



Assessing Investment Pathways in Fidelity's Self-Invested Personal Pension (SIPP)

The Independent Governance
Committee's 2026 report

Begin >>

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EXECUTIVE SUMMARY

Welcome to the 2026 annual report from the Fidelity Independent Governance Committee (IGC), which covers the calendar year of 2025. It provides our assessment of the Value for Money that customers invested in the Self-Invested Personal Pension (SIPP) received from Investment Pathways, as well as Fidelity's sustainable investing policies.

At the end of 2025, the IGC was representing the best interests of 427 policyholders invested in Investment Pathways, an increase of 12% from 2024.

Our 2026 report

The job of the IGC is to represent the interests of customers and consider the Value for Money that customers receive when using Investment Pathways. To do this, we work independently of Fidelity. The document that sets out what we do and how we do it is called a Terms of Reference and can be [downloaded here](#).

We assess Fidelity's performance against certain standards, so we can see where Fidelity is performing well and where it needs to do more. This focuses on three areas:

- **Costs and charges:** the fees customers pay for managing and investing their pension savings.
- **Investment performance and oversight:** how well customers savings are invested and the strength of Fidelity's governance.
- **Quality of service:** the standard of administration, customer support, engagement, digital access and communications provided to customers.

Finally, the FCA requires IGCs to compare their provider with the wider market. Fidelity again took part in the 2026 industry-wide benchmarking survey, which covers much (but not all) of the market. This has been supplemented with analyses produced by Fidelity or by independent third parties benchmarking aspects of service or proposition. We consider these results carefully as part of our assessment and if our analysis indicates that customers might receive better Value for Money elsewhere, we must raise this with Fidelity.

Our conclusions

Following our assessment this year, and after examining each of our criteria, we have concluded that Fidelity has met our expectations and offers value for money for the majority of customers using Investment Pathways.

The one exception where we continue to have concerns relates to customers with smaller pots, particularly those paying a fixed £90 service fee, where better value may be available elsewhere. Fidelity is enhancing communication on this issue during 2026, and we expect to be able to assess the effectiveness of these actions during 2027.

There were several areas where Fidelity performed particularly well against other providers:

- Pathways 2 and 4 generated some of highest 5-year annualised returns in the benchmarking study. Whilst Pathway 2 delivered negative returns over 5 years, it has achieved its objective of offsetting movements in typical annuity prices over that period.

EXECUTIVE SUMMARY

There were also a number of areas on which we would like Fidelity to focus, or provide further analysis in future periods:

- The actions taken by Fidelity policyholders showed a slightly higher correlation to the pathway objective selected compared to other participants in the benchmarking. Despite this, the fact that a non-trivial proportion of customers are not acting in ways aligned to their selected pathway and are thus exposing themselves to unnecessary risk or missing out on return opportunities means we want Fidelity to do more to communicate regularly with customers in this cohort.
- We note the weak call centre service measures for 2025 and want regular updates on the progress to improve these, and steps taken to mitigate any remaining impact on customers.
- We continue to think that customers need more help managing regular drawdown – and that this support should be provided once customers have logged in to their online accounts. This would allow the tools to use data that Fidelity already holds about customers and give them the ability to save any information that customers put in, so they can come back to it.
- The performance of Pathway 3 over 5 years was the lowest in the study and the charges were high relative to peers (although this was exacerbated by high transaction costs in the year). Performance over 3 and particularly 1 years has however been stronger. We would like Fidelity to do a deeper analysis of the reasons for variations in charges versus peers and relative performance over time to support our ongoing review of this Pathway. While Pathway 2 has outperformed comparable funds over the period reviewed, the objective of this Pathway is not to maximise returns but to help protect customers from movements in annuity pricing. We have therefore asked Fidelity to undertake further analysis demonstrating how effectively the fund has preserved customers' annuity purchasing power over time and under different market conditions.

For more information about anything covered in this report, to ask us questions or tell us what you think, please do get in touch. We really do value the feedback we receive, either from Fidelity's reporting or directly from customers. It helps us consider the interests of all customers by understanding what is going well and where improvements may be needed.

