Chair's DC Governance Statement, covering the period from 1 October 2024 to 30 September 2025 (the "Trust Year")

1. Introduction and members' summary

The **TUI GROUP UK Pension Trust** (the "Trust") includes three segregated schemes, the BAL Scheme, the TUI UK Scheme and the TAPS Scheme (the "Schemes"). Each of the Schemes is an occupational pension scheme. The BAL Scheme and the TUI UK Scheme have sections that provide defined contribution ("DC") benefits (a DC pension scheme is where employee and employer contributions are paid into it; members choose their investments (or is invested in the default option) and bear the investment risk). All of the three Schemes have members who have paid Additional Voluntary Contributions ("AVCs") into the Scheme.

Governance requirements apply to DC pension arrangements, to help members achieve a good outcome from their pension savings. We, the Trustee Directors of the Trust, are required to produce a yearly statement (signed by the Chair of Trustees) covering:

- the design and oversight of the default investment option (ie where contributions were historically invested for members that did not wish to choose their own investments. The Schemes are closed to contributions);
- processing of core financial transactions (ie administration of the Trust, such as processing of transfers);
- the charges and transaction costs borne by members for the default option and any other investment option members can select or have assets in, such as "legacy" funds;
- an illustration of the cumulative effect of these costs and charges;
- net returns of the investment options;
- how the value members obtain from the Schemes is assessed; and
- Trustee knowledge and understanding.

The following table summarises the type of benefits held in the Schemes:

	DC Section	AVCs
BAL Scheme	Yes	Yes
TUI UK Scheme	Yes	Yes
TAPS Scheme	No	Yes

The key points that we would like members reading this Statement to take away are as follows:

- We regularly monitor the investment arrangements, and we are satisfied that the default and other investment options remain suitable for the membership.
- The administrator, Equiniti, has processed core financial transactions promptly and accurately to an acceptable level during the Trust Year, and we remain comfortable with the administrator's performance. Standard Life is the platform provider for the DC Sections and the majority of the AVC assets. Standard Life has recruited and improved training over the past couple of years, which has improved administration performance.
- Fees can have a material impact on the value of your pension savings, and the fee impact is greater the more time passes, since fees reduce the amount of money that can grow with future investment returns.
- Fees for the investment options are set out in this statement, and we remain comfortable that these fees are reasonable given the circumstances of the Schemes and represent value for the benefits members obtain.
- Please rest assured that we are looking after your best interests as members, and we undertake training and receive advice as appropriate so that we have sufficient knowledge and understanding to do so effectively.

2. Default arrangements

The Schemes are closed and are not used as a Qualifying Scheme for automatic enrolment purposes.

When the Schemes were open, members who did not choose an investment option were placed into the Flexible Income Lifestyle Strategy, (the "Default"). After taking advice, we decided to make the Default a lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date.

The SL BlackRock Market Advantage Fund ("BMAF") is also considered to be an additional default arrangement for governance purposes. This is as a result of a bulk transfer of assets without member consent in 2019.

We are responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangements.

Details of the objectives and our policies regarding the default arrangements are set out in a document called the 'Statement of Investment Principles' ("SIP"). The Trust's SIP covering the default arrangements is attached to this statement. The Trustee's investment beliefs are defined in the SIP. In respect of the DC investments, there were no changes to the SIP over the Trust Year.

The aims and objectives of the default arrangements, as stated in the SIP, are as follows:

- aim for significant long-term real growth while members are further away from retirement;
- manage down volatility in fund values as members near retirement; and
- target an end point portfolio that is appropriate and consistent with members using their accumulated pot to fund their retirement via flexi-access drawdown.

The Default and BMAF are reviewed at least every three years and were last reviewed on 3 December 2025. The review considered the current demographics of the membership and when members are retiring relative to their target retirement age. The performance and strategy of the Default and BMAF were reviewed to check whether investment returns (after deduction of charges and costs) have been consistent with the aims and objectives of the default arrangements as stated in the SIP, and to check that it continues to be suitable and appropriate given the Trust's risk profiles and membership. We decided against making any changes since the existing defaults remain reasonable and options for the DC assets are being considered, including a move to an alternative arrangement.

