MERCHANT NAVY OFFICERS PENSION FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2026

Registrar of Occupational and Personal Pension Schemes Registration Number 10005645

TABLE OF CONTENTS

TRUSTEE AND ADVISERS

Trustee
MNOPF Trustees Limited

Trustee Directors

Employer Directors

M McNeill
J M McGurk (Vice-Chair)
L D Stracey

Officer Directors

M J Jess (Chair, retired on 30 September 2025)
A M Dickinson (Chair, from 1 October 2025)
O S Tunde
M E J Gray (appointed 14 October 2025)

Registered office of the Trustee
C/O Sacker & Partners LLP
20 Gresham Street
London
EC2V 7JE

Executive support and contact for employer enquiries
Rock Pensions
employer.enquiries@mnopf.co.uk

Legal Advisers
Sacker & Partners LLP
Baker & McKenzie LLP

Independent External Auditor
Grant Thornton UK LLP

Independent Internal Auditor
Crowe U.K. LLP

Custodian
The Bank of New York Mellon SA/NV

Bankers
National Westminster Bank Plc

Employer Covenant Adviser
PricewaterhouseCoopers LLP

Scheme Actuary
K Farnum, Willis Towers Watson Limited

Address for member enquiries
myMNOPFpension
PHT
Maclaren House
Talbot Road
Stretford
Manchester. M32 0FP.
enquiries@myMNOPFpension.co.uk

Fund Administrators
Aptia UK Limited

Delegated Chief Investment Officer
Willis Towers Watson Limited

Independent Investment Oversight Services
Rock Pensions (until 31 December 2025)
Isio Group Limited (appointed 1 January 2026)

Investment Managers
Advent International
American Securities LLC
AXA Investment Managers
Atlas Infrastructure
Avitah Capital LLP
Bridgewater Associates
Campbell & Company LP
Clean Energy Transition LLP
Colchester Global Investors
Crabel Capital Management LLC
Energy Capital Partners
First Property Asset Management (FProp)
Hayfin Capital Management LLP
Insight Investment
Lazard Asset Management
Leadenhall Capital Partners LLP
Man Group Plc.
Oaktree Capital Management
Resolution Capital
SC Capital Partners Pte. Ltd
Sands Capital Management
State Street Investment Management
Towers Watson Limited (trading as Willis Towers Watson)

AVC Provider
Utmost Life and Pensions Ltd

Bulk Annuity Providers
Legal & General Assurance Society Limited (‘L&G’)
Pension Insurance Corporation plc (‘PIC’)

CHAIR'S INTRODUCTION

Welcome to the Annual Report and Financial Statements for the Merchant Navy Officers Pension Fund (referred to hereafter as the "Fund" or "MNOPF") for the year ended 31 March 2026.

Actuarial Valuation and Fund performance

The results of the last full actuarial valuation of the MNOPF as at 31 March 2024 showed the funding level to be 99%, which was maintained as at 31 March 2025. Since then, the funding level has improved to 101% as at 31 March 2026 and therefore the funding level continues to be at a position where member benefits remain secure.

Whilst a small funding deficit of £11 million was calculated at the last full actuarial valuation on a Technical Provisions basis, the Trustee decided not to announce a new deficit amount to be collected from employers as returns on the Fund's assets were expected to meet this shortfall over the five years to 31 March 2029, as supported by the progress in the funding level since then.

The Trustee aims to increase MNOPF's funding level, while keeping it above 100% funded. If the funding level permits and after taking advice from the Scheme Actuary and legal adviser, the Trustee will seek to award discretionary pension increases from time to time, allocated to members in a way that has regard to the impact of inflation on members.

The next full actuarial valuation will take place as at 31 March 2027.

Trustee Director changes

Mike Jess retired as an Officer Director and as Chair on 30 September 2025. I would like to sincerely thank Mike for his dedicated leadership as Chair, and as Vice-Chair for 10 years prior to that.

Martyn Gray was appointed as an Officer Director on 14 October 2025. The Board is pleased to welcome Martyn with his experience from Nautilus International and as a holder of director and Trustee positions with other organisations.

Climate change reporting

In the previous three years, the Trustee has been required to publish a Climate Change Report where it has disclosed the actual and potential impacts of climate risks on the Fund's investment and funding strategy in accordance with the recommendations set out by the Taskforce on Climate-related Financial Disclosures ("TCFD") framework, and the statutory requirements prescribed by the Department of Work and Pensions.

Whilst the value of the Fund's relevant assets at the last scheme year-end date has fallen below the specified threshold required for the Fund to publish such reports, the Trustee will produce a summary report of progress for members as at 31 March 2026 which is expected to be published in October. These reports are available to view on the MNOPF website at www.mnopf.co.uk.

Scams pledge

Pension scammers can ruin lives. The MNOPF, along with more than 650 other organisations, has taken The Pension Scams Pledge and follows the principles of the Pension Scams Industry Group Code of Good Practice. In particular, The Pensions Regulator is warning members about an increase in impersonation fraud, where scammers pretend to be pension scheme members to gain access to their cash.

The Fund continues to do all it can to help prevent pension fraud; reminding members on a regular basis on how to stay vigilant and providing information on where to get help, if needed. For more information please go to the website stopthinkfraud.campaign.gov.uk.

Mark Dickinson
Chair, MNOPF Trustees Limited

TRUSTEE'S REPORT

The Board of MNOPF Trustees Limited (referred to hereafter as "the Trustee") is pleased to present the 88th Annual Report of MNOPF for the year ended 31 March 2026. The Annual Report includes the Chair's Statement, Trustee's Report, Investment Report, Statement of Trustee's Responsibilities, Financial Statements and Notes, the Independent Auditor's Report, the Annual Implementation Statement, the Report on Actuarial Liabilities and the Actuarial Certificates and the Member's Information.

The Annual Report sets out how the Fund is run, how the assets are invested, and the financial activity of the Fund in the year to 31 March 2026.

The Annual Report also contains the Annual Implementation Statement. For Funds such as the MNOPF which provide defined benefits, the purpose of this statement is to set out how, and the extent to which, in the opinion of the Trustee, the Fund's engagement policy has been followed during the year and to describe the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast by the Trustee or on their behalf) during the year, stating any use of the services of a proxy voter during that year.

Constitution and changes to the Fund.

On 17 June 2019, a new set of Trust Deed and Rules were executed, by which the Fund is now governed together with subsequent deeds of amendment ("the Rules"). The Trustee, which is a corporate trustee, manages the Fund with the aim of providing pension benefits for Officers, and their dependants, in the British Merchant Navy.

The MNOPF was contracted-out of the State Second Pension under the provisions of the Occupational Pension Schemes (Contracting-Out) Regulations 1996 until 31 March 2016 when the Fund closed to future defined benefit accrual. The Fund currently provides defined benefits for over 20,000 members and their dependants. On 1 August 2015, the Fund introduced money purchase benefits and, on 1 April 2016, opened a Money Purchase Section. From 31 March 2018, the Money Purchase Section was closed to new contributions and, on 11 May 2018, all benefits in the Money Purchase Section designated to members were transferred, by bulk transfer without member consent, to the Trustee of the Ensign Retirement Plan. The Money Purchase Section was wound up through the signing of a deed of termination on 10 October 2018. All members and their benefits in the Ensign Retirement Plan were subsequently transferred to Smart Pensions on 7 June 2023 and the Ensign Retirement Plan was wound up on 26 September 2023. Members who had benefits transferred to Smart Pensions have the option to transfer benefits back to MNOPF to be taken as part of their defined benefit PCLS.

The Annual Report and Financial Statements are available to members through the website www.mnopf.co.uk.

Management of the Fund

The Trustee is responsible for the strategy, management and decisions relating to financial, legal and administrative issues. There is provision on the Board of the Trustee for between four and fourteen Directors, split equally between Employer Directors and Officer Directors. Employers and members are represented by Employer Directors and Officer Directors respectively. A list of Board Directors is shown on page 2.

Trustee Directors are appointed and re-appointed in accordance with the Trustee's Articles of Association, the MNOPF's Trust Deed and Rules and an approved policy. In accordance with this policy, Officer Directors are nominated by the officers' representatives on the Joint Officers' Pension Committee, and Employer Directors are nominated by the employers' representatives on the Joint Officers' Pension Committee. Trustee Directors are subsequently appointed in accordance with the Articles of Association. A Director may appoint an Alternate Director to attend meetings in his place. Trustee Directors are removed in accordance with the Trustee's Articles of Association.

TRUSTEE'S REPORT (CONTINUED)

Attendance at Board meetings

A summary of meetings held and Trustee Directors' attendance during the year ended 31 March 2026 is as follows:

	Board	
	Eligible to attend	Attended
A M Dickinson (Chair)	4	4
J M McGurk (Vice-Chair)	4	4
M J Jess	2	2
O S Tunde	4	4
M McNeill	4	4
L D Stracey	4	4
M E J Gray	2	2

Conflicts of Interest

All the Directors have signed a Conflicts of Interest Protocol which, in summary, provides for the notification of potential conflicts of interest and the approach to the management of such conflicts. The Protocol also sets out the Directors' responsibilities in relation to confidentiality. This document is reviewed at regular intervals.

Risk Management

The Trustee has overall responsibility for risk management and internal controls. It is committed to identifying, evaluating and managing risk through the implementation and maintenance of control procedures to mitigate significant risks. A risk register, which takes into account the strategic objectives identified by the Trustee, is maintained to:

- highlight the risks to which the Fund is exposed;
- assess those risks in terms of likelihood and impact; and
- identify actions that are either currently being taken, or that the Trustee considers should be taken, in order to mitigate the identified risks.

Any potential risks associated with key Participating Employers are picked up through the MNOPF's ongoing covenant monitoring processes.

As required under The Pension Regulator's General Code of Practice, the Trustee has an Effective System of Governance ("ESOG") which is a suite of policies and procedures that help to ensure that the Fund is operating effectively. The Trustee completed its first Own Risk Assessment ("ORA"), covering the period 1 April 2024 to 31 March 2025, which was signed by the Chair of the Trustees on 26 June 2025. The purpose of the ORA is to review how well the ESOG is working and how any potential risks are being mitigated. No significant findings were identified in the ORA.

TRUSTEE'S REPORT (CONTINUED)

Bulk Annuity Policies

In December 2017, the Trustee agreed an annuity buy-in policy with Legal & General and, in February 2020 and November 2021, annuity buy-in policies were agreed with Pension Insurance Corporation ('PIC'). All policies are held in the name of the Trustee and members' pension benefits continue to be paid by the Trustee.

In April 2025, a repayment of £871,767 was received under the PIC buy-in 2 policy in respect of past net payroll funding under/ overpayments following the completion of some data cleansing. This was accrued for in the financial statements for the year ending 31 March 2025.

Following the completion of the project that is currently in progress to equalise member benefits between men and women in respect of Guaranteed Minimum Pensions for contracted out service after 17 May 1990, the Trustee may agree with the insurers to adjust the benefits insured under the three policies to reflect any benefit amendments arising from the project.

Advisers and Service Providers

Rock Pensions

Rock Strategic Consulting Ltd (trading as Rock Pensions) provides executive services. Rock Pensions is an independent company that provides these services to employers and trustees. Rock Pensions works with the Trustee on developing the Fund's strategy, implementing the Trustee's decisions and supervising the day-to-day running of the Fund.

Ensign Pensions Limited

Ensign Pensions Limited is a company wholly owned by the Trustee. During the year, Ensign Pensions Limited provided a limited range of services to the Trustee, including certain IT and information storage services. From July 2025, these services were provided directly to the Fund by the relevant suppliers and Ensign Pensions Limited was put into liquidation, which completed on 27 February 2026.

Administration

Since 1 January 2024 the Fund has been administered by Aptia UK Limited. Enquiries about the Fund generally or about an individual's entitlement to benefits should be sent to the address shown at the beginning of this report.

Scheme Actuary

K Farnum is the appointed Scheme Actuary.

Contributions

Summary of Contributions

No contributions are due under the Schedule of Contributions.

Other employer contributions totalling £1.4m were paid into the Fund during the year to 31 March 2026 and recognised in the Financial Statements.

Normal contributions

In previous years, members' and employers' normal contributions have been received in respect of active members in accordance with the Schedule of Contributions of the Fund and the Trust Deed and Rules. The Fund closed to future defined benefit accrual on 31 March 2016. No normal contributions were therefore due or received into the Fund during the year to 31 March 2026 or in the previous year.

