contribution payments and investment switches.

The Trustee has also appointed an independent auditor to carry out an annual audit of the Scheme, including the core financial transactions which have taken place during the Scheme year. Furthermore, quarterly contribution checks are carried out by that independent auditor who reports back to the Trustee. Where any issues arose from these checks, they have been dealt with promptly by the Trustee's advisers.

Charges and Transactions Costs

As required by the Administration Regulations, the Trustee is required to report on the charges and transactions costs for the investments used in the default investment option as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members. When preparing this Statement, the Trustee has taken account of statutory guidance.

The total charges payable (quoted in the following table as "TER" (Total Expense Ratio)) under the Scheme's default investment strategy will vary depending on the stage that each member has reached in the appropriate default investment strategy's de-risking process.

Aviva and MWS have confirmed that there are no performance-based fees associated with any of the investment funds available to members of the Scheme.

The Trustee has also decided to adopt a range of risk profiled funds and a range of passively and actively managed funds under the "Leave me to it" section, which allows members to tailor their own investment strategy.

The TER consists principally of the manager's annual charge for managing and operating a fund but also includes the costs for other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, they exclude other costs that are also member borne and which can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

The TER charged for each of the funds used within the Scheme year, including the Scheme's default lifestyle investment option and technical defaults (arising as a result of the previous fund mapping exercise), and are provided in the table below. Those funds used within the Scheme's default investment option and the technical defaults have been highlighted in bold. The charges include the fee that is collected by the fund provider, Aviva, for providing its administration services:

Fund Name	Fund AMC*	TER	Transaction Costs
Mercer Defensive / Lower Risk	0.14%	0.53%	0.128%
Mercer Moderate Growth / Moderate Risk	0.17%	0.52%	0.133%
Mercer Growth / Balanced Risk	0.16%	0.50%	0.136%
Mercer High Growth / Higher Risk	0.17%	0.53%	0.151%
Mercer Retirement: Cash	0.08%	0.38%	0.006%
Mercer Target Cash 2026	0.13%	0.45%	0.040%
Mercer Target Cash 2027	0.16%	0.49%	0.067%
Mercer Target Cash 2028	0.18%	0.53%	0.099%
Mercer Target Cash 2029	0.18%	0.52%	0.137%
Mercer Target Cash 2030	0.17%	0.51%	0.143%
Mercer Target Cash 2031	0.17%	0.51%	0.142%
Mercer Target Cash 2032	0.16%	0.50%	0.140%
Mercer Target Cash 2033	0.16%	0.50%	0.141%
Mercer Diversified Retirement	0.16%	0.51%	0.144%
Mercer Target Drawdown 2026	0.22%	0.57%	0.141%
Mercer Target Drawdown 2029	0.19%	0.53%	0.144%
Mercer Target Drawdown 2030	0.18%	0.52%	0.143%
Mercer Retirement: Annuity	0.11%	0.41%	0.004%
Mercer Target Annuity 2030	0.15%	0.48%	0.082%
Mercer Active UK Equity	0.57%	0.91%	0.748%
Mercer Active Global Equity	0.60%	0.94%	0.235%
Mercer Active Global Small Cap Equity	0.75%	1.11%	0.328%
Mercer Active Emerging Markets Equity	0.77%	1.18%	0.936%
Mercer Active Emerging Markets Debt	0.57%	0.96%	-0.241%
Mercer Absolute Return Fixed Income	0.38%	0.74%	0.985%
Mercer Diversified Growth	0.19%	0.54%	0.127%
Mercer Passive UK Equity	0.03%	0.33%	0.063%
Mercer Passive Sustainable Global Equity	0.00%	0.36%	0.018%
Mercer Passive Overseas Equity	0.03%	0.33%	0.007%
Mercer Passive Overseas Equity Hedged	0.05%	0.36%	0.000%
Mercer Passive Emerging Markets Equity	0.05%	0.40%	0.139%
Mercer Passive Shariah	0.18%	0.60%	0.002%
Mercer Passive Over 15 Year Gilt	0.03%	0.33%	0.066%
Mercer Passive UK Corporate Bond	0.03%	0.33%	0.005%
Mercer Passive Over 5 Year Index-Linked Gilt	0.03%	0.33%	0.003%
Mercer Pre-Retirement Fund	0.07%	0.37%	0.001%
Mercer Cash	0.03%	0.33%	0.016%
Mercer Drawdown Cash Retirement	0.03%	0.33%	-0.005%

