

# ALLIED DOMEQ PENSION FUND

(Fund Registration Number 10125286)

Annual Report For The Year Ended  
31 March 2026

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# The Trustee's Report

## Introduction

This report relates to the operation of the Allied Domecq Pension Fund ("the Fund") during the year ended 31 March 2026.

The Fund is a defined benefit pension scheme and is administered by Barnett Waddingham LLP in line with the Trust Deed and Rules, solely for the benefit of its members and other beneficiaries. Full details of the Fund's benefits can be found in the member's explanatory booklet (see "Contact for further information" on page 7).

## Management of the Fund

The Fund has a corporate Trustee, Allied Domecq First Pension Trust Limited. The names of the Trustee Directors who served during the year and those serving at the date of approval of this report are as follows:

| Name                                                 | Appointed by  | Expiry date of their term of office       |
|------------------------------------------------------|---------------|-------------------------------------------|
| L Arnold<br>(Independent Director and Trustee Chair) | Trustee Board | 30 June 2026<br>(Annual rolling contract) |
| A Hamilton-Stanley                                   | Employer      |                                           |
| JF Magarinos                                         | Employer      |                                           |
| S Macnab                                             | Employer      |                                           |
| PA Cox                                               | Member        | 28 February 2027                          |
| RJ Lowe                                              | Member        | 28 February 2027                          |
| P Shaw                                               | Member        | 28 February 2027                          |

The current Member Nominated Trustee Directors ("MNTDs") terms expire in February 2027. As the Fund continues with a number of operational projects as it seeks to further improve security of member benefits, a decision on whether to extend these terms will be made during 2026. The address of the Trustee and Secretary to the Trustee is as follows:

Magma House 16 Davy Court, Castle Mound Way, Rugby, Warwickshire, CV23 0UZ.

Under the Pensions Act 2004, the Trustee is required to ensure that at least one third of the Trustee Directors are nominated by the members of the Fund and selected by a panel on which the membership is represented.

When each of these MNTD terms of office expire, an application and selection process will be operated and any member of the Fund will be eligible to apply. The power of appointment and removal of Company Appointed Directors is vested in Allied Domecq (Holdings) Limited.

Under the terms of the Trustee's Articles of Association a MNTD shall generally cease to hold office should one of the following events occur:

On ceasing to be a Fund Member, on death, or if disqualified by The Pensions Regulator.

## The Trustee's Report (Cont)

The Trustee Directors are invited to attend meetings at which a minimum of four Directors, being two Company appointed and two MNTDs, must be present for valid decisions to be taken.

The Trustee held four Board meetings during the year under review and held other ad hoc meetings as necessary. Each Trustee Director is entitled to receive at least ten days' notice of meetings, although in practice dates are normally fixed well in advance.

The Fund has an Emergency Powers Committee, a Trustee Discretions Committee and a Disputes Committee which meet on an ad-hoc basis as needed. Other Committees or working parties are established from time to time, as appropriate.

The Trustee has delegated a number of day-to-day management activities and the operation of the Fund's affairs to professional organisations.

## Changes to Fund Rules

There were no changes to the Fund Rules during the year under review.

## The Sponsoring Employer

The name and address of the Sponsoring Employer is as follows:

Allied Domecq (Holdings) Limited, 20 Montford Place, Kennington, London, England, SE11 5DE.

## The Trustee's Report (Cont)

### Fund advisers

The Trustee retains a number of professional advisers in connection with the operation of the Fund. The advisers currently appointed are as follows:

|                                    |                                                                                                                                                                                      |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scheme Actuary                     | T Panter – Fellow of the Institute and Faculty of Actuaries, WTW                                                                                                                     |
| Advising Actuaries                 | WTW                                                                                                                                                                                  |
| Administrator of the Fund benefits | Barnett Waddingham LLP                                                                                                                                                               |
| Independent Auditor                | Grant Thornton UK LLP                                                                                                                                                                |
| Investment Managers                | CB Richard Ellis Collective Investors Limited<br>Insight Investment Management (Global) Limited<br>Partners Group (UK) Limited (to September 2025)<br>Northern Trust Company Limited |
| Bulk Purchase Annuity Provider     | Rothsay Life PLC                                                                                                                                                                     |
| Investment Advisor                 | Hymans Robertson LLP                                                                                                                                                                 |
| AVC Managers                       | Aegon UK PLC                                                                                                                                                                         |
| Legal Advisers                     | DLA Piper UK LLP                                                                                                                                                                     |
| Covenant Advisers                  | WTW (Employer Covenant)<br>Mercer (formerly Cardano Advisory Limited)<br>(Insurer Covenant)                                                                                          |
| Custodians of the Fund assets      | Northern Trust Company Limited                                                                                                                                                       |
| Trustee Governance Services        | Hymans Robertson LLP                                                                                                                                                                 |
| Bankers                            | Lloyds Bank PLC<br>Barclays Bank PLC (to August 2025)                                                                                                                                |
| Secretary to the Trustee           | Dains Accountants<br>(formerly Magma Chartered Accountants)                                                                                                                          |
| Trustee Business Support Manager   | Anyan Consulting Limited                                                                                                                                                             |

### Changes in and other matters relating to Fund advisers

Except as noted above, there were no other changes to, nor any other matters relating to, Fund advisers during the Fund year under review.

### Fund Audit

The financial statements on pages 23 to 33 have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

## The Trustee's Report (Cont)

### Financial development of the Fund

During the year the value of the net assets decreased by £83.0m to £1,846.9m as at 31 March 2026. The decrease comprised net withdrawals from dealings with members of £140.3m together with a net increase from the return on investments of £57.3m as set out on page 23.

### Bulk Annuity Policy

In November 2024 the Trustee agreed to enter into an agreement with Rothesay Life PLC ("Rothesay") for a further buy in transaction under the existing policy covering the remaining non-insured members of the Fund. The bulk purchase annuity policy relating to the newly insured members inceptioned on 2 December 2024.

### Geopolitical uncertainty

As the Fund has now insured all of its members under the bulk purchase annuity policy with Rothesay, the Fund is in a very robust position to withstand ongoing geopolitical uncertainties, which in this financial year were the continued conflict between Ukraine and Russia and further unrest in the Middle East.

### Tax status of Fund

The Fund is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and, to the Trustee's knowledge, there is no reason why the Fund's registered status should be prejudiced or withdrawn.

### Pension increases

All pensions in payment were increased with effect from 1 May 2025 in accordance with the Rules of the Fund. Pensions in excess of Guaranteed Minimum Pension (GMP) were increased at 3.4%, with the exception of a small number of pensions which do not qualify for increases in payment. Post '88 GMPs were also increased at 3.0%. Pre '88 GMPs were not increased, in accordance with the Fund Rules and statutory requirements. No discretionary increases were applied during the year.

On 20 November 2020, the High Court handed down a judgment on the GMP equalisation case in relation to the Lloyds Banking Group pension schemes. This follows from the original judgment in October 2018 which confirmed that schemes need to equalise pensions for the effect of unequal GMPs between males and females. The issues determined by the judgments arise in relation to many other defined benefit pension schemes.

The Trustee of the Fund made good progress over the course of the year and all residual GMP equalisation activity is effectively complete. There continue to be a very small number of sweep up cases and these are expected to be settled by June 2026. A full reconciliation exercise in relation to a sample of pensioner and deferred members has been undertaken with no issues found.

An approximate allowance was made for the equalisation of benefits in the 2024 Actuarial Valuation, which was signed off on 10 December 2024. As noted above, there are still a small number of potential liabilities in relation to the 2020 ruling and the GMP equalisation uplifts now need to be insured under the buy-in policy. At the date of signing these accounts, it is not therefore possible yet to provide a more informed estimate of the value of any such adjustments for the purpose of the accounts, and the amount is expected to be immaterial.

Any adjustments necessary to reflect the cost of GMP equalisation will be recognised in the financial statements in future years.

## The Trustee's Report (Cont)

### Pension increases (Cont)

The Trustee agreed a side letter with Rothesay at the time of the bulk purchase annuity policy in 2019 under which the additional 1% premium that the Trustee had paid at inception to pre-fund expected costs of GMP equalisation continues to insure an additional 1% of liabilities. The 1% may be used as and when required to cover or partially cover the costs of GMP equalisation and any other data cleansing, and to add any further benefits to the policy should such costs be less than 1%.

### Transfer values

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by the Pension Schemes Act 1993 and subsequent amendments. No discretionary benefits are included in the calculation of transfer values.

A cash equivalent is the amount which a Fund member is entitled under social security legislation to have applied as a transfer payment to another permitted pension arrangement or a buy-out policy.

### Fund membership

|                             | Number as at start<br>of year | Changes in year | Number as at end of<br>year |
|-----------------------------|-------------------------------|-----------------|-----------------------------|
| Preserved pensioners        | 10,498                        |                 |                             |
| adjustments*                |                               | (27)            |                             |
| transferred out             |                               | (10)            |                             |
| retired                     |                               | (451)           |                             |
| retired (commuted benefits) |                               | (165)           |                             |
| deaths                      |                               | (40)            | 9,805                       |
| Pensioners and dependants   | 17,313                        |                 |                             |
| adjustments*                |                               | 37              |                             |
| new pensioners              |                               | 451             |                             |
| new dependants              |                               | 200             |                             |
| commuted benefits           |                               | (38)            |                             |
| dependants ceased           |                               | (6)             |                             |
| deaths                      |                               | (865)           | 17,092                      |
| Total members               | 27,811                        |                 | <b>26,897</b>               |

\*Adjustments relate to late notifications, movements notified to the Administrator after the year end

Under the bulk purchase annuity policy all members have their benefits secured with Rothesay.

## The Trustee's Report (Cont)

### Fund membership (Cont)

Pensioners include dependants receiving a pension upon the death of their spouse who was a member of the Fund and 29 (2025: 34) pensions paid from legacy individual annuity policies held in the name of the Trustee.

### Data Protection Act 2018 and General Data Protection Regulation

Under the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 regulations, pension scheme trustees are classed as data controllers, with legal responsibility for compliance falling to them. Scheme Actuaries also continued to be classed as data controllers (jointly with the trustees) in accordance with guidance issued by the Actuarial Profession. Barnett Waddingham LLP separately acts as a data processor as the administrator of the Fund.

The Trustee continues to ensure ongoing compliance with data protection legislation.

### The General Code of Practice

The Trustee remains aware of and adheres to the General Code of Practice that have been issued by The Pensions Regulator ("TPR"). The objectives of the code are to protect members' benefits, reduce the risk of calls on the Pension Protection Fund ("PPF") and to promote good administration. The Trustee has drafted and signed off its first Own Risk Assessment ("ORA"), for the year end 31 March 2026.

### The Pensions Regulator: Record Keeping

TPR issues guidance on all aspects of pension scheme data record keeping to all those responsible for the data (the trustees) and those who administer pension schemes. The guidance covers both common and scheme-specific (conditional) data. The guidance sets out good practice in helping trustees to assess risks associated with record keeping. Improved data means that trustees and employers will be able to make a more precise assessment of their financial liabilities. Schemes are expected to keep their data under regular review and set targets for the improvement in the standard of data recorded. More information can be found at:

<https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/record-keeping>

## The Trustee's Report (Cont)

### Contact for further information

Individual AVC benefit statements are provided to preserved members annually. In addition to the information shown on these statements, members can request details of the amount of their current transfer value. Such requests are available free of charge once a year.

If, as a Fund member, you wish to obtain further information about the Fund, including copies of the Fund documentation, your own pension position, or who to contact in the event of a problem or complaint, please write to or telephone:

The Trustee of the Allied Domecq Pension Fund  
c/o Barnett Waddingham, PO Box 3402, Bristol, BS1 9NF

Telephone 0333 11 11 222

Alternatively, you may contact the Fund administrators online at:

<https://account.claritybw.co.uk/shared/contact>

## The Trustee's Report (Cont)

### Statement of Trustee's Responsibilities

#### Statement of Trustee's responsibilities in respect of the financial statements

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

- show a true and fair view of the financial transactions of the Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is appropriate to presume that the Fund will be wound up.

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

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

#### Trustee's responsibilities in respect of contributions

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

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

## The Trustee's Report (Cont)

### Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, occupational pension schemes with defined benefit liabilities are subject to the "Statutory Funding Objective", which is to have sufficient and appropriate assets to cover their technical provisions. The technical provisions represent the present value of the benefits to which members are entitled based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Company and set out in the Statement of Funding Principles, which is available to members on request.

The most recent full actuarial valuation of the Fund was carried out as at 31 March 2024. This showed that on that date:

The value of the Technical Provisions was: £1,988 million

The value of the assets was: £2,114 million

For avoidance of doubt, the asset figures include the bulk purchase annuity policy, legacy individual annuity policies and AVCs. The Technical Provisions include a prudent allowance of 1.7% of total liabilities in respect of the cost of GMP equalisation, reduced for back-payments made in respect of GMP before the valuation date.

The next full actuarial valuation will be carried out as at 31 March 2027.

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles).

#### Method

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

#### Significant actuarial assumptions

The key financial assumptions used to calculate the capital value of the prospective benefits will be based on market conditions at the valuation date:

- The discount rate is intended to be a risk-free rate adjusted to reflect a prudent estimate of investment returns across the Fund's investment portfolio. The discount rate therefore references the weighted average of the zero-coupon rates along the yield curve derived from UK government bonds for the cashflows projected to arise from the prospective benefits.
- The discount rate used to determine the technical provisions at the 2024 valuation (net of investment manager expenses) will be the weighted average of the gilt yield curve for the cashflows projected to arise from the prospective benefits less 0.1%.
- The guaranteed pension increase rate for pensions in payment (in excess of any GMPs) is the annual increase in the retail price index subject to a minimum of 3% and a maximum of 5% each year. The assumed rate of future increases to pensions in payment will have regard to the market implied rate of retail price inflation and indicative market pricing for the 3% minimum and the 5% maximum.