TRUSTEE'S REPORT (CONTINUED)

Additional Voluntary Contributions ("AVCs")

The Trustee has AVC arrangements with Utmost Life and Pensions (that were previously invested with Equitable Life Assurance Society). Members accruing benefits on a defined benefit basis were able to contribute AVCs until the Fund closed to future defined benefit accrual on 31 March 2016. The remaining AVC benefits are those which have not yet been paid to members on retirement, death or transfer.

No AVCs were paid to the Fund during the year to 31 March 2026.

Deficit contributions

Following the 2009 and 2012 valuations, the Scheme Actuary certified Schedules of Contributions which established recovery periods ending in September 2020 and September 2023 respectively. The Schedule of Contributions certified by the Scheme Actuary following the 2021 valuation stated that the last payment under these schedules was due to be made by 30 September 2023. At 31 March 2026, a zero capital balance was outstanding under that Schedule of Contributions.

The Schedule of Contributions certified by the Scheme Actuary following the 2024 valuation states that no deficit contributions were due from employers.

Covenant Monitoring

The Trustee continues to monitor the employer covenant strength of employers. The Trustee adopted a new Covenant Monitoring Policy in October 2019, setting out the monitoring process, key metrics and reporting framework for ongoing covenant monitoring. This policy primarily focused on covenant monitoring activities on those employers who provided the strongest covenant to the Fund.

The Covenant Monitoring Policy was reviewed as part of the actuarial valuation, as at 31 March 2024. The approach to covenant monitoring reflects the current level of risk in the funding position of the MNOPF following the successful collection of the remaining deficit contributions due under the Schedule of Contributions from the 2021 valuation and there being no requirement for deficit contributions to be collected from employers under the Schedule of Contributions from the 2024 valuation.

TRUSTEE'S REPORT (CONTINUED)

Membership

Details of the membership of the Fund as at 31 March 2026 are given below:

	2026	2025
PENSIONERS		
Opening balance	17,288	17,429
Adjustments to pensioners*	39	(31)
New pensioners/dependants	469	532
Pension ceases	(592)	(642)
PENSIONERS AT THE END OF THE YEAR^	17,204	17,288
MEMBERS WITH DEFERRED BENEFITS		
Opening balance	3,371	3,852
Adjustments to members with deferred benefits*	(89)	(88)
MEMBERS CEASING TO BE DEFERRED		
Transfers out	(10)	(18)
Death	(14)	(19)
Retirement	(264)	(325)
Leavers with trivial commutation	(24)	(32)
New pension credit members	1	1
MEMBERS WITH DEFERRED BENEFITS AT THE END OF THE YEAR	2,971	3,371
TOTAL MEMBERSHIP AT THE END OF THE YEAR~	20,175	20,659

*Adjustments are members whose status has been changed where the change relates to a previous year.

^Included within pensioners are 2,074 (2025: 2,126) pensioners whose pensions are paid from the Legal & General annuity buy-in policy; 10,816 (2025: 11,194) pensioners whose pensions are paid from the Pension Insurance Corporation annuity buy-in 1 policy and 1,768 (2025: 1,768) pensioners whose pensions are paid from the Pension Insurance Corporation annuity buy-in 2 policy, all of which are held in the name of the Trustee.

~The total number of members are split into Pensioners: 13,047 (2025: 13,126), Dependants: 4,157 (2025: 4,162) and Members with deferred benefits: 2,971 (2025: 3,371).

Pension Benefits

Overpaid Pensions

The Trustee must ensure that pensions are paid to the correct recipient. Pensions payable from the MNOPF cease on the death of the recipient or, in the case of dependent children, when they cease to meet the criteria for receiving a dependent child's pension. Under Rule 25A of the Trust Deed and Rules, the Trustee has the power to treat any instalments of pension paid after the death of a member as a pre-payment of any widow(er)'s pension.

All members and beneficiaries are asked to note that the Trustee will take action to recover benefits that have been overpaid. In cases where false representations have been made, the Trustee will usually report the incident to the police, which could lead to prosecution of the individuals involved.

TRUSTEE'S REPORT (CONTINUED)

Transfer Values

The transfer payments paid during the year were calculated in accordance with the regulations under the Pensions Schemes Act 1993 and the Pensions Act 1995 as appropriate. There is no allowance for discretionary pension in payment increases. Transfer payments represented the full "cash equivalent" value of the accrued benefits.

The Rules of the Fund allow transfers to other registered occupational pension schemes and personal pension plans. The Trustee receives a statutory discharge from any further liability once a transfer has been made to another pension arrangement.

The Trustee also accepts transfers in from other registered occupational pension schemes on a discretionary basis.

Discretionary Pension Increases

The Trustee is required to consider, at least annually, whether it can grant discretionary increases to pensions under Rule 9.2.2 of the Trust Deed and Rules, having taken the advice of the Scheme Actuary. After reviewing the Scheme Actuary's advice based on the funding level at 31 March 2025, the Trustee did not consider it appropriate to grant a discretionary increase to pensions in April 2026 whilst maintaining a sufficient level of security for all members' benefits.

Statutory Pension Increases

Certain increases to pensions are required by legislation.

- Guaranteed Minimum Pensions in payment earned from 6 April 1988 to 5 April 1997 were increased in April 2026, as required, by 3.0% and those in payment relating to service from 1 April 1997 were increased in April 2026, as required, by 4.5%.
- Increases to deferred pensions are made in accordance with the Trust Deed and Rules and depend on the date of leaving pensionable service. During the year, there was no increase to deferred pensions for members who left service prior to 1 January 1986 as required by the Rules and, for those leaving after that date, increases were made by application of the statutory revaluation percentage to the whole of the deferred pension.

Full details of the pension increases that were applied in April 2026 can be found on the website www.mnopf.co.uk

Data Review

The Trustee is continually reviewing member data. The approach to this work is consistent with the record-keeping guidance issued by The Pensions Regulator.

Forfeited Benefits

The Rules permit the Trustee to treat benefits as forfeited in certain circumstances if a member's whereabouts is unknown, although the Rules also give the Trustee discretion, in exceptional circumstances, to reinstate forfeited benefits if the member's whereabouts becomes known at a later stage.

Investment Management

The Trustee has overall responsibility for the investment of the Fund's assets in accordance with the Occupational Pension Schemes (Investment) Regulations 2005. The Trustee has agreed a Statement of Investment Principles ("SIP"), in accordance with section 35 of the Pensions Act 1995, which sets out the investment strategy and policies for the MNOPF. Certain powers and responsibilities for the implementation of the Trustee's investment strategy have been delegated to the Delegated CIO. The SIP was reviewed during the 2025/26 Fund year and no amendments were made. A copy of the latest SIP is available on the website www.mnopf.co.uk

The SIP sets out the Trustee's approach to socially responsible investment and corporate governance. In the context of socially responsible investment, the Trustee has considered how environmental, social and governance factors, including climate change, should be taken into account in the investment process, and seeks to understand the extent to which steps are taken by the investment managers to incorporate these factors into their investment process.

TRUSTEE'S REPORT (CONTINUED)

The Trustee's focus is explicitly on financially material considerations in the selection, retention and realisation of investments, and the Trustee's policy at this time is not to take into account non-financial matters explicitly. However, the Trustee supports and actively encourages investments with a positive social and environmental impact.

In the context of corporate governance, the Trustee delegates responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers, although believes voting power should be exercised with the objective of preserving and enhancing long-term shareholder value. The Trustee requires its investment managers to report on corporate governance, and particularly on their voting and engagement records.

The Trustee regularly assesses the performance of the Fund's investments against its investment objectives. Day-to-day monitoring of the investment manager performance is delegated to the Delegated CIO, and the Trustee receives reports on a quarterly basis on progress against the Fund's journey plan. Performance of the Fund's investments over the year are detailed in the Investment Report (see page 12). The holdings at the year-end were in accordance with the SIP.

The Trustee is satisfied, on advice from its investment advisers, that the nature, disposition, marketability, security and valuation of the Fund's assets are in line with the investment objectives and strategy, risk controls and return expectations. There are no restrictions on the marketability of any holdings.

During the year, the Fund divested its holdings in the following asset managers' funds: Colchester Global Investors (Global Bonds Fund) and Sands Capital Management (Emerging Markets Growth Fund). Additionally, the Fund invested in the following asset managers' funds: State Street Investment Management (Global Equity Diversified Index Fund) and Lazard Asset Management (Emerging Markets Fund).

Custodian

All the Fund's segregated investments are held under custodial arrangements with Bank of New York Mellon, with the exception of pooled investments and the bulk annuity buy-in policies with Legal & General and Pension Insurance Corporation. The pooled investment vehicle investment managers are responsible for putting in place their own custody arrangements.

Actuarial Review

The Financial Statements set out on pages 19 to 39 do not take into account the liabilities to provide pension benefits which fall due after the year end. In respect of the Fund, these liabilities are considered by the Scheme Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the Fund and the level of contributions payable. The most recent triennial valuation was carried out at 31 March 2024 and the next valuation will be as at 31 March 2027 which will be communicated to members and employers early in 2028.

The Scheme Actuary has prepared a report on the actuarial liabilities. This is included on pages 40 and 41 of this report. The formal actuarial certificate from the Scheme Actuary required by statute is also included in this Annual Report and appears on page 43. These form part of the Trustee's report.

Guaranteed Minimum Pensions ("GMP")

On 26 October 2018, the High Court handed down a judgment that concluded that benefits between men and women must be equalised in respect of GMP for contracted out service after 17 May 1990. Furthermore, on 20 November 2020, the High Court handed down a further judgement that ruled that pension schemes would need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. Whilst the judgements related to the Lloyds Banking Group scheme, they are expected to create a precedent for other UK DB pension schemes.

The Trustee has a project in progress to equalise members' GMP benefits for the relevant period of service which includes historic transfer payments made since 17 May 1990. The Scheme Actuary and the Trustee agreed it prudent to include a

TRUSTEE'S REPORT (CONTINUED)

provision in the actuarial valuation as at 31 March 2024 for the equalisation of GMP benefits in the Fund of 0.6% of total liabilities reduced to reflect payments already made or anticipated in the value of assets at the valuation date.

The implementation of the project is progressing with the amendments to benefits in respect of a number of the impacted members being paid in March 2024, June 2024, February 2025 and March 2025. Further amendments to some members benefits are still in progress in order to complete the implementation of the main GMP equalisation project. A provision has also been included within the financial statements of £37,581 in respect of historic transfer payments where payments have yet to be made.

Financial development of the Fund

The Financial Statements of the Fund for the year ended 31 March 2026, as set out on pages 19 to 39 have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995. A Summary of the Fund's Financial Statements is set out on the table below.

	2026
	£m
Net withdrawals from dealings with members	**(148.4)**
Net returns on investments	**51.8**
Net decrease in the Fund during the year	**(96.6)**
Net assets of the Fund at 1 April 2025	**1,736.6**
Net assets of the Fund at 31 March 2026	**1,640.0**

Further information

Any queries about the Fund, including requests from individuals for information about their benefits, should be addressed to:

Member Enquiries

myMNOPFpension

PHT
Maclaren House
Talbot Road
Stretford
Manchester
M32 0FP
Email: enquiries@myMNOPFpension.co.uk

Telephone: 01372 200200

Employer Enquiries

Rock Pensions

Email: employer.enquiries@mnopf.co.uk

This report, including the Investment Report, Statement of Trustee's Responsibilities, the Annual Implementation Statement, the Report on Actuarial Liabilities and the Member's Information, was approved by the Trustee on 23 September 2026 and signed on its behalf by:

Mark Dickinson

Chair, MNOPF Trustees Limited

INVESTMENT REPORT

Investment returns

Investment return relative to liabilities in conjunction with deficit contributions, leads to funding level progress.