Fund Name	Fund AMC*	TER	Transaction Costs
Mercer Drawdown Cautious Retirement	0.17%	0.52%	0.099%
Mercer Drawdown Adventurous Retirement	0.16%	0.51%	0.130%
Mercer Drawdown Dynamic Retirement	0.16%	0.50%	0.136%
Baillie Gifford UK Equity Core	0.30%	0.64%	0.010%
BlackRock Aq Connect (30:70) Currency Hedged Global Equity Index	0.06%	0.38%	0.000%
BlackRock DC Diversified Growth	0.55%	0.91%	0.480%
Baillie Gifford International	0.30%	0.63%	0.182%

Source: Aviva as at 31 March 2025. The Total Expense Ratio includes the Annual Management Charge and Additional Fund Expenses.

*AMC is the Annual Management Charge.

The Annual Management Charge for the Scheme year was 0.3%. Transaction costs are shown for the year to 31 March 2025.

Note that expenses are a function of the size of the fund and will change over time. The maximum TER across the default lifestyle option is 0.54% p.a., which is compliant with the charge cap of 0.75% p.a. Each of the technical defaults also comply with the charge cap of 0.75% p.a., as demonstrated in the table above.

Net Investment Returns

To help members understand how their investments are performing, the tables below show investment returns, net of all charges and transaction costs, for all investment options used by members during the Scheme year

Default strategy

Default strategy	Annualised returns to 31st March 2025 (% p.a.)				
	Age of member at start of period	1 year	3 years	5 years	10 years
	25	3.5%	2.5%	7.7%	5.9%
	45	3.5%	2.5%	7.7%	5.9%
	55	3.5%	2.5%	7.4%	4.7%

Source: Aviva and Mercer (31 March 2025). Performance shown net of all charges and transaction costs

Standalone self-select funds (including technical defaults)

Fund	Annualised returns to 31st March 2025 (% p.a.)		
	1 year	3 years	5 years
Mercer Defensive / Lower Risk	1.40%	-0.50%	1.10%
Mercer Moderate Growth / Moderate Risk	2.80%	1.20%	5.40%
Mercer Growth / Balanced Risk	3.50%	2.50%	7.70%
Mercer High Growth / Higher Risk	3.60%	3.20%	9.30%
Mercer Retirement: Cash	4.80%	3.80%	2.20%
Mercer Target Cash 2026	4.50%	1.20%	4.60%
Mercer Target Cash 2027	4.10%	1.10%	5.20%
Mercer Target Cash 2028	3.70%	1.60%	6.20%
Mercer Target Cash 2029	3.40%	1.80%	-
Mercer Target Cash 2030	3.30%	2.10%	-
Mercer Target Cash 2031	3.40%	-	-
Mercer Target Cash 2032	3.60%	-	-