## The Trustee's Report (Cont)

### Report on Actuarial Liabilities (Cont)

- The guaranteed pension increase rate in deferment (in excess of any GMPs) is the cumulative increase in the consumer price index over the period from the date of leaving to retirement with a minimum of 3% per annum and a maximum of 5% per annum over the relevant period of deferment. The assumed rate of future increases to pensions in deferment will have regard to the market implied rate of consumer price inflation and the historic accumulation of increases in deferred pensions to the valuation date relative to the minimum rate of 3% per annum and the maximum rate of 5% per annum.

The key demographic assumptions used in the technical provision calculations are as follows:

**Mortality – base tables:** Self-administered pension schemes' Series 2 (SAPS S2) tables adjusted to give a confidence level of 67% in relation to the Fund's own experience, projected from 2007 to 2014 in line with the CMI 2017 model with a 1.5% p.a. long-term trend.

**Mortality – future improvements:** allowance is made for future improvements in line with the CMI 2022 model with a 1.5% p.a. long-term trend, a smoothing parameter of 7.0 and an initial addition to future mortality improvements of 0.25%. Compared to the 2019 model that was used for the previous valuation the 2022 model has additional parameters to apply weightings for the 2020, 2021 and 2022 mortality experience. The weightings of 0% for the 2020 and 2021 mortality experience and 25% for the 2022 mortality experience were selected.

The financial statements on pages 23 to 33 do not take into account liabilities which fall due after the year end. As part of the triennial valuation, the Scheme Actuary considers the funding position of the Fund and if required the level of contributions payable.

## The Trustee's Report (Cont)

### Investment policy

The Trustee of the Allied Domecq Pension Fund ("the Fund") is required to produce a Statement of Investment Principles ("SIP"), which outlines its investment strategy, in accordance with Section 35 of the Pensions Act 1995, as amended by the Pensions Act 2004 and subsequent regulations. A copy of the SIP is available at the following address:

<https://allieddomecqpensions.co.uk/assets/doc/2026/January/statement-investment-principles-2025.pdf>

The Trustee of the Fund also maintains an Investment Implementation Policy Document ("IIPD"), which contains details of the Fund's investment arrangements.

The main priority of the Trustee in considering investment policy is to maximise the likelihood of the promises made regarding members' pensions being fulfilled.

### Strategy

The Trustee's investment objectives are to ensure that the Fund's investments maximise the likelihood that benefits will be paid to members as they fall due in conjunction with continued support from the sponsoring employer, but with a low chance of further significant Company contributions being required as a result of investment experience.

The investment strategy is agreed by the Trustee after taking appropriate advice and after consultation with the Company and is outlined in the SIP. It is reviewed regularly by the Trustee to ensure that it remains appropriate to meet the Fund's objectives.

As part of its risk management strategy, the Trustee purchased a bulk purchase annuity with Rothesay Life PLC ("Rothesay") during September 2019 which represented the vast majority of the Fund's liabilities.

In November 2024, the Trustee insured the remaining uninsured members with Rothesay under the same policy.

Those assets not transferred to Rothesay form a 'residual portfolio' that comprises the following:

- Residual illiquid assets that naturally unwind or are being redeemed. These include some illiquid property assets which are being realised as and when opportunities arise;
- Cash balances
- Legacy individual annuities.

The assets of the Fund are largely invested via a mixture of insurance policies and pooled funds. Subject to complying with the agreed strategy, the day-to-day management of the Fund's assets is the responsibility of the investment managers.

## The Trustee's Report (Cont)

### General

All investments, with the exception of Additional Voluntary Contributions and the legacy individual annuity assets, have been managed during the year by the following investment managers:

|                               |                                                                                                                     |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Bulk Purchase Annuity:</b> | Rothsay Life PLC ("Rothsay")                                                                                        |
| <b>Cash and cash funds:</b>   | Insight Investment Management (Global) Limited ("Insight")<br>The Northern Trust Company Limited ("Northern Trust") |
| <b>Property funds:</b>        | CBRE Global Investment Partners Limited ("CBRE")                                                                    |

### Summary of Changes over the year

The Fund continued to sell down its holdings in the CBRE property mandate and to seek opportunities to sell its remaining positions. There remain just three underlying funds within that portfolio, although only one fund still actually holds properties.

The Partners Group fund was formally wound up in September 2025, with a final distribution paid to the Fund at this point.

Cash received from CBRE during the year was periodically swept to Insight and invested in a pooled cash fund.

The closed-cases GMP project completed in September 2025, leaving £1.5 million which was transferred back to the Trustee bank account and subsequently reinvested into the Insight Liquidity Fund.

### Myners Review

The Trustee understands that the primary purpose of the Code of Best Practice is to ensure that the Trustee has the right skill set and decision-making structures in place with clear objectives for the Fund and an appropriate and well documented strategy for achieving these objectives. In a similar vein, the Trustee knows that they should set explicit goals for the fund managers used by the Fund. The Trustee has complied during the year with the requirement to set clear objectives and a strategic asset allocation. The Trustee has also agreed explicit mandates, appropriate benchmarks and performance targets with the investment managers and the Fund has appointed Northern Trust Limited as an independent performance measurer.

Following the purchases of the bulk purchase annuity policy, the Trustee has not set a strategic asset allocation for the Fund's retained assets.

The SIP and the IIPD are reviewed regularly. In addition, the Trustee continually reviews its training needs and skills in order to ensure effective decision making and, where appropriate, the Trustee takes independent expert advice.

### The Stewardship Code

The Trustee has reviewed the UK Stewardship Code and decided not to formally adopt it. Instead, it has set an objective of broadly adhering to the principles set out in the Code, to the extent that it is relevant, appropriate and practical to do so. In particular, the Trustee expects its investment managers to apply the Code (where appropriate) on its behalf and it monitors managers' reports on engagement activity accordingly.

## The Trustee's Report (Cont)

### Environmental, Social and Governance ("ESG")

The Trustee recognises that the consideration of financially material factors, including ESG factors, is relevant at different stages of the investment process. Strategic decisions are made using appropriate economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material factors.

Given the maturity of the Fund and its strong funding position, the Trustee has a relatively short investment horizon and limited exposure to assets outside of the bulk purchase annuity. It has therefore not made any specific allowance for ESG factors and the risks of climate change. However, given the discretion afforded to the active investment managers, the Trustee expects that they will take account of all financially material factors including the potential impact of ESG factors in the implementation of their mandate.

The Trustee has discussed the extent to which ESG issues, where relevant to the investment mandate, are integrated into the investment processes of their active investment managers and are satisfied that the investment managers are following an approach which takes account of all financially material factors.

Further details can be found in the Implementation Statement on page 35.

### Investment Report

AI-related investment, fiscal support and monetary easing reinforce a reasonable global growth backdrop in 2026. However, supply-side risks from the US-Iran conflict add uncertainty.

UK headline inflation peaked in summer 2025. While wage and services inflation have eased, higher energy costs have stalled disinflation progress, pushing inflation up to 3.3% in March 2026.

Sovereign bond yields rose across major advanced markets in Q1. Short-term yields rose the most, as markets priced in rate hikes, as UK 10-year bond yields increased to 4.9% pa.

Concerns over greater bond issuance amid waning institutional demand have pressured long-end yields. Real yields rose on global competition for capital from the AI-investment boom.

The MSCI UK Monthly Property Total Return Index rose 6.5%; income was supplemented by a 0.8% gain in capital values. Industrial (2.3%) and retail (1.3%) annual capital value growth slowed, while offices declined (-2.7%).

## The Trustee's Report (Cont)

### Review of Investment Performance

Over the year, the value of the Fund fell by c.£83m to £1,847m. This fall in value was predominately driven by a reduction in the value of the Fund's bulk purchase annuity with Rothesay. The change in the value of the bulk purchase annuity reflected the rise in gilt yields over the year and the value of the liabilities covered by the bulk purchase annuity reduced by a corresponding amount. Furthermore, an additional factor which contributed to the fall in the value of the Fund over the period has been the ongoing payment of benefits to the members of the Fund.

The following table summarises the investment performance of the Fund over the one, three and five-year periods to 31 March 2026:

|            | <b>1 Year</b><br><b>(%)</b> | <b>3 Years</b><br><b>(% p.a.)</b> | <b>5 Years</b><br><b>(% p.a.)</b> |
|------------|-----------------------------|-----------------------------------|-----------------------------------|
| Total Fund | 4.1                         | 2.9                               | 0.4                               |

Note: Total Fund figures are provided by the custodian, Northern Trust. Please note that the Fund purchased a bulk purchase annuity and the assets used to purchase this were transferred to Rothesay on 30 September 2019. As such the performance figures shown are based on circa £4bn of assets up until 30 September 2019, after which performance figures have been calculated on the Fund's residual holdings only, i.e. excluding the bulk purchase annuity.

### Deployment of investments

The distribution of the Fund's underlying assets as at 31 March in each year was as set out below:

|                                                              | <b>2026</b><br><b>(%)</b> | <b>2025</b><br><b>(%)</b> |
|--------------------------------------------------------------|---------------------------|---------------------------|
| Bulk purchase annuity policy and legacy individual annuities | 90.7                      | 91.1                      |
| Property                                                     | 0.1                       | 0.1                       |
| Private Lending                                              | 0.0                       | 0.0                       |
| Cash and Gilts                                               | 9.2                       | 8.8                       |
| <b>Total</b>                                                 | <b>100.0</b>              | <b>100.0</b>              |

Note: The allocations shown above have been estimated by Hymans Robertson based on data provided by the investment managers and the Fund's custodian, Northern Trust. Allocations to non cash asset classes may include cash balances not yet invested. Totals may not add up due to rounding.

### Custodian arrangements

The Trustee appointed Northern Trust as Custodian of the Fund's assets with effect from June 2004.

The Custodian is responsible for the safe keeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the Custodian's nominee company, in line with common practice for pension scheme investments. The investment managers of Pooled Investment Vehicles are responsible for the custody arrangements of the underlying assets within those funds.

The Trustee is responsible for ensuring that the Fund's assets continue to be securely held. It reviews custody arrangements and the performance of the Custodian annually. The last review was conducted during 2025

### Basis of Investment Managers' Fees

The investment managers' fees are met from the resources of the Fund.

The rate of fees paid to each manager varies and may include base fees as well as flat rate fees, depending upon the nature of each mandate.

## The Trustee's Report (Cont)

### Additional Voluntary Contributions (AVCs)

The Trustee continues to offer a diversified portfolio of member AVC options under competitive terms from suitable providers, recognising that no new AVC contributions may be made.

The Trustee monitors the performance for each available AVC option on a regular basis and the following returns were reported for the year ended 31 March 2026:

| Fund                                              | 1 Year returns |             | 3 Year returns |                  | 5 Year returns |                  |
|---------------------------------------------------|----------------|-------------|----------------|------------------|----------------|------------------|
|                                                   | Fund %         | Benchmark % | Fund % p.a.    | Benchmark % p.a. | Fund % p.a.    | Benchmark % p.a. |
| Aquila Life UK Equity Index Fund                  | 19.1           | 19.1        | 11.6           | 11.5             | 9.6            | 9.9              |
| Aquila Life (50:50) Global Equity Fund            | 21.8           | 21.7        | 13.3           | 13.3             | 10.3           | 10.5             |
| Aquila Life World (ex-UK) Equity Index Fund       | 16.0           | 15.7        | 14.3           | 14.6             | 10.6           | 11.0             |
| Aquila Life Consensus Fund                        | 14.2           | 13.5        | 9.5            | 9.0              | 6.8            | 6.5              |
| Aquila Life Market Advantage                      | 7.1            | 5.4         | 5.4            | 7.5              | 1.9            | 6.4              |
| Aquila Life >5 Years Index Linked Gilt Index Fund | 2.6            | 3.8         | -4.9           | -4.7             | -8.9           | -8.8             |
| Aquila Life >15 Years UK Gilt Index Fund          | -0.3           | 0.4         | -4.2           | -4.2             | -10.7          | -10.5            |
| Aquila Life Cash Fund                             | 4.1            | 4.0         | 4.8            | 4.6              | 3.3            | 3.2              |

Source: Aegon, figures quoted gross of fees. ALMA benchmark shown is SONIA.

Further details of the AVC options can be found in the Chair's DC Compliance Statement starting on page 38.

## Approval of Trustee's Report

This report and the Implementation Statement on pages 35 to 37, were approved by the Trustee on

Date: \_\_\_\_\_

Signed on behalf of the Trustee:

\_\_\_\_\_  
L Arnold – Chair of Trustee Board

# Independent Auditor's Report to the Trustee of the Allied Domecq Pension Fund

## Opinion

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

In our opinion, the financial statements:

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

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

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

## Independent Auditor's Report to the Trustee of the Allied Domecq Pension Fund (Cont)

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

### Other information

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

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

We have nothing to report in this regard.

### Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 8, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditors' responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Pensions Act 1995 and 2004, and those that relate to the reporting frameworks (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102), and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP"));

## Independent Auditor's Report to the Trustee of the Allied Domecq Pension Fund (Cont)

- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, such as the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Fund operates;
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee, and from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee;
- We assessed the susceptibility of the Fund's financial statements to material misstatement due to irregularities, including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to:
  - The risk of management override of controls through posting inappropriate journal entries to manipulate net assets for the year and;
  - The valuation of hard-to-value assets using a method not permitted under the SORP.
- Our audit procedures involved:
  - Journal entry testing, with a focus on large journals, manual journals, those journals with unusual account combinations, or entries posted to suspense accounts;
  - Use of our internal experts to challenge the reasonableness of the insurance policies asset valuations at the year-end produced by the Trustee's valuation expert and;
  - Obtaining independent confirmations of material investment valuations and cash balances at the year-end.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
  - Knowledge of the industry in which the Fund operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

## Independent Auditor's Report to the Trustee of the Allied Domecq Pension Fund (Cont)

### Use of our report

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

**Grant Thornton UK LLP**  
**Statutory Auditor, Chartered Accountants**  
**London**

**Date:**

## Summary of Contributions payable in the year

During the year, the contributions payable to the Fund by the Employer under the Schedule of Contributions certified on 10 December 2024 were as follows:

|                                                           | £m  |
|-----------------------------------------------------------|-----|
| Employer deficit funding contributions                    | Nil |
| Employer expense reimbursement contributions              | Nil |
| Contributions payable under the Schedule of Contributions | Nil |

Signed on behalf of the Trustee:

\_\_\_\_\_  
L Arnold – Chair of Trustee Board

Date: \_\_\_\_\_

## Independent Auditor's Statement about Contributions to the Trustee of the Allied Domecq Pension Fund

We have examined the summary of contributions to the Allied Domecq Pension Fund (the 'Fund') for the Fund year ended 31 March 2026, which is set out on page 21.

In our opinion, contributions for the Fund year ended 31 March 2026 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Fund actuary on 10 December 2024.

### Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments under the Schedule of Contributions.

### Respective responsibilities of Trustee and the auditor

As explained more fully in the Statement of Trustee's responsibilities set out on page 8, the Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Fund by the Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

### Use of our statement

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

**Grant Thornton UK LLP**  
**Statutory Auditor, Chartered Accountants**  
**London**

**Date:**

# The Financial Statements

## Fund Account

for the year ended 31 March 2026

|                                                   | Note | 31 March<br>2026<br>£m | 31 March<br>2025<br>£m |
|---------------------------------------------------|------|------------------------|------------------------|
| <b>Contributions and benefits</b>                 |      |                        |                        |
| Contributions                                     | 4    | -                      | -                      |
|                                                   |      | -                      | -                      |
| Benefits paid or payable                          | 5    | (133.6)                | (134.5)                |
| Payments to and on account of leavers             | 6    | (0.9)                  | (2.9)                  |
| Administrative expenses                           | 7    | (5.8)                  | (6.4)                  |
|                                                   |      | (140.3)                | (143.8)                |
| <b>Net withdrawals from dealings with members</b> |      |                        |                        |
|                                                   |      | (140.3)                | (143.8)                |
| <b>Returns on investments</b>                     |      |                        |                        |
| Investment income                                 | 8    | 143.7                  | 147.6                  |
| Change in market value of investments             | 9    | (86.0)                 | (411.9)                |
| Investment management expenses                    | 10   | (0.4)                  | (0.5)                  |
| <b>Net return on investments</b>                  |      |                        |                        |
|                                                   |      | 57.3                   | (264.8)                |
| <b>Net decrease in the fund during the year</b>   |      |                        |                        |
|                                                   |      | (83.0)                 | (408.6)                |
| <b>Net assets of the Fund</b>                     |      |                        |                        |
| <b>At 1 April</b>                                 |      | 1,929.9                | 2,338.5                |
| <b>At 31 March</b>                                |      | 1,846.9                | 1,929.9                |

The notes on pages 25 to 33 form part of these financial statements.

## The Financial Statements (Cont)

### Statement of Net Assets

available for benefits as at 31 March 2026

|                                                                      | Note | 31 March<br>2026<br>£m | 31 March<br>2025<br>£m |
|----------------------------------------------------------------------|------|------------------------|------------------------|
| <b>Investment assets:</b>                                            |      |                        |                        |
| Bulk purchase annuity policy                                         | 13   | 1,666.2                | 1,751.8                |
| Pooled investment vehicles                                           | 12   | 169.9                  | 166.7                  |
| Legacy individual annuity policies                                   | 13   | 2.5                    | 2.9                    |
| AVC investments                                                      | 15   | 2.5                    | 2.6                    |
| Cash                                                                 | 14   | 0.5                    | 1.0                    |
| Accrued income and withholding tax                                   | 9    | 0.6                    | 0.7                    |
|                                                                      | 9    | 1,842.2                | 1,925.7                |
| <b>Current assets</b>                                                | 19   | 16.8                   | 15.9                   |
| <b>Current liabilities</b>                                           | 20   | (12.1)                 | (11.7)                 |
| <b>Net assets of the Fund at 31 March<br/>available for benefits</b> |      | 1,846.9                | 1,929.9                |

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position of the Fund, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on pages 9 to 10 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 25 to 33 form part of these financial statements.

These financial statements were approved by the Trustee on

Date: \_\_\_\_\_

Signed on behalf of the Trustee:

\_\_\_\_\_  
L Arnold – Chair of Trustee Board

# Notes to the Financial Statements

## 1. Basis of preparation

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

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Fund has adequate resources, supported by both the bulk annuity insurer covenant and the sponsor covenant, meet pension payments in the normal course of affairs for at least twelve months from the date of approval of these financial statements.

## 2. Identification of the financial statements

The Fund is established as a trust under English law. The address for enquiries to the Fund is included in the Trustee's Report.

## 3. Accounting policies

The principal accounting policies of the Fund which are applied consistently are as follows:

### Critical accounting judgements and estimation uncertainty

- There are no critical judgements in applying the accounting policies.
- Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Fund, the Trustee believes the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Fund investments and, in particular, those classified in Level 3 of the fair value hierarchy. Explanation of the key assumptions underpinning the valuation of investments are included within the notes to the financial statements for Insurance Policies.

### Currency

- The Fund's functional and presentational currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Fund year-end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

### Payments to members

- Pensions in payment are accounted for in the period to which they relate.
- Where members have a choice regarding the form and timing of their benefit, benefits are accounted for on an accruals basis on the later of the date of retiring or leaving and the date the option is exercised. Other benefits are accounted for on an accruals basis on the date of retiring or leaving.
- Individual transfers out of the Fund are accounted for when member liability is discharged which is normally when the transfer amount is paid.
- Where the Trustee agrees or is required to settle tax liabilities on behalf of a member with a consequent reduction in that member's benefits receivable from the Fund, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within "Benefits paid or payable".

### Expenses and other payments

- Expenses are accounted for on an accruals basis.
- Administrative expenses are met by the Fund.
- Investment management expenses and rebates are accounted for on an accruals basis and shown net within "Returns on investments". Transaction costs are included in the cost of purchases and sale proceeds.

## Notes to the Financial Statements (Cont)

### 3. Accounting policies (Cont)

#### Investment income

- Income from pooled investment vehicles is accounted for when declared by the fund manager. Other Investment income arising from the underlying investments of the pooled investment vehicles is reinvested within the pooled investment vehicles and reflected in the unit price. Thus, it is reported within "Change in market value".
- Income from cash and short term deposits is accounted for on an accruals basis.
- Income from individual and bulk purchase annuity policies are accounted for as investment income on an accruals basis to match the timing of the respective benefits payable / payments to leavers.
- Income arising from other investment income is accounted for in the period in which it falls due.

#### Valuation of investments

- The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.
- Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), and adjusted for cash movements to the year-end, determined in accordance with fair value principles, provided by the pooled investment manager.
- The bulk purchase annuity policy has been valued at the estimated present value of future obligations by the Scheme Actuary using detailed cashflows derived from individual member data.
- Other legacy individual annuity policies have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.
- With-profits AVC investment policies are reported at the policy value provided by the insurance company based on the cumulative reversionary bonuses declared and the current terminal bonus.

### 4. Contributions

The Fund was in a surplus following the completion of the actuarial valuation as at 31 March 2024 (see Report on Actuarial Liabilities on pages 9 to 10) so there were no contributions due to the Fund and none are required under the Schedule of Contributions going forward.

### 5. Benefits paid or payable

|                                                          | 2026  | 2025  |
|----------------------------------------------------------|-------|-------|
|                                                          | £m    | £m    |
| Pensions                                                 | 122.1 | 122.4 |
| Commutation of pensions and lump sum retirement benefits | 10.4  | 11.1  |
| Lump sum death benefits                                  | 1.1   | 1.0   |
|                                                          | 133.6 | 134.5 |

### 6. Payments to and on account of leavers

|                                       | 2026 | 2025 |
|---------------------------------------|------|------|
|                                       | £m   | £m   |
| Individual transfers to other schemes | 0.9  | 2.9  |

## Notes to the Financial Statements (Cont)

### 7. Administrative expenses

|                                      | 2026<br>£m | 2025<br>£m |
|--------------------------------------|------------|------------|
| Administration and processing        | 2.2        | 1.9        |
| Actuarial fees                       | 1.3        | 2.3        |
| Audit fees                           | 0.1        | 0.1        |
| Legal fees & other professional fees | 0.4        | 0.5        |
| Independent trustee fees             | 0.2        | 0.2        |
| PPF levy                             | 0.1        | 0.1        |
| Secretarial fees                     | 1.4        | 1.2        |
| Consultancy fees                     | 0.1        | 0.1        |
|                                      | 5.8        | 6.4        |

Following the completion of the 2018 actuarial valuation, it was agreed that the Fund would meet all expenses with effect from 1 January 2019. This has continued to apply following the completion of the 2021 and 2024 actuarial valuations.

### 8. Investment income

|                                                | 2026<br>£m | 2025<br>£m |
|------------------------------------------------|------------|------------|
| Income from bulk purchase annuity policy       | 136.1      | 133.6      |
| Income from pooled investment vehicles         | 6.9        | 13.2       |
| Interest on cash deposits                      | 0.2        | 0.2        |
| Income from legacy individual annuity policies | 0.5        | 0.6        |
|                                                | 143.7      | 147.6      |

### 9. Reconciliation of investments

|                                    | Value at<br>31 March<br>2025<br>£m | Purchases<br>at cost<br>£m | Sales<br>proceeds<br>£m | Change in<br>market<br>value<br>£m | Value at<br>31 March<br>2026<br>£m |
|------------------------------------|------------------------------------|----------------------------|-------------------------|------------------------------------|------------------------------------|
| Pooled investment vehicles         | 166.7                              | 9.1                        | (5.6)                   | (0.3)                              | 169.9                              |
| Insurance policies                 | 1,754.7                            | -                          | -                       | (86.0)                             | 1,668.7                            |
| AVC investments                    | 2.6                                | -                          | (0.4)                   | 0.3                                | 2.5                                |
|                                    | 1,924.0                            | 9.1                        | (6.0)                   | (86.0)                             | 1,841.1                            |
| Cash deposits                      | 1.0                                |                            |                         |                                    | 0.5                                |
| Accrued income and withholding tax | 0.7                                |                            |                         |                                    | 0.6                                |
|                                    | 1,925.7                            |                            |                         |                                    | 1,842.2                            |

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. The amount of indirect costs is not separately provided to the Fund.

## Notes to the Financial Statements (Cont)

### 10. Investment management expenses

|                                        | 2026<br>£m | 2025<br>£m |
|----------------------------------------|------------|------------|
| Administration, management and custody | 0.2        | 0.3        |
| Advisory                               | 0.2        | 0.2        |
|                                        | 0.4        | 0.5        |

### 11. Taxation

The Fund is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

### 12. Pooled investment vehicles

The Fund's investments in pooled investment vehicles at the year-end comprised:

|             | 2026<br>£m | 2025<br>£m |
|-------------|------------|------------|
| Property    | 1.7        | 1.8        |
| Multi-asset | -          | 0.2        |
| Liquidity   | 168.2      | 164.7      |
|             | 169.9      | 166.7      |

The multi-asset funds held a variety of investments including bonds, cash and derivatives.

### 13. Insurance policies

The Fund's investments in insurance policies at the year-end comprised:

|                                                                | 2026<br>£m | 2025<br>£m |
|----------------------------------------------------------------|------------|------------|
| Legacy individual annuity policies held with various providers | 2.5        | 2.9        |
| Bulk purchase annuity policy with Rothesay                     | 1,666.2    | 1,751.8    |
|                                                                | 1,668.7    | 1,754.7    |

The bulk annuity policy with Rothesay has been valued in line with previous years. The assumptions used to calculate both the asset and technical provisions liability value of the benefits insured by Rothesay are consistent with the present value of future benefit obligations, updated for any changes in market conditions (i.e. movements in gilt yields and expectations for future inflation), and a roll forward of mortality and retirement assumptions.

### 14. Cash deposits

|                        | 2026<br>£m | 2025<br>£m |
|------------------------|------------|------------|
| Sterling cash deposits | 0.5        | 1.0        |

## Notes to the Financial Statements (Cont)

### 15. AVC investments

The Trustee continues to offer a diversified portfolio of member AVC options under competitive terms from suitable providers, recognising that no new AVC contributions may be made, having closed to new investors since 5 April 2002. Members participating in this arrangement each receive an annual statement made up to the Fund year-end confirming the amounts held to their account and the movements in the year.