If there's anything that you would like to tell us, please just:

- Email: ZGL.FidelityIGCChair@zedra.com
- Send a letter to: Fidelity IGC Chair, ZEDRA, Park House, Park Square East, Leeds, LS1 2PW



Matt Cuhls

Chair, Independent Governance Committee
September 2026



INTRODUCING FIDELITY'S INVESTMENT PATHWAYS

Investment Pathways are an initiative driven by the Financial Conduct Authority (FCA) that aims to ensure anyone who is accessing their pension pot has the option of choosing from simple, good-value investments that broadly match their retirement goals, seeking a targeted balance of return and risk reduction aligned to how customers indicate they will be using their pension in five years' time. Each of the four Investment Pathways has a five-year objective set by the FCA, and Fidelity has provided an investment fund to match each objective as set out here.

Investment Pathway 1

I have no plans to touch my money in the next five years

	Fidelity Diversified Markets Fund
Invests in	
	Lower risk/returns L 1 L 2 M 1 M 2 H
Risk	
	Strategy This fund aims for long-term growth and controls risks by varying the types of investments it holds in response to market conditions. Up to half of the fund can be held in more defensive investments.
	Consider As with any fund that aims for growth, there is also the possibility of a fall in value, particularly in the short term.
Main criteria we monitor:	The performance of the Pathway over the long-term.

Investment Pathway 2

I plan to use my money to set up a guaranteed income (annuity) within the next five years

	Fidelity Pre-Retirement Bond Fund
Invests in	
	Lower risk/returns L 1 L 2 M 1 M 2 H
Risk	
	Strategy This fund aims to preserve your annuity purchasing power by holding investments that are similar to those that affect annuity prices.
	Consider If the fund does not achieve its goal, there is a risk that the annuity you eventually set up will give you a lower income than you were hoping for. In addition, the value of the fund may be influenced by changes in interest rates.
Main criteria we monitor:	How well the Pathway reflects changes in annuity rates over time.

INTRODUCING FIDELITY'S INVESTMENT PATHWAYS

Investment Pathway 3

I plan to start taking my money as a long-term income within the next five years

 Invests in	Fidelity Multi Asset Balanced Income Fund
 Risk	Lower risk/returns    Higher risk/returns  
 Strategy	This fund aims to provide capital growth and has a long-term income target of 3-5% a year. It holds a broad range of investments. To manage risk, some of these will be relatively defensive.
 Consider	Investments with the potential to achieve long-term growth also come with the risk that they will fall in value, and there is no guarantee that the fund will meet its income target.
Main criteria we monitor:	How much income the Pathway is generating relative to its objective.

Pathways are used by customers of different sorts of pension providers. We've benchmarked against a mix of peers including other SIPP and platform-based pension providers (like Fidelity's SIPP business) and - where relevant - workplace pension providers. Comparison of charges with non-workplace pension peers is complicated by the mixture of charging structures in place and thus we consider both fund level charges and some all in charges for "typical" investors taking account of both fund and platform fees.

Investment Pathway 4

I plan to take out all my money within the next five years

 Invests in	Fidelity Cash Fund
 Risk	Lower risk/returns      Higher risk/returns
 Strategy	This fund aims to preserve the value of your capital. It holds low-risk, cash-based investments, such as deposits, that may pay a low level of income.
 Consider	This is a low-risk investment. However, when interest rates are low, it is possible that charges may be more than the growth in your investment. In addition, the longer you hold your investment, the more its real value may be eroded by inflation.
Main criteria we monitor:	The performance of the Pathway over the short-term.

As the retirement market evolves, including the introduction of targeted support and potential default retirement solutions, the role of Investment Pathways is likely to change. Industry analysis suggests that providers will need to reassess how pathways fit within a broader supported retirement journey to ensure customers achieve good outcomes.

INTRODUCING FIDELITY'S INVESTMENT PATHWAYS

Usage of Pathways

One point that we have noted in the past is that there is very limited take-up of the Investment Pathways by customers of the Fidelity SIPP. The number of customers using Pathways rose by 12% during 2025, which is a positive sign. However, it is still the case that fewer than 1% of customers taking money out of their SIPPs use an Investment Pathway. Most choose to remain in their current investments when they enter drawdown.

Fidelity said that it knows many of its customers are confident enough to choose their own investments through its platform, rather than using Pathways. It is also the case that for Pathways to deliver the best outcomes customers need to have a clear plan on how and when they will ultimately take their benefits which we know is not the case for many customers.

