

# BELFAST HARBOUR COMMISSIONERS' PENSION SCHEME

## Chair's Statement (DC Section)

### The Chair's annual statement regarding governance

As Chair of Belfast Harbour Pension Fund Limited (the 'Trustee'), I am pleased to present the Trustee's statement of governance, covering the period 1 January 2024 to 31 December 2024. This Statement describes how the Trustee seeks to ensure that the Defined Contribution ('DC') Sections (consisting of the Defined Contribution Section and the Defined Contribution Auto-Enrolment Section) of the Belfast Harbour Commissioners' Pension Scheme (the 'Scheme') are well-managed and deliver excellent services to members. The Statement examines six key areas of the Trustee's governance, namely:

- The investment strategy relating to the Scheme's DC default arrangement;
- The processing of core financial transactions;
- Charges and transaction costs within the Scheme, including the disclosures for the impact of costs and charges;
- Net returns on investments;
- Asset allocation disclosure; and
- The Trustee's compliance with the statutory knowledge and understanding requirements.

In doing so, this statement provides the various statutory disclosures required by the Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997 (as amended).

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) Regulations (Northern Ireland) 2024 introduced a new requirement for the Trustee to report performance-based fees (often associated with illiquid assets) incurred in relation to each default arrangement, as a percentage of the average value of the assets held by that default arrangement in the Chair's Statement. As there are no performance-based fees relating to the default arrangement in the Scheme, no additional disclosures have been included in this Statement.

This Statement will be published online at <https://www.belfast-harbour.co.uk/publications> and this publicly available website will be signposted in the annual benefit statement.

### The default arrangement

The current default arrangement for the Scheme is a target date investment strategy, which is designed for members targeting income drawdown at retirement; it does this through investing in BlackRock's LifePath Flexi Fund range. The investment strategies for the LifePath Flexi Fund range automatically adjust as a member progresses through their life, before reaching maturity in line with a member's chosen target retirement date (or normal retirement date where no choice is made). The growth phase structure invests in equities and other growth-seeking assets. These investments are expected to provide long-term growth with some downside risk protection and some protection against inflation erosion. Exposure to growth assets is gradually reduced by introducing a variety of gilts, corporate bonds and other fixed income assets from 35 years before retirement. At the selected retirement date, broadly 40% of members' assets will be invested in growth assets (primarily equities with a small allocation to commodities), with the remaining funds invested in the defensive assets.

The latest copy of the Statement of Investment Principles (the 'SIP') prepared for the Scheme in compliance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations (Northern Ireland) 2005 is appended. This covers the Trustee's aims and objectives in relation to the default investment arrangement as well as Trustee's policies in relation to matters such as risk and diversification.

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Additionally, it states why the Trustee believes the default investment arrangement is designed in members' best interests.

The Trustee will continue to monitor the suitability of the default strategy and self-select investment options and the default strategy will be reviewed every three years or sooner if necessary, for example if there are significant changes in the Scheme's demographic profile. In addition, regular performance-based reviews are undertaken on a quarterly basis.

The Trustee last formally reviewed the investment strategy and performance of the default arrangement at the Trustee meetings held on the 2 September 2022 and 29 November 2022. The exercise covered a review of the aims and objectives of the default arrangement and how the default had been performing against them. The review concluded that the current default arrangement remains suitable as it continues to be a high-quality investment strategy that exhibits a good level of diversification. The Trustee, by considering member demographics and industry trends, also concluded that targeting drawdown at retirement remains suitable. The Trustee also reviewed the self-select fund range and concluded that, following the implementation of the Aegon LGIM Future World Global Equity Fund in January 2022, it offers a well-diversified range of options to members. The Trustee is due to commence an investment strategy review in Q2 2025.

### Core financial transactions

The Trustee recognises that delay and error can cause significant losses for members. They can also cause members to lose faith in the Scheme, which may in turn reduce their propensity to save and impair future outcomes. Therefore, the Trustee operates measures and controls aimed at ensuring that all financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately.

