

THE PROFESSIONAL GOLFERS' ASSOCIATION LTD RETIREMENT BENEFITS SCHEME (THE "SCHEME")

ANNUAL CHAIR'S STATEMENT FOR YEAR ENDING 31 DECEMBER 2025

PREPARED IN ACCORDANCE WITH REGULATION 23 OF THE OCCUPATIONAL PENSION SCHEMES (SCHEME ADMINISTRATION) REGULATIONS 1996 (THE "REGULATIONS") – POLICY E28481

As Chair of Trustees, it is my pleasure to report to you on how the Trustees have embedded the required minimum governance standards over the year to 31 December 2025.

This statement covers four principal areas:

1. Investment with particular focus on a Scheme's default investment arrangements.
2. Internal controls, with particular focus on the processing of core financial transactions.
3. Value, with particular focus on charges and transaction costs deducted from members' funds.
4. The knowledge and resources available to the Trustees, and how these help the Trustees ensure that the Scheme is governed effectively.

1. Default Investment Arrangement

- 1.1 The Scheme is not a qualifying arrangement for auto-enrolment compliance purposes. Further, the Scheme is closed to new members and new contributions. The only investment option available in the Scheme is a With Profits Fund.
- 1.2 The default option is not a typical default option i.e. one in which members' contributions were once allocated in the absence of a decision – it is captured by the latest definition of default options (whereby members' monies were once allocated without an active decision in the past). The arrangement is a legacy With Profits Fund arrangement provided by Aviva (formerly Friends Life) - the Aviva FP With Profits Fund (NGP Pre Demutualisation) - and the membership invested in it, and the associated asset values, are not expected to change year on year.
- 1.3 The default investment option is reviewed at least every three years, with the latest concluded on 6 December 2024.
- 1.4 This review addressed strategic asset allocation, suitability of the benefit targeted by default, growth and de-risking phases of the glidepaths, consideration of ESG integration and climate metrics, the use of illiquid assets and a review of the self-select fund range options. The Trustees considered the current default option as consistent with the objectives stated in the Statement of Investment Principles. The objectives also remain unchanged. The next triennial review will take place in December 2027.
- 1.5 The investment return of the With Profits funds depends on a number of factors including:
 - Different guarantees which are dependent on when a member started contributing or when each contribution was actually invested.
 - Payouts on surrender.
 - Any augmentation for guaranteed terms and after the effect of 'smoothing'. In years when investment performance is high, some of the return is held back to 'top-up' returns when lower performance occurs. At the point a specific member disinvests, smoothing may reduce or increase the payout relative to the underlying investment performance of the assets, thereby reducing investment risk for the individual investor and providing a steadier pattern of return. The returns from smoothing are not guaranteed.
 - Application of a Market Value Reductions (MVR) at "non-contractual" exit, which means that it is not possible to predict whether a member will suffer an exit penalty on transfer out to another arrangement.
- 1.6 A number of these benefits are only realised when the member reaches retirement. The Trustees' view is that it would not be in members' best interests to disinvest from this arrangement as the policies within the Scheme have final bonuses and MVR could apply on death before Normal Retirement Date (NRD) which is 65 years. Disinvesting could trigger the loss of final bonuses or a reduction in policy value. No changes were made following the review and the Trustees expect the numbers impacted to reduce over time as they take their benefits.

2. Core Financial Transactions

2.1 As required by regulation 24 of the Regulations, the Trustees must ensure that core financial transactions are processed promptly and accurately. This includes:

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

2.2 The requirements of the Regulations have been met, and core financial transactions have been processed promptly and accurately.

