

Wolseley Group Defined Contribution Plan

Chair's statement

Introduction

Welcome to the annual report and financial statements covering the year to 31 July 2019 for the Wolseley Group Defined Contribution Plan (the "Plan"). I am pleased to present this report on behalf of the Trustee.

The Trustee, together with their advisers, have been reviewing the governance controls in line with the Pensions Regulator's Code of Practice 13 "Governance and administration of occupational defined contribution trust-based schemes".

At the date of the statement, The Trustee is Wolseley Pension Trustees Limited, whose directors are: -

W Phelan (Chair) representing PS Governance Services
D Illingworth
L Campbell
C Cottingham
S Gray
N McCawley
P Scott
H Turner, appointed 11 September 2019

The Government also laid legislation to cover the basic standards for the Governance of Defined Contributions Schemes effective from 6 April 2015 which was updated in July 2016.

This Governance Statement has been prepared in accordance with regulation 23 of the Occupational Pension Scheme (Scheme Administration) Regulations ("the Administration Regulations") 1996 (as amended). It sets out how the Trustee has met the statutory governance standards which are central to running the Plan. In particular:-

- The default arrangement;
- Requirements for processing core financial transactions;
- Charges and transaction costs;
- Value for Members assessment; and
- The requirements for trustee knowledge and understanding.

As Trustee we recognise the importance of robust governance and adopt good practice standards. We are also supported in our role by the Plan Sponsors (see page 1).

Investment arrangements including the default arrangements

The range of options provided to members allows them to diversify across asset classes, if they wish, which should provide the levels of returns required by individual members at acceptable risk.

For those members who are willing to accept a greater level of volatility in pursuit of achieving a potentially higher value in their investment account, a global equity option is available. For those members who are less comfortable with the likely volatility of equities, self-select options with lower expected volatilities such as bonds are available.

In June 2016, the Trustee reviewed the default and alternative lifestyle strategy in line with the Statement of Investment Principles and introduced three new lifestyle strategies. As a member approaches retirement, they can choose one of the three new protection phase strategies that best reflects their likely requirements for income in retirement. These are -

Cash Lifestyle Strategy – for those members planning to take their Plan savings as a cash lump sum. This is also the Plan's **default investment option** for members who do not make their own investment decisions.

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Annuity Lifestyle Strategy – for those members planning to buy an annuity at their target retirement date. (An annuity is a fixed series of payments paid at regular intervals to someone for their rest of their life).

Income Drawdown Lifestyle Strategy – for members planning to leave their Plan savings invested and withdraw income flexibly over time outside of the Plan.

The growth phase of these lifestyle strategies aims to give members access to tactical asset allocations and alternative asset classes, resulting in a better balance of return drivers and lower volatility of returns.

During the year ended 31 July 2019, the Trustee continued to monitor the performance and appropriateness of the lifestyle strategies at each quarterly meeting.

The Trustee takes advice from professional advisers to support them in managing the Plan's assets. The advisers monitor the performance of the investment managers against the agreed performance objectives and the Trustee receive quarterly reports on fund performance.

The formal three year review of the default and alternative investment strategy took place in 6 December 2018 but no changes to the lifestyle strategies were made. Following the completion of an enhanced transfer value exercise of the Wolseley Group Retirement Benefits Plan, a review of the default investment strategy was not required as no members elected to transfer their Wolseley Group Retirement Benefits Plan benefits into the Plan. Therefore, the next formal three year review will take place in 2021.

Statement of Investment principles

A copy of the Plan's latest Statement of Investment Principles (the "SIP"), dated September 2019, which governs the Trustees' decisions about investments, including its aims, objectives and policies for the Plan's default arrangement, has been prepared in accordance with regulation 2A of the Occupational Pensions Schemes (Investment) Regulations 2005. A copy can be found after this statement, on page 13. In particular it covers:-

- the Trustees' policies on risk, return and ethical investing; and
- how the default arrangement is intended to ensure that assets are invested in the best interests of members and beneficiaries.

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 Plan by members and their employer(s);
- Transfers into and out of the Plan of assets relating to members;
- Switches of members' investments between different funds within the Plan; and
- Payments from the Plan to or in respect of members/beneficiaries (e.g. payment of death benefits).

The processing of core financial transactions are monitored daily by our administrator, Aegon who has implemented an internal control procedure that helps ensure that such transactions are processed promptly and accurately. This control procedure includes management of the receipt and timely investment of member and employer contributions, the accuracy of investment allocations and payment of benefits including transfers out and lifestyle investment switches. The Plan's administrators complete annual common and conditional data reports to ensure the quality of the Plan's data is maintained.

To help gain assurance that the core financial transactions are being dealt with promptly and accurately, the Trustee monitors the services against a service level agreement and review this via the quarterly administration reports and the annual administration assurance report. These were all met during the year. If any issues were identified they would be progressed and resolved by the Secretary to the Trustee with the Plan's administrators.

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The auditor has confirmed that for the Plan year ended 31 July 2019 contributions have in their opinion, been paid in accordance with the agreed payment schedule dated 15 January 2014.

The Trustee having considered these regular reports and have concluded that the Scheme's core financial transactions have been processed promptly and accurately during the Plan year and that there are no issues to report.

Charges and transaction costs

Transaction costs and charges borne by the members may impact on their pension savings, so the Trustee keeps the level of these under review on an ongoing basis. Any changes to the costs and charges are brought to the attention of the Trustee by the investment advisers.

In accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the 2018 Regulations, the Trustee has provided some example illustrations which show the impact of costs and charges on pension savings. The statutory guidance has been considered when providing these examples. The illustrations are based on the following information: -

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current age 18 Retirement Age 65 Current salary £22,000 Salary increase 4% per annum Future contributions paid 6.75% of salary increasing by 4% each year Cash lifestyle fund Fund value | Current age 40 Retirement Age 65 Current salary £22,000 Salary increase 4% per annum Fund Value £4,000 (based on the Plan average) Future contributions paid 6.75% of salary increasing by 4% each year Cash lifestyle fund Fund value | Current age 59 Retirement Age 65 Current salary £ 22,000 Salary increase 4% per annum Fund Value £4,000 (based on the Plan average) Future contributions paid 6.75% of salary increasing by 4% each year Cash lifestyle fund Fund value |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The illustrations are found at the end of this section.

Each fund is subject to an Annual Management Charge (AMC). For the default fund, Trustee must not impose or permit to be imposed charges on a member which exceed 0.75% per annum (including additional expenses) of the value of the member's investments in the default arrangement.

The combination of the AMC and additional expenses is known as the Total Expense Ratio.

As part of the investment strategy review the Trustee negotiated, in June 2016 a reduction in the Investment Manager's Total Expense Ratios ("TERs").

The default lifestyle strategy charges are detailed in the table below:

| Fund Name | AMC % p.a. | Additional Expenses % p.a. | Total Expense Ratio % p.a. |
|-------------------------------------------------------------------|------------|----------------------------|----------------------------|
| Aegon BlackRock (30:70) Currency Hedged Global Equity Index (BLK) | 0.32 | 0.02 | 0.34 |
| DC Investor Multi Asset | 0.71 | 0.13 | 0.84* |
| Aegon BlackRock Corporate Bond All Stock Index (BLK) | 0.30 | 0.02 | 0.32 |
| Aegon BlackRock Cash (BLK) | 0.25 | 0.03 | 0.28 |

*All costs and charges are within the charges cap

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The annuity lifestyle strategy charges are detailed in the table below:

| Fund Name | AMC % p.a. | Additional Expenses % p.a. | Total Expense Ratio % p.a. |
|-------------------------------------------------------------------|-----------------------|-------------------------------------------|---------------------------------------|
| Aegon BlackRock (30:70) Currency Hedged Global Equity Index (BLK) | 0.32 | 0.02 | 0.34 |
| DC Investor Multi Asset Fund | 0.71 | 0.13 | 0.84* |
| Aegon LGIM Pre-Retirement (BLK) | 0.35 | 0.00 | 0.35 |
| Aegon BlackRock Cash (BLK) | 0.25 | 0.03 | 0.28 |

*All costs and charges are within the charges cap

The income drawdown lifestyle strategy charges are detailed in the table below:

| Fund Name | AMC % p.a. | Additional Expenses % p.a. | Total Expense Ratio % p.a. |
|-------------------------------------------------------------------|-----------------------|-------------------------------------------|---------------------------------------|
| Aegon BlackRock (30:70) Currency Hedged Global Equity Index (BLK) | 0.32 | 0.02 | 0.34 |
| DC Investor Multi Asset Fund | 0.71 | 0.13 | 0.84* |
| Aegon BlackRock Corporate Bond All Stock Index (BLK) | 0.30 | 0.02 | 0.32 |
| Aegon BlackRock Cash (BLK) | 0.25 | 0.03 | 0.28 |