Despite this, we have some concerns about whether all customers who choose not to use Investment Pathways fully understand the risks associated with their investment choices and the alternative retirement options available to them. While many customers will be capable of managing their own investments effectively, it is important to recognise that circumstances, objectives and levels of confidence can change over time. Research also suggests that cognitive decline can lead to a gradual loss of financial literacy in later life. We therefore encourage Fidelity to continue considering how best to support these customers and other potentially vulnerable customers by helping them understand their current investment arrangements, the risks they present, and the range of retirement options available, including alternative investment strategies, drawdown options, annuity purchase and other retirement income solutions where these may better align with their evolving needs and objectives.

Pathways are potentially valuable tools for customers to manage some of the risks they face in retirement. If customers don't pick a pathway that matches their actual behaviour there is a risk that pathways can expose customers to increased or additional risks. As a result, now we are at the five year anniversary of the introduction of pathways, we have been keen for Fidelity to demonstrate to us that customer behaviour is a good match for the pathway they selected.

This is a comparatively complex exercise as the ultimate customer behaviour is not always visible to Fidelity, and the number of customers involved is small. We also recognise that asking customers to determine how they expect to use their pension savings over a five-year period is inherently challenging. Retirement plans can change significantly due to personal circumstances, health, family considerations or wider economic conditions. As a result, some divergence between a customer's subsequent actions and the Pathway originally selected is to be expected and does not necessarily indicate poor decision-making or poor outcomes.

Despite these limitations, the behavioural data shows moderate alignment between member actions and the objectives of Pathways selected, particularly for Pathways 3 and 4. However, benchmarking across providers suggests that for the market as a whole alignment between actions and pathway objectives is less clear - particularly for Pathways 2 and 4 - and that member behaviours are often similar regardless of pathway selected. This may indicate limited customer understanding of pathway intent and highlights the importance of clear communications and decision support. Taken together, the findings suggest that many customers are choosing investment options that broadly match their needs and intentions. However, we also see cases where members select a Pathway but subsequently take actions that do not fully align with that choice or may have been better supported by an alternative. To help reduce the risk of members making decisions that could expose them to avoidable risks, we have asked Fidelity to strengthen its ongoing communications regarding Pathway objectives, the risks associated with different retirement investment strategies, and the circumstances in which alternative approaches may be more appropriate.

OUR ANALYSIS

Value for Money criteria	Status
Costs and charges	Met
Investments	Met
Quality of service	Met

Costs and charges – what customers pay

As in previous years, we would like to start this section by setting out a few key terms that are used when talking about costs and charges:

- **Investment charges:** These are set by the fund manager and pay for managing the investments in the fund, together with legal and trading costs. The investment charges are expressed as a percentage that is applied to the value of the investment. For example, an investment charge of 0.20% means a charge of 20p a year for every £100 invested, which would make a total charge of £200 if someone had £100,000 in their pension account.
- **Service fee:** This pays for the administration of the pension account and all the services offered, including guidance tools and the investing platform. The amount charged depends on how much money is held in the account.
- **Transaction costs:** These relate to the costs of buying and selling investments within the fund and they are included within the unit price. They cover a wide range of areas, including broker fees, commission, stamp duty, 'slippage' and 'swing pricing'.¹

Investment Pathway	Investment Pathway	Yearly investment charge	Yearly transaction costs	Service fees
No plans to touch	Investment Pathway 1 The Fidelity Diversified Markets Fund	0.25%	0.15%	Total asset value: Under £25k - 0.35% if regular saving (£90 otherwise) £25k-£250k - 0.35% £250k-£1m - 0.20% £1m+ - 0.20% for first £1m, no further charge over £1m
Buy an annuity	Investment Pathway 2 The Fidelity Pre-Retirement Bond Fund	0.25%	0.00%	
Long term income	Investment Pathway 3 The Fidelity Multi Asset Balanced Income Fund	0.40%	0.16%	
Withdraw all	Investment Pathway 4 The Fidelity Cash Fund	0.15%	0.00%	

¹ Slippage tends to happen in volatile markets and describes any trade when the price that is paid is different to the one that was expected. Swing pricing is a way of ensuring that the transaction costs related to investments or withdrawals from a fund are paid for by the people making them, rather than all the investors in a fund.

OUR ANALYSIS

Benchmarking shows that charging structures within Investment Pathways vary across the market and are generally higher than workplace pensions, where a 0.75% charge cap applies. While Fidelity's charges are competitive in some pathways, the Long Term income pathway charge exceeds this benchmark for the typical customer.