In addition to triennial strategy reviews, we also review the performance of the default arrangements against their objectives on a quarterly basis. This review includes performance analysis to check that the risk and return levels meet expectations. Our reviews over the Trust Year concluded that the default arrangements were performing broadly as expected given the market environment.

Asset allocation breakdown

We are required to show the asset allocation of the default arrangements. In line with DWP's guidance we have also shown this asset allocation for different ages as at the end of the Trust Year for the Flexible Income Lifestyle Strategy; the BMAF asset allocation does not vary by member ages so only the allocation as at 30 September 2025 is shown.

Flexible Income Lifestyle Strategy

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	0.0	0.0	0.0	0.0
Corporate bonds (UK and overseas)	0.0	0.0	19.0	42.6
Government bonds	0.0	0.0	17.3	40.8
Listed equities	100.0	100.0	59.6	11.6
Other	0.0	0.0	4.1	5.0

BMAF

Asset class	Allocation (%)
Cash	0.0
Corporate bonds	37.8
Government bonds	34.6
Listed equities	19.3
Other	8.3

3. Processing of core financial transactions

The processing of core financial transactions is carried out by the administrator of the Trust, Equiniti, the platform provider, Standard Life, and by the AVC providers, Prudential and Wesleyan.

Core financial transactions include (but are not limited to): processing of transfers in and out of a Scheme, transfers of assets between different investments within a Scheme, and payments to members/beneficiaries.

We recognise that delay and error can cause significant issues for members. They can also cause members to lose faith in pension saving, which may in turn reduce their propensity to save and impair future outcomes. We have received assurance from Equiniti and Standard Life that there are adequate internal controls to support prompt and accurate processing of core financial transactions.

The Trustee has an agreement in place with the administrator which covers, among other things, agreed service levels around the accuracy and timeliness of all core financial transactions. Further details of the controls and assurances in place for each provider are detailed below.

Equiniti

Equiniti has various administration responsibilities, which are outlined in the services agreement with the Trustee. It deals with all member enquiries, including member disinvestments. Core financial transactions include (but are not limited to): processing of transfers in and out of the Schemes and payments to members/beneficiaries. With regards to retirement processing; Equiniti is responsible for producing quotations, issuing retirement options to members, dealing with any queries relating to retirement benefits and arranging settlement/commencement of benefits for members.

We are able to monitor service levels with Equiniti via monthly and quarterly Administration Reports and a monthly TUI Member Web Statistics Report. Monthly Supplier Performance Meetings between Equiniti and the TUI UK Pension Manager include a review of Equiniti's performance during the previous month (including, but not limited to, service levels). Any issues identified as part of our review process would be raised with the administrators immediately, and steps would be taken to resolve the issues.

There is an agreed service level in place with Equiniti that covers timescales for addressing key administrative tasks. The agreed timescales range from 2 to 10 days. Equiniti's performance against agreed service levels over the 12 months to 30 September 2025 was around 86% (88% for TUI UK, 85% for TAPS and 85% for BAL), an improvement on the 81% achieved over the 12 months to 30 September 2024.

Equiniti has not reported any material administration issues in relation to core financial transaction processing over the 12 months to 30 September 2025. Any errors or breaches are discussed at the monthly meetings between Equiniti and the TUI UK Pension manager.

Standard Life

Standard Life acts as a platform provider for the DC and AVC Sections in each of the BAL Scheme and the TUI UK Scheme, and the AVC Section of the TAPS Scheme. It also provides an online portal where members are able to instruct investment switches.

The key processes adopted by Standard Life to help it meet its agreed service levels are set out in its Pensions Internal Control Statement, which the Trustee has reviewed. We believe that the controls in place are sufficient. The document gives descriptions of the key controls to meet the following control objectives:

- Authorised switches between investment options and changes to investment instructions are processed accurately and in a timely manner (including Lifestyle profiles).

- Transfer values are calculated in accordance with policy provisions and are paid on a timely basis.
- Benefits are provided in accordance with scheme rules, policy provisions, relevant legislation, and individual elections.
- Benefits are calculated on the basis of accurate fund values and are set up and paid on a timely basis.

We receive quarterly reports about Standard Life's performance against and compliance with the agreed service levels. Standard Life's performance against agreed service levels has improved over the Trust Year, averaging c90% over the year (86% in Q4 2024, 98% in Q1 2025, 83% in Q2 2025 and 93% in Q3 2025).