- The Trustees have appointed a professional third-party administrator, which is Aviva.
- Service levels from Aviva are monitored by the Trustees and a report is received annually from Aviva. The overall SLA achievement in the period from 1 January 2025 to 31 December 2025 (for both financial & non-financial demands) is 99%. For core financial transactions only, the overall SLA achieved was 100%.
- During the year there was a change in the volume of demands of 1% and this is not considered to be a significant change. The top three demands this year by volume of service were:
 - customer amendments, with c.53% of demands completed within 1 day and c.31% completed within 2 to 5 days.
 - general administration, with c.30% completed within 1 day and c.37% completed within 2 to 5 days.
 - retirement quotes, with c.9% completed within 1 day and c.68% completed within 2 to 5 days.
- No complaints were received in respect of the Scheme during the Scheme Year ended 31 December 2025.
- The Trustees discuss cases of retirement and transfers regularly at Trustees' meetings to ensure cases are progressed on time and any barriers are overcome. The Trustees consider individual cases at each Trustees' meeting to verify that leavers and retirement requests have been processed promptly and accurately. Cases where this has not occurred have been limited and have been highlighted by the Trustees
- There are close working links between internal Finance, Human Resources and Payroll teams as well as the Trustees' advisers, Mercer, and Aviva, in order to respond to the member queries when they are raised.
- The Trustees also appoint an independent audit firm to complete a review of and provide an opinion on the contributions payable to the Scheme.

3. Charges and Transaction Costs

- 3.1 Due to the way in which the With Profits Fund is structured, any fee is charged as an implicit fee within the bonuses declared and, as such, it has not been possible to ascertain the fee charged for members of the Scheme.
- 3.2 In addition to investment managers' expenses included in the Total Expense Ratio (TER), investment funds are subject to other implicit costs, such as the investment manager's expenses associated with trading a fund's underlying securities, including commissions and stamp duty. These expenses are not explicitly deducted from the fund but are captured by a reduction in investment returns.
- 3.3 The Financial Conduct Authority has provided guidance (PS17/20) to investment managers regarding calculations and disclosures of transaction costs which comply with the updated Regulations. The Trustees fully support transparency of costs for members and has requested this from Aviva in relation to these funds.
- 3.4 Providing a meaningful illustration for With-Profits Fund and its peers is extremely challenging due to the nature and characteristics of the investment funds, as well as the transparency available from providers. It is important to understand how these funds work:
- Each With-Profits Fund offers different terms and guarantees and, hence, will invest very differently from one another, which in turn impacts the performance received through pay-outs. Indeed, a With-Profits Fund will often provide different guarantees dependent on when a member started contributing or when each contribution was actually invested.
 - Specific With-Profits Fund will often provide different guarantees dependent on when a member started contributing or when each contribution was actually invested. The available universe of With-Profits funds is not sufficiently alike to enable relative assessments based on just past or even potential performance.
 - Payouts on surrender and maturity will reflect all charges incurred, though they are not separately identified. Moreover, the actual performance received by members, net of charges, is only ever known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of 'smoothing'.
 - 'Smoothing' is a specific feature of With-Profits Funds. In years when investment performance is high, some of the return is held back to 'top-up' returns when lower performance occurs. Hence, at the point a specific member disinvests, smoothing may reduce or increase the payout relative to the underlying investment performance of the assets, thereby reducing investment risk for the individual investor and providing a steadier pattern of return. Insurers are required to stipulate that the payout in the event of early disinvestment will fall within a specified percentage of the underlying share of the assets attributable to the specific investor. These ranges are targets, i.e. they are not guaranteed.
 - Finally, With-Profits investments may be subject to a MVR, which means that it is not possible to predict whether a member will suffer an exit penalty on transfer out to another arrangement.
- 3.5 Given the nature of the investment, the Trustees have been unable to separately identify the costs and charges associated in relation to transactions, having made efforts to obtain this from the provider. The Trustees' advisers will continue to engage with the provider in order to try to obtain this in future.
- 3.6 Assessing value for money on a With-Profits Fund is therefore directly related to an individual's attitude towards, and capacity for, investment risk, as well as their individual circumstances. A member may find comfort in the fact that a with-profits fund provides guarantees; whether that is a guaranteed pension, investment return or capital security.
- 3.7 Taking these limitations above, the Trustees have taken the view that the best way to provide good value to members is to maintain the policies and avoid the risk of members losing out on the returns and guarantees that are contracted under the policies.

Charges and Transaction Cost Illustrations

Using assumptions on costs and charges and in accordance with Regulation 23(1)(ca) of the regulations, as inserted by the 2018 Regulations, the Trustees have prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot. The statutory guidance provided has been considered when providing these examples. We have assumed a total cost to members of 0.49% p.a. for the purposes of the illustration and a return assumption based on the available asset allocation.

The illustration below has taken into account the following elements:

- Savings pot size;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

Illustration of effect of cost and charges for your scheme: The Professional Golfers Association Limited Retirement Benefits Plan		
Assumed current pension pot value		£20,000
At end of year	Projected value assuming no charges taken	Projected value with charges taken
1	£20,200	£20,000
3	£20,800	£20,200
5	£21,500	£20,400
10	£23,100	£20,900
15	£24,800	£21,500
20	£26,700	£22,000
25	£28,700	£22,500
30	£30,900	£23,100
35	£33,200	£23,700
40	£35,700	£24,200

How we worked out the figures in the table

The table is only illustrating the cumulative effect of costs and charges on a notional investment pot. They do not reflect the level or nature of benefits you will be eligible for under your pension scheme arrangement. Remember that the purpose of your pension is to provide you with benefits at your chosen retirement age, which may not coincide with any of the years shown in the table. We can't predict exactly what will happen in the future, so we've had to make some assumptions, which we've explained below. The values shown may not represent your own circumstances, are estimates and aren't guaranteed.

Assumptions

1. With-Profits Fund Management Costs of 1% a year.

- Investment expenses and administration costs: 0.974% a year.
- Transaction costs: 0.026 % a year.

The With-Profits Fund management costs represent the assumed cost of administering your policy and professionally investing your scheme's money in the FP With-Profits Sub-Fund in which you are invested. We have assumed the current costs continue to apply throughout the projections.

These costs are Aviva's current view of the costs applicable to your policy which are reflected in the with-profits bonus rates declared each year.

Further details of how the with-profits fund operates can be found in the Principles and Practices of Financial Management available at aviva.co.uk/ppfm

2. Fund Growth Rate

- We've assumed a starting pot representative of a typical member in your scheme. It doesn't assume any on-going contributions into the pension pot.
- The projected fund is assumed to grow at 4% a year. This is the assumed growth rate of the FP With-Profits Sub-Fund in which you are invested.
- The figures illustrate the pension pot value in 'today's money', taking inflation into account by reducing values by 2.5% a year. This shows what the figures could be worth today, but actual inflation could be more or less than this. It's important to note that inflation reduces the worth of all savings and investments. This effect is shown in the illustration and could mean the fund may reduce as well as grow in 'today's money'.

4. Return on Investments

- 4.1 The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 (the 2021 Regulations) introduced new requirements for trustees of 'relevant' occupational pension schemes.
- 4.2 From 1 October 2021, trustees of all relevant pension schemes have been required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges. This information must be recorded in the annual chair's statement and published on a publicly accessible website.
- 4.3 The tables below show performance, net of all charges and transaction costs, of all funds available to Scheme members.

Fund	Annualised returns to 31 December 2025 (% p.a.)				
	1 year	5 years	10 years	15 years	20 years
Aviva FP With Profits Fund (NGP Pre Demutualisation)	10.1	5.2	5.6	5.8	5.5

Source: Aviva as at 31 December 2025

5. Asset Allocation Disclosure

- 5.1 The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 (the 2023 Regulations) introduced new requirements for trustees and managers of certain occupational pension schemes.
- 5.2 Trustees or managers of relevant occupational pension schemes are required to disclose their full asset allocations of investments from their default arrangements.
- 5.3 There are currently no performance-based fees being charged for the Scheme as at 31 December 2025.

Aviva FP With Profits Fund	Percentage allocation average 25 years (%)	Percentage allocation average 45 years (%)	Percentage allocation average 55 years (%)	Percentage allocation average 65 years (%)
Listed Equities	39.7%	39.7%	39.7%	39.7%
Bonds	51.0%	51.0%	51.0%	51.0%
Cash	1.2%	1.2%	1.2%	1.2%
Private Equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	8.1%	8.1%	8.1%	8.1%
Private Debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: Aviva as at 31 December 2025. Figures may not sum due to rounding.