Given many users of Pathways will have started in, and inherited charge structures from, workplace pensions a more appropriate comparison of value for money is to compare products against SIPP/platform provider peers. We have taken the decision that the best comparator here excludes service fees as these vary with size of investment fund rather than selection of Pathway.

For most Pathways charges look fair on this basis, however for the Long Term Income Pathway charges were high (although this was exacerbated by high transaction costs in the year which may not be a repeated issue). Given that the performance over the year of this pathway has been strong in relative terms we remain happy with the investment charges for the Investment Pathways funds themselves, including the transaction costs associated with them, but we will continue to monitor the evolution of performance and charges closely.

Impact of service charges on smaller funds

Whilst our core value for money assessment is not focused on service charges, we highlighted an ongoing concern in our previous report about a change in the service fee introduced in 2023. This made the SIPP more expensive for the Personal Investing customers with lower balances who are not regularly saving, with a flat annual charge of £90 for those with less than £25,000 invested. Customers who have regular savings plans pay a standard 0.35% fee instead, but we expect that those in drawdown are a lot less likely to be adding to their savings, so will not benefit from these lower rates.

For those paying the £90 charge, their overall yearly fee could be significant compared with other pension schemes. For example, a customer with £10,000 invested in Pathway 4 could be paying £115 (1.15%) a year for their investment whereas some providers are charging less than 0.75% for this Pathway.

We continue to monitor how customers had ended up in this higher charging bracket. We wanted to know if they had always had a low level of savings or if they had moved down from a larger pension as a result of withdrawing money through drawdown. Analysis received showed that just over half of the affected customers had always had smaller pots, while the others had started from a higher balance before entering this cohort. Those who started with larger balances will have progressively moved into higher charges. This means the Value for Money they experienced over the lifetime of the product is likely to be better than those who have always had small pots.

The majority of these customers would have received a communication in 2023 telling them about the price changes. The remainder started investing after the changes, so they knew the charges when they opened the SIPP.

We would suggest that customers currently in this situation review their personal arrangements and plans and consider if they could get better value by moving their pension savings elsewhere. Given our concerns in this area, Fidelity has now enhanced its customer communications to ensure customers better understand the charges they are paying.

These enhancements were implemented in 2025 and include the introduction of dynamic messaging on quarterly statements and valuation statements for customers with a total balance of £30,000 or less. This broader threshold is intended to capture not only customers who are already subject to the £90 annual service charge, but also those whose balances mean they may become subject to the higher charge if their valuation falls to £25,000.

The messaging highlights the applicable charging structure and the potential impact of the minimum fee on smaller investment balances, helping customers to understand how their charges may change over time.

We will continue to monitor the effectiveness of this enhanced communication and its subsequent impact on customer outcomes. This will support our assessment of whether the steps taken are sufficient to mitigate risks to consumers, noting that the benefits of these measures are likely to take several years to become fully apparent.

Investment

Performance

When assessing investment performance, it is important to consider outcomes over different time horizons and after the impact of charges. Industry benchmarking shows that while performance varies significantly between providers, no single provider consistently outperforms across all pathways and periods, and both strategy and cost play a key role in determining outcomes.

Reviewing investment performance for pathways can be complex for a number of reasons. Firstly, in designing pathways for their customers each firm needs to think about the specific behaviour and demographics of their customers. This means that similar pathways in different firms can have slightly different detailed objectives and thus different benchmarks. Secondly, the objective of some pathways is not to maximise return - for example Pathway 2 is designed to hold investments whose price moves in line with annuity prices so as to insulate customers from exposure to changing annuity rates. In assessing the value of investment returns, we think about each pathway separately, relative to its objective.

We review the Pathways every six months to check performance and make sure the investment strategies remain aligned to the five-year objectives. We also receive reports from Fidelity about its ongoing monitoring of absolute and relative net performance over different time periods for the underlying funds used by the Pathways.

Fidelity carries out an annual review of its Pathways in January. While the 2026 review itself falls outside our review period, we believe its findings are relevant to include here. The review looked at customer engagement, usage, assets and investment solutions. The key conclusion from our perspective is that Fidelity found the current fund choices remained highly suitable for the outcomes that customers are targeting.