Core financial transactions include:

- Investment of contributions paid to the Scheme;
- Transfer of members' assets into and out of the Scheme;
- Transfers of members' assets between different investment options available in the Scheme; and
- Payments from the Scheme to or in respect of members.

The Trustee has appointed professional administrators and has delegated the day to day running of the Scheme, but the Trustee is aware that the responsibility of the running of the Scheme remains with it and it has implemented adequate internal controls, which are reviewed periodically. Core financial transactions have been processed promptly and accurately during the year as a result of the following actions:

- The Schedule of Contributions sets out timescales for Belfast Harbour Commissioners (the 'Company') to remit monthly contributions to the Scheme. Contributions were paid in line with this schedule during the year.
- Service Level Agreements (SLAs) are in place with the administrator, Aegon, which cover all core administration processes including changing of member details, payments in and out of the Scheme, retirement processes and investment switch requests.
- These standards are monitored and reviewed by the Trustee via quarterly administration reports from Aegon. The Trustee is committed to monitoring service to ensure that members receive service in line with expectations.
- The reports detail when the contributions are received and invested along with details of transfers in/out of the Scheme.

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- Over the course of 2024, performance of the core financial transactions against SLAs has marginally decreased (averaging 98.2% for the year compared to 100% in 2023) but was above the target in the SLA of 95%. The Trustee, together with the Company, will continue to monitor SLA performance and challenge the administrator where necessary.
- The administrator provides an AAF audit report each year which helps the Trustee understand the effectiveness of the administrator's internal controls and how it intends to address any weaknesses. The AAF audit report to the year end 30 September 2024 was received by the Trustee in May 2025 alongside a 'bridge letter' covering the period to 31 March 2025 confirming the control environment set out in the AAF audit report to 30 September 2024 had not materially changed. It also confirmed that, to the best of Aegon's knowledge, the 2024 report "continues to provide a substantially accurate description of the Pension Administration Services and related internal controls". The Trustee plans to review this report in due course and challenge Aegon on any issues raised.
- The Company checks that details of the correct contributions have been uploaded onto the Aegon website each month by checking this against payroll and performing a reconciliation.
- A detailed disaster recovery plan is in place for Aegon, parts of which are disclosed in the AAF internal controls report.
- A professional firm, Deloitte LLP, was appointed in 2020 and has since undertaken an annual audit as part of the Scheme's report and accounts. An internal audit is normally carried out triennially. An internal audit was undertaken during the Scheme year. No issues were identified.

### Charges and transactions costs

The Trustee is required to report on all charges and, to the extent that they are known, transaction costs deducted from members' funds. It must also report on its assessment of the extent to which these costs represent good value for members (detailed in the 'Value for Members' section of this Statement).

The charges deducted from members' funds are categorised as follows:

- Annual management charge ('AMC') - this is essentially the charge paid to the fund manager for managing the fund. It is expressed as a percentage of the fund's assets. As the Scheme has a bundled arrangement with Aegon, this charge also includes administration, the investment/administrative platform and member communications.
- Total expenses ratio ('TER') - this is also expressed as a percentage of the fund and consists principally of the AMC, but also includes the costs for other services paid for by the investment manager, such as the legal costs, registration fees and custodian fees.

All members are charged the same AMC and TER. However, the Company pays the AMC on behalf of active members. The difference between this charge and the TER is deducted from active members' funds. Deferred members pay the full TER from their funds.

The charges and transaction costs applicable for the year to 31 December 2024 are shown in the table below (these have been provided by Aegon). Transaction costs are expenses associated with the investment manager trading a fund's underlying securities, including commissions and stamp duty.