Fund	Annualised returns to 31st March 2025 (% p.a)		
	1 year	3 years	5 years
Mercer Target Cash 2033	-	-	-
Mercer Diversified Retirement	2.80%	1.60%	4.40%
Mercer Target Drawdown 2026	3.10%	1.80%	6.30%
Mercer Target Drawdown 2029	3.3%	2.1%	-
Mercer Target Drawdown 2030	3.4%	2.2%	-
Mercer Retirement: Annuity	-1.0%	-4.4%	-3.3%
Mercer Target Annuity 2030	1.5%	1.1%	-
Mercer Active UK Equity	9.0%	4.9%	9.7%
Mercer Active Global Equity	5.0%	7.9%	14.3%
Mercer Active Global Small Cap Equity	-1.4%	4.4%	13.0%
Mercer Active Emerging Markets Equity	1.5%	-1.7%	3.6%
Mercer Active Emerging Markets Debt	-1.4%	3.9%	2.3%
Mercer Absolute Return Fixed Income	5.3%	2.7%	3.2%
Mercer Diversified Growth	3.8%	3.2%	7.4%
Mercer Passive UK Equity	9.4%	5.9%	11.3%
Mercer Passive Sustainable Global Equity	2.6%	7.4%	-
Mercer Passive Overseas Equity	4.0%	7.7%	14.9%
Mercer Passive Overseas Equity Hedged	7.3%	7.5%	16.2%
Mercer Passive Emerging Markets Equity	5.6%	1.6%	6.3%
Mercer Passive Shariah	3.4%	9.1%	16.1%
Mercer Pre-Retirement Fund	-2.9%	-7.1%	-5.2%
Mercer Fixed Interest Gilts	-8.4%	-15.4%	-13.3%
Mercer Passive UK Corporate Bond	1.9%	-1.0%	-0.2%
Mercer Passive Index-Linked Gilts	-10.5%	-16.2%	-9.9%
Mercer Cash	4.8%	3.9%	2.3%
Mercer Drawdown Cash Retirement	4.8%	3.9%	2.3%
Mercer Drawdown Cautious Retirement	2.9%	1.7%	3.5%
Mercer Drawdown Adventurous Retirement	4.6%	3.0%	6.8%
Mercer Drawdown Dynamic Retirement	3.5%	3.2%	7.3%
Baillie Gifford - UK Equity Core	6.8%	3.5%	9.1%
BlackRock – Passive Global Equity (30:70) (GBP Hedged)	8.9%	7.2%	14.1%
BlackRock - DC Diversified Growth	6.1%	3.9%	6.0%
Baillie Gifford - International Equity	-3.7%	2.1%	9.2%

Source: Aviva (31 March 2025)

Where data is 'unavailable' this is because there is a limited track record. The fund was launched less than the stated duration

Reporting of Costs and Charges

Using the charges and transaction cost data provided by Aviva and in accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the 2018 Regulations, Aviva has prepared illustrations detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot, on behalf of the Trustee. The statutory guidance provided has been considered when providing these examples.

The illustrations below, prepared by Aviva, have taken into account the following elements:

- Savings pot size,
- Contributions,

- Real terms investment return gross of costs and charges,
- Adjustment for the effect of costs and charges, and
- Time.

The illustrations include all member costs, including the TER, transaction costs and inflation as at 31 March 2025. It is important to note that the values shown are estimates and are not guaranteed. The term of investment has been based on the youngest member of the Scheme.

Table 1 shows typical funds for the Scheme and Table 2 shows current default funds with different growth rate assumptions and charges.

Tables 3 and 4 show the technical default funds for this Scheme.

Table 1

Illustration of effect of costs and charges for the default arrangement and a range of funds within your scheme – HCA International Ltd Staff Retirement Benefits Scheme						
	Default Investment Programme		Low charge fund		High charge fund	
	Mercer Target Cash		Mercer Passive Over 5 Year Index-Linked Gilt		Mercer Active Emerging Markets Equity	
	Assumed growth rate 4.8%		Assumed growth rate 7.0%		Assumed growth rate 6.0%	
	Assumed costs and charges 0.61%		Assumed costs and charges 0.30%		Assumed costs and charges 2.10%	
At end of year	Projected value assuming no charges taken	Projected value after charges taken	Projected value assuming no charges taken	Projected value after charges taken	Projected value assuming no charges taken	Projected value after charges taken
1	£1,210	£1,200	£1,210	£1,210	£1,210	£1,190
2	£2,460	£2,440	£2,480	£2,470	£2,460	£2,400
3	£3,750	£3,710	£3,810	£3,790	£3,750	£3,630
4	£5,090	£5,020	£5,190	£5,160	£5,090	£4,870
5	£6,470	£6,360	£6,630	£6,580	£6,470	£6,130
10	£14,100	£13,700	£14,900	£14,600	£14,100	£12,700
15	£23,200	£22,000	£25,000	£24,400	£23,200	£19,600
20	£33,900	£31,600	£37,700	£36,400	£33,900	£27,000
25	£46,500	£42,600	£53,300	£51,000	£46,500	£34,900
30	£61,500	£55,200	£72,700	£68,900	£61,500	£43,300
35	£79,200	£69,600	£96,800	£90,700	£79,200	£52,200
40	£100,000	£86,100	£127,000	£117,000	£100,000	£61,800
45	£117,000	£98,700	£164,000	£150,000	£125,000	£71,900
50	£126,000	£104,000	£209,000	£189,000	£154,000	£82,700