Performance over the last 5 years was - in aggregate - in line with expectations. Performance of individual pathways varied widely however:

- The performance of **Pathway 3** over 5 years was the lowest in the benchmarking study, but shorter-term returns (3 years and in particular 1 year) have been strong. Given the observed improvement in performance, we don't believe it undermines an overall value for money assertion, though will continue to review this.
- **Pathway 1** and **Pathway 4** delivered outcomes consistent with their design, providing a balance between growth and stability aligned to member objectives. The performance of Pathway 4 has been particularly strong compared with the peer group.
- **Pathway 2** continues to meet its objective of protecting customers from movements in annuity rates. Whilst the fund has reduced in value over 5 years, its relative performance compared with peers has been strong, and annuity prices have fallen by more than the fall in the fund price over this period. We do however note that there is a risk that the outperformance of this fund compared with peers could mean it is not designed to insulate customers from annuity price movements in a wide range of market conditions, and we have asked Fidelity to provide further analysis on this over the next year.

We have no concerns about the continued suitability of the Pathways or their performance relative to their stated objectives, and we consider that the outcomes delivered remain appropriate for the intended member groups using each Pathway.

OUR ANALYSIS

Investment Pathway	Fund	One year	Three years (% a year)	Five years (% a year)
Pathway 1	Fidelity Diversified Markets Fund	5.3%	7.2%	3.7%
Pathway 2	Fidelity Pre-Retirement Bond Fund	2.6%	1.2%	-4.0%
Pathway 3	Fidelity Multi-Asset Balanced Income Fund	10.4%	6.5%	2.5%
Pathway 4	Fidelity Cash Fund	4.1%	4.7%	3.2%

We conclude that Fidelity has met our expectations in this area.

Quality of service

Administration

The most effective way to assess Fidelity's administration for Investment Pathways customers would be through management information that specifically isolates outcomes for those customers. Fidelity is not yet able to provide MI solely for Personal Investing customers using Investment Pathways, although individual complaint data for these customers is available. This limitation remains unchanged from previous reporting periods.

The continued small size of the Investment Pathways customer cohort presents both advantages and limitations in how outcomes can be assessed. The relatively low number of customers allows, in some cases, for individual customer journeys and complaints to be reviewed in detail, providing valuable qualitative insight. However, this limits the ability to identify robust trends or draw statistically meaningful conclusions from Pathways-specific data alone.

The number of customers using Investment Pathways increased by approximately 12% over the review period. In anticipation of further growth, we have continued to challenge Fidelity to develop more granular, forward-looking MI that would enable clearer oversight of administration outcomes for Pathways customers. In the absence of Pathways-specific MI, we remain satisfied that service data covering Fidelity's wider Personal Investing customer base provides a reasonable proxy for the experience of Investment Pathways customers, and we have therefore continued to draw on this information to inform our conclusions.

Whilst generally service metrics for Fidelity's performance have been good, for the Call Centre, performance during 2025 remained a concern. Service levels fell short of expectations, with average speed of answer and call abandonment rates consistently outside acceptable ranges for much of the year. These issues were particularly evident during periods of heightened demand, including towards the end of the year when customer activity increased significantly in response to speculation around changes to pension tax rules.

These pressures were exacerbated by resourcing constraints, including a recruitment approach that did not fully anticipate volume increases. We escalated our concerns during the period. Fidelity responded by implementing a range of mitigations, including increased recruitment, changes to workforce planning, the introduction of virtual queuing and call-back functionality, and targeted short-term stabilisation measures. Importantly, monitoring under the FCA's Consumer Duty framework confirmed that, once contact was established, service quality and decision-making remained fair and accurate, with impacts largely limited to delay and inconvenience rather than compromised outcomes. Complaint volumes and outcomes support the assertion that there wasn't significant adverse customer outcomes from these issues, however, this is an area where further improvement is required to ensure ongoing resilience.

We have continued to monitor this closely into 2026. While performance has improved as recruitment initiatives take effect, we will expect to see sustained progress to demonstrate that service levels can be maintained through periods of higher demand.

OUR ANALYSIS

Fidelity confirmed that four complaints were received from Investment Pathways customers during the review period. We have no concerns regarding this level of complaints or the themes within them.

During 2025, Fidelity continued to enhance its digital retirement and drawdown journeys. Increased adoption and stable operation of online drawdown functionality, alongside enhancements to retirement planning tools such as the Retirement Calculator enabled customers to model outcomes, access information and complete transactions digitally with confidence. These improvements supported customer self-service and reduced reliance on assisted channels at a time of wider service access pressure, helping to mitigate potential customer detriment. Customer feedback on digital experiences remained strong throughout the year, with digital satisfaction, increasing year on year, demonstrating that investment in digital journeys contributed positively to administrative effectiveness and customer outcomes.