The aggregate amounts of AVC investments are as follows:

|       | 2026<br>£m | 2025<br>£m |
|-------|------------|------------|
| Aegon | 2.5        | 2.6        |

### 16. Fair value hierarchy

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

|          |                                                                                                                                                                           |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1: | The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.                                   |
| Level 2: | Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. |
| Level 3: | Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.                                                                           |

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Fund's investment assets and liabilities fall within the above hierarchy as follows:

|                                    | As at 31 March 2026 |               |               |             |
|------------------------------------|---------------------|---------------|---------------|-------------|
|                                    | Level 1<br>£m       | Level 2<br>£m | Level 3<br>£m | Total<br>£m |
| Pooled investment vehicles         | -                   | 168.2         | 1.7           | 169.9       |
| Insurance policies                 | -                   | -             | 1,668.7       | 1,668.7     |
| AVC investments                    | -                   | -             | 2.5           | 2.5         |
| Cash deposits                      | 0.5                 | -             | -             | 0.5         |
| Accrued income and withholding tax | 0.6                 | -             | -             | 0.6         |
|                                    | 1.1                 | 168.2         | 1,672.9       | 1,842.2     |

|                                    | As at 31 March 2025 |               |               |             |
|------------------------------------|---------------------|---------------|---------------|-------------|
|                                    | Level 1<br>£m       | Level 2<br>£m | Level 3<br>£m | Total<br>£m |
| Pooled investment vehicles         | -                   | 164.7         | 2.0           | 166.7       |
| Insurance policies                 | -                   | -             | 1,754.7       | 1,754.7     |
| AVC investments                    | -                   | -             | 2.6           | 2.6         |
| Cash deposits                      | 1.0                 | -             | -             | 1.0         |
| Accrued income and withholding tax | 0.7                 | -             | -             | 0.7         |
|                                    | 1.7                 | 164.7         | 1,759.3       | 1,925.7     |

## Notes to the Financial Statements (Cont)

### 17. Investment risk disclosures

#### Investment risks

FRS102 requires the disclosure of information in relation to certain investment risks, as follows:

- **Credit risk** – being the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- **Market risk** – includes the following risks:
  - **Currency risk** being the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates;
  - **Interest rate and inflation risk** being the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates and inflation; and
  - **Other price risk** being the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those set out above), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Fund has exposure to these risks because of the investments it makes in the investment strategy set out on page 11 of this report.

Around 91% of the Fund's assets are invested in a bulk purchase annuity with Rothesay Life PLC ("Rothesay"). The Fund is not directly exposed to any risks associated with assets purchased by the insurer. However, the Fund regularly monitors the ongoing solvency of Rothesay, which is also subject to the requirements of the insurance company regulatory regime.

The Trustee manages investment risks within agreed limits which are set taking into account the Fund's strategic objectives. These investment objectives and risk limits are implemented through the investment management agreements and contracts that are in place with each of the Fund's managers. These are monitored through regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management is set out below, representing the position at the year-end in each case. Reference to AVC investments is not included as they are not considered significant in the context of the overall assets of the Fund.

#### Credit Risk

As outlined above, the Fund is exposed to the ongoing solvency of Rothesay in respect of the bulk purchase annuity that covers the majority of the Fund's assets.

The Fund is also subject to direct credit risk through holdings in cash balances, although these are small. In addition, the Fund invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments held within them.

Cash is invested in diversified pooled funds or held within financial institutions that are at least rated as investment grade.

Direct credit risk arising from pooled investment vehicles is mitigated by the fact that the underlying assets of those pooled arrangements are ring fenced from the investment manager. A further mitigation is the regulatory environment in which the pooled managers operate. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and monitors any changes to their operating environment on an ongoing basis.

## Notes to the Financial Statements (Cont)

### 17. Investment risk disclosures (Cont)

#### Currency Risk

The Fund is subject to currency risk through very small cash amounts and these are regularly converted to Sterling. It is not expected for there to be material balances in overseas currencies. Currency risk is therefore minimal in the context of the overall Fund.

#### Interest Rate and Inflation Risk

As the value and the characteristics of the Fund's assets do not exactly match its liabilities, the Fund is exposed to interest rate and inflation risk.

The Fund invests in a buy-in policy in respect of the Fund's liabilities, which extinguishes any interest rate and inflation sensitivity associated with those liabilities.

#### Other Price Risk

Other price risk arises principally in relation to the Fund's property mandate that has not yet fully redeemed. This now comprise just c.0.1% of total Fund holdings, as the majority has been redeemed already. This mandate is expected to be sold in full by the end of 2026.

#### Risk Summary

The following table illustrates the extent to which the Fund's DB investments, as at 31 March 2026 and 31 March 2025, are subject to credit, interest rate, currency and other price risks.

| Investment assets                  | Market Value<br>31 March<br>2026 (£M) | Market Value<br>31 March<br>2025 (£M) | Credit<br>risk | Interest<br>rate risk | Currency<br>risk | Other<br>risk |
|------------------------------------|---------------------------------------|---------------------------------------|----------------|-----------------------|------------------|---------------|
| Bulk purchase annuity policies     | 1,666.2                               | 1,751.8                               | Yes            | Yes                   | No               | No            |
| Pooled investment vehicles         | 169.9                                 | 166.7                                 | Yes            | Yes                   | Yes              | Yes           |
| Legacy individual annuity policies | 2.5                                   | 2.9                                   | Yes            | Yes                   | No               | No            |
| AVC investments                    | 2.5                                   | 2.6                                   | Yes            | Yes                   | Yes              | Yes           |
| Cash deposits                      | 0.5                                   | 1.0                                   | Yes            | Yes                   | Yes              | No            |
| Accrued income & withholding tax   | 0.6                                   | 0.7                                   | Yes            | No                    | Yes              | No            |
| <b>Total</b>                       | <b>1,842.2</b>                        | <b>1,925.7</b>                        |                |                       |                  |               |

#### Legal Nature of the Fund's Pooled Investment Vehicles:

|                                       | 2026<br>£m | 2025<br>£m |
|---------------------------------------|------------|------------|
| Closed-ended investment company       | -          | 0.2        |
| Open Ended Investment Company (UCITS) | 168.2      | 164.7      |
| UK Limited Partnership                | 1.6        | 1.7        |
| Jersey Property Unit Trust            | 0.1        | 0.1        |
|                                       | 169.9      | 166.7      |

## Notes to the Financial Statements (Cont)

### 18. Concentration of investments

The following investment (with the exception of the initial bulk purchase annuity policy with Rothesay) is the only holding that accounts for more than 5% of the Fund's net assets at the year-end:

|                        | 2026  |     | 2025  |     |
|------------------------|-------|-----|-------|-----|
|                        | £m    | %   | £m    | %   |
| Insight Liquidity Fund | 168.2 | 9.1 | 164.7 | 8.5 |

### 19. Current assets

|                         | 2026 | 2025 |
|-------------------------|------|------|
|                         | £m   | £m   |
| Income due from insurer | 1.8  | 1.3  |
| Prepayments             | 0.1  | 0.1  |
| Cash balances           | 14.9 | 14.5 |
|                         | 16.8 | 15.9 |

### 20. Current liabilities

|                             | 2026   | 2025   |
|-----------------------------|--------|--------|
|                             | £m     | £m     |
| Accrued benefits            | (1.1)  | (0.8)  |
| Accrued expenses            | (1.1)  | (1.0)  |
| Prepaid income from insurer | (9.9)  | (9.9)  |
|                             | (12.1) | (11.7) |

### 21. Related party transactions

The Fund has paid benefits to the Member Nominated Trustee Directors (RJ Lowe, PA Cox and P Shaw) who are beneficiaries of the Fund. The benefits were paid in line with Fund Rules.

During the year, L Arnold as Trustee Chair received a fee of £124,901 (2025: £120,794). In addition, all Member Nominated Trustee Directors received a fee of £12,556 p.a. (2025: £12,152 p.a.). The amount outstanding at the year-end was £45,895 (2025: £132,333). The Trustee Chair and Member Nominated Trustee Directors are both regarded as key management personnel.

The Trustee Directors' fees noted above are paid directly by the Sponsoring Employer. From 1 January 2019, these costs have been reimbursed to the Employer by the Fund, in line with the Schedule of Contributions.

Company Nominated Trustee Directors are not reimbursed by the Fund but may receive remuneration from the Sponsoring Employer.

### 22. Employer-related investments

The Fund held no direct investment in Allied Domecq (Holdings) Limited or its subsidiaries during the year. The Fund may from time to time have had limited exposure to the Pernod Ricard S.A. share price through its investments in pooled vehicles that were held as part of the Fund's main assets as well as through the Aegon funds and the with-profits vehicles that were part of the Fund's AVC investments. The indirect exposure was less than 1%.

## Notes to the Financial Statements (Cont)

### 23. Contingent liability

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

On 20 November 2020, the High Court handed down a judgment on the GMP equalisation case in relation to the Lloyds Banking Group pension schemes. This follows from the original judgment in October 2018 which confirmed that schemes need to equalise pensions for the effect of unequal GMPs between males and females. The issues determined by the judgments arise in relation to many other defined benefit pension schemes.

A series of payments totalling c£3.5m were made in February 2024 to pensioners impacted by the 2018 ruling, and a series of payments totalling c£2.1m were made in February 2024 to former members impacted by the 2020 ruling.

The Trustee of the Fund made good progress over the course of the year and all residual GMP equalisation activity is effectively complete. There continue to be a very small number of sweep up cases and these are expected to be settled by June 2026. A full reconciliation exercise in relation to a sample of pensioner and deferred members has been undertaken with no issues found.

An approximate allowance was made for the equalisation of benefits in the 2024 Actuarial Valuation, which was signed off on 10 December 2024. There are still potential liabilities in relation to the 2020 ruling, as the uplifted benefits now need to be insured under the buy-in policy with Rothesay Life and work continues to progress this. At the date of signing these accounts, it is therefore not possible to provide a more informed estimate of the value of any such adjustments for the purpose of the accounts, and the amount is expected to be immaterial.

Any adjustments necessary to reflect the final costs of GMP equalisation will be recognised in the financial statements in future years.

The Trustee agreed a side letter with Rothesay at the time of the bulk purchase annuity policy in September 2019, under which the additional 1% premium that the Trustee paid at inception to pre-fund expected costs of GMP equalisation continues to insure an additional 1% of liabilities. The 1% may be used as and when required to cover or partially cover the costs of GMP equalisation and any other data cleansing, and to add any further benefits to the policy should such costs be less than 1%.

# Certificate of Adequacy of Contributions



**Actuarial Certificate of the Schedule of Contributions  
for the purposes of regulation 10(6) of the  
Occupational Pension Schemes (Scheme Funding) Regulations 2005**

*Name of Scheme:* Allied Domecq Pension Fund

**Adequacy of rates of contributions**

- 1 I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2024 to continue to be met for the period for which the schedule is to be in force.
- 2 I also certify that the rates of contributions shown in this schedule are not lower than I would have provided for had I had responsibility for preparing or revising the schedule, the statement of funding principles and any recovery plan.

**Adherence to statement of funding principles**

- 3 I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 10 December 2024.

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

A handwritten signature in black ink, appearing to read 'T. Panter', with a horizontal line underneath.

Tim Panter  
Scheme Actuary  
Fellow of the Institute and Faculty of Actuaries

3 Temple Quay  
Temple Back East  
Bristol  
BS1 6DZ

10 December 2024

Towers Watson Limited is registered in England and Wales  
Registration number: 5379715, Registered address: Watson House, London Road, Reigate, Surrey RH2 9PQ, UK.  
Authorised and regulated by the Financial Conduct Authority

# Implementation Statement

## Introduction

The Trustee has prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation, and those of the Pensions Regulator's General Code of Practice. It sets out how the Trustee has complied with the Allied Domecq Pension Fund ("the Fund's") Stewardship Policy and Statement of Investment Principles during the period 1 April 2025 to 31 March 2026.

The Trustee is satisfied that:

- The Fund's investments have been managed in accordance with the Fund's Stewardship Policy during the period;
- The Fund's investments have been managed in accordance with the remainder of the Fund's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles remain suitable for the Fund's members.

Please note that the Fund has now completed a buy-in covering all members. The only remaining residual assets are a property fund in the late stages of wind-down and a cash fund. Given the nature of the residual assets, we have focused on the remaining property assets when providing engagement examples in this document.

## Statement of Investment Principles

The Statement of Investment Principles sets out the principles and practices the Trustee follows when governing the Fund's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustee's approach to responsible investing (including climate change).

The Trustee reviewed and updated the Statement of Investment Principles in September 2025, setting out changes to the Fund's residual assets, which now comprise an Insight cash fund and CBRE property fund. The Statement is next scheduled for review in September 2026.

The Trustee has prepared this Implementation Statement on the basis of the Statement of Investment Principles in force throughout the period, with reporting within this document in line with the Statement of Investment Principles applicable at the relevant time.

The Fund's Statement of Investment Principles can be consulted online at:

<https://allieddomecqpensions.co.uk/assets/doc/2026/January/statement-investment-principles-2025.pdf>

## Investment governance

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustee has overall responsibility for how the Fund's investments are governed and managed, in accordance with the Fund's Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

The Trustee has elected to delegate some investment decisions to the investment managers.

The Trustee has set objectives for the Fund's investment adviser designed to align with the Trustee's own objectives and investment strategy as set out in the Statement of Investment Principles.

The suitability of these objectives was last reviewed by the Trustee in November 2025 and is scheduled for review no later than November 2026.

The Trustee carried out an evidence-based review of the investment adviser's performance against these objectives in November 2025. This involved assessing the adviser against the different objectives. The Trustee is satisfied that the objectives have been achieved for the year.

The investment risks relating to the Fund are described in the Statement of Investment Principles, pages 2 & 3. The Trustee believes that the main investment risks affecting the Fund have not changed during the fund year.

## Stewardship Policy

The Trustee Stewardship Policy sets out how the Trustee will behave as an active owner of the Fund's assets. It includes the Trustee's approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustee monitors and engages with their investment managers and other stakeholders.

The Fund's Stewardship Policy can be found within the Fund's Statement of Investment Principles, page 6.

The Fund's Stewardship Policy was reviewed in November 2025, as part of the review of the Fund's Statement of Investment Principles.

The Trustee's own engagement activity is focused on dialogue with its investment managers, which is undertaken in conjunction with the Trustee's investment adviser. The Trustee periodically reviews its managers' responsible investment practices, including voting and engagement where relevant, via reporting provided by the Trustee's investment adviser.