Table 2

List of funds included in the Default SmartPath		
Fund name	Total Cost and Charge (p.a.)	Growth Rate (p.a.)
Mercer Retirement: Cash M6	0.39%	2.00%
Mercer Target Cash 2026	0.48%	2.40%
Mercer Target Cash 2027	0.52%	2.70%
Mercer Target Cash 2028	0.59%	3.10%
Mercer Target Cash 2029	0.66%	3.50%
Mercer Target Cash 2030	0.66%	3.80%
Mercer Target Cash 2031	0.65%	4.00%
Mercer Target Cash 2032	0.64%	4.20%
Mercer Target Cash 2033	0.65%	4.40%
Mercer Growth / Balanced Risk	0.64%	6.00%

Table 3

	Default fund		Default fund		Default fund	
	Av MyM BlackRock Aq Connect (30:70) Currency Hedged Global Equity Index		Mercer Diversified Growth		Mercer Growth / Balanced Risk	
	Assumed growth rate 6.0%		Assumed growth rate 4.0%		Assumed growth rate 6.0%	
	Assumed costs and charges 0.39%		Assumed costs and charges 0.70%		Assumed costs and charges 0.64%	
At end of year	Projected value assuming no charges taken	Projected value after charges taken	Projected value assuming no charges taken	Projected value after charges taken	Projected value assuming no charges taken	Projected value after charges taken
1	£1,210	£1,210	£1,200	£1,190	£1,210	£1,200
2	£2,460	£2,450	£2,410	£2,390	£2,460	£2,440
3	£3,750	£3,730	£3,640	£3,600	£3,750	£3,710
4	£5,090	£5,050	£4,890	£4,820	£5,090	£5,020
5	£6,470	£6,400	£6,160	£6,050	£6,470	£6,360
10	£14,100	£13,800	£12,800	£12,300	£14,100	£13,700
15	£23,200	£22,500	£19,900	£18,800	£23,200	£22,000
20	£33,900	£32,500	£27,600	£25,600	£33,900	£31,600
25	£46,500	£44,000	£35,800	£32,600	£46,500	£42,500
30	£61,500	£57,500	£44,600	£39,900	£61,500	£55,100
35	£79,200	£73,100	£54,200	£47,500	£79,200	£69,500
40	£100,000	£91,200	£64,400	£55,400	£100,000	£86,000
45	£125,000	£112,000	£75,400	£63,500	£125,000	£105,000
50	£154,000	£137,000	£87,300	£72,000	£154,000	£127,000

Table 4

	Default fund	
	Mercer Annuity Aware	
	Assumed growth rate 6.0%	
	Assumed costs and charges 0.37%	
At end of year	Projected value assuming no charges taken	Projected value after charges taken
1	£1,210	£1,210
2	£2,460	£2,450
3	£3,750	£3,730
4	£5,090	£5,050
5	£6,470	£6,410
10	£14,100	£13,800
15	£23,200	£22,500
20	£33,900	£32,500
25	£46,500	£44,200
30	£61,500	£57,700
35	£79,200	£73,400
40	£100,000	£91,600
45	£125,000	£113,000
50	£154,000	£137,000

Notes:

1. Assuming a starting pension pot of £0. £100 monthly contributions are assumed to be paid, increasing in line with assumed earnings inflation of 2.5% each year.
2. The figures illustrate the pension pot value in 'today's money' which means they take inflation into account by discounting values at 2.5% a year. Seeing the figures in this way shows you what they could be worth today. It's important to note that inflation reduces the worth of all savings and investments. The effect of this is shown in the illustration and could mean the fund may reduce as well as grow in 'today's money'.

