

**THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2025**

Scheme Registration Number: 100030154

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2025

CONTENTS

TRUSTEE AND ADVISERS	1
TRUSTEE REPORT (including report on actuarial liabilities)	4
INDEPENDENT AUDITORS' REPORT	18
FUND ACCOUNT	22
STATEMENT OF NET ASSETS (available for benefits)	23
NOTES TO THE ACCOUNTS	25
INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS	41
SUMMARY OF CONTRIBUTIONS PAYABLE IN THE YEAR	42
ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS	43
APPENDIX 1	44

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE AND ADVISERS

Corporate Trustee - The National Trust Retirement and Death Benefits Scheme Corporate Trustee Limited

Trustee Directors:

Janet Thomson	- National Trust appointed and independent Chair
Ian Bailey	- National Trust appointed and independent
Nicola Grace	- member nominated (until 13 March 2025)
Richard Hill	- member nominated (from 13 March 2025)
Giles Hunt	- member nominated (from 13 March 2025)
Peter Nixon	- member nominated
Nicholas Lawrence	- member nominated
Peter Pearce	- member nominated (until 13 March 2025)
Ross Russell	- National Trust appointed and independent
Juana Tinn	- National Trust appointed and independent

The National Trust Retirement and Death Benefits Scheme Corporate Trustee Limited was incorporated on 14 December 2018 pursuant to a deed dated 11 April 2019.

Secretary to the Trustee: Judith Alborough
The National Trust Retirement and Death Benefits Scheme
Heelis
Kemble Drive
Swindon SN2 2NA

Principal Employer: The National Trust
Heelis
Kemble Drive
Swindon SN2 2NA

Enquiries: Judith Alborough
Secretary to the Trustee

Actuary: John Sydenham
Aon Solutions UK Ltd
1 Redcliff Street
Bristol BS1 6NP

Investment Advisers: Redington Limited
Floor 6
One Angel Court
London EC2R 7HJ

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE AND ADVISERS (continued)

Independent Auditor:	Crowe U.K. LLP 5 th Floor, R+ Building 2 Blagrove Street Reading RG1 1AZ
Legal Advisers:	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2HS
Investment Committee:	Juana Tinn (Chair) David Jacob (non-voting Advisor appointed by Trustee) Ian Bailey Nicola Grace (until 13 March 2025) Nicholas Lawrance (from 13 March 2025) Ross Russell
*Risk Management Committee:	Ross Russell (Chair) (appointed 27 June 2024) Peter Nixon (appointed 27 June 2024)

*The Trustee of the National Trust Retirement and Death Benefit Scheme (the "Scheme") established a Risk Management Committee for the principal purpose of assisting the Trustee to manage its responsibilities in respect of risk issues in relation to the Scheme.

Investment Managers:	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London, EC2N 2DL
	Stonepeak Infrastructure Partners (until 18 June 2025) New York Headquarters 55 Hudson Yards 550W 34 th Street, 48 th Floor New York NY1001
	Partners Capital LLP 5 Young Street London, W8 5EH
	Schroder Investment Management Limited 1 London Wall Place London, EC2Y 5AU

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE AND ADVISERS (continued)

Investment Custodians:

JPMorgan Chase Bank
Bournemouth
Dorset, BH7 7DA

HSBC Private Bank (Luxembourg) S.A
16, boulevard d'Avranches
PO Box 733
L-2017 Luxembourg

Bankers:

Barclays Bank plc
PO Box 47
37 Milsom Street
Bath BA1 1DW

AVC Providers:

Utmost Life and Pensions
Zurich Financial

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT

INTRODUCTION

The Trustee of The National Trust Retirement and Death Benefits Scheme ("the Scheme") presents its annual report together with the investment report, actuarial statements and accounts for the year ended 5 April 2025.

TRUSTEE

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Scheme became a registered scheme under Chapter 2 of part 4 of the Finance Act 2004 with effect from 6 April 2006, for the purpose of providing retirement and death benefits for members and their dependants. Previously, the Scheme was approved as tax exempt by HM Revenue and Customs. The Scheme is controlled and administered by the Trustee in accordance with a governing Trust Deed and Rules.

The Scheme is governed by The National Trust Retirement and Death Benefits Scheme Corporate Trustee Limited ("the Trustee") which was appointed Corporate Trustee on 11 April 2019. Prior to this date, the Scheme was governed by individual trustees. The individual trustees at 11 April 2019 became Trustee Directors of the Trustee.