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Fund	Active members		Deferred members		Transaction costs
	AMC	TER	AMC	TER	
LifePath Target Date Fund Range (Flexi * / Retirement/ Capital)	0.00%	0.00%	0.41%	0.41%	Varies for all LifePath funds. The transaction costs for the LifePath funds are listed in the table below.
LifePath Flexi	0.00%	0.00%	0.41%	0.41%	
LifePath Retirement	0.00%	0.00%	0.41%	0.41%	-
LifePath Capital	0.00%	0.03%	0.43%	0.43%	-
Aegon BlackRock DC Aquila UK Equity Index	0.00%	0.01%	0.35%	0.36%	0.06%
Aegon BlackRock DC Aquila World (ex UK) Equity Index	0.00%	0.01%	0.35%	0.36%	0.02%
Aegon LGIM Future World Global Equity	0.00%	0.01%	0.51%	0.52%	0.01%
Aegon BlackRock DC Aquila Emerging Markets Equity Index	0.00%	0.06%	0.43%	0.49%	0.00%
Aegon BlackRock DC Aquila Corporate Bond All Stocks Index	0.00%	0.01%	0.35%	0.36%	0.00%
Aegon BlackRock DC Diversified Growth	0.00%	0.04%	0.55%	0.59%	0.47%
Aegon BlackRock Over 5 Year Index-linked Gilt Index Fund	0.00%	0.01%	0.45%	0.46%	0.00%
Aegon BlackRock DC Property	0.00%	0.02%	0.98%	1.00%	0.04%
Aegon BlackRock DC Cash	0.00%	0.00%	0.35%	0.35%	0.01%

Source: Aegon as at 31/12/2024.

\*Current default arrangement.

The transaction costs for the funds in the LifePath Retirement, Capital and Flexi ranges are as follows:

Fund	Total transaction costs (%)	Fund	Total transaction costs (%)
LifePath Retirement 2058-2060	0.04%	LifePath Flexi 2049-2051	0.04%
LifePath Retirement 2049-2051	0.04%	LifePath Flexi 2046-2048	0.04%
LifePath Retirement 2043-2045	0.04%	LifePath Flexi 2043-2045	0.04%
LifePath Retirement 2037-2039	0.04%	LifePath Flexi 2040-2042	0.04%
LifePath Retirement 2034-2036	0.03%	LifePath Flexi 2037-2039	0.04%
LifePath Retirement 2028-2030	0.03%	LifePath Flexi 2034-2036	0.03%
LifePath Flexi 2070-2072	0.04%	LifePath Flexi 2031-2033	0.03%
LifePath Flexi 2064-2066	0.04%	LifePath Flexi 2028-2030	0.03%
LifePath Flexi 2061-2063	0.04%	LifePath Flexi 2025-2027	0.03%
LifePath Flexi 2058-2060	0.04%	LifePath Flexi 2022-2024	0.03%
LifePath Flexi 2055-2057	0.04%	LifePath Capital 2025-2027	0.02%
LifePath Flexi 2052-2054	0.04%	LifePath Capital 2022-2024	0.04%

Source: Aegon as at 31/12/2024. LifePath funds where no assets are invested have been excluded.

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The Trustee notes a number of challenges in assessing transaction costs:

- No industry-wide benchmarks for transaction costs exist;
- The methodology leads to some curious results, most notably “negative” transaction costs; and
- Transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs.

The Trustee will continue to request and monitor transaction costs and monitor developments in assessing such costs for value.

### Illustration of the impact of charges and costs on a member's pot size over time

In addition to the information above, the Trustee is required to present pound and pence illustrations of the impact of charges and transaction costs on members' pots. The Trustee has taken account of the statutory guidance when preparing the analysis below.

#### Purpose of these example illustrations

The illustrations that follow should not be considered personal illustrations. They are based on the assumptions detailed in this section. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds you invest in over time.

Separate illustrations for active members and deferred members have been included due to the difference in member borne charges (with the Company paying the AMC for active members).

Please note the main assumptions relevant to both the active and deferred member illustrations are shown after the illustration tables.