*All costs and charges are within the charges cap

The charges for the self-select funds are detailed in the table below:

| Fund Name | AMC % p.a. | Additional Expenses % p.a. | Total Expense Ratio % p.a. |
|-----------------------------------------------------|-----------------------|-------------------------------------------|---------------------------------------|
| Aegon BlackRock Emerging Markets Equity Index (BLK) | 0.45 | 0.06 | 0.51 |
| Aegon LGIM Ethical UK Equity Index (BLK) | 0.55 | 0.00 | 0.55 |
| Aegon HSBC Islamic Global Equity Index (BLK) | 0.60 | 0.00 | 0.60 |
| Aegon BlackRock UK Equity Index (BLK) | 0.30 | 0.01 | 0.31 |
| Aegon BlackRock Index Linked Gilt (BLK) | 0.30 | 0.01 | 0.31 |
| Aegon BlackRock All Stocks UK Gilt Index (BLK) | 0.30 | 0.01 | 0.31 |

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In addition to ongoing investment management charges, members may also incur transaction costs when investing contributions, switching their investments between the available investment funds or redeeming their investments. BlackRock, as the platform provider, operates single swinging funds which is a technique used across a number of funds to reduce the impact of dilution and help protect existing investors. It aims to ensure that investors subscribing or redeeming from a fund bear the trading costs – the underlying bid-offer spreads and transactions costs. So, it is not possible to determine transaction costs in advance of a given trade date. However, the bid-offer spread for each fund indicates the potential transaction costs incurred on entering or exiting each fund. These are shown in the following table:

| Fund | Indicative bid-mid spread (%) | Indicative mid-offer spread (%) | Indicative bid-offer spread (%) |
|-----------------------------------------------------------------|--------------------------------------|----------------------------------------|----------------------------------------|
| Aegon BlackRock 30:70 Currency Hedged Global Equity Index (BLK) | 0.09 | 0.25 | 0.34 |
| Aegon BlackRock UK Equity Index (BLK) | 0.05 | 0.55 | 0.60 |
| Aegon BlackRock Emerging Markets Equity Index (BLK) | 0.35 | 0.30 | 0.65 |
| Aegon LGIM Ethical UK Equity Index | 0.05 | 0.11 | 0.16 |
| Aegon HSBC Islamic Global Equity Index (BLK) | n/a | n/a | 0.00 |
| DC Investor Multi Asset | - | - | - |
| <i>50% BlackRock DC Diversified Growth</i> | <i>0.34</i> | <i>0.34</i> | <i>0.68</i> |
| <i>50% Insight Broad Opportunities Fund</i> | <i>0.20</i> | <i>0.20</i> | <i>0.40</i> |
| Aegon BlackRock Corporate Bond All Stocks Index (BLK) | 0.30 | 0.30 | 0.60 |
| Aegon BlackRock Index Linked Gilt (BLK) | 0.06 | 0.06 | 0.12 |
| Aegon BlackRock All Stocks UK Gilt Index (BLK) | 0.40 | 0.40 | 0.80 |
| Aegon LGIM - Pre-Retirement (BLK) | 0.39 | 0.39 | 0.78 |
| Aegon BlackRock Cash (BLK) | 0.00 | 0.00 | 0.00 |

Source: BlackRock, underlying fund managers

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Example illustration

Illustration date: 11/02/2019

Purpose of this example illustration

This isn't a personal illustration, it is based on the assumptions detailed later on in this document. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds you invest in over time.

| Fund transactional charges and costs total (%) | | | | |
|------------------------------------------------|------------------------------------------------|----------------------------|--------------------------------------------------------------------|------------------------------|
| | Cash Lifestyle* (Default Investment Option) | Aegon BlackRock Cash (BLK) | Aegon BlackRock 30/70 Currency Hedged Global Equity Index (BLK) | DC Investor Multi-Asset Fund |
| Growth | -1.50% to 2.50% | -1.50% | 2.50% | 0.70% |
| AMC | 0.25% to 0.71% | 0.25% | 0.32% | 0.71% |
| AAE | 0.02% to 0.13% | 0.03% | 0.02% | 0.13% |
| TC | -0.3259% to 0.0275% | -0.0175%** | 0.0047% | -0.3259** |

* As the Lifestyle investment option consists of multiple investment funds we have shown the range of growth and fund costs & charges.