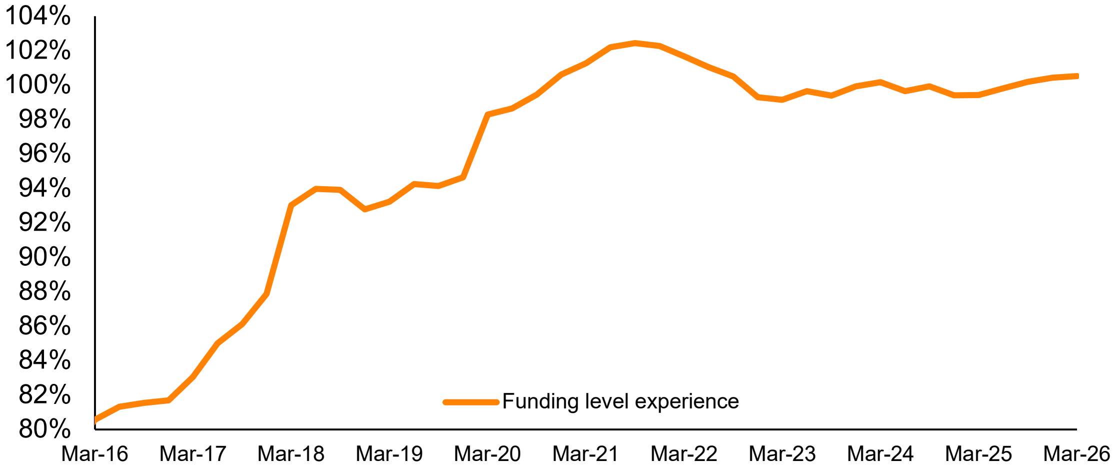
The Fund's primary investment objective is to outperform its liabilities. Over the 12 months to 31 March 2026, the Fund generated a return of 4.5%, this was in comparison to the liability benchmark which saw performance of 2.6%. As a result, the Fund outperformed its benchmark by 1.9% over the year, with the funding level rising over the year from 99.4% to 100.5%. The outperformance was driven by the strong performance of underlying assets, which more than offset the increase in liabilities.

The Fund marginally outperformed the liability by 0.4% over the three-year period but has underperformed by 1.2% over the five-year period. This underperformance over the five-year period was predominately driven by the negative performance over 2022 and the period of unprecedented volatility within the UK gilt market. The table below shows the Fund's investment performance as measured by the independent performance measurer over one year and longer periods against the gilts-based liabilities.

To 31 March 2026	One Year (%)	Three year (% pa)	Five year (% pa)
Fund Return	4.5	-1.9	-8.9
Gilts-based liabilities	2.6	-2.3	-7.7
Relative	1.9	0.4	-1.2
Volatility (tracking error)	3.3	2.8	3.3

Fund performance is shown net of underlying manager fees and Delegated CIO fees.

The chart below shows the funding level progression from 31 March 2016.



The Trustee has formulated an investment strategy that targets a return of Gilts +2.2% p.a. (across the MNOPF assets excluding insured assets, equivalent to Gilts +0.70% p.a. on all MNOPF assets) from 2025-2030.

INVESTMENT REPORT (CONTINUED)

Market review – 12 months ending 31 March 2026

Summary

Over 2025 and into early 2026, market movements point to a broadly resilient global economy, but one characterized by uneven momentum, shifting inflation expectations, and ongoing geopolitical influence.

Equity markets delivered strong returns across regions, supported by resilient economic activity and corporate earnings. Performance was generally positive, with some regions standing out more than others -particularly Asia Pacific (ex. Japan), where returns were notably stronger, reflecting more favourable growth dynamics. Interest rate cuts in the UK during 2025, alongside a pause in early 2026, provided a supportive backdrop for equities despite inflation remaining above target.

In contrast, fixed income markets reflect a more complex backdrop. Rising UK government bond yields indicate that inflationary pressures and tighter monetary conditions persisted through much of the period, limiting capital gains from conventional bonds. However, the relatively better performance of inflation-linked gilts suggests that inflation expectations, while moderating, remained significant enough to support demand for protection against price rises.

Commodity and oil price movements highlight the dominant role of global supply dynamics and geopolitical risk throughout 2025. The general decline in oil prices for much of the year points to concerns about softer global demand and excess supply, but the sharp rebound into early 2026 underscores how fragile that balance remained, with prices highly sensitive to conflict and supply disruptions.

Short term Interest rates, inflation and currency

The Bank of England (BoE) implemented a series of base rate adjustments throughout the 12 months to March 2026. The BoE enacted a 0.25% cut in May 2025, lowering the base rate to 4.25%. The rate was then held steady in June, aiming to balance economic support with inflationary pressures.

In August 2025, the base rate was reduced again to 4.00%, reflecting ongoing caution in the face of rising service-sector prices and fiscal uncertainty. This was followed by another 0.25% cut in December.

During the first quarter of 2026, the BoE held rates steady. While no policy changes were made, the accompanying statement adopted a more hawkish tone, signalling a move away from an easing bias toward a stance of readiness to act if required.

Inflation increased across major developed economies over the 12 months to 31 March 2026. US inflation rose from 2.4% to 3.3%, eurozone inflation increased from 2.2% to 2.6%, and UK CPI inflation rose from 2.6% to 3.3%.

Over the 12 months to 31 March 2026, sterling has appreciated against the US dollar and the yen by 2.2% and 8.7%, respectively, but depreciated against the euro by 4.2%.

Bond markets

UK government bond yields (which move inversely to bond price) increased over the 12 months to 31 March 2026. Long maturity UK gilts have returned 0.4% over the period (as measured by FTSE-A Gilts Over 15 Years Index) and UK gilts all stocks returned 2.5%.

Similarly, inflation-linked gilt yields decreased over the 12-month period. Long maturity UK index-linked gilts returned 3.2% (as measured by FTSE-A Index-Linked Gilts Over 15 Years Index) and UK index-linked gilts all stocks returned 4.1%.

INVESTMENT REPORT (CONTINUED)

Equity markets

Over the 12 months to 31 March 2026, equity markets returned positive performance across all regions. The FTSE All World Index returned 18.0% whilst the FTSE Emerging Index returned 17.8% (both in sterling terms). FTSE All-Share Index returned 21.5% whilst Asia Pacific (ex. Japan) was the best performing region with 47.4% (both in sterling terms).

Over the past year, local currency emerging market debt underperformed hard currency emerging market debt returning 9.4% and 10.2%, respectively.

Alternative investment markets

Oil prices were volatile over the 12 months to 31 March 2026, reflecting changing expectations for global demand, OPEC+ production decisions and geopolitical developments. Prices weakened through much of 2025 amid concerns over slowing global growth and ample supply. In early 2026, oil prices increased significantly, reaching US$102.9 per barrel by the end of March, as supply disruption risks in the Middle East intensified.

Commercial UK property (as measured by the IPD Monthly Index) has returned 6.2% over the 12 months to 31 March 2026.

Global Commodity Futures, as measured by S&P Goldman Sachs Commodity Index, returned 40.0% over the 12 months to 31 March 2026 in sterling terms.

Willis Towers Watson
18 June 2026

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year; and

- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will not be wound up.

The Trustee is also responsible for making available certain other information about the Fund in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time revising a schedule of contributions showing the rates of contributions payable towards the Fund by or on behalf of the employer and the active members of the Fund and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Fund and for adopting risk-based processes to monitor whether contributions are made to the Fund by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee is responsible for the maintenance and integrity of the financial information of the Fund included on the Fund's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE MERCHANT NAVY OFFICERS PENSION FUND

Opinion

We have audited the financial statements of the Merchant Navy Officers Pension Fund (the 'Fund') for the year ended 31 March 2026, which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Fund during the year ended 31 March 2026, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the Fund's operating model including effects arising from macro-economic uncertainties such as changing interest and inflation rates, geo-political events and the volatility of global markets we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved by the Trustee.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE MERCHANT NAVY OFFICERS PENSION FUND (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the statement of Trustee's responsibilities set out on page 15, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Fund, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Pensions Act 1995 and 2004 and those that relate to the reporting frameworks (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP")).
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations such as, the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Fund operates.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee, and from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE MERCHANT NAVY OFFICERS PENSION FUND (CONTINUED)

- We assessed the susceptibility of the Fund's financial statements to material misstatement due to irregularities including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to:
  - The risk of management override of controls through posting inappropriate journal entries to manipulate net assets for the year;
  - The valuation of hard-to-value assets using a method not permitted under the SORP.
- Our audit procedures involved:
  - Journal entry testing, with a focus on large, manual journals, those journals with unusual account combinations or entries posted to suspense accounts;
  - Obtaining independent confirmations of material investment valuations and cash balances at the year end; and
  - Including internal valuation specialists within the audit team to challenge the valuation of the annuity policies and derivative contracts.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
  - Knowledge of the industry in which the Fund operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities.](www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

Use of our report

This report is made solely to the Fund's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Fund's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff
Date 23/9/2026

FUND ACCOUNT FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £m	2025 £m
CONTRIBUTIONS AND BENEFITS			
Contributions receivable			
- Employer		1.4	0.8
Total Contributions	4	1.4	0.8
Transfers in and other income	5	1.2	0.9
		2.6	1.7
Benefits paid or payable	6	(143.5)	(149.2)
Payments to and on account of leavers	7	(2.0)	(3.2)
Administrative expenses	8	(5.5)	(5.8)
		(151.0)	(158.2)
NET WITHDRAWALS FROM DEALINGS WITH MEMBERS		(148.4)	(156.5)
RETURNS ON INVESTMENTS			
Investment income	9	132.0	133.0
Investment management expenses	10	(1.1)	(1.0)
Change in market value of investments	11.1	(79.1)	(195.4)
NET RETURNS ON INVESTMENTS		51.8	(63.4)
NET DECREASE IN THE FUND DURING THE YEAR		(96.6)	(219.9)
NET ASSETS OF THE FUND AVAILABLE FOR BENEFITS AT START OF YEAR		1,736.6	1,956.5
NET ASSETS OF THE FUND AVAILABLE FOR BENEFITS AT END OF YEAR		1,640.0	1,736.6

The notes on pages 21 to 39 form an integral part of these financial statements.

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

AT 31 MARCH 2026

	Note	2026 £m	2025 £m
INVESTMENT ASSETS			
Bonds		414.7	376.3
Pooled investment vehicles	11.3	316.1	270.0
Derivatives	11.4	36.3	35.3
Insurance policies	11.6	1,187.2	1,279.3
AVCs	11.7	0.2	0.3
Cash and other investment assets	11.8	0.9	3.2
		1,955.4	1,964.4
INVESTMENT LIABILITIES			
Derivatives	11.4	(27.4)	(27.8)
Other Investment Liabilities	11.8	(294.3)	(201.4)
TOTAL INVESTMENTS	11	1,633.7	1,735.2
CURRENT ASSETS	13	14.1	10.4
CURRENT LIABILITIES	14	(7.8)	(9.0)
TOTAL NET ASSETS AT 31 MARCH		1,640.0	1,736.6

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities included on pages 40 and 41 and these Financial Statements should be read in conjunction with that Report.
The notes on pages 21 to 39 form an integral part of these financial statements.

These financial statements were approved by the Trustee on 23 September 2026 and were signed on its behalf by:

A M Dickinson
Chair, MNOPF Trustees Limited

J M McGurk
Vice-Chair, MNOPF Trustees Limited

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council, and the guidance set out in the Statement of Recommended Practice (Revised 2018).

The Trustee has performed a Going Concern assessment. Amongst other things, its assessment took into account the funding position, availability of liquid cashflows, the employers' ability to continue to fund Contributions and the strength of the insurers to continue to fund insured benefits. It also noted that there has been no decision made to wind up the Fund. On this basis the Trustee considers the Going Concern basis appropriate.

2 IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Fund is established as a trust under English law. Any queries about the Fund, including requests from individuals for information about their benefits, should be addressed to:

Member Enquiries

myMNOPFpension
PHT
Maclaren House
Talbot Road
Stretford
Manchester
M32 0FP
Email: enquiries@myMNOPFpension.co.uk
Telephone: 01372 200200

General Enquiries

Rock Pensions
employer.enquiries@mnopf.co.uk

3 ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the financial statements.

3.1 Accruals concept

The financial statements have been prepared on an accruals basis.

3.2 Contributions

Payment profiles for deficit funding contributions are established with employers in line with the requirements of the Schedule of Contributions. Accordingly, employers' deficit funding contributions are recognised at the earlier of the date on which cash is received and the date the invoice is raised. An accounting adjustment is made for amounts falling due, but unpaid, if amounts are assessed as irrecoverable from a specific employer following all reasonable attempts to recover the amount due.