Prudential and Wesleyan

Prudential and Wesleyan are responsible for processing the core financial transactions for the AVC assets they hold, and ensuring there are adequate internal controls in place so that core financial transactions relating to the Schemes are processed promptly and accurately.

Prudential has adopted the following processes to help meet its service level targets:

- employing a central financial control team separate from the main administration team;
- peer checking and authorisation of payments;
- daily monitoring of bank accounts;
- Monthly fund-level reconciliation of member unit holdings, with an annual AVC reconciliation performed by the accounting team;
- employing a dedicated contribution processing team; and
- reporting of late contributions.

Wesleyan has a service level standard of 7 working days to respond to requests, unless the request is more complex, in which case this may be slightly longer. If the request is a generic enquiry which requires no calculation, then Wesleyan aims for a turnaround of 3 working days. While Wesleyan does not routinely report performance against service level targets specifically for TUI-related requests, it is able to monitor and confirm the time taken to complete individual requests when required. Wesleyan has adopted the following processes to help meet its service level targets:

- quality checking on a competency-basis for all information, alteration & claim requests;
- regular monitoring of suspense accounts to ensure that any payments received can either be allocated to a particular plan or traced back to the payer if sufficient details haven't been provided; and
- for annual statements for members, they have dedicated teams to ensure that the data being reflected within the statements is correct, compliant, and up to date.

Given that Prudential and Wesleyan are legacy AVC arrangements with a small number of members and assets relative to the overall DC arrangements, we monitor their administrative performance less frequently than we do Equiniti's and Standard Life's performance. However, Prudential and Wesleyan are aware that we expect reporting of any material administration errors in relation to processing core financial transactions. While Wesleyan has acknowledged occasional delays in responding to certain queries, they have implemented measures to address this, including upskilling all Pensions department staff through the Chartered Insurance Institute Pension Administration module. Having received no reports of material errors or related member complaints, we believe that Prudential and Wesleyan processed core financial transactions promptly and accurately during the Trust Year.

Overall assessment

Based on our review processes, we are satisfied that during the Trust Year:

- the administrator and each provider above were operating appropriate procedures, checks and controls;
- there have been no material administration issues in relation to processing core financial transactions; and
- core financial transactions have been processed promptly and accurately to an acceptable level during the Trust Year.

4. Member-borne charges and transaction costs

We are required to set out the ongoing charges incurred by members over the period covered by this Statement, which are annual fund management charges plus additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds.

The stated charges are shown as a per annum ("pa") figure and also include a portion of the administration costs. However, in order to maintain lower fees for members, TUI UK Limited pays a per-member, per-annum amount for BAL Scheme members and for TUI UK Scheme members.

We are also required to disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when a Scheme's fund managers buy and sell assets within investment funds but are exclusive of any costs incurred when members invest in and switch between funds. Transaction costs are borne by members.

The figures under the "Main Schemes" columns apply to the TUI UK and BAL DC Sections, as well as the TUI UK AVCs. The BAL AVCs have different TERs and so are shown in a separate column. There are also TUI UK AVCs and BAL AVCs invested in some of the funds shown in the "AVC funds" section of this statement. The TAPS Scheme only has AVCs (no DC Section) and figures for the TAPS AVCs can also be found under the "AVC funds" section.

The majority of charges and transaction costs have been supplied by Standard Life who are the investment platform provider for the Schemes. When preparing this section of the statement, we have taken account of the relevant statutory guidance.

Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. We have shown any negative figures in the tables for the year as provided, but for the costs and charges illustrations we have used zero where a transaction cost is negative to give a more realistic projection (ie we would not expect transaction costs to be negative over the long term).

Default arrangements

The Default has been set up as a lifestyle approach, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement age and in which funds they are invested. Annualised charges and transaction costs during the Trust Year are set out in the following table. The BMAF is covered in the self-select fund section.