Transaction costs may not have been included where data was not available from the fund manager

Value for Members

In accordance with regulation 25(1)(b), the Trustee undertakes a review of the charges and transaction costs incurred by members to ascertain whether the Scheme represents good value for members, relative to peers and alternative arrangements that are available.

There is no legal definition of "good value", so the process of determining good value is a subjective one. "Value" is not a straightforward concept to quantify and can be open to broad interpretation.

The Trustee has undertaken a value for members' assessment which concluded that the Scheme overall represents **good value for members**. The reasons underpinning this conclusion include:

- The Scheme's current default investment arrangement (and additional technical defaults) complies comfortably with the charge cap of 0.75% per annum.
- Overall, member investment charges, including the charges for the default strategy, are competitive compared to peers, offering **good value**.
- The funds used by the Scheme are highly rated by the Trustee's investment advisers and assessed to have good future prospects of achieving their risk and return objectives.
- Performance against long-term objectives has been mixed across the fund range, and any manager performance issues are given due attention by the Trustee, with action taken as deemed necessary. The Trustee has implemented changes that are expected to improve performance in the medium-to-long term.
- The Company pays for an Independent Trustee to govern the Scheme's arrangements and provide oversight on behalf of members' best interests. The Company also meets the costs for the Trustee's advisory services.
- The Company also pays a fee for MWS, which benefits members with enhanced SLAs for the administration services provided by Aviva, lower member fund charges and an additional layer of governance in respect of Aviva and the underlying investments, which are researched by Mercer on the Aviva platform.
- The Scheme offers a broad range of online tools and support, timely communications and administration response times are largely within agreed SLA's. The Trustee and Company also continue to look at ways to enhance the member experience.

Trustee Knowledge and Understanding

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee is required to maintain an appropriate level of knowledge and understanding that, together with professional advice available to them, enables them to properly exercise their functions and duties in relation to the Scheme.

The Scheme is run by a Professional Trustee, Vidett Trust Corporation Limited (“VTC”). VTC act for many pension schemes, from the very small to the very large, including defined benefit and DC pension schemes that are open or closed to new members, closed to future benefit accrual, winding up or merging. They work with both trust-based pension schemes and contract-based workplace pensions.

VTC is represented by Kevin Kenneally, a PMI Accredited Professional Trustee client director, who took over as Chair in January 2024 from Ian Eggleton. Kevin is a Fellow of the Pensions Management Institute (“PMI”) and has completed the Pensions Regulator’s Trustee Toolkit and undertakes a minimum level of CPD each year as required by the PMI.

Kevin started his pensions career with VTC in 2002 having previously worked as an expat tax consultant at Deloitte. With extensive knowledge and experience of all aspects of running pension schemes, Kevin chairs a large range of schemes, either as part of a larger trustee body or sole trustee. His schemes cover numerous benefit types and sponsor sectors. He also sits on the VTC internal adviser review service line.

VTC has a robust training programme and require that each Client Director is professionally qualified and undertakes a minimum level of CPD each year, maintaining an adequate level of knowledge and understanding of the law relating to pensions and trust. VTC has significant experience in the DC market.

The Trustee must also be conversant with the Scheme’s own documentation including the trust deed and rules and Statement of Investment Principles. Subsequent to the end of the Scheme year, the Trustee has commissioned its legal adviser to update the trust deed and rules. The Trustee must also be conversant with any other document recording current policy relating to the administration of the Scheme generally. The Pensions Regulator interprets ‘conversant’ as having a working knowledge of those documents. The Trustee should be able to use them effectively when they are required to do so while carrying out their duties on behalf of the Trustee.

The Trustee is required to disclose how these duties have been fulfilled and how their combined knowledge and understanding, together with the advice which is available to them, enables them to properly exercise their duties and responsibilities.

The table below shows how these requirements have been met during the year.