The accounting adjustment is recognised in administrative expenses. The subsequent treatment of the accounting adjustment for deficit funding collection purposes is considered by the Trustee in the context of the Deficit Collection Policy and the Guidelines for Defaulting Employers.

Employers' contributions in respect of Section 75 debts are accounted for when paid or when determined by the actuary whichever is the earlier. Debts are recognised in full with provisions for recoverability and the time value of money.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.3 Benefits

Benefits are accounted for in the period in which they fall due.

Where a member has a choice about the form of their benefit, the benefit is accounted for when the member notifies the Trustee of what form of benefit they will take or date of leaving or retirement if later. Where a member has no choice about the form of benefit, the benefit is accounted for in the period in which entitlement to the benefit arises.

Benefits covered under the buy-in policies are recognised in the same way as other benefits with the income from the buy-in policies to reimburse the Fund recognised under investment income.

Where the Trustee agrees or is required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Fund, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within Benefits.

3.4 Transfers to and from other schemes

Individual transfers to and from other schemes are accounted for when member liability is discharged which is normally when the transfer amount is paid or received.

3.5 Valuation of investments

Investments are valued at fair value.

Fixed interest securities and index-linked securities are stated at their clean price, where applicable including the indexation element which is payable on maturity. Accrued interest is excluded from the market value of fixed income securities and is included in investment income receivable.

Unquoted securities are included at prices provided by third party pricing vendors where there is a traded market and at the Trustee's estimate of fair value where there is not a traded market. The Trustee's estimate is based on the valuation provided by the fund managers.

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

Derivatives are stated at fair value:

- Exchange traded derivatives are stated at fair value determined by using market quoted prices.
- Swaps are valued taking the current value of future cash flows arising from the swap determined using discounted cash flow models and market date at the reporting date.
- Over the counter ("OTC") derivatives are stated at fair value using pricing models and relevant market date at the year-end.
- Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the year-end by entering into an equal and opposite contract at that date.
- All gains and losses arising on derivative contracts are reported within change in market value.
- Receipts and payments arising from derivative instruments are reported as sale proceeds or investment purchases.

Repurchase agreements ("repo") - the Fund continues to recognise and value the securities that are delivered out as collateral and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.

The Fund's buy-in policies, shown under insurance policies have been valued on an insurance buy-out basis, as provided by the Insurer as at 31 March 2026. The Fund has three buy-in policies, one with L&G and two with PIC. The combined value of the buy-ins has been calculated as £1,187.2m as at 31 March 2026.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.6 Additional voluntary contribution investments (AVCs)

The AVC investments are stated at their policy value based on the valuation confirmed by the AVC provider.

3.7 Investment income

Interest income from bonds is taken into account on an accruals basis and includes interest bought and sold on investment purchases and sales.

Where investment income arising from the underlying investments of the pooled investment vehicles is rolled up and reinvested within the pooled investment vehicles, it is reflected in the unit price and reported within change in market value of investments. On other pooled investment vehicles, income is recognised when notified by the manager of the pooled investment.

Investment income is reported net of attributable tax credits, but gross of withholding taxes which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge.

Receipts from annuity policies held by the Trustee are accounted for as investment income on an accruals basis.

3.8 Currency

The Fund's functional currency and presentational currency is pounds sterling (GBP).

Foreign currency transactions are translated into sterling at the rate prevailing on the date of the transaction.

The market value of investments and other assets held and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Differences arising on the translation of investments are included in changes in market value.

3.9 Accounting estimates and judgements

No significant judgements have been made by the Trustee in the application of the principal accounting policies. Significant assumptions and estimates have been made in the valuation of the Fund's financial assets and liabilities classified as Level 3 under the fair value hierarchy and the accounting adjustment for contributions. Details of these financial assets and liabilities, the valuation techniques applied, and the significant valuation assumptions, are provided in Notes 3.5, 11.6 and 11.9 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 CONTRIBUTIONS

	2026	2025
	£m	£m
Employers' Contributions		
Deficit funding contributions	-	-
Buy-out debt and Section 75 contributions	1.4	0.8
	1.4	0.8

Employer deficit funding contributions of £528 million were due under the Recovery Plans agreed following the 2009 and 2012 valuations. At 31 March 2026, a capital balance of £nil million is outstanding (2025: £nil million). No deficit funding contributions are due to the Fund.

5 TRANSFERS IN AND OTHER INCOME

	2026	2025
	£m	£m
Individual transfers in	1.2	0.9
	1.2	0.9

Individual transfers in represents money purchase benefits for certain Ensign Retirement Plan members (all of whom transferred to Smart Pensions in 2023) who originally had benefits in the MNOPF DC and DB sections which are taken as part of their PCLS.

6 BENEFITS PAID OR PAYABLE

	2026	2025
	£m	£m
Pension payments	135.8	139.0
Commutations and lump sum retirement benefits	7.3	10.0
Lump sums on death	0.4	0.2
	143.5	149.2

7 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2026	2025
	£m	£m
Individual transfers out to other schemes	2.0	3.2
	2.0	3.2

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 ADMINISTRATIVE EXPENSES

	2026	2025
	£m	£m
Administration, processing and data management	3.7	3.9
Actuarial fees	0.3	0.3
Legal, other professional fees and deficit collection fees	1.4	1.1
External audit fees	0.1	0.1
Loan written off (see note 15.2)	-	0.4
	5.5	5.8

9 INVESTMENT INCOME

	2026	2025
	£m	£m
Income from bonds	13.6	13.8
Income from pooled investment vehicles	5.7	3.2
Income allocated to Old Section Reserve	-	0.1
Interest on repurchase agreements – net	(10.5)	(10.2)
Net receipts/(payments) from swaps	(1.5)	(0.5)
Annuity income	125.7	125.4
Other investment income	(1.0)	1.2
	132.0	133.0

.

10 INVESTMENT MANAGEMENT EXPENSES

	2026	2025
	£m	£m
Administration, management & custody	1.1	1.0
	1.1	1.0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 INVESTMENTS

11.1 Reconciliation of investments

Reconciliation of investments held at beginning and end of year:

	Note	Value at 1 April 2025	Purchases at Cost and Derivative payments	Sales Proceeds and Derivative receipts	Change in market value	Value at 31 March 2026
		£m	£m	£m	£m	£m
Bonds		376.3	182.3	139.2	(4.7)	414.7
Pooled investment vehicles	11.3	270.0	255.1	(221.6)	12.6	316.1
Derivatives	11.4	7.5	7.9	(11.6)	5.1	8.9
Insurance policies	11.6	1,279.3	-	-	(92.1)	1,187.2
AVCs	11.7	0.3	-	(0.1)	-	0.2
		1,933.4	445.3	(372.5)	(79.1)	1,927.1
Cash deposits and other investment assets	11.8	3.2				0.9
Other investment liabilities	11.8	(201.4)				(294.3)
		1,735.2				1,633.7

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

11.2 Transaction costs

Transaction costs are included in the cost of purchases and deducted from sales proceeds in the reconciliation in note 11.1. Direct transaction costs incurred are analysed below:

	2026	2025
	£m	£m
Return-seeking	0.1	0.4
	0.1	0.4

In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles. It has not been possible for the Trustee to quantify such indirect transaction costs due to the information not being available from the Fund managers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.3 Pooled investment vehicles

	2026	2025
	£m	£m
Equities	116.1	93.0
Bonds	42.3	15.2
Hedge	53.1	49.5
Private equity	12.7	17.5
Property	3.9	4.8
Absolute return	70.3	73.1
Cash	17.7	16.9
	316.1	270.0

11.4 Derivatives

The Trustee has authorised the use of derivatives as part of their investment strategy for the Fund as follows:

The derivatives held were all OTC and made up of:

	2026	2026	2025	2025
	Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m
Swaps	36.3	(26.6)	34.0	(27.8)
Forward foreign exchange	-	(0.8)	1.3	-
	36.3	(27.4)	35.3	(27.8)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.5 Derivative contracts outstanding

Swaps

The Fund enters into swap contracts to hedge interest rate and inflation rate movements.

Contract	Expiration	Notional Currency Principal	2026 Asset £m	2026 Liability £m
Interest rate swaps	0-5 years	£0.1m	-	-
Interest rate swaps	11-20 years	£35.9m	6.2	(10.8)
Interest rate swaps	21-30 years	£0.4m	10.8	(6.6)
Interest rate swaps	31-40 years	£74.0m	11.2	(8.6)
Interest rate swaps	41-50 years	£7.8m	-	(0.2)
Inflation swaps	0-5 years	£16.3m	3.3	-
Inflation swaps	6-10 years	£16.9m	2.4	-
Inflation swaps	11-20 years	£26.1m	1.0	(0.1)
Inflation swaps	21-30 years	£17.2m	0.4	(0.3)
Inflation swaps	31-40 years	£13.5m	0.9	-
Inflation swaps	41-50 years	£1.0m	0.1	-
			36.3	(26.6)

Contract	Expiration	Notional Currency Principal	2025 Asset £m	2025 Liability £m
Interest rate swaps	0-5 years	£12.0m	3.0	(2.5)
Interest rate swaps	6-10 years	£9.0m	0.1	(6.3)
Interest rate swaps	11-20 years	£2.9m	4.9	(9.6)
Interest rate swaps	21-30 years	£3.7m	8.1	(4.7)
Interest rate swaps	31-40 years	£5.7m	10.2	(4.6)
Inflation swaps	0-5 years	£21.8m	3.8	-
Inflation swaps	6-10 years	£20.1m	2.6	-
Inflation swaps	11-20 years	£13.7m	1.3	-
Inflation swaps	21-30 years	£17.1m	-	(0.1)
Inflation swaps	31-40 years	£6.2m	-	-
Inflation swaps	41-50 years	£1.0m	-	-
			34.0	(27.8)

At 31 March 2026, the counterparties of the interest and inflation swaps were nine banks with credit ratings ranging from AA- to A+ (2025: six banks with credit ratings ranging from AA- to A+).

At 31 March 2026, the Fund held collateral in the form of cash and gilts at £9.1m (2025: £7.5m).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.5 Derivative contracts outstanding (continued)

Forward Foreign Exchange Contracts

The fund enters into Forward Foreign Exchange contracts to hedge currency fluctuations as some investment holdings are denominated in foreign currencies.

Contract	Settlement Date	Currency Bought	Currency Sold	2026 Asset £m	2026 Liability £m
Forward (OTC)	1-6 months	USD40.5m	GBP29.9m	-	0.8
				-	0.8

Contract	Settlement Date	Currency Bought	Currency Sold	2025 Asset £m	2025 Liability £m
Forward (OTC)	1-6 months	GBP2.8m	USD3.6m	-	-
Forward (OTC)	1-6 months	USD57.3m	GBP45.7m	1.3	-
				1.3	-

11.6 Insurance policies

The Fund held insurance policies at the year-end as follows:

	2026 £m	2025 £m
L&G Buy in	241.2	272.2
PIC Buy in 1	744.5	797.3
PIC Buy in 2	201.5	209.8
	1,187.2	1,279.3

As at the end of the Fund year the pensioner population includes the following insured members:

- L&G Buy in – 2,074 (2025: 2,126)
- PIC Buy in 1 – 10,816 (2025: 11,194)
- PIC Buy in 2 – 1,768 (2025: 1,768)

A bulk insurance policy is valued at the fair value of the liability as calculated and provided by the insurer in accordance with the related obligation. The valuation is determined using assumptions over pension increases, inflation and interest rates and longevity.

11.7 Additional Voluntary Contribution (AVC) Investments

These are AVC investments which were transferred from the Trustee of the Ensign Retirement Plan on 16 June 2022. At the reporting date the Trustee held assets invested separately from the main fund in the form of individual insurance policies securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held to their account and the movements in the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.7 Additional Voluntary Contribution (AVC) Investments (continued)

The aggregate amounts of AVC investments are as follows:

	2026	2025
	£m	£m
Utmost Life and Pensions Ltd	0.2	0.3
	0.2	0.3

11.8 Cash deposits and other investment assets and liabilities

	2026	2025
	£m	£m
Assets		
Accrued income	0.2	0.9
Cash	0.7	2.3
	0.9	3.2
Liabilities		
Amount due under sale and repurchase contracts	(294.3)	(201.4)
	(293.4)	(198.2)

At the year-end £285.1m (2025: £194.8m) of bonds reported as Fund assets are held by counterparties under repurchase agreements. Collateral of £12.1m (2025: £9.6m) was received to cover the difference between the liability and the value of the bonds.

11.9 Fair value hierarchy

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1	The unadjusted quoted price for an identical asset in an active market
Level 2	Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3	Inputs are unobservable for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.9 Fair value hierarchy (continued)

The fair value of the Fund's investment assets and liabilities has been determined using the above hierarchy categories as follows:

	Level 1	Level 2	Level 3	Total
2026	**£m**	**£m**	**£m**	**£m**
Bonds	-	414.7	-	414.7
Pooled investment vehicles	-	107.0	209.1	316.1
Derivatives	-	8.9	-	8.9
Insurance policies	-	-	1,187.2	1,187.2
AVCs	-	0.2	-	0.2
Other investment balances	0.9	(294.3)	-	(293.4)
	0.9	236.5	1,396.3	1,633.7

Restated* 2025	**£m**	**£m**	**£m**	**£m**
Bonds	-	376.3	-	376.3
Pooled investment vehicles	-	93.7	176.3	270.0
Derivatives	-	7.5	-	7.5
Insurance policies	-	-	1,279.3	1,279.3
AVCs	-	0.3	-	0.3
Other investment balances	3.2	(201.4)	-	(198.2)
	3.2	276.4	1,455.6	1,735.2

*Insight liquidity fund has been reclassified as level 2 as this is not actual cash or listed on an exchange.

11.10 Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to these risks because of the investments it makes to implement its investment strategy. The Trustee's primary investment objectives are to acquire suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with contributions, the cost of benefits which the MNOPF provides; and to limit the risk of the MNOPF's assets failing to meet the MNOPF's liabilities over the long term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.10 Investment risks (continued)

The Trustee has formulated an investment strategy that targets a return of Gilts +2.2% p.a. (across the MNOPF assets excluding insured assets, equivalent to Gilts +0.70% p.a. on all MNOPF assets) from 2025-2030.

The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Fund's strategic investment objectives. The Trustee's risk management policy is documented in the Statement of Investment Principles. These investment objectives are implemented through the Fiduciary Management Agreement in place with the Delegated CIO (Willis Towers Watson) and the investment management agreements in place with the investment managers. The Fund's performance versus its investment objectives is monitored by the Trustee on a regular basis.

The following table summarises the extent to which the various classes of investments are affected by financial risks:

			Market Risk		2026	2025
	Credit Risk	Currency	Interest Rate	Other price	Value £m	Value £m
Bonds	●	○	●	●	414.7	376.3
Pooled investment vehicles	●	◐	◐	●	316.1	270.0
Derivatives	●	◐	●	●	8.9	7.5
Cash	◐	◐	○	○	0.9	3.2
Other investments	●	○	●	○	(294.3)	(201.4)
Insurance Policies	●	○	●	●	1,187.2	1,279.3
Total investments					**1,633.5**	**1,734.9**

In the above table, the risk noted affects the asset class [●] significantly, [◐] partially or [○] hardly/ not at all.

Investment risk disclosures exclude AVCs as their value is not material.

Further information on the Trustee's approach to risk management and the Fund's exposures to credit and market risks are set out below.

(i) Credit risk

The Fund is subject to credit risk as the Fund invests in bonds, OTC derivatives, exchange traded derivatives, has cash balances, enters into repurchase agreements, has the potential to undertake stock lending activities, and has transacted two buy-ins (which are exposed to the credit risk of the insurers). The Fund also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.10 Investment risks (continued)

(i) Credit risk (continued)

Credit risk arising on bonds is mitigated by investing in government bonds where the credit risk is minimal.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter (OTC). OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Fund is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements and through diversification of counterparties. The collateral posted to the Fund is in the form of UK government bonds and cash. Credit risk also arises on forward foreign currency contracts. These contracts are collateralized which reduces the credit risk and all counterparties are required to have an investment grade credit rating at the point of trade execution.

Cash is held within financial institutions which are at least investment grade credit rated.

The Fund does not lend any of its segregated assets other than through repurchase agreements, however pooled funds held by the Fund do have the ability to lend certain fixed interest and equity securities at their discretion. At 31 March 2026 it was 0.01%.

Credit risk on repurchase agreements is mitigated through collateral arrangements and diversification of counterparties.

The Fund's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. Some of the Fund's pooled investment managers have the ability to invest in non-investment grade investments; this risk is managed through diversification. The Delegated CIO (Willis Towers Watson) carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the regulatory and operating environment of the pooled manager.

Credit risk arises on the buy-ins which were transacted with two separate providers. Both providers had an investment grade credit rating at the point of trade execution and credit risk is mitigated through the regulatory capital requirements placed on insurance providers.

Credit risk on equity options (which are OTC contracts) is mitigated through collateral arrangements and diversification of counterparties.

Please see below the legal nature of the Pooled Investment Funds:

		Restated
	2026	**2025**
	£m	**£m**
Limited liability partnerships	16.1	24.5
Open ended investment companies	51.5	44.8
Authorised unit trusts	144.5	142.9
Unauthorised unit trusts	0.5	1.9
UCITS	20.9	9.1
ICAV	82.6	46.8
	316.1	270.0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.10 Investment risks (continued)

(i) Credit risk (continued)

Legal nature of the Pooled Investment Funds has been restated in 2025 in line with the Pensions Research Accountants Group (PRAG) guidance.

(ii) Currency risk

The Fund is subject to currency risk because some of the Fund's investments are held in overseas markets, either as segregated investments or via pooled investment vehicles. The Trustee limits overseas currency exposure through a currency hedging policy. As at 31 March 2026 the Fund's net unhedged overseas currency exposure is 8.8% (2025: 11.4%).

(iii) Interest rate risk

The Fund is subject to interest rate risk on its liability driven investments (LDI) comprising bonds, repurchase agreements and interest rate swaps held either as segregated investments or through pooled vehicles and cash. The purpose of the Fund's LDI investments is to match the interest rate and inflation sensitivities of the Fund's liabilities. Therefore when considering the Fund's liabilities these investments are risk reducing. Similarly, the buy-ins are subject to interest rate risk but again, this investment is risk reducing.

(iv) Other price risk

Other price risk arises principally in relation to the Fund's return seeking portfolio which includes pooled investment in equities, hedge funds, private equity, and other alternative investments.

The Fund manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

The other price risk for the Fund's bonds and derivatives, reflect that some of these instruments are inflation linked in nature and therefore the price of these instruments moves in line with inflation expectations. Additionally, the price of the equity options will be influenced by moves in equity markets.

11.11 Concentration of investments

The investments (other than UK Government Securities) at the year-end which are more than 5% of the total value of the net assets of the Fund comprise:

		2026		**2025**
	%	**£m**	**%**	**£m**
PIC buy in 1	45	744.5	46	797.3
PIC buy in 2	12	201.5	12	209.8
L&G buy in	15	241.2	16	272.2
Insight: Liability Hedging	8	133.6	11	182.6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 TAX

The Fund is a registered pension scheme for tax purposes under the Finance Act 2004. The Fund is therefore exempt from income tax and capital gains tax except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

13 CURRENT ASSETS

	2026	2025
	£m	£m
Cash balance	9.1	9.0
Deficit contributions due	36.0	22.4
Accounting adjustment to employer deficit contributions due*	(36.0)	(22.4)
Other debtors	5.0	1.4
	14.1	10.4

Deficit contributions due represent historic balances not due under the current Schedule of Contributions.

*Accounting adjustment to employer deficit contributions due are amounts where recovery from the invoiced employer is considered, on a prudent basis, to be unlikely. The concept of adjustments was introduced into the statutory accounts in 2014/15 to reflect the Trustee's approach to the collection of deficit amounts. As such, the use of the expressions "provision" or "write-off" is avoided as these terms could be misinterpreted. It is emphasised that all amounts due are recorded gross in the detailed records.

14 CURRENT LIABILITIES

	2026	2025
	£m	£m
Unpaid benefits	5.8	5.8
Other creditors and accrued expenses	2.0	3.2
	7.8	9.0

Included in “Other creditors and accrued expenses” are the following reserve and provisions:

a) Reserve established at 31 March 2014 with funds from the former Old Section. This reserve will settle all future costs arising in relation to the former Old Section following the completion of its buy-out in July 2014. These include the costs of operating myMNOPFpension, which consolidates the benefits payable to former Old Section members into a single payment. myMNOPFpension also provides a single point of contact for all members of MNOPF and the reserve will settle a proportion of the cost of this service. The costs of myMNOPFpension will be settled over many years as the service is delivered.

   The reserve was established on an arm’s length basis and at 31 March 2026 the balance was £0.2m (2025: £0.6m).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 RELATED PARTY TRANSACTIONS

15.1 Key management personnel

The Trustee is deemed to be a related party of the Fund. Included in administrative expenses are payments of £97,185 (2025: £124,286) made to certain Trustee Directors for fees relating to the exercise of their duties during the year. Trustee directors were also reimbursed expenses totalling £3,675 (2025: £14,319). There are no Trustee Directors who are pensioner members of the Fund and one Trustee director who is a member with deferred benefits in the Fund.

15.2 Employer and other related parties

During the year, the Fund had interests but no holdings in the following companies which are related parties:

Entity	Activity	Transactions in year and balances at the year end
Ensign Pensions Limited	Pension fund executive services	Ensign Pensions Limited was fully wound up on 27 February 2026 and was dissolved on the 5 June 2026. During the year Ensign Pensions Limited transferred £1,039 to the Fund following the closure of the company bank account. In addition, the Fund received a refund of insurance premiums due to the company for £654. These funds partially covered the liquidation costs of the company which were paid by the Fund for £6,031.
MNOPF Trustees Limited	Trustee Company for the Fund	No balance was due at the end and at the start of the year following the loan write off in the previous year.

The Fund is under the control of MNOPF Trustees Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 COMMITMENTS

As at 31 March 2026, the Fund was committed to providing additional funding to certain managers investing in unquoted securities. These commitments are as follows:

	2026	2025
	£m	£m
Property funds:		
Fprop Office LP	8.5	8.5
RECAP	3.8	4.0
Private equity:		
Advent	0.8	0.8
American Securities	1.7	2.3
ECP	1.2	1.5
Oaktree	4.5	4.3
	20.5	21.4

17 EMPLOYER-RELATED INVESTMENTS

At the year end the maximum market values of direct investments held by the Fund in companies known to be, or which have subsidiary interests that are known to be, Participating Employers was calculated as 0.2% (2025: nil%) of the net assets of the Fund. The investments were as follows:

	2026		2025	
	Total	Total	Total	Total
	£m	%	£m	%
Pooled Funds	3.2	0.2	-	-
Total exposure	3.2	0.2	-	-

The Trustee confirmed that Employer-related investment did not exceed 5% at any time during the year.

The total exposure to employer-related investments in pooled vehicles is determined using assumptions. The assumptions are deliberately conservative and are likely to result in an overstatement of the actual value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 CONTINGENT LIABILITIES

GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should equalise pension benefits for men and women in relation to guaranteed minimum pensions ("GMP"). Furthermore, on 20 November 2020, the High Court handed down a further judgement that ruled that pension schemes would need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. The Trustee is aware that the judgements are expected to set a precedent for other UK defined benefit pension schemes and is taking steps to consider the implications of the judgements for the Fund. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

Some amendments were completed and payments made in previous financial years. Further amendments to some members benefits are still in progress in order to complete the implementation of the main GMP equalisation project.

When the main GMP equalisation project is completed, the Trustee may agree with the insurers of the three buy-in policies to adjust the benefits insured to reflect any benefit amendments arising from the project.

Section 37 Certificate

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out scheme cannot be altered in relation to "section 9(2B) rights" unless the actuary has confirmed in writing that the scheme would continue to satisfy the statutory standard. Section 9(2B) rights are rights attributable to contracted out service from 6 April 1997 and the statutory standard is a benefits test based on rights under a notional "reference scheme". The High Court found that where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment in relation to any contracted-out right automatically void. It also held that the references in the legislation to section 9(2B) rights (in relation to which actuarial confirmation had to be obtained) included both past and future service rights. The requirement for actuarial confirmation applied to all relevant amendments to the rules of a contracted-out scheme, not just those which would or might adversely affect section 9(2B) rights. The case was appealed, with the judgement from the Court of Appeal upholding the original decision issued on 25 July 2024.