The Trustee has not set specific engagement objectives for investment managers. However, the Fund's illiquid asset investment manager (CBRE) is aware of the Trustee's priority to exit the Fund's remaining position, whilst maximising value. The Trustee regularly monitors the progress of winding down this position through updates provided via their investment adviser.

The Trustee also monitors its compliance with the Stewardship Policy on a regular basis and is satisfied that it has complied with the Fund's Stewardship Policy over the last scheme year.

## Engagement activity

Examples of engagement activity conducted by CBRE are set out below. As the illiquid fund is at an advanced stage of redemption, with few holdings remaining, limited engagement is expected. Insight is not included in the summary as they solely invest in a cash fund on behalf of the Fund.

| Fund manager    | Topics engaged on              | Engagement outcome                                                                                                                                                                                                                                                                          |
|-----------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CBRE - Property | Fund & Loan Extension          | CBRE IM approved the extension of the life of both FRXL vehicles to 31 December 2028. This extension aligns with the expiry of the statutory limitation period, allowing final liquidation and circulation of proceeds to take place without risk of a claim.                               |
|                 | Changing vehicle documentation | CBRE IM approved a disposal fee of up to 25bps for the underlying manager, payable only on completion of the final asset sale, providing a clear incentive for the management team to maximise focus on delivering a timely and efficient exit for investors, whilst also maximising value. |

With the exception of AVC investments, which are not covered in this Statement, the Fund no longer holds investments with attached voting rights. Therefore, this statement does not cover voting cast on the Trustee's behalf.

The Trustee has committed to reviewing investment managers' Responsible Investment policies on a regular basis. A review was undertaken by the Trustee in September 2024. The review considered managers' broader approach to responsible investment issues in addition to considering any change in approach by the manager over the year.

The Trustee and their investment advisers remain satisfied that the responsible investment policies of the managers and, where appropriate, the voting policies remain suitable for the Fund.

# Chair's DC Governance Statement

## Annual statement by the Chair of the Trustee for the year to 31 March 2026

### What is this Statement for?

This Statement has been prepared by the Trustee of the Fund in order to comply with the governance requirements of certain Regulations. It provides details of the Fund's Money Purchase Underpin ("MPU") and Additional Voluntary Contribution ("AVC") arrangements and is intended to be incorporated into the Trustee's Annual Report and Accounts. This Statement applies to the year ending 31 March 2026.

It is important that you can feel confident that your savings in the Fund are being looked after and give good value.

This Statement sets out how the Trustee board has managed the Fund in the last year and what they aim to do in the coming year.

A copy of this Statement, together with other key Statements about how the Fund is managed are available by contacting the Scheme Administrator using the details shown at the end of this statement. This Statement is also published online at:

<https://allieddomecpensions.co.uk/statutory-documentation.html>

### What's in this Statement?

We have included information on the following areas in this Statement:

1. How we manage your Fund – who the Trustee is and what guides our decision-making;
2. Investment options – what we have done to check the performance and suitability of the Fund's investment options;
3. Investment performance – what returns the investment options have given over the last few years;
4. The Fund's Money Purchase Underpin – how this was calculated and how the calculation methodology has changed during the year;
5. Costs and charges – what costs and charges you have paid in the last year and how these might impact the size of a typical member's savings in the Fund over time;
6. Value for members - how the quality of the Fund's services that you pay for compare to other pension schemes (including investment returns on your savings);
7. Administration – how well the Fund has been administered, including how promptly and accurately key transactions, such as the investment of your contributions, have been processed;
8. Trustee knowledge – what we as the Trustee board have done to maintain our level of knowledge and obtain the professional advice we need to look after the Fund for you; and
9. Our key actions last year and plans for the next year – what key actions the Trustee board took in the last year and what we aim to do in the coming year to continue to improve the Fund for all our members.

## How we manage your Fund

The Allied Domecq Pension Fund continued to be managed by Allied Domecq First Pension Trust Limited ("the Trustee") throughout the course of the year.

The Statement of Investment Principles ("SIP") was updated in September 2025. No material changes were made as part of this annual review. The latest SIP is appended to this statement.

## Additional Voluntary Contribution ("AVC") Investment options

We review the Fund's AVC arrangements on an annual basis, with the last review conducted on 25th November 2025. We are satisfied that the lifestyle arrangement has performed in-line with our objectives and remains suitable for most members because it offers good value for money and is aligned with most member requirements – see section 2 for more details. The next full review will take place within three years of the previous review date, or immediately following any significant change in investment policy or the Scheme's member profile.

There have been no changes to the investment options offered by the Fund's main AVC provider in the last year following our last review.

## Investment performance

UK headline inflation peaked in summer 2025. While wage and services inflation eased, higher energy costs stalled disinflation progress, pushing inflation up to 3.3% in March 2026.

Sovereign bond yields rose across major advanced markets in Q1. Short-term yields rose the most, as markets priced in rate hikes, as UK 10-year bond yields increased to 4.9% pa.

Concerns over greater bond issuance amid waning institutional demand pressured long-end yields. Real yields rose on global competition for capital from the AI-investment boom.

The MSCI UK Monthly Property Total Return Index rose 6.5%; income was supplemented by a 0.8% gain in capital values. Industrial (2.3%) and retail (1.3%) annual capital value growth slowed, while offices declined (-2.7%).

Over the year to 31 March 2026, the funds used in the Fund's lifestyle arrangement saw investments change in value by the following amounts (net of fees):

- A 21.6% rise or, put another way, a rise of £216 for every £1,000 invested, for those members invested in the BlackRock Aquila (50/50) Global Equity Fund;
- A 6.9% rise, or a rise of £69 for every £1,000 invested, for those members invested in the BlackRock Aquila Life Market Advantage Fund; and
- A 4.0% rise, or a rise of £40 for every £1,000 invested, for those invested in the BlackRock Aquila Life Cash Fund.

The investment returns across the AVC fund range were broadly in line with each fund's performance benchmark. Further detail can be found in Section 3.

## Costs and charges

Members pay for the Fund's AVC and MPU investment costs while the Fund pays for the Fund's administration, communications, retirement and governance costs.

We monitored the costs and charges deducted from members' pension pots during the last year:

The charges for the core lifestyle strategy offered to members with AVCs range from 0.095% p.a. at retirement to 0.26% p.a. at the point of investment in the BlackRock Aquila Life Market Advantage ('ALMA') Fund; or, put another way, in a range of £0.95 to £2.60 per £1,000 invested. We have also looked at how the costs and charges deducted from a typical member's pension pot each year might affect its future size at retirement. Over a 10-year period, our modelling estimates that the current level of costs and charges for the Fund's lifestyle arrangement could reduce the size of a starting pension pot of £8,000 by £487 at retirement age. This is a higher cost than in last year's Statement, reflecting a change in modelling methodology. The costs and charges assumed are now based on the average figure from the last five years rather than just the previous year, in line with regulatory guidance.

## Value for Members

Each year we look at the costs and charges you pay as well as the range and quality of the services you receive and see how they compare with similar pension schemes. We believe that the arrangements in place continue to offer you good value.

## Administration

We checked that the administration of the Fund is going smoothly at our quarterly meetings and found that:

- Key financial transactions were processed promptly and accurately; and
- The wider administration of the Fund was completed predominantly within the agreed service standards. See section 9 for more details.

## Trustee knowledge

It is important that we as a Trustee keep our knowledge of pension and investment matters up to date and have access to sound professional advice.

All Trustee Directors received appropriate training during the year – see section 10 for more details.

Collectively, the Trustee Directors believe that they have the appropriate skills and expertise, together with access to good quality professional advice, to enable them to run the Fund effectively.

## Our plans for the next year

During the last year the Trustee undertook the following to assess or improve value for members:

- Conducted a review of the fees, suitability and performance of the AVC funds.
- Considered the suitability of the lifestyle strategy.
- Concluded that the range of AVC funds remained appropriate for the majority of members.

In the coming year (which will be covered by the next Statement), the Trustee's focus will be on ensuring that the current AVC arrangements remain suitable for the majority of members.

The rest of this Statement goes into more detail – please read on if you want to find out more about how we have managed your Fund in the last year.

We hope this Statement is of help to you planning for your future. If you have any questions, please contact: the Fund's Administrator, as follows:

By Post: Allied Domecq Pension Fund  
c/o Barnett Waddingham  
PO Box 3402  
Bristol  
BS1 9NF

By Phone: 0344 264 3586 (or +44 117 313 7233 if you are calling from outside the UK)

Lines are open between 9am and 5.15pm, Monday to Friday

You can also view details of your benefits and see other updates from the Fund online via Clarity. If you do not already have an account, you can register for your personal online Clarity Member Self-Service account at <https://account.claritybw.co.uk/>.

# Detailed Chair’s Statement

## Introduction

Governance requirements apply to pension arrangements like the Fund, to help members achieve a good outcome from their pension savings. The Trustee is required to produce an annual statement describing how these governance requirements have been met.

For the record this Annual Statement regarding governance has been prepared in accordance with:

Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) as amended by subsequent Regulations.

This Statement covers the period from 1 April 2025 to 31 March 2026.

**Chair** .....

**Signature**.....

**Date**.....

## 1 How we manage your Fund

At 31 March 2026, the Trustee of the Fund was Allied Domecq First Pension Trust Limited ('the Trustee'). The Trust Deed and Rules, which govern the Fund, were last amended on 11 September 2014. The Trustee maintains a Statement of Investment Principles ('SIP'), which sets out the Trustee's investment policies. The Trustee, with the help of its professional advisers, reviews the SIP at least every three years. The last annual review was carried out in September 2025, resulting in no material changes. The next annual review is expected to be carried out in September 2028.

The Statement of Investment Principles and an implementation statement, setting out how the Trustee complied with the Statement of Investment Principles during the year to 31 March 2026, will be published alongside the 2026 Annual Report & Accounts, at:

<https://allieddomecqpensions.co.uk/statutory-documentation.html>

## 2 AVC investment options

### Default arrangement

The Fund does not have a default arrangement, as no new contributions have been permitted for some years.

### Other investment options

The Fund offers members a choice of investment options including a lifestyle option and a range of self-select funds. The main objectives of these investment options are to:

- cater for the likely needs of a wide range of members;
- offer a wide range of asset classes, levels of risk and return and different investment approaches; and
- support members who want to take a more active part in how their savings are invested.

In keeping with the Pensions Regulator's guidance, the Trustee also carries out an annual review of the performance and suitability of these investment options. We remain comfortable with these investment options following our last review on 25th November 2025. The investment performance of these funds during the last year is shown in section 3.

## 3 Investment Performance

The presentation of investment performance takes into account the statutory guidance issued by the Department for Work and Pensions. The Trustee has followed the statutory guidance in all areas.

Over the year to 31 March 2026, the funds used in the Fund's lifestyle arrangement saw investments change in value by the following amounts (net of fees):

- A 21.6% rise or, put another way, a rise of £216 for every £1,000 invested, for those members invested in the BlackRock Aquila (50/50) Global Equity Fund;
- A 6.9% rise, or a rise of £69 for every £1,000 invested, for those members invested in the BlackRock Aquila Life Market Advantage Fund; and
- A 4.0% rise, or a rise of £40 for every £1,000 invested, for those members invested in the BlackRock Aquila Life Cash Fund.

The investment performance of all the AVC funds available to members under the Fund's arrangement, expressed as a percentage, was as follows:

| Fund                                              | 1 Year returns |             | 3 Year returns |                  | 5 Year returns |                  |
|---------------------------------------------------|----------------|-------------|----------------|------------------|----------------|------------------|
|                                                   | Fund %         | Benchmark % | Fund % p.a.    | Benchmark % p.a. | Fund % p.a.    | Benchmark % p.a. |
| Aquila Life UK Equity Index Fund                  | 19.0           | 19.1        | 11.5           | 11.5             | 9.5            | 9.9              |
| Aquila Life (50:50) Global Equity Fund            | 21.6           | 21.7        | 13.2           | 13.3             | 10.2           | 10.5             |
| Aquila Life World (ex-UK) Equity Index Fund       | 15.8           | 15.7        | 14.1           | 14.6             | 10.4           | 11.0             |
| Aquila Life Consensus Fund                        | 14.0           | 13.5        | 9.3            | 9.0              | 6.6            | 6.5              |
| Aquila Life Market Advantage                      | 6.9            | 5.4         | 5.1            | 7.5              | 1.6            | 6.4              |
| Aquila Life >5 Years Index Linked Gilt Index Fund | 2.5            | 3.8         | -5.0           | -4.7             | -9.0           | -8.8             |
| The Aquila Life >15 Years UK Gilt Index Fund      | -0.4           | 0.4         | -4.3           | -4.2             | -10.8          | -10.5            |
| Aquila Life Cash Fund                             | 4.0            | 4.0         | 4.7            | 4.6              | 3.1            | 3.2              |

Source: Aegon, figures quoted net of fees. ALMA benchmark shown is SONIA.

The performance of the passive fund range is broadly in line with corresponding benchmarks over longer time periods, as we would expect. The tracking error is slightly larger over shorter time periods, although this is typical of these types of funds and reflects differences in pricing points between the AVC fund and the underlying benchmark.

The Aquila Life Market Advantage fund is measured against a SONIA (cash) benchmark. The fund has outperformed the benchmark over shorter time periods due to strong performance from the underlying asset classes within the fund. Nonetheless, the fund has underperformed the benchmark over five years, with the backdrop of an increased interest environment raising the benchmark for most of this period.

The Trustee is satisfied that investment returns across the AVC fund range were generally in line with each of the fund's objectives.

## Lifestyle option

The return for members in the lifestyle arrangement (see section 4) is shown in the table below, broken down by age of member invested.