The Trustee is responsible for the administration and investment policy of the Scheme and participates in training throughout the year. The Trustee Directors meet at least four times a year to review the management of the Scheme as reported by the Secretary to the Trustee. This includes amongst other matters an investment review, review of the written agreements with its advisers and consideration of any future legislative changes.

The Trustee Directors of the Scheme are appointed and may be removed in accordance with the governing documents. In accordance with the Pensions Act 2004 the National Trust put forward to members the proposal that there should be eight Trustee Directors, of whom half would be appointed by the National Trust and half would be selected by the Trustee from a list nominated by the membership of the Scheme.

SCHEME AUDIT

These financial statements have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

The financial statements summarise the net assets of the Scheme; they do not take account of future obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take into account such obligations, is dealt with in the Report on Actuarial Liabilities on page 6.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

REVIEW OF FINANCIAL DEVELOPMENT OF THE SCHEME

The Fund Account on page 22 shows that the value of the fund stood at £513.6m at 5 April 2025, a decrease of 8.3% compared with 6 April 2024.

The Scheme's asset value fell £46.5m over the year, largely because UK long-term interest rates continued to rise. However, this was largely offset by a fall in expected liabilities (on the Technical provision basis) and ongoing Employers contributions £17.6m. The Scheme deficit is reported on page 6. The Trustee notes that maintaining and growing the funding position is critically important to ensure member benefits continue to be paid in full and on time, and is comfortable with the change over the period.

The Scheme closed to future accrual on 31 March 2016. The salary link has been retained so Cessation Members (see page 7) will receive their pension based on final salary, even when leaving after 31 March 2016. There is no impact on existing pensioners or deferred members of the Scheme.

RECOVERY PLAN

Following the last three-year valuation in 2023 as detailed on pages 6-7, to satisfy the requirements of Section 226 of the Pensions Act 2014, after consultation with the Scheme Actuary and with the National Trust, the Trustee agreed a Recovery Plan on 25 March 2024.

Under the terms of this Recovery Plan, the National Trust has agreed to pay additional contributions as follows:

- From 5 April 2023 to 31 August 2027, £15.8m p.a payable monthly (£1,318,830 per month), increasing by the annual increase in CPI (as measured the previous September) plus 1% on 1 April 2024 and each anniversary thereafter.
- The cost of any augmentation to benefits.

In respect of the expenses of administering the Scheme:

- £43,636 per month for the five-year period commencing with the date of certification of the Schedule of Contributions, increasing by the annual increase in CPI (as measured the previous September) plus 1% on 1 April 2024 and each anniversary thereafter- (to include investment, actuarial, audit and legal fees).

The Pension Protection Fund and other levies collected by the Pensions Regulator, together with pensions administration and processing expenses, are met directly by the National Trust.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

REPORT ON ACTUARIAL LIABILITIES

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions.

The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 5 April 2023. That showed that on that date:

The value of the Technical Provisions was	£674.6 million.
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The value of the assets at that date was	£608.5 million.
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The Scheme deficit on 5 April 2023 stood at £66.1m but has improved with an estimated deficit on 5 April 2025 of £55.0m. This improvement in funding position has been primarily driven by deficit contributions (due under Recovery Plan, details of which are given on the previous page) together with higher yields, and a small fall in inflation expectations, placing a lower value on the Scheme's liabilities. This has been partially offset by negative investment returns which have reduced the assets.

The next tri-annual valuation is due 5 April 2026 but is not expected to be completed until late 2026.

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 to be used in the calculation of the technical provisions is the Projected Unit Method. Significant actuarial assumptions are shown below:

Discount rate: term dependent rates set by reference to the fixed interest gilt curve (as derived from Bank of England data) at the valuation date plus an addition of 0.25% per annum after retirement and 0.7% per annum before retirement.

Future Retail Price Index (RPI) inflation: term dependent rates derived from the Bank of England fixed interest and index-linked gilt curves at the valuation date.

Future Consumer Price Index (CPI) inflation: term dependent rates derived from the assumption for future retail price inflation less an adjustment equal to 1.0% per annum up to February 2030 and 0.1% per annum thereafter.

Pension increases: derived from the term dependent rates for future RPI and CPI inflation allowing for the caps and floors on pension increases according to the provisions in the Scheme's Rules and the fact that inflation varies from year to year.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

Pay increases: CPI plus 0.75% p.a.

Mortality: S3PMA and S3PFA_M tables with a scaling factor of 95% for both males and females.

MEMBERSHIP

All employees who were on a regular contract with the National Trust and who were aged between 21 and 60 were eligible to join the Scheme prior to its closing to new entrants from 1 June 2003. In 2010-11 the Scheme was re-opened to admit 8 new members due to a transfer of employment.

The change in membership of the Scheme during the year is given below:

	*Cessation Members	Pensioners	Deferred Pensioners	Total
Opening Members at 5 April 2024	411	3,034	1,785	5,230
<u>Movements during the year:</u>				
Members retiring	(20)	137	(117)	-
Members died	(4)	(95)	-	(99)
Members left before pensionable age	(9)	-	9	-
New spouse and dependant pensions	-	34	-	34
Transfers out	-	-	-	-
Retired on full commutation basis	-	-	-	-
Retired on full commutation basis ill health	-	-	-	-
Records closed	-	-	(4)	(4)
Total movements during the year	(33)	76	(112)	(69)
Closing Members at 5 April 2025	378	3,110	1,673	5,161

Included within the figures for pensioners above are 5 (2024:7) members whose benefits are provided by annuities.

*Cessation Member means a person who was an active member of the Scheme when it closed to future accrual on 31 March 2016. These members retained a benefit link to their final salary.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

STATEMENT OF TRUSTEE RESPONSIBILITIES

The financial statements which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) 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 Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme 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 inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme 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 it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

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 Scheme by or on behalf of the Principal Employer and the Cessation Members of the Scheme 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 in respect of any Cessation Member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the Principal 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 NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

INVESTMENT REPORT

Introduction

This report has been prepared by the Trustee, assisted by its appointed investment advisers Redington Ltd, using information that has been supplied primarily by its investment managers (listed on page 2). The Trustee has delegated portfolio management to each of its underlying investment managers, who have full discretion in making investment decisions (subject to the investment guidelines agreed in investment management agreements).

Investment Objectives and Strategy

The general investment objectives of the Scheme are:

- The acquisition of suitable assets (having due regard to the relevant risks to the Scheme) that will generate income and capital growth to meet, together with necessary deficit repair contributions from the Employer, the cost of current and future benefits which the Scheme provides.
- To limit the risk of the assets failing to meet the liabilities over the long term, especially in relation to an appropriate Long-Term Funding Objective.
- To minimise the long-term costs of the Scheme by achieving an appropriate return on the assets whilst having regard to the objectives mentioned above.

The Trustee has adopted a Pensions Risk Management Framework, which is used to monitor and report on the Scheme's key investment objectives on a regular basis. These objectives include the return required to meet the Scheme's investment objective versus the expected return of the Scheme's assets, two risk metrics ("Value at Risk" and "Funding Ratio at Risk"), interest rate and inflation hedge ratios and collateral adequacy tests. The Trustee selects its investments in order to most appropriately fulfil the Scheme's objectives. Further information on the Trustee's investment strategy is set out in the Statement of Investment Principles.

Investment changes during the year

Over the period, the following strategic and operational changes were approved by the Trustee Board following recommendations from the Investment Committee ("IC"):

- The Scheme continued to pay capital into the two renewable infrastructure funds managed by BlackRock and Stonepeak, as and when called upon by the managers. Funds to meet capital calls were sourced from the Scheme's holdings in the Schrodgers US Liquidity Fund. As at 31 March 2025, the Scheme had invested c.88% of its initially committed capital for BlackRock and c.53% for Stonepeak.
- In December 2024, the Trustee agreed to disinvest c.£52m from the Schrodgers Segregated LDI Portfolio. These funds were used to fund an investment into the Schrodgers ISF Securitised Credit Fund in February 2025.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

INVESTMENT REPORT (continued)

Investment changes during the year (continued)

- In January 2025, the Scheme transferred £5m from the LDI portfolio to the Trustee Bank Account for cashflow purposes.
- The Trustee continues to explore an orderly sale of the Scheme's illiquid assets. On 18 June 2025 the Scheme sold its holding in Stonepeak, and a further update will be provided in next year's report.

Statement of Investment Principles ("SIP")

The investment objectives and investment strategy for the Scheme, together with the main elements of the investment arrangements of the Scheme, are set out in the SIP and the Investment Policy Implementation Document ("IPID"). The Trustee has produced the SIP as required by section 35 of the Pensions Act 1995 and subsequent legislation, and the SIP is reviewed periodically. A full copy of the SIP is available on the Scheme's website and is also available upon request in writing. The Trustee confirms that there were no departures from the SIP policies over the period.

Below is an excerpt from the SIP, outlining the Trustee's Environmental Social and Governance ("ESG"), Stewardship and Engagement, and Asset Manager policies:

Environmental Social and Governance ("ESG")

The Trustee seeks to incorporate all financial considerations that are relevant and material to the Scheme into its decisions on the selection, retention and realisation of investments through strategic asset allocation decisions and the appointment of investment managers, so far as possible.