The Pension Schemes Act 2026 received Royal Assent on 29 April 2026 and includes provisions which provides pension schemes with the ability to validate certain affected amendments retrospectively if necessary.

The Trustee, with the support of its legal and actuarial advisers, is reviewing the implications of the outcome of this case as well as the introduction of the statutory remedy under the Pension Schemes Act 2026. To date, the Trustee has not undertaken a full review in relation to whether section 37 confirmations were provided in all cases for deeds in the relevant timeframe. Given that the Trustee was and continues to be supported by reputable legal and actuarial advisers, the Trustee is comfortable that it does not need to undertake any further checking at this time.

The Trustee will continue to keep a watching brief on this issue in light of a further court case concerning this matter. As it is too early at present to estimate the potential impact, if any, on the Fund, no provision has been made in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 CONTINGENT LIABILITIES (CONTINUED)

Normal Retirement Age Equalisation

The decision of the European Court of Justice in the Barber case enshrined the principle that occupational pension schemes must provide equal benefits to men and women for service from the date of the Barber Judgment (17 May 1990). Furthermore, the Court of Appeal decision in Foster Wheeler is also significant when considering how an occupational pension scheme should give effect to Barber equalisation rights.

The Trustee has become aware that the benefits calculated in respect of some male members who retired after their Normal Pension Age of 61 may not have been calculated strictly in accordance with the equalisation requirements under Barber and Foster Wheeler (owing to the historic practice of providing late retirement factors from age 61 instead of age 60). The potentially affected male members either joined the Fund prior to 1 January 1991 and have post 1 April 1990 pensionable service or joined the Fund between 1 January 1991 and 30 November 1992.

The Trustee has therefore commenced a review to determine potentially impacted members and any potential amendment to these members' pensions in payment that may be required. This will lead to additional liabilities to the Fund, however, at the current time, the amount of any additional liabilities remains uncertain, and this therefore remains a contingent liability. As a result of the above, no amount has been included in the financial statements in relation to this. This will be accounted for once the amount and timing of such payments is more certain.

Members who left service before 1 December 1992 and died in deferment after their Normal Pension Age

The Trustee has become aware that the death benefits paid in respect of some members who left service before 1 December 1992 and died after their Normal Pension Age of 61 without the member having commenced their pension benefits may not have been calculated strictly in accordance with the applicable Rules.

The Trustee has therefore commenced a review to determine potentially impacted members and any potential amendment to these members' death benefits or if they had a surviving spouse, the pension payable to the spouse.

This will lead to additional liabilities to the Fund, however, at the current time, the amount of any additional liabilities remains uncertain, and this therefore remains a contingent liability. As a result of the above, no amount has been included in the financial statements in relation to this. This will be accounted for once the amount and timing of such payments is more certain.

REPORT ON ACTUARIAL LIABILITIES

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions determined by the Trustee, having consulted the Participating Employers, and which are set out in the Statement of Funding Principles, a copy of which is available to Fund members on request.

The most recent triennial actuarial valuation of the Fund effective as at 31 March 2024 showed that the accumulated assets of £1,956m represented 99% of the Fund's technical provisions in respect of past service benefits; this corresponds to a deficit of £11m at the valuation date.

The value of technical provisions is based on Pensionable Service to the Fund's closure on 31 March 2016 and assumptions about various factors that will influence the Fund in the future, such as the levels of investment returns, inflation, when members will retire and how long members will live. The method and significant actuarial assumptions used in the calculations as at 31 March 2024 are as follows:

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Discount interest rate: Equal to yields on fixed interest Government bonds at each term plus a margin of 0.25% pa.

Future Retail Price Inflation (RPI): The assumption adopted is based on expected rates of break-even inflation each year, having regard to the inflation expectations implicit in UK Government bond prices at the valuation date.

Future Consumer Price Inflation (CPI): Set based on the expected future difference between assumed RPI and CPI. CPI is assumed to be 1% pa below RPI to 2030 and then equal to RPI thereafter.

Pension increases: where the Fund's rules provide for inflation-linking, assumptions derived from the underlying inflation assumptions, allowing for the caps and floors on pension increases.

Revaluation in deferment: this assumption has been set in line with CPI where relevant.

Mortality: Normal health SAPS4 amounts Pensioners Heavy table (Dependant table for female spouses) projected with CMI 2023 core projections with a long-term rate of improvements of 1.5% pa and an initial addition of 0.25% pa. Multipliers of 86% for normal health members, ill-health pensioners and male spouses, and 108% for female spouses.

GMP equalisation: An allowance of 0.6% of liabilities, less allowance for payments already made (or anticipated in the asset value), has been made to reflect the potential cost of changes to the benefits that may be required. This leads to a remaining reserve for GMP equalisation of £7m. This reserve is to ensure that the Fund provisions in respect of Guaranteed Minimum Pensions do not unlawfully discriminate between male and female members.

REPORT ON ACTUARIAL LIABILITIES (CONTINUED)

Recovery plan

The arrangements to eliminate the funding shortfall were formalised in a Schedule of Contributions which the Fund's Actuary certified on 27 March 2025. A copy of her certificate is included on page 43 of this report.

Next actuarial valuation

The next triennial valuation is being performed as at 31 March 2027.

Schedule of Contributions following the 2024 valuation

This schedule of contributions has been prepared by MNOPF Trustees Limited, the Trustee of the Merchant Navy Officers Pension Fund ("the Fund"), to satisfy the requirements of Section 227 of the Pensions Act 2004, after obtaining the advice of the Scheme Actuary, Kim Farnum.

This schedule specifies rates of Employer contributions to the Fund. It covers a period of 5 years from the date of certification. It is subject to review from time to time as required by legislation and by the Fund's Trust Deed and Rules and following actuarial valuations and interim reviews.

There are no contributions due from or payable by members to the Fund.

1 Deficit contributions

No deficit contributions are due from Employers.

2 Other Employer contributions

The Employers shall pay the following:

- Additional contributions as may be required under the Definitive Trust Deed and Rules in specific circumstances, for example to cover augmentations. The amounts of such contributions to be advised by the Scheme Actuary, and due dates to be agreed by the Trustee.

  Such other contributions as may be agreed by the Trustee and the Employers from time to time.

Date of schedule: 27 March 2025

Agreed on behalf of the Trustee

Name: Mike Jess

Signature:

Position: Trustee Chairman

Date: 27 March 2025

ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected as at 31 March 2024 to be met by the end of the period for which the Schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 27 March 2025.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Fund's liabilities by the purchase of annuities, if the Fund were to be wound up.

Signature *Kim Farnum*

Name: K Farnum

Scheme Actuary

Fellow of the Institute and Faculty of Actuaries

Towers Watson Limited

Watson House

Reigate

RH2 9PQ

Date: 27 March 2025

MEMBERS' INFORMATION

The Trustee is required to provide certain information about the Fund to the Registrar of Pension Schemes. This has been forwarded to:

The Registrar of Pension Schemes
PO Box 1NN
Newcastle Upon Tyne
NE99 1NN

Internal Disputes

The Trustee has an Internal Disputes Resolution Procedure ("IDRP") in place to deal with any complaints from members regarding the operation of the Fund. If the complaint cannot be resolved under the first stage of the Procedure, the Trustee will consider the complaint under stage two. Further details of the IDRP can be found on the MNOPF website.

The Pensions Ombudsman

If a member requires assistance with dealing with a pension complaint, they can contact the dispute resolution team at the Pensions Ombudsman.

The Pensions Ombudsman may also investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme and will assist members and beneficiaries of schemes in connection with difficulties which they have failed to resolve with the Trustee or Administrators of the Fund. Enquiries should be addressed to:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

Telephone: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator ("TPR") can intervene if it considers that a Scheme's Trustee, advisers or the employer are not carrying out their duties correctly. The address for TPR is:

Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW

Telephone: 0345 600 1011

The Pension Tracing Service

The Pension Tracing Service provides a tracing service for members (and their dependents) of previous employers' schemes, who have lost touch with earlier employers and Trustees. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to:

Pension Tracing Service
The Pension Tracing Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

Telephone: 0800 731 0193
Website: www.gov.uk/find-pension-contact-details

MEMBERS' INFORMATION (CONTINUED)

The Pensions Compensation Scheme

The Pensions Compensation Scheme was introduced to protect members' interests in certain circumstances, i.e. to provide compensation where an employer has become insolvent and the fund assets have been reduced due to fraud, theft, or misappropriation. It does not cover losses resulting from adverse investment returns.

The Compensation Scheme is funded by a retrospective levy on occupational pension schemes.

MoneyHelper

Members can obtain information and guidance through MoneyHelper. The Money and Pensions Service (MaPS) has consolidated The Pensions Advisory Service (TPAS), Money Advice Service (MAS) and Pension Wise into a single website. It offers free impartial guidance on a range of financial issues, including pensions and retirement.

Telephone: 0800 011 3797

Website: https://www.moneyhelper.org.uk

Further Information

The Trust Deed and rules, the fund details, and a copy of the Schedule of Contribution and Statement of Investment Principles are available for inspection free of charge by visiting the Trustee's website www.mnopf.co.uk or by contacting the Trustee at the address on page 11. In some circumstances copies of documents can be provided, but a charge may be made for copies of the trust documents (Deed and Rules) and of the Actuary's report.

Any information relating to the members' own pension position, including estimates of transfer values, should also be requested from the administrators of the fund, Aptia UK Limited, at the address on page 11.

APPENDIX 1

The Merchant Navy Officers Pension Fund Implementation Statement – 31 March 2026

Why have we produced this Statement?

The Annual Implementation Statement is prepared by the Trustee of the Merchant Navy Officers Pension Fund ("the Fund") covering the fund year ("the year") to 31 March 2026.

The purpose of this statement is to:

1. Set out how, and the extent to which, in the opinion of the Trustee, the Fund's engagement policy (required under regulation 23c of the Occupational Pension Schemes Investment Regulations 2005) has been followed during the year.

2. Describe the voting behaviour by, or on behalf of the Trustee, including the most significant votes cast during the year and state any use of services of a proxy voter during that year. Further information on voting activity, including voting statistics and examples of significant votes, is set out in the Appendix to this Statement.

3. This statement sets out how the Trustee has complied with the voting and engagement policies detailed in the Fund's Statement of Investment Principles ("SIP").

A copy of this Implementation Statement has been made available on the following website: https://www.mnopf.co.uk/publications_reports.html

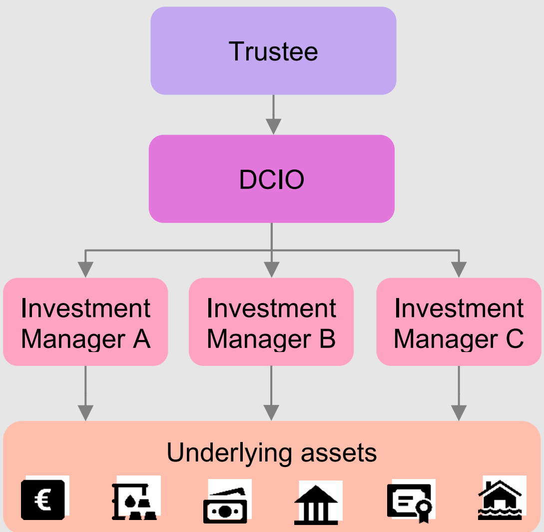
What is the SIP?

The SIP sets out key investment policies including the Trustee's investment objectives and investment strategy.

It also explains how and why the Trustee delegates certain responsibilities to third parties and the risks the Fund faces and the mitigated responses.

The Trustee last reviewed the SIP in September 2025 but no changes were made. The Trustee reviews it on an annual basis.

How are the Fund's investments managed?



Trustee - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retains overall responsibility for the Fund's investment strategy but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge and resources.

Delegated Chief Investment Officer ("DCIO") – The Trustee appointed a DCIO to implement the Trustee's investment strategy. The DCIO allocates the Fund's assets between asset classes and investment managers.

Investment managers – The DCIO appoints underlying investment managers either using a pooled vehicle or a segregated mandate, where these assets are held directly in the Fund's name. The DCIO will look for best in class specialist managers for each asset class.

Underlying assets – The investment managers pick the underlying investments for their specialist mandate, e.g. shares in a company or government bonds.