The assumed retirement age for the members in the lifestyle option is 65 years old.

| Age of member at 31 March 2026 (Years) | 1 year (%) | 3 year (% p.a.) | 5 year (% p.a.) |
|----------------------------------------|------------|-----------------|-----------------|
| 25*                                    | 21.6       | 13.2            | 10.2            |
| 45                                     | 21.6       | 13.2            | 10.2            |
| 55                                     | 9.8        | 7.9             | 6.9             |

\*Please note, the Fund doesn't have any 25-year-old members.

## 4 Unit-Linked AVC charges and transaction costs

The charges and costs borne by members for the Fund's services are:

| Service                 | By members | Shared | By the Fund |
|-------------------------|------------|--------|-------------|
| Investment management   | ✓          | ✗      | ✗           |
| Investment transactions | ✓          | ✗      | ✗           |
| Administration          | ✗          | ✗      | ✓           |
| Governance              | ✗          | ✗      | ✓           |
| Communications          | ✗          | ✗      | ✓           |

This presentation of charges and costs, together with the projections of the impact of charges and costs later in this Statement, takes into account the statutory guidance issued by the Department for Work and Pensions.

### Charges

The charges quoted in this Statement are the AVC funds' Total Expense Ratios ("TERs"). The TER consists of an AVC fund's Annual Management Charge ("AMC") and its Operating Costs and Expenses ("OCE"). OCEs include, for example, the fund's custodian costs, but exclude transaction costs. While the AMC is usually fixed, the OCE, and hence the TER, can vary slightly from day to day.

### Transaction costs

An AVC funds' transaction costs are in addition to its TERs and can arise when:

- The fund manager buys or sells part of a fund's portfolio of assets; or
- The platform provider or fund manager buys or sells units in an underlying fund.

Transaction costs vary from day to day depending on where each fund is invested and market conditions at the time. Transaction costs can include custodian fees on trades, stockbroker commissions and stamp duty (or other withholding taxes).

Transaction costs are deducted before the funds' unit prices are calculated. This means that transaction costs are not readily visible, but these costs will be reflected in a fund's investment performance.

The Financial Conduct Authority ("FCA") requires fund managers and providers to calculate transaction costs using the "slippage method", which compares the value of assets immediately before and after a transaction has taken place. This can give rise to negative transaction costs where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission).

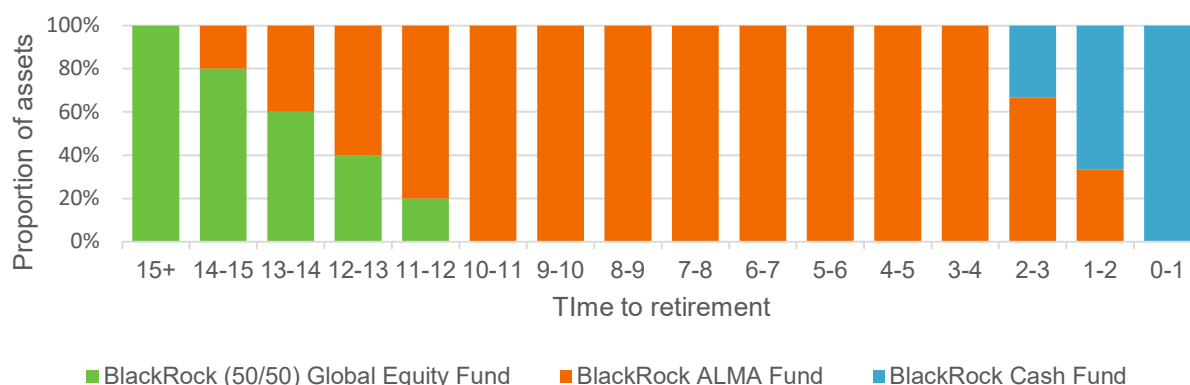
The transaction costs shown in this Statement are those taken from AVC funds while members are invested in them. The transaction costs shown here do not include any costs members may incur from time to time when buying or selling units in certain funds caused by the unit price for a particular fund moving from a "bid" to "offer" basis (or vice versa) or any other "dilution levy" when units in that fund are bought or sold to protect the value of the fund for other investors.

## Member-borne charges and transaction costs

The charges and transaction costs have been supplied by the Fund's AVC Provider.

### Lifestyle option

The lifestyle option is available to members with AVC funds and invests contributions in different Aegon funds according to how far each member is from retirement. As the composition of each individual member's lifestyle strategy changes over time, the charges borne by each member can also vary from one year to the next. The table below provides further information.



Source: Aegon

The charges for the core lifestyle strategy offered to members with AVCs range from 0.095% p.a. at retirement to 0.26% p.a. for members at the point of the strategy which invests in the ALMA Fund; or, put another way, in a range of £0.95 to £2.60 per £1,000 invested. The table below sets out how the fees of the lifestyle arrangement vary depending on the period until retirement.

The annual charges for the lifestyle option during the period covered by this Statement were:

| Period to retirement | Charge |              | Transaction costs |              |
|----------------------|--------|--------------|-------------------|--------------|
|                      | % p.a. | £ per £1,000 | % p.a.            | £ per £1,000 |
| Over 15 years        | 0.17   | 1.70         | 0.05              | 0.50         |
| 14 years             | 0.19   | 1.88         | 0.10              | 0.98         |
| 13 years             | 0.21   | 2.06         | 0.15              | 1.46         |
| 12 years             | 0.22   | 2.24         | 0.19              | 1.94         |
| 11 years             | 0.24   | 2.42         | 0.24              | 2.42         |
| 3-10 years           | 0.26   | 2.60         | 0.29              | 2.90         |
| 2 years              | 0.21   | 2.05         | 0.20              | 2.00         |
| 1 year               | 0.15   | 1.50         | 0.11              | 1.10         |
| Retirement           | 0.10   | 0.95         | 0.02              | 0.20         |

Source: Calculated by Hymans Robertson, using figures from Aegon

The transaction costs for the lifestyle option have risen by £0.56 per £1000 since last year, driven by an increase in costs incurred by the BlackRock ALMA Fund. Costs incurred by other funds were at similar levels to previous years. The table in Appendix 2 gives the charges and transaction costs for each fund used in the lifestyle option.

## Other self-select options

Self-select funds are also available to members with AVC funds and the level of charges for each of them (including those used in the lifestyle arrangement) and the transaction costs over the period covered by this Statement are:

| Fund                                               | Charge |              | Transaction costs |              |
|----------------------------------------------------|--------|--------------|-------------------|--------------|
|                                                    | % p.a. | £ per £1,000 | % p.a.            | £ per £1,000 |
| Aegon BlackRock Consensus Index Class S3           | 0.16   | 1.60         | 0.06              | 0.62         |
| Aegon BLK Aquila Life Ov 5 Yr UK I/L Gilt Class S3 | 0.11   | 1.10         | 0.01              | 0.11         |
| Aegon BLK Aquila Life Over 15 Yr UK Gilt Class S3  | 0.11   | 1.10         | 0.06              | 0.55         |
| Aegon BLK Aquila Life UK Equity Class S4           | 0.11   | 1.10         | 0.21              | 2.07         |
| Aegon BLK Aquila Life World ExUK Eq Idx Class S7   | 0.22   | 2.20         | 0.04              | 0.41         |
| Aegon BLK Aquila Life 50:50 Global Equity Class S3 | 0.17   | 1.70         | 0.05              | 0.46         |
| Aegon BlackRock Market Advantage Class S3          | 0.26   | 2.60         | 0.29              | 2.95         |
| Aegon BlackRock Cash Class S4                      | 0.095  | 0.95         | 0.02              | 0.16         |

Source: Aegon

The transaction costs borne by members in the self-select funds during the year were in a range from 0.01% to 0.29% of the amount invested; or, put another way, in a range from £0.11 to £2.95 per £1,000 invested.

## 5 Money Purchase Underpin

The Fund's Money Purchase Underpin ("MPU") arrangements arise in respect of members' Post 1997 Protected Rights Contracting Out benefits ("Post 1997 benefits"). The Money Purchase Underpin was triggered in respect of some members during the period covered by this Statement.

For members that have Post 1997 benefits, a notional MPU fund value is calculated and upon retirement, death or transfer out this is compared to the value of the member's accrued Post 1997 benefits. The benefit that is then paid is the higher of the member's Post 1997 benefits or the MPU fund value divided by an MPU conversion factor. The investment return applied to the MPU is based upon the return earned on the Fund's assets as disclosed in each year's Annual Report and Accounts. This is based on the gross return before manager fees but after allowing for transaction costs. This approach has been in place for several years and is in line with the Fund Rules.

The Fund purchased a bulk purchase annuity policy ("BPA") that represents a significant portion of the Fund's assets (broadly 90% of total assets). To take account of this, the MPU to the year ending 31 March is calculated as the combined weighted return of the BPA over the year, calculated notionally by the Fund Actuary, and the investment return on those assets not transferred to the BPA provider.

We consider using the return earned on the Fund to be an appropriate and suitable method for determining members' notional MPU fund values.

## 6 Impact of costs and charges - illustration of charges and transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. The following tables show the potential impact of the costs and charges borne by a typical member on projected values in today's money at stages up to retirement for a selection of funds. The "before costs" figures show the projected value of a member's savings assuming an investment return with no deduction of member borne fees or transaction costs. The "after costs" figures show the projected value of a member's savings using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs. Please note the Fund is closed to new contributions.

Please see the notes for the assumptions used in calculating these tables below. These illustrations have been prepared in accordance with the DWP's statutory guidance on "Reporting costs, charges and other information: guidance for trustees and managers of occupational pension schemes" on the projection of an example member's pension savings. The impact of costs and charges is more pronounced than what has been displayed in previous statements, reflecting a change in modelling methodology. The costs and charges assumed are now based on the average figure from the last five years, rather than just the previous year, in line with regulatory guidance.

### For the Lifestyle arrangement:

The table below shows how the AVC pot for a 55 year-old member might grow over time up to their retirement allowing for investment returns, including what effect the charges for these investment options could have:

| Years to retirement | Lifestyle Strategy           |                               |
|---------------------|------------------------------|-------------------------------|
|                     | After Costs and charges<br>£ | Before costs and charges<br>£ |
| 10                  | 8,000                        | 8,000                         |
| 7                   | 8,189                        | 8,356                         |
| 5                   | 8,317                        | 8,603                         |
| 3                   | 8,447                        | 8,856                         |
| 1                   | 8,463                        | 8,943                         |
| 0                   | 8,412                        | 8,899                         |

Source: Hymans Robertson

### For the most popular AVC fund:

The table below shows how the AVC pot for a 55 year-old member might grow over time up to their retirement allowing for investment returns, including what effect the charges for these investment options could have:

| Years to retirement | Consensus Fund               |                               |
|---------------------|------------------------------|-------------------------------|
|                     | After Costs and charges<br>£ | Before costs and charges<br>£ |
| 10                  | 8,000                        | 8,000                         |
| 7                   | 8,308                        | 8,356                         |
| 5                   | 8,520                        | 8,603                         |
| 3                   | 8,738                        | 8,856                         |
| 1                   | 8,961                        | 9,117                         |
| 0                   | 9,075                        | 9,251                         |

Source: Hymans Robertson

### For the cheapest AVC fund:

The table below shows how the AVC pot for a 55 year-old member might grow over time up to their retirement allowing for investment returns, including what effect the charges for these investment options could have:

| Years to retirement | UK Equity Fund               |                               |
|---------------------|------------------------------|-------------------------------|
|                     | After Costs and charges<br>£ | Before costs and charges<br>£ |
| 10                  | 8,000                        | 8,000                         |
| 7                   | 8,795                        | 8,848                         |
| 5                   | 9,369                        | 9,462                         |
| 3                   | 9,980                        | 10,120                        |
| 1                   | 10,631                       | 10,823                        |
| 0                   | 10,972                       | 11,192                        |

Source: Hymans Robertson

### For the most expensive AVC funds:

The table below shows how the AVC pot for a 55 year-old member might grow over time up to their retirement allowing for investment returns, including what effect the charges for these investment options could have:

| Years to retirement | BlackRock ALMA Fund          |                               |
|---------------------|------------------------------|-------------------------------|
|                     | After Costs and charges<br>£ | Before costs and charges<br>£ |
| 10                  | 8,000                        | 8,000                         |
| 7                   | 8,189                        | 8,356                         |
| 5                   | 8,317                        | 8,603                         |
| 3                   | 8,447                        | 8,856                         |
| 1                   | 8,580                        | 9,117                         |
| 0                   | 8,647                        | 9,251                         |

Source: Hymans Robertson

### For the Cash Fund:

The table below shows how the AVC pot for a 60 year-old member might grow over time up to their retirement allowing for investment returns, including what effect the charges for these investment options could have:

| Years to retirement | Cash Fund                    |                               |
|---------------------|------------------------------|-------------------------------|
|                     | After Costs and charges<br>£ | Before costs and charges<br>£ |
| 5                   | 8,000                        | 8,000                         |
| 3                   | 7,904                        | 7,922                         |
| 1                   | 7,810                        | 7,845                         |
| 0                   | 7,763                        | 7,807                         |

Source: Hymans Robertson

### Assumptions

As each member has a different amount of savings within the Fund and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustee has had to make a number of assumptions about what these might be. The assumptions are explained below;

- The “before costs” figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs.
- The “after costs” figures represent the savings projection using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.
- Projected pension pot values are shown in today’s terms, and do not need to be reduced further for the effect of future inflation.
- Annual salary growth and inflation is assumed to be 2.5% p.a.
- For the projections (excluding the cash fund projections), the starting pot size is assumed to be £8,000 at age 55, as this represents a typical member of the Fund.
- For the cash fund projections, the starting pot size is assumed to be £8,000 at age 60. This projection has been included as the majority of members invested in the cash fund are closer to retirement.
- For the projections, we are assuming no future contributions are made to the pension pots.