#### Active member illustrations

##### Fund transactional charges and costs total (%)

	LifePath Flexi 2070-2072	Aegon BlackRock Cash (BLK)	Aegon BlackRock DC Diversified Growth
Growth (above inflation)	2.00% to 3.00%*	2.04%	2.58%
AMC	0.00%**	0.00%**	0.00%**
AAE	0.00%	0.00%	0.04%
TC	0.07%	0.01%	0.45%

\* The growth rate used for the Lifepath fund varies through time based on the underlying asset mix

\*\* AMC is paid by employer for active members

**Growth** is the assumed growth rate for the fund after taking into account assumed price inflation of 2% per annum.

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

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

**TC** are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on the average of the actual transaction costs for the period 01/01/20 to 31/12/24.

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

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

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

	LifePath Flexi 2070-2072		Aegon BlackRock Cash (BLK)		Aegon BlackRock DC Diversified Growth	
Years	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges
1	37,856	37,832	37,594	37,590	37,760	37,593
3	56,653	56,560	55,658	55,645	56,302	55,657
5	76,976	76,782	74,942	74,915	76,275	74,939
10	135,121	134,506	128,916	128,833	133,054	128,908
15	205,136	203,803	192,004	191,829	200,835	191,987
20	288,987	286,550	265,420	265,107	281,332	265,388
25	388,939	384,901	350,523	350,017	376,503	350,472
30	507,605	501,335	448,836	448,068	488,588	448,758
35	647,991	638,697	562,064	560,951	620,143	561,950
40	813,562	800,251	692,113	690,557	774,085	691,954
45	1,008,302	989,744	841,116	838,997	953,743	840,899
47	1,095,369	1,074,306	906,549	904,166	1,033,639	906,305

### Deferred member illustrations

#### Fund transactional charges and costs total (%)

	LifePath Flexi 2070-2072	Aegon BlackRock World (Ex UK) Equity Index	Aegon BlackRock Property Fund
Growth (above inflation)	2.00% to 3.00%*	2.99%	2.82%
AMC	0.41%	0.35%	0.98%

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AAE	0.00%	0.01%	0.02%
TC	0.07%	0.07%	0.07%

\* The growth rate used for the LifePath fund varies through time based on the underlying asset mix

**Growth** is the assumed growth rate for the fund after taking into account assumed price inflation of 2% per annum.

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

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

**TC** are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on actual transaction costs for the period 01/01/20 to 31/12/24.

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

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

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

	Lifepath Flexi 2070-72 (BLK)		Aegon BlackRock World (Ex UK) Equity Index (BLK)		Aegon BlackRock Property	
Years	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges
1	29,812	29,669	29,841	29,713	29,783	29,466
3	31,505	31,054	31,597	31,192	31,413	30,421
5	33,294	32,504	33,456	32,744	33,132	31,406
10	38,223	36,432	38,597	36,972	37,853	34,012
15	43,883	40,834	44,528	41,746	43,247	36,834
20	50,380	45,769	51,370	47,136	49,409	39,890
25	57,840	51,299	59,263	53,222	56,449	43,200
30	66,404	57,498	68,369	60,094	64,493	46,784
35	76,235	64,446	78,874	67,854	73,682	50,666
40	87,523	72,233	90,994	76,615	84,181	54,870
45	100,482	80,962	104,976	86,507	96,176	59,422
47	106,188	84,742	111,153	90,813	101,440	61,347

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### About the illustrations (assumptions) for active and deferred members

Current age is 18 and retirement age is 65. This is based on the age of the youngest person in the Scheme.

For active members, current salary is £40,000 and will increase each year by 3.5%.

For active members, future contributions paid will be 20% of the member's salary (£667 each month increasing by 3.5% each year in line with assumed salary increases).

The existing fund value for both active and deferred members is £29,000 which based on the median value of the total holdings within the Scheme. This is calculated by listing the total holdings of each member in the Scheme, from the lowest to the highest value and selecting the value in the middle.

The illustration shows the default LifePath Flexi Investment option that the majority of members invest in for active and deferred members.