Default option (Flexible Income Lifestyle Strategy)

Years to target retirement date	Main Schemes TER (%)	BAL AVCs TER (%)	Transaction costs (%)
15 or more years to retirement	0.24	0.81	0.05
10 years to retirement	0.37	0.94	0.15
5 years to retirement	0.50	1.07	0.25
At retirement	0.36	0.93	0.18

Alternative lifestyle strategies – charges and transaction costs

In addition to the default arrangements and a range of self-select funds, members also have the option to invest in two other lifestyles, targeting cash withdrawal (the "Lump Sum Lifestyle Strategy") and annuity purchase (the "Annuity Lifestyle Strategy"). The annual charges for these lifestyles during the period covered by this Statement are set out in the tables below. The Default and alternative lifestyle strategies have the same asset allocation up until 5 years to retirement, therefore the fees are the same.

Lump Sum Lifestyle Strategy

Years to target retirement date	Main Schemes TER (%)	BAL AVCs TER (%)	Transaction costs (%)
15 or more years to retirement	0.24	0.81	0.05
10 years to retirement	0.37	0.94	0.15
5 years to retirement	0.50	1.07	0.25
At retirement	0.17	0.74	0.04

Annuity Lifestyle Strategy

Years to target retirement date	Main Schemes TER (%)	BAL AVCs TER (%)	Transaction costs (%)
15 or more years to retirement	0.24	0.81	0.05
10 years to retirement	0.37	0.94	0.15
5 years to retirement	0.50	1.07	0.25
At retirement	0.21	0.78	0.02

Self-select fund range – charges and transaction costs

The level of charges for each self-select fund (including those used in the Default) and the transaction costs over the Trust Year are set out in the following table. The underlying funds used within the Default are shown in **bold**.

Fund	Main Schemes TER (%)	BAL AVCs TER (%)	Transaction costs (%)
SL BlackRock Market Advantage Pension Fund	0.50	1.07	0.25
SL BlackRock ACS World Multifactor Equity Tracker Pension Fund	0.28	0.85	0.06
Standard Life World Ex UK Equity Pension Fund	0.15	0.72	0.03
SL iShares UK Equity Index Pension Fund	0.15	0.72	0.02
SL iShares Emerging Markets Equity Index Pension Fund	0.36	0.93	0.05
SL iShares Corporate Bond Index Pension Fund	0.15	0.72	0.02
SL Vanguard UK Inflation Linked Gilt Index Pension Fund	0.15	0.72	0.10
SL iShares North American Equity Index Pension Fund	0.15	0.72	0.03
SL iShares Continental European Equity Index Pension Fund	0.16	0.73	0.02
SL iShares Japan Equity Index Pension Fund	0.15	0.72	0.04
SL iShares Pacific ex Japan Equity Index Pension Fund	0.17	0.74	0.05
SL Vanguard ESG Developed World All Cap Equity Index Pension Fund	0.15	0.72	0.07
SL HSBC Islamic Global Equity Index Pension Fund	0.40	0.97	0.00
Standard Life Annuity Targeting Pension Fund	0.22	0.79	0.02
Standard Life Deposit and Treasury Pension Fund	0.19	0.76	0.03
Standard Life Property Pension Fund	0.31	0.88	0.18%

AVC funds – charges and transaction costs

The transaction cost figures for Prudential and Wesleyan for the Trust Year were not available at the time of finalising this statement, but all efforts are being made to obtain the figures for next year's statement, with our

advisers repeatedly chasing for this information. Since Prudential and Wesleyan have not been able to provide figures for the Trust Year, we have shown the latest figures we were able to obtain, for the 12 months to 30 June 2025 and 31 December 2024 respectively.

Charges and transaction costs for AVC funds (where available) with members invested are shown below.

Fund[2]	TER (%)	Transaction costs (%)
Standard Life		
Standard Life Pension With Profits One Fund	n/a	0.03
Standard Life Pension With Profits Fund	n/a	0.03
Standard Life Pension Millennium With Profits Fund	n/a	0.03
Standard Life Pension Millennium With Profits 2006 Fund	n/a	0.03
Standard Life Managed Pension Fund	0.64	0.07
Standard Life Asia Pacific ex Japan Equity Pension	0.74	0.61
Standard Life RGI Institutional UK Listed Smaller Companies Pension Fund	1.22	0.23
Wesleyan		
Wesleyan Deposit Fund	0.75	0.00[1]
Wesleyan Managed Fund	1.00	0.00[1]
Wesleyan With-Profits Fund	0.90-1.00	0.09[1]
Prudential		
Prudential With-Profits Cash Fund	n/a	-0.05[2]
Prudential With-Profits Fund	n/a	-0.05[2]
M&G Cash Fund	0.11	n/a
M&G UK Equity Fund	0.48	n/a

[1] As at 31 December 2024 [2]As at 30 June 2025
Funds with holdings below £1 have been excluded on the basis that they represent residual amounts not attributable to members.