Why does the Trustee believe voting and engagement is important?

The Trustee's view is that Environmental, Social and Governance ("ESG") factors can have a potential impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustee further believes that voting and engagement are important tools to influence these issues.

The Trustee has appointed a DCIO who shares this view and considers and integrates ESG factors, voting and engagement in its processes.

The Trustee incorporates an assessment of the DCIO's performance in this area as part of its overall assessment of the DCIO's performance.

What is the Trustee's voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations, but has identified climate change, human and labour rights, and human capital as key areas of focus for the Trustee.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustee expects the DCIO to engage with investment managers to improve their processes.

What training have the Trustee received over the year?

To ensure the Trustee remains up to date with best practice in ESG considerations, voting and engagement, the Trustee received the Fund's annual Sustainable Investment Review, which covers:

- The DCIO's approach to sustainable investment.
- Reporting on the sustainability credentials of the Fund's investment portfolio, including climate change metrics.
- An assessment of the ESG integration and engagement practices of the Fund's investment managers.
- The Chair attended a stewardship training session delivered by EOS at Federated Hermes ("EOS"). EOS provides engagement and voting services for some of the assets in which the Fund invests.

What are the DCIO's policies?

Climate change and net zero goal

The Trustee believes Climate Change is a current priority when engaging with public policy, investment managers and corporates.

The DCIO has a goal to achieve net zero greenhouse gas emissions across 'In Scope Solutions' by 2050. They believe the trajectory is important, so are also aiming to approximately halve emissions per amount invested by 2030.

Public policy and corporate engagement

The DCIO employs an external stewardship service provider, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2025 include:

- 859 companies engaged across regions on 3,849 issues and objectives
- 73 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 131,979 resolutions at 13,516 meetings, including 63% of meetings with one or more resolutions against management
- 55 consultation responses or a proactive equivalent made
- 181 discussions were held with relevant regulators and stakeholders

Industry initiatives

The DCIO participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information: https://www.wtwco.com/en-gb/solutions/services/sustainable-investment.

How does the DCIO assess the investment managers?

Investment manager appointment - The DCIO considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. Over the course of 2025, the DCIO researched 80 sustainability-themed strategies and engaged with over 50 external asset managers across more than 90 products.

Investment manager monitoring - The DCIO produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis. These reports form part of the Trustee's portfolio monitoring.

Investment manager termination - The DCIO engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The DCIO may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

Example of engagement carried out over the year

Illiquid Credit – Lending manager
Environment - Climate issue

Issue: The DCIO identified that this investment manager needed to improve the carbon emission data collection from underlying borrowers.

Outcome: The DCIO held meetings with the investment manager's ESG and Investment Reporting teams to discuss current information requirements and opportunities to enhance engagement with underlying borrowers. The investment manager continues to enhance its data collection processes to improve the quality and coverage of carbon emissions reporting.

The DCIO suggested that underlying borrowers are encouraged to provide revenue information to support more accurate financed emissions estimates where direct emissions data is unavailable.

Equity Manager
Human capital management issue

Issue: EOS identified an opportunity for the company to improve transparency around pay equity by disclosing both adjusted and unadjusted pay-gap data. An effective pay equity approach may help the company avoid potential legal and financial penalties of non-compliance as global regulations around pay equity have increased, including in the company's home state of California

Outcome: EOS engaged directly with the company and encouraged broader disclosure of pay-gap information, highlighting the importance of transparent reporting for investors assessing human capital management practices.

In 2025, the company published both adjusted and unadjusted pay-gap data within its 2024 sustainability reporting. The report also reiterated the company's commitment to inclusion and promoting pay equity. The company's efforts to analyse and demonstrate equitable pay practices may help it to attract and retain key talent for market relevancy, enhancing talent stability that can contribute to innovation, increase assets through IP development and increase revenue from differentiated products. EOS plans to continue to engage with the company on its human capital management strategy in the future.

High yield debt manager
Climate Change - Data coverage issue

Issue: The manager had not provided carbon emissions data through the DCIO's climate questionnaire, meaning that only around 5% of the fund's carbon footprint was covered by third party data. The DCIO's objective was to obtain more complete emissions data from the manager, improving transparency, the accuracy of carbon footprint reporting, and the monitoring of climate-related risks.

Outcome: After the investment manager failed to provide questionnaire data, the DCIO identified a major coverage gap and contacted the manager Investor Relations team to request the missing information. A follow up call was arranged to stress the importance of full disclosure and to support their submission process.

Following this engagement, the investment manager provided full carbon emissions data, increasing coverage from around 5% to 100%. This significantly improved transparency and enabled more effective monitoring of climate-related risks within the strategy. The manager acknowledged the engagement as a catalyst for this improvement.

In conclusion…

The Trustee is satisfied that over the year, all SIP policies and principles were adhered to and in particular, those relating to voting and engagement

Appendix

What are the voting statistics we provide?

The Fund is invested across a diverse range of asset classes which carry different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the Fund's equity investment managers.

Responses received are provided in the following pages. The following criteria was used to determine the most significant votes:

- The manager deems the vote to be notable for the Fund significant
- The vote is in one of the stewardship priority areas identified by the Trustee (human and labour rights, climate change and human capital).
- The size of the company holding related to the vote
- It was a vote against company management
- The vote provides representation of the stewardship activity across different types of investment manager and mandates
- The total number of votes identified and reported by the Trustee is at a proportionate level

The Fund is invested in both active (trying to outperform the market) and passive (aiming to perform in line with the market) equity funds. The Trustee has decided not to publicly disclose active investment manager names as the Trustee believes this could impact the investment manager's ability to generate the best investment outcome.

How have our Investment Managers voted over the last 12 months?

Passive infrastructure fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	22
Number of resolutions on which manager was eligible to vote:	349
Percentage of eligible votes cast:	100.0%
Of the votes cast, percentage of votes	
with management:	97.4%
against management:	2.0%
abstained from:	0.6%
% of meetings, where the manager voted and there was at least once against management:	13.6%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	N/A

What is this manager's voting policy?

The manager conducts all proxy voting analysis and decision-making internally and does not rely on proxy advisory firms. Proxy voting recommendations are prepared by the relevant sector investment team and submitted to the Investment Committee ("IC"). These recommendations include an assessment of material ESG risks and key company-specific issues, together with voting recommendations where appropriate.

Responsibility for final voting decisions rests with the relevant IC. The only exception applies to segregated mandate clients who have requested and exercised their right to override proxy voting decisions on shares held by their custodian.

The manager maintains a record of all proxy votes and makes this information available to clients and other interested parties through its website.

Where the manager intends to vote against management recommendations, the relevant sector investment team will, where practicable, communicate its intentions to company management in advance and explain the rationale for its position. Following a vote against management, the manager will discuss the decision during subsequent company engagements, including reference to the underlying ESG considerations that informed the vote.

Which of these votes do we think were significant?

Company:	**Pinnacle West Capital Corporation**
Resolution:	**To amend the restated articles of incorporation, as amended, to increase the number of authorised common stocks of Pinnacle West**
Allocation in manager portfolio:	4.4%
Date of vote:	21 May 2025
How the manager voted:	"Against" the management resolution
Prior notice to management (if voting against management):	Yes
Manager rationale for vote:	The proposed increase in the number of authorised common shares from 150 million to 300 million is in excess of what is needed to help fund the capital programme (as doubling of the share count is significant) and stock purchase/dividend reinvestment plan. The manager's concern is that the requested increase in authorised shares may be used for paying for a potential acquisition with own issued shares (without needing shareholder approval) or using large share issuance as a potential takeover bid defense mechanism. Both potential scenarios may not deliver the best value for shareholders.
Trustee rationale for significance:	A vote against management and size of holding.
Outcome of the vote:	Resolution passed
Implications of the outcome:	The manager will use the company's shareholder outreach meeting in the fall of 2025 to discuss the annual general meeting (AGM) outcome, to understand what resolutions the company is

	planning to propose during the 2026 AGM and to communicate their priorities and perspectives.

Company:	**Aena SME SA**
Resolution:	**Updated report on the climate action plan 2024**
Allocation in manager portfolio:	3.2%
Date of vote:	9 April 2025
How the manager voted:	"For" the management resolution
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	In 2023, the manager abstained from supporting Resolution #11 (2022 Climate Action Plan – Landing and Take-Off (LTO) Cycle Scope 3 Emissions) on the basis that the proposal did not include explicit quantitative targets or clearly defined emissions-reduction objectives. Management has since accelerated its Net Zero commitment for Scope 1 and 2 emissions to 2030 (previously 2040) and included a 90% reduction in Scope 3 emissions (which includes the LTO cycle) by 2050 within its long-term emissions-reduction target. The manager endorses the updated climate action plan and forecasts company emissions through 2050 within the below-two-degree scenario budget pathway. This reclassifies the company to an aligned pathway (previously potential to transition). Resolution #12 (climate action plan 2024) is a significant vote.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change). Size of holding and the manager considered this to be a notable resolution
Outcome of the vote:	Resolution passed
Implications of the outcome:	The objective was to encourage the management and board to continue with improved disclosure and scenario planning.

A global equity fund focused on global energy sector

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	17
Number of resolutions on which manager was eligible to vote:	294
Percentage of eligible votes cast:	100.0%
Of the votes cast, percentage of votes	
with management:	96.9%
against management:	3.1%
abstained from:	0.0%
% of meetings, where the manager voted and there was at least once against management:	46.7%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	13.3%

What is this manager's voting policy?

The manager is subscribed to the Institutional Shareholder Services ("ISS") Sustainability Policy in order to further enhance their ESG reporting capabilities regarding voting and engagement. The ISS Sustainability Policy is a set of sustainability proxy voting guidelines and seeks to promote support for recognised global governing bodies promoting sustainable business practices advocating for stewardship of environment, fair labour practices, non-discrimination, and the protection of human rights.

The manager generally votes in favour of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated). For other proposals, the manager will assess what is in the best interests of its clients and, in doing so, may consider the following factors:

- whether the proposal was recommended by management and the manager's opinion of management;
- whether the proposal acts to entrench existing management;
- whether the proposal fairly compensates management for past and future performance;
- Environmental, Social and Governance factors, and
- ISS' Research Reports and Sustainability Policy

The manager's Proxy Voting Policy requires the manager to identify and address conflicts of interest between its related persons and clients. If a material conflict of interest exists, the manager will determine whether voting in accordance with the guidelines set forth in the Proxy Voting Policy is in the best interests of the client or whether taking some other action may be more appropriate.

The compliance team reviews the proxy voting records monthly to ensure consistency with the Proxy Voting Policy.

Which of these votes do we think were significant?

Company:	**First Solar, Inc.**
Resolution:	**Amend right to call special meeting**
Allocation in manager portfolio:	4.8%
Date of vote:	14 May 2025
How the manager voted:	"Against" the shareholder resolution, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	The amendment would have raised the ownership threshold, unduly restricting shareholder rights.
Trustee rationale for significance:	Size of holding and the manager considered this to be a notable resolution
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager's decision to vote against the resolution was aligned with most shareholders. The proposal did not pass, preserving the existing shareholder right to call special meetings at a lower threshold.

Company:	**Vestas Wind Systems A/S**
Resolution:	**Approved remuneration report (advisory vote)**
Allocation in manager portfolio:	3.8%
Date of vote:	8 April 2025
How the manager voted:	"Against" the management resolution
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The manager's policy review identified a material misalignment between pay outcomes and underlying company performance.
Trustee rationale for significance:	The manager voted against management resolution. Also, the manager considered this to be a notable resolution and size of position.
Outcome of the vote:	Resolution passed
Implications of the outcome:	Despite passing, the 12.2% dissent level signals broader shareholder concern on pay-performance alignment. The manager will re-engage with the management ahead of the next annual general meeting.

Pooled multi-manager equity fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	187
Number of resolutions on which manager was eligible to vote:	3,615
Percentage of eligible votes cast:	97.5%
Of the votes cast, percentage of votes	
with management:	89.2%
against management:	10.5%
abstained from:	0.3%
% of meetings, where the manager voted and there was at least once against management:	43.9%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	9.3%

What is this manager's voting policy?