The investment return allowing for inflation for each fund above was:

| <b>Fund</b>                                | <b>Return % p.a.</b> |
|--------------------------------------------|----------------------|
| BlackRock (50:50) Global Equity Index Fund | 3.5                  |
| BlackRock UK Equity Fund                   | 3.5                  |
| BlackRock ALMA Fund                        | 1.5                  |
| BlackRock Cash Fund                        | -0.5                 |
| BlackRock Consensus Fund                   | 1.5                  |

The assumptions as used in the Statutory Money Purchase Illustrations (“SMPI”) included with members’ benefit statements have otherwise been used. The Trustee has previously carried out SMPI checks and confirmed that SMPI statements were not required for members with the Money Purchase Underpin.

### Please note the following:

- In the absence of transaction cost information that matches the reporting period (detailed in “Missing Information”), these illustrations use average transaction data from 1 January 2021 to 31 December 2025 as a proxy;
- These estimates use assumed rates of future investment returns and inflation, which may not be borne out in practice;
- The assumptions used may differ in the future to reflect changes in regulatory requirements or investment conditions;
- The values may be affected by future, and as yet unknown, changes to the Fund’s investment options;
- The values are not guaranteed;
- The values for the lifestyle option depend on how far a member is from retirement, as the funds in which that option actually invests change over time;
- The level of costs and charges are assumed to remain fixed throughout the illustration period;
- The values may not prove to be a good indication of how a member’s savings might actually grow in practice; and
- This analysis complies with the Technical Actuarial Standards (TAS) 100: Principles for Technical Actuarial Work.

## 7 Value for Members

Each year the Trustee carries out an assessment of whether the charges and transaction costs for the lifestyle arrangement and other investment options, which are borne in full or in part by members, represent good value for members.

Value is not simply about low cost – the Trustee also considers the quality of the services which members pay for. With the help of their professional advisers the Trustee compares the charges and costs as well as the quality of the services against other similar schemes.

The Trustee has adopted the following approach to assessing value for members during the last year:

- Suitability of the funds available;
- Costs associated with investing in the funds available; and
- Performance of the funds offered.

The Trustee's assessment is that, overall, the funds offered provide an average value based on a combination of these measures, as determined by the following criteria:

| Value category/<br>feature        | Rating        | Metric                                                                                          | Comments                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------|---------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Suitability of investment options | Average       | Qualitative assessment based upon member profile and use of funds.                              | The range of funds is predominantly passively managed.<br><br>The Trustee reviews the range of options and suitability of these options on broadly an annual basis. Following our last review, we are comfortable that the range of investment options remains appropriate and that it is sufficiently wide to meet members' needs. |
| Charges for investment options    | Above average | Comparison of charges from a Value for Money Database                                           | We believe that the charges are competitive for a Fund of this size.                                                                                                                                                                                                                                                                |
| Investment performance            | Average       | Unitised funds: comparison against benchmarks over 3 months, 12 months and 3 years              | We monitor and review the performance of the unit-linked funds. All funds performed broadly in line with expectations over the year, given the nature of the assets held, and the performance targets in place.                                                                                                                     |
| Transaction Costs                 | Average       | Comparison with wider market – investment advisor guided based on experience across client base | The transaction costs are comparable with those for similar funds used by other schemes.                                                                                                                                                                                                                                            |
| Overall VfM Rating                | Average       |                                                                                                 | We consider the fund options to be suitable and performing in line with expectation. We also consider the costs associated with the funds offered to be competitive.                                                                                                                                                                |

## 8 Administration

The Trustee has appointed Barnett Waddingham to administer the Fund's MPU and its AVCs.

Member data is relatively static, reflecting the fact that the Fund has been closed to new AVCs for some years and recognising that the MPU serves as a benefit underpin, rather than as an active fund choice. There is also very limited activity in terms of members switching between AVC funds.

Nevertheless, regular member data quality reviews are undertaken by the administrator and reported to the Trustee. In addition, periodic reconciliations of individual members' AVC funds are undertaken between the administrator's records and those held by the AVC fund providers.

Barnett Waddingham liaises with the AVC fund providers and operates within agreed service level standards, which are designed to ensure efficient processing of member data and any associated financial transactions. Performance against those service levels is monitored by the Trustee.

The Trustee has a service level agreement (SLA) in place with Barnett Waddingham covering:

- Provision of a retirement pack and quotation of benefits within 10 working days;
- Payment of benefits within 5 working days;
- Provision of transfer value quotation within 10 working days;
- Payment of transfer value within 3 working days;
- Provision of leaver option pack within 10 working days;
- Response to members' enquiries within 10 working days;
- Provision of statements upon request within 10 working days; and
- Processing of investment switches within 5 working days.

Barnett Waddingham monitors its performance and reports to the Trustee via quarterly administration reports. Barnett Waddingham also maintains accreditation with the Pensions Administration Standards Association ("PASA") which recognises high quality administration services and maintains ISO certification for information security (ISO27001), and Quality Management (ISO9001).

The Trustee monitored core financial transactions and administration service levels during the year by:

- Receiving quarterly reports from the administrator on the processing of financial transactions and other administration processes against the agreed service levels;
- Considering the reasons for and resolution of any breaches of service standards;
- Receiving reports from the Fund's Auditor, who independently tests sample transactions for accuracy and timeliness; and
- Considering member feedback, including any complaints.

The Fund's administrators have confirmed to the Trustee that there are adequate internal controls to ensure that core financial transactions relating to the Fund are processed promptly and accurately.

The Trustee is satisfied that the service standards are competitive because they were formally benchmarked when Barnett Waddingham was appointed during 2018 and administration service levels are regularly reviewed by the Trustee.

### **Own Risk Assessment (ORA)**

At least every three years, the Trustee must carry out an assessment of the effectiveness of the controls which are in place to manage the risks faced by the Scheme via an ORA. The Trustee's first ORA was completed in November 2025.

## **Security of assets**

There have been a very small number of instances where members of pension schemes such as ours have seen their benefits reduced as a result of a financial failure of a provider or fund manager.

The Trustee keeps the structure of the funds used within the AVC funds under review and believes that these remain appropriate for members when compared to other possible structures.

The Trustee has received training on the security of members' assets and will continue to keep this under review. The Trustee takes the security of assets into account when selecting and monitoring the funds used by the Fund.

## **Data quality**

Each year the Trustee receives reports from the Fund's administrator to confirm that it has undertaken an audit of the Fund's common data (key data such as names, addresses and dates of birth needed by the Fund to calculate and settle members' benefits). The Trustee does this to ensure that the records for all members are as accurate and up to date as possible.

The last data quality audit was undertaken in March 2026. This showed that common data was present for 88% of AVC membership data as at March 2026. This is in line with the equivalent figure last year (88%).

## **Cyber Security**

The Trustee is conscious of the growing threat of cyber-attacks on pension scheme information.

The Trustee periodically asks the Fund's administrator and providers to confirm that their cyber security arrangements are effective and up to date. The Trustee expects that the Fund's administrator and providers will report any security breach immediately and ensure that, where necessary, members are notified as soon as possible.

## **9 Trustee knowledge**

The Trustee is required to maintain appropriate levels of knowledge and understanding to run the Fund effectively. Section 247 and 248 of the Pensions Act 2004 requires that each Trustee Director must:

- Be conversant with the Trust Deed and Rules of the Fund, the Fund's SIP and any other document recording policy relating to the administration of the Fund generally,
- Have, to the degree that is appropriate for the purposes of enabling the individual to properly exercise their functions as a Trustee Director, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investing the assets of occupational pension schemes.

The Trustee has 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 period covered by this Statement are set out below.

- There is an induction process for newly appointed Trustee Directors, who are asked to complete the Pensions Regulator's "Trustee Toolkit" within six months of becoming a Trustee Director;
- Training is provided to ensure that Trustee Directors maintain a working knowledge of the Fund's Trust Deed and Rules, the Fund's SIP as well as the investment concepts and principles relevant to the Fund contract documents in relation to administration of the Fund and the law and legislation relating to pension schemes and trusts;
- Trustee Directors are encouraged to undertake further study and qualifications that support their work;
- The Trustee Directors have a plan in place for ongoing training appropriate to their duties;
- The effectiveness of these practices and the training received are reviewed periodically; and
- The Trustee Directors carry out regular assessments to confirm and identify any gaps in their knowledge and skills.

The Trustee, with the help of its professional advisers, regularly considers training requirements to identify any knowledge gaps. The Trustee's advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them and typically deliver training on such matters at Trustee meetings if they are material.

All of the Trustee Directors have access to copies of, and are familiar with, the current governing documentation for the Fund, including the Trust Deed & Rules (together with any amendments) and the SIP. The Trustee Directors refer to the Trust Deed and Rules as part of deciding to make any changes to the Fund, and, where relevant, deciding individual member cases, and the SIP is formally reviewed at least every three years and in response to any change to the Fund's investments.

All the Trustee Directors have completed the Pensions Regulator's Trustee Toolkit, which is a free online learning programme aimed at trustees of occupational pension schemes and which is designed to help trustees meet the minimum level of knowledge and understanding required by law. A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date.

The Trustee also carries out periodic evaluations of the performance and effectiveness of the Trustee Board as a whole, measured against the objectives in the Fund's Objectives. The Trustee undertook a Trustee effectiveness review in late 2024 with results delivered and discussed at the Q2 2025 Board meeting.

During the period covered by this Statement, the Trustee received training on topics including the General Code of Practice and completion of an Own Risk Assessment, cyber security and incident response planning and pension dashboards. This training was delivered by a combination of the Trustee's legal advisors, investment consultants and Scheme Actuary.

The Trustee has appointed suitably qualified and experienced actuaries, legal advisers and investment consultants to provide advice on the operation of the Fund in accordance with its Trust Deed and Rules, legislation and regulatory guidance.

The Trustee regularly reviews the effectiveness of its advisers and periodically reviews their appointment.

The Trustee is satisfied that during the last year it has:

- a) Taken effective steps to maintain and develop its knowledge and understanding; and
- b) Ensured it has received suitable advice.

The Trustee Directors are satisfied that the combination of their knowledge and understanding together with access to suitable advice enabled them to properly exercise their duties during the period covered by this Statement.

## 10 Our key actions last year and plans for the next year

During the last year, the Trustee undertook the following to assess or improve value for members:

- Reviewed fund fees, suitability and performance of the AVC funds.
- Considered the suitability of the lifestyle strategy.
- Concluded that the range of AVC funds remained appropriate for the majority of members.
- Reviewed the responsible investment credentials of the underlying AVC fund manager, BlackRock.

In the coming year (which will be covered by the next Statement), the Trustee's focus will be on ensuring that the current AVC arrangements in place remain suitable for the majority of members.

## 11 Missing information

Transaction costs included in this Statement, across all AVC funds, are for the period 1 January 2025 to 31 December 2025, rather than for the period 1 April 2025 to 31 March 2026. This means that some information is outside the period covered by this Statement. For the purposes of this Statement (including the illustrations of the impact of costs and charges and the assessment of Value for members), the transaction costs stated are a 5 year average of the transaction costs incurred by the providers (as referred to immediately above).

The time it takes to compile transaction cost data means that it is typically not possible to include data to 31 March in this Statement. This is because the Statement is included within the Fund's Annual Report & Accounts, which is prepared by 30 June each year.

The missing information listed above means that the Trustee has not been able to:

- Compare the funds' costs against other schemes over the relevant period; nor
- Prepare full illustrations of how costs and charges affect the size of typical member's savings using transaction costs data over the specific period.

## Appendix 1 - Statement of Investment Principles

### 1. INTRODUCTION

This statement sets out the principles governing decisions about the investment of the assets of the Allied Domecq Pension Fund ('the Fund'). It is issued by Allied Domecq First Pension Trust Limited, the Trustee of Allied Domecq Pension Fund ('the Trustee') to comply with section 35 of the Pensions Act 1995 ('the Act'), as amended by the Pensions Act 2004, and The Occupational Pension Schemes (Investment) Regulations 2005 ('the Investment Regulations').

The Trustee has obtained and considered written advice on the content of this statement from the Fund's investment advisers whom the Trustee believes to be suitably qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge of the management of the investments of pension trusts. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Act (as amended by the Pensions Act 2004). This statement is consistent with the investment powers of the Trustee which are set out in Rule C8 of the Consolidated Definitive Trust Deed and Rules (2005 Edition) dated 27 May 2005.

Allied Domecq (Holdings) Limited ('the sponsoring Company') has been nominated by the other scheme employers to act as their representative for the purpose of consultation by the Trustee on the contents of the Fund's statement of investment principles. The Trustee has consulted the sponsoring Company on the content of this statement.

### 2. DECISION-MAKING STRUCTURE

Overall investment policy falls into two parts:

1. The strategic management of the assets is fundamentally the responsibility of the Trustee acting on expert advice and is driven by the investment objectives as set out in Section 3 below.
2. The remaining elements of policy are part of the day-to-day management of the assets which is delegated to professional investment management and described in Section 4.

The Trustee also maintains an Investment Implementation Policy Document ('IIPD'), which contains details of the Trustee's investment arrangements.

### **3. STRATEGIC MANAGEMENT**

#### **3.1 Investment Objectives**

The Trustee has adopted the following primary objective to help guide it in the strategic management of the assets and control of the various risks to which the Fund is exposed:

- *The Trustee seeks to invest the Fund so as to maximise the likelihood:*
  - that benefits will be paid to members as they fall due,
  - of securing the Fund's benefits through insurance policies and ensuring there is suitable cover for residual risks, and
  - of continued long-term financial support from the sponsoring employer.

In addition, the Trustee has adopted the following specific objective:

- that there is a low chance of further significant Company contributions being required as a result of investment experience.

