

**Co-op Section of Pace DC Charges and Transaction Costs**  
**(for the period 6 April 2022 to 5 April 2023)**

**Legal & General funds:**

The annual charges applied to the DC default investment, the 'Target: Lump Sum' lifestyle strategy, during the scheme year ranged from 0.23% to 0.27%.

The charges applied to all other funds (excluding the default arrangement) used by members of the DC Section and Legal & General AVCs during the period to which this Statement relates ranged from 0.26% to 0.49% per annum. The following table shows how the charges are broken down by individual funds.

Fund	AMC (% p.a)	FMC (% p.a)	Fund expenses (% p. a)	Total expense ratio (% p.a)	Transaction costs* (% p.a) (12 months to 31 March 2022)
<u>Funds within the default:</u>					
Pace Growth (Shares) 2021 Fund	0.14	0.13	0.00	0.27	0.07
Pace Growth (Mixed) Fund	0.14	0.13	0.00	0.27	0.07
Pace Cash Fund	0.14	0.09	0.00	0.23	0.00
<u>Other funds:</u>					
Pace Growth (Ethical Shares) Fund	0.14	0.30	0.00	0.44	0.00
Pace Pre-retirement Fund	0.14	0.12	0.00	0.26	0.03
Pace Pre-retirement (Inflation-linked) Fund	0.14	0.13	0.00	0.27	0.18
Pace Growth (Shariah) Fund	0.14	0.35	0.00	0.49	0.00
Pace Growth (Shares) Fund	0.14	0.14	0.00	0.28	0.08

**Notes**

AMC	Annual management charge. The AMC is a charge paid to Legal & General to cover its administration costs.
FMC	Fund management charge. The FMC is the charge paid to Legal & General to cover fund management expenses for each of Pace DC's funds and is paid in addition to the AMC.
Other expenses	Any expense not covered by the AMC or FMC
Transaction costs	Transaction costs are the average cost incurred over the last financial year as a necessary part of buying and selling the funds underlying investments in order to achieve the investment objective. A proportion of these costs is recovered directly from investors joining and leaving the fund. In the case of shares, broker commissions are paid by the fund on each transaction.

Transfer taxes and/or stamp duty may also be payable. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. We capture these costs using the implicit cost methodology set out in FCA rules and PRIIPs guidance.

Implicit transaction costs have been calculated as the difference between the price at which a deal was struck and the mid-market price of an asset at the time the order was placed in the market (arrival price). Where the arrival price was not available, the implicit cost was calculated as the difference between the price at which a deal was struck and the mid-market opening price on the day of the trade. Where the mid-market opening price was not available, the mid-market previous closing price was used. Where the previous mid-market closing price was not available, a fixed fee was used to estimate the implicit costs of each trade.

Where the fund holds an investment managed by a third party, the transaction costs provided by the third party manager are represented in this report as an indirect external fund transaction cost. Legal & General cannot guarantee the accuracy, integrity or completeness of such third-party data. The recipient understands and acknowledges that any third-party data in the disclosure may contain inaccuracies and/or omission and may not be independently verified. Where transaction cost information has not been made available by a third party, transaction costs incurred in the externally managed fund have been estimated or excluded from this report.

\* The proportion of external fund costs not included in this report is presented for information. In producing this reporting, LGIM have actively engaged with the third party managers where gaps in costs disclosures were identified to increase coverage. For future regulatory reporting, LGIM are engaging the services of external provider, Fund Connect, to support the collation of third-party manager costs.

^ In accordance with COBS 19.8, where aggregated transaction costs result in a negative value these costs have been adjusted to zero for reporting purposes.