Requirement	How the Trustee has met the requirement
Trustees must describe how, through the scheme year, the trustees have demonstrated a working knowledge of the trust deed and rules.	<p>The Trustee is conversant with, and has demonstrated a working knowledge of, the Trust Deed and Rules during the Scheme year by providing decisions in line with the Rules.</p> <p>At each Trustee meeting, the Trustee maintains a “discretions log” to document any discretionary decisions made throughout the Scheme year.</p> <p>In addition, if there are any ambiguities over the interpretation of the Rules, legal advice is sought from the Scheme’s Lawyers DAC Beachcroft LLP. For example, during the Scheme Year the Trustee liaised with their legal advisor regarding the change in the UK’s normal minimum pension age, and whether the wording within the Scheme’s rules gives members the right to a protected retirement age.</p>

<p>Trustees must describe how, through the scheme year, the trustees have demonstrated a working knowledge of the current SIP.</p>	<p>The Trustee is conversant with, and has demonstrated a working knowledge of, the current SIP. During the Scheme year, at the 24 June 2024 Trustee's meeting, the Trustee discussed MWS' annual investment strategy review with their investment advisor. As a result of this discussion and several subsequent discussions, the Trustee took the decision to implement changes to the investment strategy.</p> <p>Following the investment strategy changes, the Trustee is in the process of reviewing and updating their SIP.</p>
<p>Trustees must describe how, through the scheme year, the trustees have demonstrated a working knowledge of all documents setting out the trustees' current policies.</p>	<p>The Trustee has demonstrated a working knowledge of their current policies through their maintenance of an annual calendar and policy schedule, which is a standing item at each meeting where key policies and documents are reviewed in turn and updated if appropriate, alongside regular reviews of Scheme documents and new regulations.</p> <p>During each Scheme year:</p> <ul style="list-style-type: none"> - the Trustee maintained a "Decisions Record", containing all minuted decisions made at Trustee meetings to ensure an accurate record of the Trustee's current policies. - The Trustee maintained a monitoring log to record partial transfers-out and uncrystallised funds pension lump sum payments. - The Trustee began their preparation towards readiness to the Pension Regulator's General Code reviewing their Effective System of Governance. <p>During the Scheme year, the Trustee met formally on 24 June 2024 and 26 November 2024. The Trustee also met on an ad-hoc basis with the Scheme's administrator, their advisers, and the Company frequently.</p>
<p>Trustees must describe how, through the scheme year, the trustees have demonstrated that they have sufficient knowledge and understanding of the law relating to pensions and trusts.</p>	<p>The Trustee is a professional Trustee must meet certain pension knowledge requirements such as remaining up to date with changes in pension regulation and ensuring a minimum amount of CPD is completed each year.</p> <p>The Trustee's adviser, Mercer Limited, attends each meeting and gives the Trustee an overview of market and legislative developments, including the Trustee's duties and requirements for strong governance. Mercer presented this report at the 24 June 2024 and 26 November 2024 meetings.</p> <p>As noted above, the Trustee may also discuss any new legislation with their legal advisors, DAC Beachcroft LLP. Specific topics discussed with their advisors include interpretation of rules and NMPA impacts.</p>
<p>Trustees must describe how, through the scheme year, the trustees have demonstrated that they have sufficient knowledge and understanding of the relevant principles relating to the funding</p>	<p>The Trustee attended training in relation to a number of topics, covering TPR General Code, the Pensions Dashboard and started the 2025 investment strategy review. As a result, the Trustee has sufficient knowledge and understanding of the</p>

and investment of occupations schemes.	<p>relevant principles relating to the funding and investment of occupational schemes.</p> <p>The Trustee receives quarterly investment reports from Aviva and MWS and reviews the investment strategy triennially to ensure that it remains appropriate for their membership.</p>
Trustees must describe how, through the scheme year, the trustees have demonstrated that their combined knowledge and understanding, together with available advice, enable them to properly exercise their functions.	<p>The Trustee receives advice from professional advisers to support them in reviewing the performance of the Scheme and in governing the Scheme in line with the Trust Deed and Rules, and the relevant skills and experience of those advisers is a key criterion when evaluating advisor performance or selecting new advisors. The advice received by the Trustee along with their own experience allows them to properly exercise their function as Trustee.</p> <p>The employer covers the cost of the Trustee and its advisers who attend each Trustee meeting and are available to support the Trustee at any time during the year and answer any queries or concerns they may have.</p>

The Trustee will also review and assess, on an ongoing basis, whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's General Code of Practice.