** Negative Transaction Costs have been treated as zero in the illustrated values below.

Growth is the assumed growth rate for the fund after taking into account assumed price inflation of 2.5% per annum.

AMC is the Annual Management Charge, which is a yearly management charge expressed as an annual percentage but calculated and deducted on a daily basis from the fund.

AAE are the Additional Annual Expenses, which are an estimate of any additional fees and expenses that may apply, such as fees for custody, administration and trustee services that may be incurred in addition.

TC are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on actual transaction costs provided by BlackRock for the period 01/07/17 to 30/06/15.

The impact of transactional costs and charges on fund values (£)

The 'Before Charges' column shows each fund value without any transaction costs, charges or expenses being applied to the fund's holdings.

The 'After all charges' column shows the fund's holdings after transaction costs, charges and expenses have been deducted.

| Years | Cash Lifestyle* (Default Investment Option) | | Aegon BlackRock Cash (BLK) | | Aegon BlackRock 30/70 Currency Hedged Global Equity Index (BLK) | | DC Investor Multi-Asset Fund | |
|-------|------------------------------------------------|-------------------|----------------------------|-------------------|--------------------------------------------------------------------|-------------------|------------------------------|-------------------|
| | Before Charges | After all charges | Before Charges | After all charges | Before Charges | After all charges | Before Charges | After all charges |
| 1 | 5504 | 5475 | 5396 | 5353 | 5553 | 5567 | 5502 | 5461 |
| 2 | 7024 | 6959 | 6793 | 6763 | 7227 | 7157 | 7036 | 6942 |
| 3 | 8539 | 8435 | 8190 | 8140 | 8931 | 8863 | 8603 | 8443 |
| 4 | 10036 | 9892 | 9559 | 9514 | 10699 | 10596 | 10202 | 9963 |
| 5 | 11502 | 11315 | 10965 | 10856 | 12533 | 12357 | 11536 | 11504 |
| 6 | 12924 | 12705 | 12390 | 12257 | 14433 | 14235 | 13504 | 13066 |

About this illustration

Your current age is 59 and retirement age is 65.

Your current salary is £22,000 and will increase each year by 4%.

Future contributions paid will be 6.75% of your salary (£123.75 each month) increasing by 4% each year.

The existing fund value is £4,000.

We've shown the default Cash Lifestyle investment option that the majority of members invest in.

We've also shown the Aegon BlackRock Cash (BLK) and Aegon BlackRock 30/70 Currency Hedged Global Equity Index (BLK) funds to show the asset classes with the lowest and highest assumed growth. The Aegon BlackRock Cash (BLK) fund is also the fund with the lowest charges and we have shown the DC Investor Multi-Asset Fund as the fund with the highest charges.

Investment growth

The value of your investments will grow at a rate appropriate to the funds you're invested in and inflation will be 2.5% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) you're invested in.

The assumed growth rate used for each fund is shown above. This rate is based on our view of potential long-term returns of the main asset classes (equities, property, corporate bonds, government bonds and cash) and will vary depending on the fund(s). The growth rates for mixed asset funds are derived from the asset class growth rates based on the investment objectives and long-term asset allocation of the funds.

If the growth rate we've used is:

- the same as the rate of inflation this reduces the growth rate, after making an allowance for inflation, to 0%;
- less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.

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Example illustration

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Purpose of this example illustration

This isn't a personal illustration, it is based on the assumptions detailed later on in this document. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds you invest in over time.

| Fund transactional charges and costs total (%) | | | | |
|------------------------------------------------|------------------------------------------------|----------------------------|--------------------------------------------------------------------|------------------------------|
| | Cash Lifestyle* (Default Investment Option) | Aegon BlackRock Cash (BLK) | Aegon BlackRock 30/70 Currency Hedged Global Equity Index (BLK) | DC Investor Multi-Asset Fund |
| Growth | -1.50% to 2.50% | -1.50% | 2.50% | 0.70% |
| AMC | 0.25% to 0.71% | 0.25% | 0.32% | 0.71% |
| AAE | 0.02% to 0.13% | 0.03% | 0.02% | 0.13% |
| TC | -0.3209% to 0.0275% | -0.0175%** | 0.0047% | -0.3209** |

* As the Lifestyle investment option consists of multiple investment funds we have shown the range of growth and fund costs & charges.

** Negative Transaction Costs have been treated as zero in the illustrated values below.

Growth is the assumed growth rate for the fund after taking into account assumed price inflation of 2.5% per annum.

AMC is the Annual Management Charge, which is a yearly management charge expressed as an annual percentage but calculated and deducted on a daily basis from the fund.

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The Impact of transactional costs and charges on fund values (£)

The 'Before Charges' column shows each fund value without any transaction costs, charges or expenses being applied to the fund's holdings.

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| Years | Cash Lifestyle* (Default Investment Option) | | Aegon BlackRock Cash (BLK) | | Aegon BlackRock 30/70 Currency Hedged Global Equity Index (BLK) | | DC Investor Multi-Asset Fund | |
|-------|------------------------------------------------|-------------------|----------------------------|-------------------|--------------------------------------------------------------------|-------------------|------------------------------|-------------------|
| | Before Charges | After all charges | Before Charges | After all charges | Before Charges | After all charges | Before Charges | After all charges |
| 1 | 5553 | 5567 | 5396 | 5353 | 5553 | 5567 | 5502 | 5461 |
| 3 | 5931 | 5903 | 5190 | 5140 | 5931 | 5903 | 5603 | 5443 |
| 5 | 12533 | 12357 | 10955 | 10556 | 12533 | 12357 | 11536 | 11504 |
| 10 | 22337 | 21755 | 18017 | 17727 | 22744 | 22270 | 20529 | 19523 |
| 15 | 32574 | 31350 | 25123 | 24565 | 34582 | 33556 | 30155 | 29085 |
| 20 | 44060 | 41264 | 32346 | 31453 | 49269 | 47373 | 40792 | 37262 |
| 25 | 53127 | 49405 | 39726 | 35425 | 66205 | 63051 | 52525 | 47070 |

About this illustration

Your current age is 40 and retirement age is 65.

Your current salary is £22,000 and will increase each year by 4%.

Future contributions paid will be 6.75% of your salary (£123.75 each month) increasing by 4% each year.

The existing fund value is £4,000.

We've shown the default Cash Lifestyle investment option that the majority of members invest in.

We've also shown the Aegon BlackRock Cash (BLK) and Aegon BlackRock 30/70 Currency Hedged Global Equity Index (BLK) funds to show the asset classes with the lowest and highest assumed growth. The Aegon BlackRock Cash (BLK) fund is also the fund with the lowest charges and we have shown the DC Investor Multi-Asset Fund as the fund with the highest charges.

Investment growth

The value of your investments will grow at a rate appropriate to the funds you're invested in and inflation will be 2.5% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) you're invested in.

The assumed growth rate used for each fund is shown above. This rate is based on our view of potential long-term returns of the main asset classes (equities, property, corporate bonds, government bonds and cash) and will vary depending on the fund(s). The growth rates for mixed asset funds are derived from the asset class growth rates based on the investment objectives and long-term asset allocation of the funds.

If the growth rate we've used is:

- the same as the rate of inflation this reduces the growth rate, after making an allowance for inflation, to 0%;
- less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.

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| AMC | 0.25% to 0.71% | 0.25% | 0.32% | 0.71% |
| AAE | 0.02% to 0.13% | 0.03% | 0.02% | 0.13% |
| TC | -0.3259% to 0.0275% | -0.0175%** | 0.0047% | -0.3259** |

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|-------|------------------------------------------------|-------------------|----------------------------|-------------------|--------------------------------------------------------------------|-------------------|------------------------------|-------------------|
| | Before Charges | After all charges | Before Charges | After all charges | Before Charges | After all charges | Before Charges | After all charges |
| 1 | 1457 | 1455 | 1456 | 1454 | 1457 | 1455 | 1474 | 1467 |
| 3 | 4636 | 4612 | 4366 | 4349 | 4636 | 4612 | 4515 | 4460 |
| 5 | 5029 | 7959 | 7279 | 7229 | 5029 | 7959 | 7094 | 7533 |
| 10 | 17674 | 17369 | 14575 | 14354 | 17674 | 17369 | 16240 | 15579 |
| 15 | 29153 | 25430 | 21934 | 21511 | 29153 | 25430 | 25714 | 24179 |
| 20 | 42541 | 41365 | 29390 | 28557 | 42541 | 41365 | 36194 | 33374 |
| 25 | 55971 | 56434 | 36955 | 35569 | 55971 | 56434 | 47766 | 43210 |
| 30 | 77355 | 73234 | 44760 | 43190 | 77941 | 73913 | 60525 | 53734 |
| 35 | 95542 | 85542 | 52755 | 50665 | 100165 | 94123 | 74570 | 65000 |
| 40 | 113909 | 103192 | 61023 | 55345 | 126129 | 117421 | 90010 | 77064 |
| 45 | 129452 | 115526 | 69597 | 66275 | 156365 | 144207 | 100961 | 89955 |
| 47 | 132375 | 117940 | 73124 | 69525 | 169791 | 155897 | 114193 | 95405 |

About this illustration

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Your current salary is £22,000 and will increase each year by 4%.

Future contributions paid will be 6.75% of your salary (£123.75 each month) increasing by 4% each year.

We've shown the default Cash Lifestyle investment option that the majority of members invest in.

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If the growth rate we've used is:

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Value for Members (VFM)

In accordance with regulations 25(1)(b) of the Administration Regulations, the Trustee assessed the extent to which the charges and transaction costs set out above represented good value for members on 6 December 2018.

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 assessment included:

- A review of the performance of the Plan's investment funds in the context of the Trustees' investment objectives;
- A comparison of the Plan with other similar schemes in the market;
- A comparison of the level of charges with the benefits delivered to members; and
- A review of the non-financial benefits of the Plan which included the support provided to members by the administrators and the Company.

Taking into account the charges incurred by members in the Cash Lifestyle fund, the long term performance of the fund and administration provided by our administrator, the Trustee considers the default fund offering to provide good value for members.

In accordance with the Pensions Regulator's DC code of Practice No 13 (paragraphs 18-41) the Trustees will continue to monitor 'Value for Money'.

The Trustees also assessed the other lifestyle strategies and the individual funds and were satisfied that they also provided good value for members.

Trustee knowledge and understanding (TKU)

Section 247 and 248 of the Pensions Act 2004 sets out the requirement for Trustees to have appropriate knowledge and understanding of the Trust Deed and Rules, the Statement of Investment Principles, the Trustees' policies and procedures, the law relating to pensions and trusts, the principles relating to the funding of occupational pension schemes and the investment of scheme assets and other matters to enable them to properly exercise their functions as Trustees.

The Trustee Directors, upon appointment and on an ongoing basis, are required to meet and maintain appropriate levels of TKU. This is managed in a number of ways including:

- Requirement to complete the Pensions Regulator's eLearning trustee toolkit.
- Training provided by the Plan's advisers as part of their service providing support and advice.
- Attendance at seminars and pensions events.

A log of this training per individual Trustee Director is maintained by the Secretary to the Trustee. During the year covered by this Statement, the Trustee received training on Cost and Charges Disclosure Requirements on 25 September 2018, Investment Strategy Training on 6 December 2018 and quarterly updates were prepared by the Plan's administrator, Mercer, and from the Plan's legal advisers, CMS, on current technical matters.

If any additional training requirements are identified during the course of the year, a plan is put in place to address them as appropriate. Trustee training requirements are a standing agenda item at each quarterly Trustee meeting. The Trustees also complete an annual assessment of training requirements.

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The Trust Deed & Rules is regularly reviewed and updated by the Trustees in conjunction with its appointed legal adviser. The Trustees receive regular legal updates on current technical issues. A single consolidated set of rules were signed on 12 December 2017.

The Trustees' appointed investment adviser, Mercer attends all Trustee meetings and addresses the principles relating to the funding of the Plan.

As Trustee of the Plan, we completed a review and assessed that our systems, processes and controls across key governance functions are consistent with those set out in The Pensions Regulator's during 2019 and where appropriate the processes and controls were updated in line with the current guidance:

- Code of Practice 13: Governance and administration of occupational defined contribution trust-based schemes
- Regulatory guidance for defined contribution schemes.

These are underpinned by the Pension Quality Mark Plus award which the Plan holds. Based on our assessment, the Trustee believes that we have adopted the standards of practice set out in the revised DC code and DC regulatory guidance which we believe will help deliver better outcomes for members at retirement.

The Chair's statement can be viewed on line at <https://www.psgovernance.com/communications/wolseley-group-defined-contribution-plan.html>.

A link is also provided in the annual benefit statements sent to members.

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 its knowledge.

Signed:

Wayne Phelan
Chair of Trustees of the Wolseley Group Defined Contribution Plan

Date 21/02/2020