Illustration of charges and transaction costs

The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. In preparing this illustration, we had regard to the relevant statutory guidance.

- The "before-costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The "after-costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.
- The transaction cost figures used in the illustration are those provided by the managers over the past five years, subject to a floor of zero (so the illustration does not assume a negative cost over the long term). We have used the average annualised transaction costs over the past five years as this is the longest period over which figures were available, and should be more indicative of longer-term costs compared to only using figures over the Trust Year.
- The illustration is shown for the Default, as well as the other legacy legislative default arrangement (BMAF) and two funds from the self-select fund range. The two self-select funds shown in the illustration are:
  - the fund with highest annual member borne costs (TER plus transaction costs) – this is the SL BlackRock Market Advantage Pension Fund (this is also an additional default arrangement)
  - the fund with lowest annual member borne costs – this is the SL iShares Corporate Bond Index Pension Fund

	Default option		SL BlackRock Market Advantage Pension Fund		SL iShares Corporate Bond Index Pension Fund	
Years invested	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£26,200	£26,100	£25,700	£25,400	£25,700	£25,600
3	£28,100	£27,800	£26,500	£25,700	£26,500	£26,300
5	£30,100	£29,600	£27,300	£25,900	£27,300	£27,000
10	£35,800	£34,700	£29,400	£26,600	£29,400	£28,700
15	£42,600	£40,600	£31,600	£27,300	£31,600	£30,600
20	£49,300	£45,700	£34,100	£28,000	£34,100	£32,600
25	£54,200	£48,100	£36,700	£28,700	£36,700	£34,700
30	£59,400	£50,700	£39,500	£29,400	£39,500	£37,000

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. The long term annual inflation assumption used is 2.5%.
- The starting pot size used is £25,300. This is the approximate average (median) pot size for members aged 40 years and younger (rather than using a whole membership average, we have taken this approach to give a more realistic 30-year projection).
- The projection is for 30 years, being the approximate duration that the youngest scheme member has until they reach the Schemes' Normal Pension Age.
- As the Schemes are closed and all members are deferred, there are no contributions.
- The projected before-costs annual returns used are as follows:
  - Default option: 3.5% above inflation for the initial years, falling to a return of 1.5% above inflation at 5 years to retirement before rising to a return of 2.1% above inflation at the ending point of the lifestyle.
  - SL BlackRock Market Advantage Pension Fund: 1.5% above inflation
  - SL iShares Corporate Bond Index Pension Fund: 1.5% above inflation

5. Investment returns

This section shows the annual return, after the deduction of member borne charges and transaction costs, for all investment options in which member assets were invested during the scheme year. We have had regard to the statutory guidance in preparing this section.

The With-Profits fund returns stated are that of the underlying investments, which are the only figures that can be quoted. With-Profits Funds are designed to smooth the returns members receive over their investment term and underlying investment returns are not the only factor determining the return members receive.

For arrangements where returns vary with age, such as for the Default, returns are shown over the scheme for various periods for a member aged 45 and 55 at the start of the period the returns are shown over. Statutory guidance requires returns for a 25-year-old member to be shown; however, there are no members in the Schemes that are as young as 25 (the youngest member is 32 at the time of writing) so these returns have not been shown. We considered showing the figures for a 35-year-old member as well, but since the lifestyle de-risking starts at 15 years before retirement the 35- and 45-year-old lifestyle invested members would have experienced the same returns.