For active members, the illustration also includes the Aegon BlackRock Cash Fund and the Aegon BlackRock DC Diversified Growth funds to show the funds with the lowest and highest charges respectively.

For deferred members, the illustration also includes the Aegon BlackRock World (Ex UK) Equity Index (BLK) and the Aegon BlackRock DC Property funds to show the funds with the lowest and highest charges respectively.

### Investment growth notes for illustrations (assumptions)

These illustrations use assumptions which are based on the Financial Conduct Authority's Conduct of business sourcebook (CoBS).

The value of investments will grow at a rate appropriate to the where the Scheme's members are invested and inflation will be 2.0% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) the members are invested in.

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

If the growth rate used is:

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

### **Asset Allocation of the Default Arrangement**

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations (Northern Ireland) 2024 introduced new requirements for trustees and managers of certain occupational pension schemes.

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The Trustee is now required to disclose the full asset allocations of investments from the Scheme's default arrangements in this Statement.

	Percentage allocation – average 25 years (%)	Percentage allocation – average 45 years (%)	Percentage allocation – average 55 years (%)	Percentage allocation – average 65 years (%)
	LifePath Flexi 2064-2066	LifePath Flexi 2043-2045	LifePath Flexi 2034-2036	LifePath Flexi 2022-2024
<b>Cash</b>	0.0%	0.1%	0.3%	1.3%
<b>Bonds</b>	0.0%	19.0%	37.0%	60.4%
<b>Listed Equity</b>	95.1%	81.0%	62.7%	38.4%
<b>Private Equity</b>	0.0%	0.0%	0.0%	0.0%
<b>Property</b>	4.9%	0.0%	0.0%	0.0%
<b>Infrastructure</b>	0.0%	0.0%	0.0%	0.0%
<b>Private Debt</b>	0.0%	0.0%	0.0%	0.0%
<b>Other</b>	0.0%	0.0%	0.0%	0.0%

Source: Aegon, asset allocation as at 31 December 2024

Total may not sum to 100% due to rounding

### Long-Term Net Investment Returns

Regulations introduced in 2021 require the Trustee to report on the net investment returns for the Scheme's default arrangements and for each fund which Scheme members are, or have been able to, select and in which members are invested during the Scheme year. Net investment returns refer to the returns on funds minus all transaction costs and charges.

The tables below include the long-term net investment return for the Scheme's default and alternative strategies which have been calculated in accordance with the statutory guidance.

Age of member at start of period	Annualised returns to 31/12/2024 (%)*			
	Active members		Deferred members	
Default strategy (LifePath Flexi)	1 year	5 years	1 year	5 years
25	18.4	9.8	17.9	9.4
45	15.0	6.5	14.5	6.1
55	10.9	5.7	10.4	4.0
LifePath Capital	1 year	5 years	1 year	5 years
25	_*	_*	_*	_*
45	_*	_*	_*	_*
55	_*	_*	_*	_*
LifePath Retirement	1 year	5 years	1 year	5 years
25	_*	_*	_*	_*
45	15.0	6.5	14.5	6.1
55	9.0	3.0	8.6	2.6

Source: Aegon and Mercer estimates. Performance shown net of all charges and transaction costs.

\*There is no performance available for these funds due to limited member investment in this LifePath fund series.

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The table below includes the long-term net investment return for the Scheme's self-select funds:

Self-select fund	Annualised returns to 31/12/2024 (%)			
	Active members		Deferred members	
	1 year	5 years	1 year	5 years
Aegon BlackRock DC Aquila UK Equity Index	8.5	4.2	8.1	3.9
Aegon BlackRock DC Aquila World (ex UK) Equity Index	20.8	12.9	20.4	12.5
Aegon LGIM Future World Global Equity	20.5	-	20.0	-
Aegon BlackRock DC Aquila Emerging Markets Equity Index	10.0	2.2	9.5	1.7
Aegon BlackRock DC Aquila Corporate Bond All Stocks Index	1.5	-1.3	1.1	-1.7
Aegon BlackRock DC Diversified Growth	10.0	4.5	9.4	3.9
Aegon BlackRock Over 5 Year Index-linked Gilt Index Fund	-10.4	-8.4	-10.9	-8.9
Aegon BlackRock DC Property	4.5	2.3	3.5	1.3
Aegon BlackRock DC Cash	5.5	2.4	5.1	2.0

Source: Aegon and Mercer estimates.

Performance shown net of all charges and transaction costs.

Performance data for 10, 15 and 20 years was not available, as the current Scheme arrangements do not have more than 6 years of history.

### Value for Members

The Trustee is committed to ensuring that members receive good value from the Scheme. The Trustee with support from its advisers, Mercer Limited, has undertaken a value for members' assessment. This year's assessment is based on the regulatory requirements for "small schemes", as introduced by the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations (Northern Ireland) 2021. This assessment considered the following areas:

Assessment area	Type of assessment
1. Costs and charges	Comparative assessment against three larger DC arrangements, considering the level of ongoing member-borne charges and transaction costs.
2. Net investment returns	Comparative assessment against three larger DC arrangements, considering investment performance net of all member-borne costs and charges.

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3. Administration and governance	Standalone assessment of the Scheme's governance and administration arrangements, covering: promptness and accuracy of core financial transactions; quality of record keeping; appropriateness of the default investment strategy; quality of investment governance; level of trustee knowledge and understanding and skills to operate the Scheme effectively; quality of member communications; and effectiveness of management of conflicts of interest.
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For the first two areas, the assessment is based on a comparison with three comparator arrangements (NEST Master Trust, The People's Pension Scheme and NOW: Pensions). These comparators were chosen as they could each be a viable destination if the Scheme were ever to wind up.

The Trustee concluded that the Scheme's overall benefits and options represent good value for money in comparison to the costs payable by members, when considered across a number of measures.

An overview of the results of the Trustee's assessment against the three areas is shown below.

Assessment area	Key comments
Costs and charges	Overall, the Trustee has assessed the Scheme as offering good value from a costs and charges perspective, relative to the three comparators chosen. Active members, who account for the majority of the membership, benefit from AMC being paid by the Company. Therefore, this has been assessed as good value relative to the comparators. Additionally, Aegon has agreed to reduce the fee of the LifePath lifestyle strategies and the majority of the self-select funds, due to take effect in mid-2025. The Trustee and Company will continue to review the overall charges of LifePath versus the comparators.
Net investment returns	<p><u>DEFAULT ARRANGEMENT</u></p> <p>For the one-year performance, the Scheme's net investment returns have outperformed all comparators apart from in respect of members who are above 55 years. In terms of longer-term performance, the Scheme's net investment returns have outperformed against NOW and People's Pension and slightly underperformed against NEST for both active and deferred members. Overall, the Trustee believes the default remains competitive against its comparators.</p> <p><u>TWO MOST POPULAR SELF-SELECT FUNDS</u></p> <p>The Scheme's 2 most popular self-select funds both exceeded the net investment returns relative to the comparator schemes over one-year. One of these funds also exceeded the net investment performance over 5 years. The other fund has not been in existence for 5 years so no comparison could be provided over this timeframe. Overall, the Trustee believes the Scheme's self-select range remains very competitive against its comparators.</p> <p><u>CONCLUSION</u></p> <p>Overall, the Trustee views the Scheme's historic net investment performance as providing good value for members versus the comparator arrangements. The Trustee will continue to closely monitor performance.</p>

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Administration and governance	The Trustee has assessed the Scheme as offering good value from a governance and administration perspective. An assessment was undertaken against areas set out in legislation and guidance set out by the Department for Work and Pensions. The structure of the Trustee board provides for good debate and decision making. The Trustee is compliant with its investment governance requirements, as evidenced by the Scheme's documents, and monitors the default investment strategy at least on a three yearly basis. Administration service levels for key areas were assessed as providing good value.
<b>Overall</b>	<p>Overall, considering all three areas set out above, the Trustee has assessed the Scheme as offering good value for members.</p> <p>The Trustee will continue to closely monitor investment and administration performance over the coming year to ensure both are in line with Trustee expectations.</p>

### Trustee knowledge and understanding

#### Requirements

The Pensions (Northern Ireland) Order 2005 requires trustees and, in the case of corporate trustees such as the Trustee, individual trustee directors to have appropriate knowledge and understanding of the law relating to pensions and trusts and the investment of the assets. The degree of knowledge and understanding required is that appropriate for the purposes of enabling the directors of the Trustee (the 'Trustee Directors') to exercise the function in question.

The Trustee Directors are also required to explain how their combined knowledge and understanding, together with the advice which is available to them, enables them properly to exercise their functions as Trustee Directors of the Scheme.

The Trustee Directors must also be conversant with the Scheme's own documentation, including the Trust Deed and Rules and the SIP. The Trustee Directors must also be conversant with any other document recording current policy relating to the administration of the Scheme generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustee Directors are able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee. In addition, the Trustee Directors are also required to have knowledge and an understanding of the law relating to trusts and pensions.

#### How the Trustee has met these requirements

Face to face training with advisers is arranged for the onboarding of new Trustee Directors. No new Trustee Directors were appointed during the Scheme year. However, as an example of this process, a previous adviser led session for a new Trustee Directors consisted of the following DC specific topics:

- DC governance
- Tax reliefs and limits for DC members
- DC investment options
- Auto enrolment
- Pension Freedoms

These topics complemented the wider Scheme management sessions led by the actuarial and investment consulting teams covering the role of a trustee, trustee knowledge and understanding, the Pensions

## BELFAST HARBOUR COMMISSIONERS' PENSION SCHEME

Regulator's requirements, legal framework, funding, investment, covenant, effective trusteeship and good governance.

The Trustee board normally undertakes a formal training day on an annual basis to ensure they are up to date with pensions legislation and current issues in pensions that affect the Scheme. The agenda for the annual training day is set following consideration of training requirements and discussions with advisers.

The Trustee board undertook a number of additional activities during the year that involved giving detailed consideration to pensions law, trust law and wider pension issues/developments. These were largely undertaken during the course of the Trustee meetings or at the annual Trustee training day. For example, at the annual Trustee training day in September 2024, the Trustee Directors received the following training sessions from their advisers:

- Future DC strategy, including an overview of the current DC landscape, the Master Trust market place and offerings, retirement support and provider/investment options.
- The round-up of the latest developments and news items in the DC market.

In addition, the Trustee Directors undertake regular training on an ad-hoc basis to obtain the required knowledge and understanding of pensions and trust law. The Trustee receives professional advice from Mercer (advisers) and Osborne Clarke LLP (legal advisers) to support them in reviewing the performance of the Scheme and in governing the Scheme in line with the Trust Deed and Rules.

The Trustee is conversant with, and has demonstrated a working knowledge of, the Trust Deed and Rules, the SIP, as well as knowledge of all documents setting out the Trustee's compliance. If there are any ambiguities over the interpretation of the Rules and Scheme documentation, legal advice is sought from the Scheme's legal advisers. The Scheme's legal advisers were in attendance at Trustee meetings during the year where support was required in relation to the Scheme Rules or relevant legal matters applicable to the Scheme.

Based on the actions set out in this section, taken individually by the Trustee directors and as a Trustee body, and the professional advice available to them, the Trustee Directors consider that they have sufficient skills and resources to properly exercise their functions as Trustee Directors.

### Chair's declaration

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997 (as amended) and I confirm that the above statement has been produced by the Trustee of the Scheme.

Signature:



Name:

Sharon O'Connor

**Chair of Belfast Harbour Pension Fund Limited, as trustee of  
the Belfast Harbour Commissioners Pension Scheme**

Date:

10 June 2025

### Appendix

Statement of Investment Principles effective November 2023