We conclude that Fidelity has met our expectations in this area.



Communications

Compared with other pension providers, Fidelity has the highest proportion of customers registered for online and app services and the highest proportion of customers who used these services in 2024. It also managed to double the number of customers completing expression of wish forms between 2022 and 2024.

While Fidelity segments its communications based on age and life stage, it does not currently send anything specific about the Investment Pathway being held. **We have encouraged Fidelity to look closer at this area, particularly when it comes to customers who are taking actions that don't appear to be in line with the Pathway they have chosen.** There are risk warnings, but we feel more support could be provided. Fidelity has told us it is considering the best way to monitor customer behaviour.

One area that Fidelity has told us it is currently exploring is using an AI-driven content creation engine to enhance its consistency and scale in content reviews. The engine will include an enhanced content checklist based on industry best practice and proven science. We support this change if it allows Fidelity to deliver helpful content at greater scale.

We will monitor the implementation and the controls over it in subsequent reports.

Throughout 2025 and into 2026, Fidelity has continued to enhance the PlanViewer app with a clear focus on improving member outcomes through better usability, increased engagement, and more accessible information.

Enhancements have been driven by member feedback and delivered through an agile approach, ensuring that incremental improvements are targeted at known pain points. Notable developments include improved app performance, with faster loading times providing a smoother and more efficient user experience. Engagement-focused features, such as the introduction of membership milestone and birthday recognition, have also been positively received by members.

These improvements are reflected in strong app store ratings, with 4.5/5 on iOS and 4.6/5 on Android, indicating high levels of member satisfaction and perceived value.

Usability has been a key area of focus, with updates to layout and navigation informed by user testing. This has resulted in redesigned Account and Profile views, helping members more easily access and understand their information. The introduction of Dark Mode further enhances accessibility and personalisation, supporting a broader range of user preferences.

Fidelity receives feedback from customers in a number of ways. These include NPS satisfaction surveys, 'deep dive' user experience research and customer panels that test understanding of communications and perceptions about the proposition. This feedback is then being used to improve Fidelity's communications and help it meet its Consumer Duty requirements.

Finally, Fidelity's Vulnerable Customer and Inclusive Design Network has expanded to 93 champions across the business, strengthening its focus on representing vulnerable customers in product, service and journey design. We welcome this continued progress, alongside Fidelity retaining, for the third consecutive year, the BSI Inclusive Service for Financial Services Kitemark, and its ongoing efforts to improve inclusivity in customer communications and documentation.

We conclude that Fidelity has met our expectations in this area.

SUSTAINABILITY

The IGC has considered Fidelity's approach to sustainability within its overall investment philosophy and recognises that, while the primary objective remains the delivery of strong investment returns, the integration of sustainability considerations can support long-term performance and risk management, as well as reflecting the preferences of many customers.

Although the IGC does not influence Fidelity's investment or engagement approach directly, it is responsible for overseeing that an appropriate policy framework is in place, clearly defines expectations, and is being effectively implemented. The IGC has confirmed that Fidelity maintains a formal sustainable investing policy, with clear accountability for its development, operation and oversight, supported by an established review and approval process that facilitates appropriate challenge. Fidelity's stewardship priorities continue to focus on key areas including climate change, nature and biodiversity, and human rights.

The IGC also notes that all four Investment Pathway funds are managed in line with Fidelity's sustainability approach, with sustainability factors embedded into investment decisions and supported by defined minimum MSCI sustainability ratings. These standards have been maintained or exceeded during the reporting period, with a continued emphasis on areas such as carbon reduction.

For those not familiar with these ratings, MSCI rates sustainability on a scale starting at 'AAA', which is the highest rating. This then goes through 'AA', 'A', 'BBB', 'BB' and 'B', with 'CCC' being the lowest rating.

Investment Pathway	Fund	Minimum MSCI rating	MSCI rating as at 31 December 2025
Pathway 1	Fidelity Diversified Markets Fund	A or above	A
Pathway 2	Fidelity Pre-Retirement Bond Fund	A or above	A
Pathway 3	Fidelity Multi-Asset Balanced Income Fund	A or above	A
Pathway 4	Fidelity Cash Fund	A or above	AA

We conclude that Fidelity has met our expectations in this area.