Notes:

Normal Retirement Date for the Plan is age 65, members have the option of selecting their own retirement date.

The following describes the types of investments covered by the above asset classes:

Listed Equity – Shares in companies that are listed on global stock exchanges. Owning shares makes the Scheme a part owner of the company, entitled to a share of the profits (if any) payable as dividends.

Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.

Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Scheme.

Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including for example: Venture Capital, Growth Equity, and Buyout funds.

Infrastructure – Physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons.

Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.

Private Debt – Other forms of loan that do not fall within the definition of a 'Bond'.

Other – Any assets that do not fall within the above categories.

6. Trustee Knowledge and Understanding

- 6.1 In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustees are required to maintain an appropriate level of knowledge and understanding which, together with professional advice which is available to them, enables them to properly exercise their functions and duties in relation to the Scheme.
- 6.2 Trustees training is of high importance to the good running of the Scheme. The Trustees acknowledge how vital it is that they maintain their knowledge of pension law, trust law, investment principles and are conversant with the Scheme documentation including the Trust Deed and Rules, SIP and Scheme Policies.
- 6.3 For new Trustees, when they are appointed, they are given an initial introduction by the HR team and are required to undertake and complete The Pensions Regulator's Trustee Toolkit course within six months of taking up the position. Attendance at Trustees' meetings during this time also supports them to build knowledge and understanding of specific issues to the Scheme.

6.4 Training

In order to maintain this level of knowledge, the Trustees have procedures and policies in place to ensure that the Trustees take personal responsibility for keeping up to date with relevant developments:

- Trustees undertake training to ensure that they keep up to date with changes in legislation, current issues and the latest developments relating to DC schemes;
- Trustees note the importance of logging any training that the Trustees have undertaken;
- Training for the full board is provided during quarterly meetings and Trustees attend external Trustee training courses when appropriate, which are logged at Trustees' meetings.

Over the course of last year, the Trustees have demonstrated their continuous commitment to learning by undertaking the following training:

- 14 March 2025 – training on the New General Code of Practice and Mercer Retirement Services, to support members plan for retirement.
- 19 September 2025 – training on Effective System of Governance (ESOG).
- 12 December 2025 – training on Decumulation Considerations.

6.5 *Examples Demonstrating TKU*

The Trustees undertook a number of activities over the past year which demonstrates how they have a working knowledge of pension and trust law and funding and investment principles. These activities include:

- The rules within the Trust Deed have been applied in relation to member transfer requests;
- The production of the SIP Implementation Statement for the Scheme demonstrates how the Trustees have implemented the policies with the Statement of Investment Principles and have documented their actions to evidence compliance with the statement.

6.6 *Utilising Advisors*

The Trustees believe that the best run schemes utilise the combined skill and knowledge of both the Trustees and their professional advisors. The relevant skills and experience of those advisors are key criteria when evaluating advisor performance and selecting new advisors. Additionally, the following measures have applied during the period:

- The Trustees' professional advisors attend all of their formal meetings;
- The Trustees receive briefings from their advisors on all legislative and regulatory developments at each meeting.
- Aviva has provided relevant updates for support that members can access with them.
- Aviva provides relevant updates directly to the Trustees, covering developments in their proposition.

6.7 *Assessing Effectiveness*

The Trustees understand that having knowledge on the Board and professional advice available needs to be used effectively in order for the Trustees to act properly. The Trustees have arrangements for ensuring the individual Trustees take responsibility for keeping up to date with relevant developments. Trustees take individual responsibility and have completed the relevant module from the Regulator's toolkit. The Secretary to the Trustees also logs training on a regular basis and is documented in the meeting minutes.

Taking account of actions taken individually and as a group of Trustees and the professional advice available to them, the Trustees consider they are able to exercise their function as Trustees appropriately, having the required knowledge and skills.

I confirm that the above statement has been produced by the Trustees to the best of their knowledge.

Signed for and on behalf of the Trustees of the Professional Golfers' Association Retirement Benefits Scheme

Signed by:



Name in block letters: ROBERT SPENCER-SMITH

Title or Position: CHAIR OF TRUSTEES

Date: 29 July 2026