Default option (Flexible Income Lifestyle Strategy) net returns over periods to scheme year end

Age of member at the start of the period	Main Schemes		BAL AVCs	
	1 year (%)	3 years (% pa)	1 year (%)	3 years (% pa)
45	17.2	14.0	16.5	13.3
55	11.1	9.1	10.4	8.4

Lump Sum Lifestyle Strategy net returns over one year to scheme year end

Age of member at the start of the period	Main Schemes		BAL AVCs	
	1 year (%)	3 years (% pa)	1 year (%)	3 years (% pa)
45	17.2	14.0	16.5	13.3
55	11.1	9.1	10.4	8.4

Annuity Lifestyle Strategy net returns over one year to scheme year end

Age of member at the start of the period	Main Schemes		BAL AVCs	
	1 year (%)	3 years (% pa)	1 year (%)	3 years (% pa)
45	17.2	14.0	16.5	13.3
55	11.1	9.1	10.4	8.4

Self-select fund net returns over periods to scheme year end

	Main Schemes		BAL AVCs	
Fund name	1 year (%)	3 years (% pa)	1 year (%)	3 years (% pa)
SL BlackRock Market Advantage Pension Fund	5.0	7.3	4.4	6.7
SL BlackRock ACS World Multifactor Equity Tracker Pension Fund	18.8	14.0	18.1	13.4
Standard Life World Ex UK Equity Pension Fund	16.2	15.4	15.5	14.8
SL iShares UK Equity Index Pension Fund	15.1	14.1	14.4	13.4

Fund name	Main Schemes		BAL AVCs	
	1 year (%)	3 years (% pa)	1 year (%)	3 years (% pa)
SL iShares Emerging Markets Equity Index Pension Fund	15.8	10.1	15.2	9.5
SL iShares Corporate Bond Index Pension Fund	3.5	6.6	2.9	6.0
SL Vanguard UK Inflation Linked Gilt Index Pension Fund	-8.0	-5.5	-8.5	-6.0
SL iShares North American Equity Index Pension Fund	18.0	16.1	17.3	15.4
SL iShares Continental European Equity Index Pension Fund	13.8	16.4	13.1	15.7
SL iShares Japan Equity Index Pension Fund	14.9	13.2	14.3	12.6
SL iShares Pacific ex Japan Equity Index Pension Fund	16.7	12.9	16.0	12.3
SL Vanguard ESG Developed World All Cap Equity Index Pension Fund	15.9	15.1	15.3	14.5
SL HSBC Islamic Global Equity Index Pension Fund	16.2	18.7	15.6	18.0
Standard Life Annuity Targeting Pension Fund	-2.5	1.4	-3.1	0.9
Standard Life Deposit and Treasury Pension Fund	4.5	4.5	3.9	3.9
Standard Life Property Pension Fund	4.9	-1.5	4.4	-2.0

AVC funds – investment returns

Fund	1 year (%)	3 years (% pa)
Standard Life		
Standard Life Pension With Profits One Fund[1]	n/a	n/a
Standard Life Pension Millennium With Profits Fund[1]	n/a	n/a
Standard Life Pension Millennium With Profits 2006 Fund[1]	n/a	n/a
Standard Life Managed Pension Fund	10.5	9.7
Standard Life Asia Pacific ex Japan Equity Pension	8.6	7.8
Standard Life North American Equity Pension Fund	18.0	14.9
Standard Life Stock Exchange Pension Fund	13.8	12.8
Standard Life European Equity Pension Fund	11.1	13.8
Standard Life FTSE Tracker Pension Fund	14.9	13.7
Standard Life UK Equity Pension Fund	13.5	12.3
Wesleyan		
Wesleyan Deposit Fund	4.0	4.0

Fund	1 year (%)	3 years (% pa)
Wesleyan Managed Fund	10.9	12.3
Wesleyan With-Profits Fund	6.1	5.3
Prudential		
Prudential With-Profits Cash Fund	6.2	5.1
Prudential With-Profits Fund	6.2	5.1
M&G Cash Fund	4.5	4.5
M&G UK Equity Fund	11.6	12.6

[1] Standard Life have confirmed fund performance is not applicable to the With Profits funds used in the Trust.

6. Value for members assessment

We are required to assess every year the extent to which member borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of 'good value' which means that determining this is subjective. Our general policy in relation to value for member considerations is set out below.

We review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Schemes. The date of the last review was 30 December 2025. We note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. Where transaction costs are unavailable for some AVC funds, the Trustee has taken a proportionate approach in its consideration of value for members, with a focus on where the majority of Trust assets are invested.

Our investment advisers have confirmed that, overall, the member borne fees appear reasonable when compared to other schemes of a similar size.