INTRODUCING THE IGC

Who we are

The Independent Governance Committee (or IGC, for short) is responsible for assessing Fidelity's Group Personal Pension and Group Stakeholder plans, to see if they provide members with Value for Money. We also review the four Investment Pathways funds designed for non-advised members at retirement. The document that sets out what we do and how we do it is called a Terms of Reference and ours can be [downloaded here](#).

Skills, experience, and independence

In 2025, two new independent members – Tim Giles and Alan Greenlees – joined the IGC. Both bring strong experience in pensions, investments and governance. On 1 April 2025, Matt Cuhls became the new Chair of the Committee.

- Matt has over 25 years' experience in senior pensions roles and has worked with Independent Governance Committees since their inception.
- Tim is a qualified actuary and professional trustee with more than 35 years' experience advising pension schemes.
- Alan is a professional trustee with a background in DC investment strategy and value for money assessments.

Together, the Committee has the skills and independence needed to assess whether members are receiving Value for Money and to act solely in members' interests.

Reviewing our effectiveness

At the end of every meeting, we discuss how we operate and look at ways we can improve our governance, with a process of continual improvement in mind. We're pleased with how this worked throughout 2025 and have a full effectiveness review proposed for 2026.

We remain comfortable with the support provided by Fidelity. There has been an investment in meeting the costs of independent advice and the benchmarking study, alongside the internal governance framework to support the IGC.



INTRODUCING THE IGC

Members of the IGC at the end of 2025



Matt Cuhls – Independent Governance Committee Chair

Matt has over 25 years of experience in the pensions industry having performed a variety of senior roles delivering or overseeing customer service, product and process design and investment management. He is currently a Board member of Scottish Widows, Chair of International Financial Group Ltd, and works with The Pensions Ombudsman on handling consumer complaints. He has previously been a Managing Director within Phoenix Group and was CEO of ReAssure Ltd for ten years. He has been closely involved with the work of Independent Governance Committees since their inception. Matt became Chair of the IGC on 1 April 2025.



Roger Breeden – Independent Member

Roger Breeden is a Trustee Executive with independent trustee company BESTrustees, which he joined in 2021, and specialises in workplace Defined Contribution and Master Trust pension schemes. His financial services experience spans more than 40 years, the majority of which was with Mercer where most recently as a Partner he led the launch and successful authorisation of a Master Trust establishing operational and governance systems and processes. He started his career as a personal financial adviser which provided him with day-to-day experience of the needs of pension scheme members while both building and drawing down on their savings.



Jackie Wells – Independent Member

Jackie is an independent policy consultant and a governance professional. She has worked in the pension sector for many years and was involved in a wide range of policy initiatives, including stakeholder pensions and the implementation of the Pensions Commission recommendations. Jackie then completed an MSc in Gerontology and shifted her focus towards a wider range of ageing issues including later life finances. Jackie is an associate of PPI, a trustee of Age UK Wiltshire and an insight expert at the International Longevity Centre UK.



Tim Giles – Independent Member

Tim has 35 years of experience in the pensions and investment industry. He is a professional trustee representing the Independent Governance Group and overseeing a number of pension schemes. He led Aon's Investment Consulting and Fiduciary Management business for many years and has advised a number of leading pension schemes and financial institutions. He is a qualified actuary and has led a benefit administration business. His experience brings understanding of investments, governance and member experience.

INTRODUCING THE IGC



Alan Greenlees – Independent Member

Alan Greenlees is a professional trustee with independent trustee company Zedra. He previously spent 15 years at XPS working closely with trustees and companies to design suitable DC investment strategies and test the effectiveness of investment performance in value for money assessments. He has a background in strategic planning and investment consultancy. Alan currently sits as an independent trustee for DB and DC pension schemes, as well as three Governance Advisory Arrangements, where he uses his investment experience to assess value for money.

Independence

ZEDRA, BESTrustees, IGG, Jackie Wells and Matt Cuhls are independent of Fidelity and are satisfied that they continue to meet the independence criteria set by the FCA:

- They or their representatives are not directors, managers, partners or employees of Fidelity, or any company within the groups, or paid by them for any role other than as members of the IGC, nor are they members of the share option or performance related pay schemes of Fidelity, nor have they been within the last five years
- They do not have a material business relationship of any description with Fidelity or any company within their group, and have not done so within the last three years (except as a Trustee of Fidelity's Master Trust)

We record any potential conflicts of interest in a log and consider them in accordance with our conflicts of interest policy.