Furthermore, the Trustee works closely with the Company to understand their process and the effect they have on the Scheme and to its members. Representatives, on behalf of the Company, attend all Trustee meetings and feed into any discussions that may affect the running of the Scheme.

Chair's declaration

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustee to the best of my knowledge.

Name: Kevin Kenneally

On behalf of the Trustee of the HCA International Limited Staff Retirement Benefits Scheme

Date: 27th October 2025

Appendix B

Asset Allocation of the Default Arrangement

In order that members invested in the Scheme's default arrangements can see how their savings were being invested as at 31 March 2025, the table below shows the percentage of each of the main asset classes held by members at various ages.

A description of the asset classes is provided below the tables.

More information on the investment options offered by the Scheme are available in the member Investment Guide and Fund Factsheets.

Asset Class	Default Investment Arrangement – Mercer SmartPath Target Cash			
	Percentage allocation – average 25 years	Percentage allocation – average 45 years	Percentage allocation – average 55 years	Percentage allocation – 65 years (NRD)
Cash	2.74%	2.74%	2.74%	100.00%
Other Bonds	0.00%	0.00%	0.00%	0.00%
Corporate Bonds	6.23%	6.23%	6.23%	0.00%
Government Bonds	16.86%	16.86%	16.86%	0.00%
Listed Equities	66.41%	66.41%	66.41%	0.00%
Private Equity	0.00%	0.00%	0.00%	0.00%
Infrastructure	0.00%	0.00%	0.00%	0.00%
Property/Real Estate	1.00%	1.00%	1.00%	0.00%
Private Debt/Credit	0.00%	0.00%	0.00%	0.00%
Other	7.03%	7.03%	7.03%	0.00%
Total	100.0%	100.0%	100.0%	100.0%

Source: Mercer as at 31 March 2025

Asset Class	Technical Default Investment Arrangements			
	Mercer Growth	Mercer Diversified Growth	Mercer Pre-Retirement	BlackRock (30:70) Currency Hedged Global Equity Index
Cash	2.47%	3.63%	0.00%	0.00%
Other Bonds	0.00%	0.00%	0.00%	0.00%
Corporate Bonds	6.23%	14.21%	61.20%	0.00%
Government Bonds	16.86%	14.64%	38.80%	0.00%
Listed Equities	66.41%	45.17%	0.00%	100.00%
Private Equity	0.00%	0.00%	0.00%	0.00%
Infrastructure	0.00%	5.02%	0.00%	0.00%
Property/Real Estate	1.00%	6.03%	0.00%	0.00%
Private Debt/Credit	0.00%	0.00%	0.00%	0.00%
Other	7.03%	11.31%	0.00%	0.00%
Total	100.0%	100.0%	100.0%	100.0%

Source: Mercer as at 31 March 2025

Notes

Normal Retirement Age for the Scheme is age 65, members have the opportunity of selecting their own retirement date. The following describes the types of investments covered by the above asset classes:

- **Cash** – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Scheme.
- **Bonds** – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.
- **Listed Equity** – Shares in companies that are listed on global stock exchanges. Owning shares makes the Scheme a part owner of the company, entitled to a share of the profits (if any) payable as dividends.
- **Private Equity** – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including:
 - **Venture Capital** – Small, early-stage businesses that may have high growth potential, albeit at significant risk.
 - **Growth Equity** – Relatively mature companies that are going through a transformational event with potential for growth.
- **Property** – Real estate, potentially including offices, retail buildings which are rented out to businesses.
- **Infrastructure** - physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons.
- **Private Debt** – Other forms of loan that do not fall within the definition of a 'Bond'.
- **Other** – Any assets that do not fall within the above categories.