As a fund of funds, voting rights for the holdings are the responsibility of the underlying managers. The manager expects all of their underlying managers who hold equities over a reasonable timeframe to exercise their voting rights on all shares held. The manager has appointed EOS to provide voting recommendations to enhance engagement and achieve responsible ownership. EOS also carries out public policy engagement and advocacy on behalf of all of our clients. In addition, EOS is expanding the remit of engagement activity they perform on our behalf beyond public equity markets, which will enhance stewardship practices over time."

The underlying managers use ISS 'ProxyExchange' electronic voting platform to electronically vote clients' shares. The underlying manager must provide an explanation and note their rationale when they choose to vote differently to the recommendation.

Which of these votes do we think were significant?

Company:	**Alphabet Inc.**
Resolution:	**Shareholder proposal to publish a human rights impact assessment of artificial intelligence (AI) driven targeted advertising**
Allocation in manager portfolio:	3.3%
Date of vote:	29 May 2025
How the manager voted:	"For" the shareholder resolution, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The manager voted in favour of the proposal requesting an independent report to assess potential human rights impact from artificial intelligence (“AI”) targeted advertising. Similar to last year, the Responsible Investment (“RI”) Committee voted against management and was aligned with the recommendations of EOS and ISS. Given targeted advertising is central to the company's business, a third-party assessment could provide better transparency on related risks. The proposal addresses an emerging area of concern, AI-targeted ads, with significant implications from a regulatory, legal and reputational perspective to the company's business. While the company believes it has sufficient oversight and disclosure, the RI Committee believes an independent human rights assessment will better address legal and regulatory concerns. It is the manager's view, given the scale of the company's ad business and its leadership position in AI development, transparency on the associated impacts will better manage longer term risks.
Trustee rationale for significance:	Vote topic is one of the Trustee’s stated stewardship priorities (human rights) and size of the position. The manager also voted against management recommendation.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager was disappointed with the vote outcome, but expects similar proposals in the future, which they will support.

Company:	**Meta Platforms**
Resolution:	**Disclose a climate transition plan resulting in new renewable energy capacity**
Allocation in manager portfolio:	3.1%
Date of vote:	28 May 2025
How the manager voted:	"For" the shareholder resolution, against management recommendation
Prior notice to management (if voting against management):	No

Manager rationale for vote:	Promotes transparency around environmental issues. The manager considers environmental factors to be an important consideration in assessing the long-term predictability and sustainability of a company's revenue and earnings growth.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change) and size of the position. The manager also voted against management recommendation.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager will continue to consider proposals whether from management or shareholders which enhance transparency around environmental issues.

Pooled multi-asset growth index fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	903
Number of resolutions on which manager was eligible to vote:	10,377
Percentage of eligible votes cast:	100.0%
Of the votes cast, percentage of votes	
with management:	92.1%
against management:	5.6%
abstained from:	2.3%
% of meetings, where the manager voted and there was at least once against management:	41.3%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	N/A

What is this manager's voting policy?

The sustainability proxy voting and engagement policy defines client-led positions on four key sustainability priorities: climate change, nature, human rights, and diversity. For issues outside these priorities, the sustainability stewardship team applies the manager's global proxy voting and engagement policy alongside the sustainability policy. The policy represents the views of opt-in clients, not the manager or the Global Asset Stewardship team.

The sustainability stewardship team develops the policy based on client input, conducts engagements on behalf of opt-in clients, and votes proxies for clients who have elected to apply the policy. It sets out general expectations for companies' disclosure and oversight of sustainability risks and opportunities and may withhold support from directors where companies are misaligned. Shareholder proposals related to the four priorities are assessed case by case using specific voting criteria and principles outlined in the policy.

The Sustainability Service appoints ISS as its primary proxy voting service provider to act as proxy voting agent, including vote execution and administrative services, provide research and analysis on proxy voting ballot items, and facilitate ballot splitting under the Sustainability Policy, which allows eligible investors to apply this policy to their pro rata holdings in relevant funds. In addition, all voting decisions and engagement activities for which the Sustainability Service has been given voting discretion are undertaken in accordance with the Sustainability Policy. As such, proxy advisory firms do not provide the Sustainability Stewardship Service with any vote recommendations, and all final vote decisions are made by the Sustainability Service.

Which of these votes do we think were significant?

Company:	**Apple Inc.**
Resolution:	**Operations in high-risk countries – China entanglement audit**
Allocation in manager portfolio:	5.1%
Date of vote:	24 February 2026
How the manager voted:	“Against” the shareholder resolution, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	This proposal does not merit support as the company's disclosures related to operations in high-risk countries are reasonable.
Trustee rationale for significance:	The manager considered this to be a notable resolution and size of the holding.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

Company:	**Alphabet Inc,**
Resolution:	**GHG Emissions – enhanced disclosure on climate goals**
Allocation in manager portfolio:	2.3%
Date of vote:	6 June 2025
How the manager voted:	“Against” the shareholder resolution, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	This proposal does not merit support as the company's climate-related disclosures are reasonable.
Trustee rationale for significance:	Vote topic is one of the Trustee’s stated stewardship priorities (climate change) and size of holding. The manager also considered this to be a notable resolution.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

Active emerging multi-asset fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	432
Number of resolutions on which manager was eligible to vote:	4,287
Percentage of eligible votes cast:	100.0%
Of the votes cast, percentage of votes	
with management:	84.8%
against management:	11.4%
abstained from:	3.8%
% of meetings, where the manager voted and there was at least once against management:	44.9%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	2.2%

What is this manager's voting policy?

The manager's policy is to vote proxies on a given issue in the same manner for all clients. With full proxy authority, the manager attempts to vote on 100% of the portfolio on a best-effort basis. This is subject to market restrictions due to share-blocking, custodial support, and the availability of timely research on agenda items. The manager has approved specific proxy voting guidelines regarding various common proxy proposals. These guidelines set out whether the manager's professionals should vote for or against a specific agenda item in every instance or whether an issue should be considered on a case-by-case basis.

The manager currently subscribes to advisory and other proxy voting services provided by Institutional Shareholder Services Inc. ("ISS") and Glass, Lewis & Co. ("Glass Lewis"). These proxy advisory services provide independent analysis and recommendations regarding various companies' proxy proposals.

While this research serves to help improve their understanding of the issues surrounding a company's proxy proposals, manager's portfolio manager/analysts and research analysts (collectively, "Portfolio Management") are responsible for providing the vote recommendation for a given proposal except when the conflicts of interest policy applies. ISS provides additional proxy-related administrative services to the manager. ISS receives on manager's behalf all proxy information sent by custodians that hold securities on behalf of manager's clients and sponsored funds. ISS posts all relevant information regarding the proxy on its password-protected website for the manager to review, including meeting dates, all agendas and ISS' analysis.

The proxy administration team reviews this information daily and regularly communicates with representatives of ISS to ensure that all agendas are considered, and proxies are voted on a timely basis. ISS also provides the manager with vote execution, record keeping and reporting support services. Members of the Proxy Committee, along with members of the Legal & Compliance Team, conduct periodic due diligence of ISS and Glass Lewis consisting of an annual questionnaire and, as appropriate, on-site visits.

Which of these votes do we think were significant?

Company:	**Tencent Holdings Limited**
Resolution:	**Approve issuance of equity or equity-linked securities without preemptive rights**
Allocation in manager portfolio:	4.6%
Date of vote:	14 May 2025
How the manager voted:	"Against" the management resolution
Prior notice to management (if voting against management):	No confirmation provided
Manager rationale for vote:	The company has not specified the discount limit for issuances of shares for cash and non-cash consideration. The manager generally supports capital structure proposals that are reasonable, transparent, and aligned with long-term shareholder value. This typically includes supporting routine share issuances, buybacks, stock splits, or dividend authorizations that have clear business purposes and do not cause excessive dilution. The manager generally opposes capital authorizations that could be used for anti-takeover purposes, create material dilution without adequate justification, or disproportionately benefit controlling shareholders.
Trustee rationale for significance:	A vote against management and size of the position. The manager also considered this to be a notable resolution.
Outcome of the vote:	Resolution passed
Implications of the outcome:	As active managers, outcomes stemming from voting decisions and engagement are incorporated into their investment process, further enhancing long-term value for clients and beneficiaries. The manager believes the most effective shareholder engagement is undertaken by analysts who can contextualize the information that arises from the dialogues which is reflected in their voting decisions and then incorporated into their investment process. The manager engages with the companies on a regular basis and in the case where they have voted against management they would typically follow up.

Company:	**Alibaba Group Holding Limited**
Resolution:	**Approve auditors and authorize board to fix their remuneration**
Allocation in manager portfolio:	3.8%
Date of vote:	25 September 2025
How the manager voted:	"Against" the management resolution
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	The manager generally supports proposals that strengthen board effectiveness, enhance accountability, and protect shareholder rights. This includes supporting governance structures that ensure independent oversight, adequate director

	refreshment and diversity, transparent board practices, and meaningful shareholder participation. The manager generally opposes proposals that entrench management, concentrate voting power, reduce transparency, or limit shareholders' ability to exercise their rights.
Trustee rationale for significance:	The manager considered this to be a notable resolution and size of the position.
Outcome of the vote:	Resolution passed
Implications of the outcome:	As active managers, outcomes stemming from voting decisions and engagement are incorporated into their investment process, further enhancing long-term value for clients and beneficiaries. The manager believes the most effective shareholder engagement is undertaken by analysts who can contextualize the information that arises from the dialogues which is reflected in their voting decisions and then incorporated into their investment process. They engage with companies on a regular basis and in the case where they have voted against management they would typically follow up.

Active global property fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	47
Number of resolutions on which manager was eligible to vote:	620
Percentage of eligible votes cast:	100.0%
Of the votes cast, percentage of votes	
with management:	96.9%
against management:	3.1%
abstained from:	0.0%
% of meetings, where the manager voted and there was at least once against management:	25.5%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	N/A

What is this manager's voting policy?

The manager will review each resolution individually to arrive at a voting recommendation. The following key principles will be adhered to in making a recommendation: resolutions should treat shareholders equally; any material conflicts of interest must be appropriately addressed; resolutions should be clearly and individually stated, as composite resolutions are not optimal.

The manager will not abstain from any resolution unless it is in the client's best interest to abstain, the manager has received direct instruction from the client to abstain, regulations in the issuing company's country of domicile prevent lodging an against vote, or there is insufficient information to make an informed decision.

When voting against a resolution, the manager will endeavor to inform the company in advance. If this is not possible, the company will be advised as soon as practicable.

Which of these votes do we think were significant?

Company:	**Digital Realty Trust, Inc.**
Resolution:	**Adopt a policy on human right to water**
Allocation in manager portfolio:	5.7%
Date of vote:	6 June 2025
How the manager voted:	"Against" the shareholder resolution, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	The management recommended voting against this resolution, as the company felt that they had sufficiently addressed water consumption in the operations through several key initiatives. The company has developed only water-free datacentre since 2013, meaning that three out of four datacentre are waterless and where water is used, these tend to be in older, less energy dense centre. The company uses municipal wastewater for 45% of the water that is used. Given the company's already extensive work on reducing water consumption in its operations the manager agreed with management's recommendation and voted against this proposal.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (human rights) and size of the position. The manager also considered this to be a notable resolution.
Outcome of the vote:	Resolution failed
Implications of the outcome:	This shareholder resolution was unusual that it requested the company to "adopt a policy on the human right to water", something that the manager have not seen in their proxy voting before, so, the manager engaged with the company to better understand their approach to this resolution and why the company thought it did not need to implement the requested policy. They agreed with their reasoning and so the manager voted against the proposal.

Company:	**Equinix, Inc.**
Resolution:	**Reduce ownership threshold for shareholders to request action by written consent to 10%**
Allocation in manager portfolio:	5.2%
Date of vote:	21 May 2025
How the manager voted:	"For" the shareholder resolution, against management recommendation
Prior notice to management (if voting against management):	Yes
Manager rationale for vote:	This resolution enhanced shareholder rights, by decreasing the ownership threshold required to call special meetings. The proposal asks to reduce the ownership required from 25% down to 10%.
Trustee rationale for significance:	A vote against management and size of position. The manager also considered this notable resolution.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager communicated their views with the company and discussed this matter with them. The manager will vote for this resolution again if it is put forward at another annual general meeting.

In conclusion…

The Trustee is satisfied that over the year, all SIP policies and principles were adhered to and in particular, those relating to voting and engagement.