The Trustee believes that these objectives will ensure that the assets are invested in the best interests of the members and beneficiaries of the Fund. The Trustee does not foresee these objectives giving rise to any conflict with the interests of the members and beneficiaries, but if a potential conflict arose, the Trustee would take steps to ensure that the assets were invested in the sole interest of members and other beneficiaries.

The Trustee takes advice from the Fund's actuary and the investment advisers with a view to investing the Fund's assets in a manner that is appropriate to the nature and duration of the expected future retirement and death benefits payable from the Fund. With the benefit of this advice, the Trustee has adopted an investment strategy in respect of those assets not transferred to Rothesay Life – then forming a 'residual portfolio'. This is detailed in 3.3 below. The ranges within which the Fund's investment managers may operate in delivering the investment strategy are set out in the guidelines described in Section 4. It is the intention of the Trustee to review the investment strategy on a regular basis. The Trustee believes these guidelines will also result in the powers of investment delegated to the investment managers being exercised so as to ensure the security, quality, liquidity and profitability of the Fund's portfolio of investments as a whole.

#### **3.2 Investment Risk**

As part of its risk management strategy the Trustee has purchased a bulk purchase annuity policy ('BPA') in respect of the majority of the Fund's liabilities. Given the level of funding, associated adoption of a lower risk investment strategy and BPA in respect of a material proportion of the liabilities, the Trustee focuses on the following:

- Market pricing in respect of assets to be sold
- Liquidity, and in particular maintaining sufficient liquidity to meet the residual benefits and expenses of the Fund

In addition, when considering the implementation of the investment policy, the Trustee has considered the risk associated with the use of derivatives.

The Trustee expects the purchase of the BPA in respect of assets and liabilities to immunise the Fund from market risks such as credit risk and interest rate risk, inflation risk and longevity risk associated with the liabilities covered by the BPA.

The Trustee expects the BPA provider risk to be addressed through the supervisory regime applicable to insurance companies but monitors the monthly payment benefits from the BPA provider to the Fund and periodically, normally annually, monitors the financial covenant of the BPA provider.

### 3.3 Investment Strategy

The Trustee's target investment strategy is to redeem all proceeds from the remaining property mandate and hold any available funds in cash to preserve value.

The level of liquidity and interest rate hedging is monitored regularly by the Trustee to ensure that it remains appropriate for controlling the risks identified in 3.2.

### 3.4 Consultation with the sponsoring Company

The Trustee will seek to maintain a good working relationship with the sponsoring Company and will consult with the sponsoring Company before making any changes to this statement or any material changes to the Fund's investment arrangements.

The Trustee will also seek the sponsoring Company's opinion on whether the Trustee's investment strategy and approach to risk management is consistent with the investment objective stated in 3.1 above. As required by the Pensions Act 1995 and as a matter of good practice, the Trustee consulted with the sponsoring Company when the current investment arrangements were adopted.

## 4 DAY-TO-DAY MANAGEMENT OF THE ASSETS

### 4.1 Main Assets

As set out in Section 2, the Trustee delegates the day-to-day management of the Fund's assets to a number of investment managers. The Trustee takes all reasonable steps to satisfy itself that the managers have the appropriate knowledge and experience for managing the Fund's investments and that they are carrying out their work competently and complying with section 36 of the Pensions Act 1995 (as amended by the Pensions Act 2004). To facilitate this, the Trustee, or its investment adviser on behalf of the Trustee, meets periodically with the Fund's investment managers and receives regular

reports from all the investment managers. In addition, the Trustee receives regular reports from the investment adviser. The Trustee has also appointed the investment adviser to assist in monitoring the Fund's investments and to help the Trustee check that nothing has occurred that would bring into question the suitability of the current investments.

The Trustee invests the assets of the Fund predominantly via pooled funds. The Trustee is satisfied that the spread of assets by type and the spread of individual securities within each type provides adequate diversification of investments for risk purposes.

#### 4.2 Investment Guidelines and Restrictions and Fees

The Trustee has developed a set of Investment Guidelines that express the Trustee's policy on issues such as the use of derivatives, underwriting, stock lending etc. It is the intention that these Guidelines will be adopted by the managers, in so far as they apply to each manager's investment activities.

The Trustee has adopted the following control framework in structuring the Fund's investments:

- At the total Fund level and within individual manager appointments, investments should be broadly diversified to ensure there is not a concentration of investment in any particular asset or with any one issuer or by issuers belonging to the same group. This restriction does not apply to investment in cash funds or UK Government debt.
- Investments in derivatives are permitted either directly or within pooled funds as long as they contribute to a reduction in risk or facilitate efficient portfolio management. The Trustee seeks to avoid excessive risk exposure to a single counterparty and to other derivative operations, and ensures that OTC derivatives are predominantly managed on a fully collateralised basis.
- Investment may be made in securities that are not traded on regulated markets. Recognising the risks (in particular, liquidity and counterparty exposure) such investments will normally only be made with the purpose of reducing the Fund's mismatch risk relative to its liabilities or to facilitate efficient portfolio management. In any event the Trustee will ensure that the assets of the Fund not held in the BPA are predominantly invested on regulated markets and that the level of assets not admitted to regulated markets be kept to a prudent level.
- No investment is permitted in securities issued by the Fund's sponsoring Company or affiliated companies (other than any such securities held within a pooled fund in which the Trustee invests).

The Trustee also has a signed Investment Management Agreement with each investment manager which sets out the managers' performance objective, performance benchmark, investment guidelines and restrictions and the degree of risk relative to

benchmark that the manager is permitted. These are summarised in the IIPD – Schedules A and C.

The asset managers appointed are mandated to either liquidate or run off remaining portfolios or invest in cash. These objectives are fundamentally short term in nature.

Other than portfolios in wind-down, where the term of the appointment is dictated by the sale of remaining assets, managers are expected to remain in place for the remaining lifetime of the Fund. The Trustee does not expect managers to take excess short-term risk and will regularly monitor managers' performance against the benchmarks and objectives set on a short, medium and long term basis.

The investment managers have full discretion to buy and sell investments on behalf of the Fund, subject to the agreed constraints of the mandates and applicable legislation.

The Trustee recognises that investment managers should be fairly remunerated and seeks to ensure that actual fees paid are competitive with market rates and aligned to the objectives of the investments. Details of the managers' fees are also included in the IIPD – Schedule B.

#### 4.3 Consideration of Financially Material Factors in Investment Arrangements

The Trustee recognises that the consideration of financially material factors, including ESG factors, is relevant at different stages of the investment process.

The strategic benchmark reflects the objective to liquidate assets, rather than deriving expected risk and return profiles using appropriate economic and financial assumptions for different asset classes.

Given the maturity of the Fund and the strong funding position, the Trustee has a relatively short investment horizon and has not made any specific allowance for ESG factors and the risks of climate change in setting its strategic benchmark.

However, given the discretion afforded to the active investment managers, the Trustee expects that their investment managers will take account of all financially material factors including the potential impact of ESG factors in the implementation of their mandate.

##### *Selecting Investment Managers*

The Trustee has discussed the extent to which ESG issues, where relevant to the investment mandate, are integrated into the investment processes of their active investment managers and are satisfied that the investment managers are following an approach which takes account of all financially material factors.

In passive mandates, the Trustee recognises that the choice of benchmark dictates the underlying assets and that the manager has minimal freedom to take account of factors that may be deemed to be financially material.

#### 4.4 Consideration of Non-financially Material Factors in Investment Arrangements

Given the objectives of the Fund, the Trustee has not considered any non-financially material factors in the development and implementation of their investment strategy.

#### 4.5 Stewardship

The Trustee recognises that stewardship encompasses the exercise of voting rights, engagement by and with investment managers and the monitoring of compliance with agreed policies.

The Trustee has reviewed the UK Stewardship Code and expects its investment managers to apply the Code where appropriate on its behalf and will monitor managers' reports on engagement activity accordingly.

##### *Voting and Engagement*

The Trustee believes that responsible share ownership and seeking the best long-term value for investment in shares requires active exercise of voting rights. However, the Fund does not currently hold listed equity assets.

##### *Monitoring*

The Trustee undertakes a periodic review of responsible investment issues and how these are being dealt with by the Investment Managers.

The Trustee, or the Fund's investment adviser on the Trustee's behalf, aims to meet with all their Investment Managers on a periodic basis. The Trustee provides their managers with an agenda for discussion, including, where appropriate, ESG issues. Where considered appropriate, managers are challenged both directly by the Trustee and by their investment advisers on the impact of any significant issues that may affect the prospects for return from the portfolio.

#### 4.6 Additional Voluntary Contributions ('AVCs')

The Trustee has selected a range of funds which it has been advised are suitable for AVC investments, as set out in the IIPD - Schedule D. Performance of these funds is monitored and the range of funds reviewed and if appropriate amended from time to time.

#### 4.7 Realisation of Investments

The investment managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments. When disinvestment is required, in order to meet benefit outgo etc., the Trustee will determine the necessary disinvestments to be consistent with the aim of the investment strategy.

#### 4.8 Portfolio Turnover

Given the Fund's residual assets are now comprised of just cash and redeeming illiquid assets, the Trustee expects the level of turnover within each mandate to be low (other than for the purposes of redeeming assets). Whilst the Trustee expects performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustee expects managers to report, on at least an annual basis, a summary of any transactions over the period. The Trustee will challenge its managers if portfolio turnover seems excessive.

#### 4.9 Monitoring the Investment Managers

Independent performance measurement is carried out by Northern Trust. In addition, the investment adviser provides performance monitoring reports which are reviewed by the Trustee quarterly. Performance is reviewed against a series of metrics, including financial performance relative to the benchmark and objectives of the mandate, the exercise of stewardship responsibilities (including engagement with issuers), and the management of risks. Material deviation from performance or risk targets may result in the mandate being formally reviewed.

The Trustee similarly monitors the performance and ongoing suitability of the AVC providers.

### 5 TAX STATUS OF THE FUND

The Trustee would not knowingly permit any manager to act in any way to jeopardise the tax status of the Fund.

### 6 COMPLIANCE WITH THIS STATEMENT

The Trustee will monitor compliance with this Statement annually, or more frequently if necessary, and will obtain written confirmation from the investment managers that they have given effect to the investment principles in this Statement so far as reasonably practicable and that in exercising any discretion the investment managers have done so in accordance with Regulation 4 of the Investment Regulations.

### 7. REVIEW OF THIS STATEMENT

The Trustee will review this Statement at least annually and more specifically in response to:

- Legislative and regulatory changes
- A material change to the Fund's funding level
- A change to the attitude in risk of the Trustee and the sponsoring Company which they judge to have a bearing on the stated investment policy.

Any such review will again be based on written, expert investment advice and will be in consultation with the sponsoring Company.

## **Date of Amendments**

|                           |                |
|---------------------------|----------------|
| First Amendment:          | July 2001      |
| Second Amendment:         | December 2002  |
| Third Amendment:          | December 2003  |
| Fourth Amendment:         | November 2004  |
| Fifth Amendment:          | November 2005  |
| Sixth Amendment:          | May 2006       |
| Seventh Amendment:        | February 2007  |
| Eighth Amendment:         | July 2007      |
| Ninth Amendment:          | February 2008  |
| Tenth Amendment:          | October 2009   |
| Eleventh Amendment:       | May 2010       |
| Twelfth Amendment:        | February 2011  |
| Thirteenth Amendment:     | September 2011 |
| Fourteenth Amendment:     | May 2013       |
| Fifteenth Amendment:      | September 2014 |
| Sixteenth Amendment:      | December 2016  |
| Seventeenth Amendment:    | March 2017     |
| Eighteenth Amendment:     | May 2017       |
| Nineteenth Amendment:     | October 2017   |
| Twentieth Amendment:      | September 2018 |
| Twenty-First Amendment:   | November 2018  |
| Twenty-Second Amendment:  | March 2019     |
| Twenty-Third Amendment:   | September 2019 |
| Twenty-Fourth Amendment:  | December 2019  |
| Twenty-Fifth Amendment:   | September 2020 |
| Twenty-Sixth Amendment:   | September 2021 |
| Twenty-Seventh Amendment: | September 2022 |
| Twenty-Eighth Amendment:  | September 2023 |
| Twenty-Ninth Amendment:   | September 2024 |
| Thirtieth Amendment:      | September 2025 |

## Appendix 2 - Table of funds and charges

### Table of funds and charges

Please note that the charges in the table below do not take into account charges for administration services which are paid for by the Trustee.

### Lifestyle arrangement

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Lifestyle arrangement were:

| Fund                                               | ISIN *       | Charges **                    |                            | Underlying Fund                                | ISIN *       | Transaction costs             |                            |
|----------------------------------------------------|--------------|-------------------------------|----------------------------|------------------------------------------------|--------------|-------------------------------|----------------------------|
|                                                    |              | % p.a. of the amount invested | £ p.a. per £1,000 invested |                                                |              | % p.a. of the amount invested | £ p.a. per £1,000 invested |
| Aegon BLK Aquila Life 50:50 Global Equity Class S3 | GB00BFK3HG89 | 0.17                          | 1.70                       | BlackRock Aquila Life 50:50 Global Equity Fund | GB00BFK3HG89 | 0.05                          | 0.46                       |
| Aegon BlackRock Market Advantage Class S3          | GB00BFK3KL46 | 0.26                          | 2.60                       | BlackRock ALMA Fund                            | GB00BFK3KL46 | 0.29                          | 2.95                       |
| Aegon BlackRock Cash Class S4                      | GB00BFK3K692 | 0.095                         | 0.95                       | BlackRock Cash Fund                            | GB00BFK3K692 | 0.02                          | 0.16                       |

Source: Aegon

\* ISIN = the International Securities Identification Number unique to each fund.

\*\* Charge = the funds' Total Expense Ratio ("TER"), which includes the funds' Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE").