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 2025 to 31 December 2025. 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 and the value for members assessment;
- 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) (Amendment) 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. If you would like a hardcopy of the Chair's Statement please contact the Scheme Secretary.

The default investment arrangement

The default investment arrangement in place in 2025 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 progress 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 14 years before retirement. At the members' selected retirement date, broadly 40% of the assets will be invested in growth assets (primarily equities with a small allocation to commodities), with the remaining funds invested in 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. 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.

Three Lifepath changes were implemented in 2025:

- Aegon LifePath insured funds stopped investing directly in BlackRock's target date funds and were instead invested in custom Aegon funds managed by BlackRock.
- The underlying passive funds were replaced with BlackRock's ESG Insights funds where possible, which incorporate ESG screening, scoring, and climate targets.
- The derisking period (glidepath) was reduced from 35 years to 15 years, leading to extended Growth Phase exposure. Exposure to growth assets in the period up to and including 15 years before retirement is now gradually reduced by introducing a variety of gilts, corporate bonds and other fixed income assets from 14 years before retirement.

The Trustee last formally reviewed the investment strategy and performance of the default arrangement in September 2025. The exercise covered a review of the aims and objectives of the default arrangement and how the default had been performing against those aims and objectives. The review concluded that the default arrangement is suitable as a high-quality investment strategy that exhibits a good level of diversification. The Trustee, by considering member demographics and industry trends, concluded that targeting drawdown at retirement remains suitable. The review of the self-select fund range concluded that it offered a well-diversified range of options to members.

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;
- Switching 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 to them, however the Trustee is aware that the responsibility for running 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 Schedules of Contributions set out timescales for Belfast Harbour Commissioners ("the Commissioners") 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 a service in line with their expectations.
- The reports detail when the contributions are received and invested along with details of transfers in/out of the Scheme.
- Over the course of 2025, performance of the core financial transactions against SLAs has marginally decreased (averaging 97.8% for the year compared to 98.2% in 2024) but was above the SLA target of 95%. The Trustee, together with the Belfast Harbour Commissioners ("the Commissioners"), 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. It also confirmed that, to the best of Aegon's knowledge, the 2025 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 will challenge Aegon if any issues are raised.
- Belfast Harbour Commissioners ("the Commissioners") checks that details of the correct contributions have been uploaded onto the Aegon website each month by checking this against to payroll and performing a reconciliation.
- 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, investment 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 Belfast Harbour Commissioners ("the Commissioners") 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 2025 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.

The tables below cover each default arrangement, each fund members are now or were previously able to select and each fund in which member assets are invested in the Scheme year.

Fund	**Active members**		**Deferred members**		**Transaction costs**
	AMC	**TER**	**AMC**	**TER**	
LifePath Target Date Fund Range (Flexi * / Retirement/ Capital)	0.00%	0.00%	0.36%	0.36%	Varies for all LifePath funds. The transaction costs for the LifePath funds are listed in the table below.
Aegon BlackRock DC Aquila UK Equity Index	0.00%	0.01%	0.30%	0.31%	0.02%
Aegon BlackRock DC Aquila World (ex UK) Equity Index	0.00%	0.01%	0.30%	0.31%	0.04%
Aegon LGIM Future World Global Equity	0.00%	0.01%	0.46%	0.47%	0.02%
Aegon BlackRock DC Aquila Emerging Markets Equity Index	0.00%	0.09%	0.38%	0.47%	0.00%
Aegon BlackRock DC Aquila Corporate Bond All Stocks Index	0.00%	0.01%	0.30%	0.31%	0.01%
Aegon BlackRock DC Diversified Growth	0.00%	0.03%	0.55%	0.58%	0.50%
Aegon BlackRock Over 5 Year Index-linked Gilt Index Fund	0.00%	0.01%	0.40%	0.41%	0.01%
Aegon BlackRock DC Property	0.00%	0.03%	0.92%	0.95%	0.06%
Aegon BlackRock DC Cash	0.00%	0.00%	0.30%	0.30%	0.02%

Source: Aegon as at 31/12/2025.
**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 Flexi 2025-2027	0.10%	LifePath Capital 2025-2027	0.05%
LifePath Flexi 2028-2030	0.26%	LifePath Capital 2049-2051	0.17%
LifePath Flexi 2031-2033	0.42%	LifePath Retirement 2028-2030	0.25%
LifePath Flexi 2034-2036	0.39%	LifePath Retirement 2034-2036	0.39%
LifePath Flexi 2037-2039	0.27%	LifePath Retirement 2037-2039	0.27%
LifePath Flexi 2040-2042	0.17%	LifePath Retirement 2043-2045	0.17%
LifePath Flexi 2043-2045	0.17%	LifePath Retirement 2049-2051	0.17%
LifePath Flexi 2046-2048	0.17%	LifePath Retirement 2058-2060	0.17%
LifePath Flexi 2049-2051	0.17%		
LifePath Flexi 2052-2054	0.17%		
LifePath Flexi 2055-2057	0.17%		
LifePath Flexi 2058-2060	0.17%		

LifePath Flexi 2061-2063	0.17%		
LifePath Flexi 2064-2066	0.17%		
LifePath Flexi 2070-2072	0.17%		

Source: Aegon as at 31/12/2025. Lifepath funds where no assets are invested have been excluded.
Transaction costs over the year to 31/12/2025 are higher than usual due to changes made by Aegon from June to September 2025

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 monetary 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 Belfast Harbour Commissioners ("the Commissioners") 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 Emerging Markets Equity Index (BLK)**
Growth (above inflation)	2.80% to 3.00%*	2.80%	2.98%
AMC	0.00%**	0.00%**	0.00%**
AAE	0.00%	0.00%	0.09%
TC	0.08%	0.02%	-0.01%

* 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.

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 31/12/25.

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 Emerging Markets Equity Index (BLK)	
Years	**Before charges**	**After all charges**	**Before charges**	**After all charges**	**Before charges**	**After all charges**
1	48,113	48,078	48,075	48,066	48,161	48,126
3	69,574	69,440	69,454	69,420	69,780	69,646
5	92,769	92,494	92,558	92,489	93,228	92,952
10	159,095	158,249	158,610	158,399	160,683	159,827
15	238,911	237,102	238,078	237,627	242,526	240,684
20	334,448	331,169	333,175	332,357	341,272	337,913
25	448,277	442,878	446,455	445,106	459,847	454,279
30	583,363	575,019	580,859	578,774	601,650	592,988
35	743,120	730,796	739,775	736,692	770,629	757,748
40	931,479	913,880	927,100	922,696	971,369	952,849
45	1,152,963	1,128,485	1,147,321	1,141,190	1,209,187	1,183,252
46	1,201,680	1,175,601	1,195,754	1,189,220	1,261,727	1,234,058

Deferred member illustrations

Fund transactional charges and costs total (%)

	LifePath Flexi 2070-2072	Aegon BlackRock Cash (BLK)	Aegon BlackRock Property (BLK)
Growth (above inflation)	2.80% to 3.00%*	2.80%	2.98%
AMC	0.36%	0.30%	0.92%
AAE	0.00%	0.00%	0.03%
TC	0.08%	0.02%	0.06%

* 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 the average of actual transaction costs for the period 01/01/20 to 31/12/25.

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 Cash (BLK)**		**Aegon BlackRock Property (BLK)**	
Years	**Before charges**	**After all charges**	**Before charges**	**After all charges**	**Before charges**	**After all charges**
1	39,064	38,892	39,026	38,901	39,102	38,709
3	41,282	40,741	41,162	40,769	41,403	40,167
5	43,626	42,677	43,415	42,725	43,839	41,680
10	50,086	47,930	49,601	48,039	50,575	45,716
15	57,502	53,829	56,668	54,012	58,346	50,144
20	66,016	60,454	64,743	60,729	67,312	55,000
25	75,790	67,895	73,968	68,281	77,655	60,326
30	87,012	76,252	84,508	76,772	89,587	66,168
35	99,895	85,637	96,549	86,319	103,353	72,576
40	114,685	96,177	110,307	97,054	119,234	79,604
45	131,666	108,015	126,024	109,123	137,555	87,313
46	135,353	110,552	129,427	111,711	141,544	88,943

About the illustrations (assumptions) for active and deferred members

Current age is 19 and retirement age is 65. This is based on the age of the youngest person in the Scheme.

For active members, current salary is £45,000 and will increase each year by 3.5%.

For active members, future contributions paid will be 20% of the member's salary (£750 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 £38,000 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 Emerging Markets Equity Index fund to show the funds with the lowest and highest charges respectively. There are no active members invested in the BlackRock DC Property fund.

For deferred members, the illustration also includes the Aegon BlackRock Cash Fund 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.

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 (%) LifePath Flexi 2064-2066	Percentage allocation – average 45 years (%) LifePath Flexi 2043-2045	Percentage allocation – average 55 years (%) LifePath Flexi 2034-2036	Percentage allocation – average 65 years (%) LifePath Flexi 2025-2027
Cash	0.0%	0.0%	0.0%	2.3%
Bonds	0.0%	0.0%	18.6%	52.5%
Listed Equity	95.0%	95.0%	58.9%	31.8%
Private Equity	0.0%	0.0%	0.0%	0.0%
Property	5.0%	5.0%	3.4%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Private Debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	19.1%	13.5%

Source: Aegon, asset allocation as at 31 December 2025
Total may not sum to 100% due to rounding

Long-Term Net Investment Returns

Regulations 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 (Regulation 23(1)(aa) Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997).

Age of member at start of period	Annualised returns to 31/12/2025 (%)*			
	Active members		Deferred members	
Default strategy (LifePath Flexi)	**1 year**	**5 years**	**1 year**	**5 years**
25	15.0	11.1	14.6	10.8
45	15.1	8.5	14.7	8.2
55	13.1	4.8	12.8	4.4
LifePath Capital	**1 year**	**5 years**	**1 year**	**5 years**
25	-*	-*	-*	-*
45	-*	-*	-*	-*
55	-*	-*	-*	-*
LifePath Retirement	**1 year**	**5 years**	**1 year**	**5 years**
25	15.0	-*	14.8	-*
45	15.1	-*	14.7	-*
55	13.1	2.8	12.8	2.4

Source: Aegon and Mercer estimates. Performance shown net of all charges and transaction costs.
**There is no performance available for these funds as no members were invested in the corresponding funds over this particular time period.*

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

Self-select fund	Annualised returns to 31/12/2025 (%)			
	Active members		Deferred members	
	1 year	5 years	1 year	5 years
Aegon BlackRock DC Aquila UK Equity Index	20.0	10.4	19.6	10.1
Aegon BlackRock DC Aquila World (ex UK) Equity Index	14.3	12.9	14.0	12.5
Aegon LGIM Future World Global Equity*	15.0	-	-	-
Aegon BlackRock DC Aquila Emerging Markets Equity Index	24.0	4.4	23.5	4.1
Aegon BlackRock DC Aquila Corporate Bond All Stocks Index***	-	-	6.5	-1.4
Aegon BlackRock DC Diversified Growth**	4.4	3.2	-	-
Aegon BlackRock Over 5 Year Index-linked Gilt Index Fund	13.7	5.4	13.3	5.0
Aegon BlackRock DC Property***	-	-	4.7	3.1
Aegon BlackRock DC Cash**	4.4	3.2	-	-

Source: Aegon.

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.
** Long term performance not available due to fund inception date*
*** There are no deferred members invested in this fund*
**** There are no active members invested in this fund*

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 "specified schemes"[1], 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.
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.

[1] A specified scheme is a relevant scheme (an occupational pension scheme which provides money purchase benefits) which, on the relevant date (the date on which the Trustee obtained audited accounts for the most recent scheme year), held total assets worth less than £100 million and has been operating for 3 or more years.

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's advisors, Mercer, engaged with each of these 3 comparators.

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	Active members, who account for the majority of the membership, benefit from AMC being paid for by the Belfast Harbour Commissioners ("the Commissioners"). Overall the Trustee views the Scheme's costs and charges as being competitive versus the comparator arrangements, this is despite higher than usual transaction costs arising from changes made to the default during 2025. The changes made were deemed to be broadly appropriate in the investment strategy review carried out in Q3 2025. Overall, the Trustee has assessed the Scheme as offering good value from a costs and charges perspective, relative to the three comparators chosen..
Net investment returns	<u>DEFAULT ARRANGEMENT</u> Over the past year, the Scheme's net investment returns for active members have outperformed NEST and The People's Pension across all ages assessed but have slightly lagged NOW across all ages. Over the longer term, the Scheme has outperformed all comparators except for members aged 55 and over, where it has underperformed NOW and NEST. For deferred members, relative performance over the 1-year period has been mixed versus the comparators. Returns have been in line with or ahead of each comparator across a majority of age cohort shown. Over the longer term, the Scheme's net investment returns have outperformed all comparators, except for members aged 55 and over. Overall, the Trustee believes the default remains competitive against its comparators. <u>TWO MOST POPULAR SELF-SELECT FUNDS</u> For the one-year performance, the Scheme's net investment returns have underperformed all comparators. The 5-year performance of the Aegon BlackRock World (Ex-UK) Equity Index Fund has outperformed all comparators. 5-year performance comparison is not available as the LGIM Future World Global Equity Fund has not been in existence for long enough. Due to the nature of the funds available in the comparator schemes, the comparator funds are not "like for like" in respect of objectives and underlying assets. <u>CONCLUSION</u> 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.
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 of Communities. The structure of the Trustee board provides for good debate and decision making. The Trustee is compliant with its investment governance requirements, as evidence by Scheme documents, and monitor the default investment strategy at least on a three yearly basis. Administration service levels for key areas were assessed as providing good value.
Overall	Overall, considering all three areas set out above, the Trustee has assessed the Scheme as offering good value for members. The Trustee will continue to closely monitor price and investment performance over the coming year to ensure both are in line with Trustee expectations.

Trustee knowledge and understanding

<u>Requirements</u>

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 the 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.

<u>How the Trustee has met these requirements</u>

Face to face training with advisers is arranged for the onboarding of new Trustee Directors. There were three Trustee Directors replaced during the Scheme year. Training for the new Trustee Directors took place in June and October 2025 and consisted of the following DC specific topics:

- DC Investments
- How a DC Plan works
- Minimum Quality Standards and Governance Requirements
- Conflicts of Interest
- The Pensions Regulator
- General Code of Practice
- Engagement
- Retirement Options

These topics complemented the wider Scheme management sessions led by the actuarial and investment consulting teams who support the Trustee, covering the role of a trustee, trustee knowledge and understanding, the Pensions 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 which was held in October 2025.

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 have attended 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: S O'Connor

Chair of Belfast Harbour Pension Fund Limited, as Trustee of the Belfast Harbour Commissioners' Pension Scheme

Date: 16 June 2026