Our assessment included a review of the performance of the Schemes' investment funds (after all charges and transaction costs) in the context of their investment objectives. The returns on the majority of investment funds members can choose during the period covered by this statement have been consistent with their stated investment objectives. The BMAF delivered muted returns and has underperformed against its "cash plus" benchmark over 5 years. The allocation to fixed income assets was the key reason for the underperformance given poor performance of the asset class over the period. Most of the passive funds have tracked their respective benchmarks within acceptable limits. We are comfortable with the performance of the fund range.

In carrying out the assessment, we also consider the other benefits members receive from the Schemes, which include:

- our oversight and governance, including ensuring the Schemes are compliant with relevant legislation, and holding regular meetings to monitor the Schemes and address any material issues that may impact members;
- the design of the default arrangements and how this reflects the interests of the membership as a whole;
- the range of investment options and strategies;
- the quality of communications delivered to members;
- the quality of support services, such as the Trust website where members can access fund and Trust information online, accessible here https://mytuipension.equiniti.com/; and
- the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards.

As detailed in the earlier section covering the processing of core financial transactions, we are comfortable with the quality and efficiency of the administration processes. Standard Life's performance against its agreed service levels improved during 2025, and Equiniti's performance also improved compared with the previous Trust Year.

We believe that the latest updates to transaction costs provide value for members, as the ability to transact forms an integral part of the investment approaches and expect this to lead to greater investment returns net of costs over time. Overall, we believe that members of the Schemes are receiving good value for money for the charges and costs that they incur, for the reasons set out in this section.

7. Trustee knowledge and understanding

We are required to maintain appropriate levels of knowledge and understanding to run the Schemes effectively. We have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension, and trust law. Details of how the knowledge and understanding requirements have been met during the Trust Year are set out below.

With the help of our advisers, we regularly consider training requirements to identify any knowledge gaps. Our investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. Our advisers typically deliver training on such matters at Trustee meetings if they were material. Additionally, we receive quarterly updates on topical pension issues from our investment and legal advisers.

We are required to have knowledge and understanding of the law relating to pensions and trusts, and of principles relating to funding and investment matters in connection with the Schemes, within six months of our appointment as trustees. Generally, we aim to complete the Pensions Regulator's Trustee Toolkit (an online learning programme, designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law) within six months of joining the Board in order to demonstrate this. We are also required to attain the PMI Award in Pension Trusteeship. All new joiners have a training session with the Pensions Manager, legal adviser, investment adviser and Trust actuary on joining. All new joiners undertake the online Basic PLSA training and the toolkit. They then progress to the PLSA Trusteeship courses (Parts 1 & 2) and finally undertake the PMI certificate in Trusteeship DB & DC. Regular training is provided on aspects of the Trustee Knowledge and Understanding requirements. Other training relates to topical items or specific issues under consideration and during the Trust Year. The Chair of the Trustee Board is an Accredited Member of the Association of Professional Pension Trustees (AMAPPT) and has complied with the Continuous Professional Development (CPD) requirements associated with this during the Trust Year.

We are familiar with and have access to copies of the Schemes' governing documentation and documentation setting out our policies, including the Trust Deed & Rules and SIP (which sets out the policies on investment matters). In particular, we refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Schemes, and the SIP is formally reviewed annually and as part of making any change to the Schemes' investments. Further, we believe that we have sufficient knowledge and understanding of the law relating to pensions and trusts, and of the relevant principles relating to the funding and investment of occupational pension schemes, to fulfil our duties.

A training log is maintained in line with best practice, and the training programme is reviewed annually to ensure it is up to date. A questionnaire is used to conduct an annual evaluation of our knowledge and to help to identify training needs. We also carry out an evaluation of the performance and effectiveness of the Trustee Board as a whole as measured against the objectives of the Schemes' business plan. This questionnaire was last carried out in Q4 2025. Following the results of the review, training is being scheduled for the Scheme year to 30 September 2026.

Considering our knowledge and experience and the specialist advice received from the appointed professional advisers (eg investment consultants, legal advisers), we believe that we are well placed to exercise our functions as directors of the Trustee of the Trust properly and effectively.

_____M ROBERTS_____ Date: _____15/4/2026_____

Signed by the Chair of Trustees of the TUI GROUP UK Pension Trust