The Trustee believes that ESG factors (including but not limited to climate risk) will be financially material over the time horizon of the Scheme and should therefore be considered as part of investment strategy and implementation decisions. This will have varying levels of importance for different types of assets invested in by the Scheme. These factors may, in particular, be of limited application for the Scheme's investment strategy comprising gilts and hedging instruments.

The Trustee's investment advisers incorporate environmental, social and governance factors into their manager research process, which informs advice provided to the Trustee on selecting, reviewing and changing individual managers. Each time a new active manager is selected, or an existing active manager is reviewed, integration of environmental, social and governance factors is (to the extent relevant to the asset class) one of the key factors considered by the Trustee. The Trustee has also developed with its investment advisers a process for monitoring periodically managers' approaches to these factors, which includes requesting relevant information from the managers. The Sponsor has been consulted throughout the process of developing the Trustee's approach to incorporating ESG considerations.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

INVESTMENT REPORT (continued)

Environmental Social and Governance (ESG) continued

Having delegated responsibility for the selection, retention and realisation of investments to the investment managers, the Trustee expects the Scheme's investment managers to take account of environmental, social and governance considerations insofar as they believe such considerations will benefit performance and/or reduce risk.

The Trustee does not factor non-financial factors (such as members' ethical views) into its investment decision-making.

Stewardship and Engagement – this has been included in the Implementation Statement disclosed alongside the Trustee Reports and Accounts. (see Appendix 1). It has not included again here for the sake of brevity.

Asset Manager Policy

For any segregated arrangements, the terms of the long-term relationship between the Trustee and its managers are set out in separate Investment Management Agreements ("IMAs"). These document the Trustee's expectations of its managers alongside the investment guidelines they are required to operate under.

The investment guidelines are based on the policies set out in this SIP. The Trustee shares its SIP with the managers and meets with its managers periodically, with the aim of ensuring managers invest in line with the Trustee's policies.

Due to the benefits of cost and ease of implementation, the Trustee primarily invests in pooled investment vehicles. These investments are managed according to standardised fund terms, which are reviewed by the Scheme's legal and investment advisers at the point of investment to ensure that they are aligned with the Scheme's long-term investment strategy and market best practice. These terms are reviewed at the point of investment and following any material changes notified by the manager.

When relevant, the Trustee requires its investment managers to invest with a medium- to long-term time horizon, and use any rights associated with the investment to drive better long-term outcomes. For some asset classes, the Trustee does not expect the respective asset managers to make decisions based on maximising long-term performance. These may include investments that provide risk reduction through diversification or through hedging, consistent with the Trustee's strategic asset allocation.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

INVESTMENT REPORT / Asset Manager Policy (continued)

The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Scheme's assets. When assessing a manager's performance, the focus is on longer-term outcomes and is assessed over a medium to longer-term timeframe, subject to an anticipated minimum of three years.

The Trustee would not expect to terminate a manager's appointment based purely on short-term performance. However, a manager's appointment could be terminated within a shorter timeframe than three years due to other factors, such as a significant change in structure of the investment team or investment process.

Managers are typically paid an *ad valorem* management fee for a defined set of services. For mandates where it is deemed appropriate a performance fee may also be charged for outperformance versus a benchmark or target. The Trustee reviews the fees triennially to confirm they are in line with market practices.

The Trustee expects the manager to take an active ownership approach and consider long-term ESG risk factors.

The Trustee reviews the portfolio transaction costs and managers' portfolio turnover ranges, where the data is disclosed and available. The Trustee will then determine whether the costs incurred were within reasonable expectations.

Custodial Arrangements

The role of a custodian is to ensure the safe keeping of the assets and facilitate all transactions entered by the appointed investment managers. The Trustee mitigates custodial risk through investment in pooled vehicles, with the investment manager responsible for selecting suitable custodians. In addition, restrictions are applied as to who can authorise transfers of cash and the accounts to which transfers can be made. The Trustee is satisfied that the managers responsible for the appointment and monitoring of their relevant custodians fulfil this obligation competently, and that they have suitable procedures in place for conducting periodic reviews.

In relation to the Scheme's segregated investments with Schroders, the Trustee has appointed JPMorgan Chase Bank, N.A. as custodian. The IC, on behalf of the Trustee, has noted the need to conduct periodic reviews of the custodian to ensure its continuing suitability. The Trustee has also appointed JPMorgan Chase Bank to manage an additional custody account to manage the inflows and outflows from the Scheme's other investments.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

INVESTMENT REPORT (continued)

Investment Performance

Below is a review of the performance of the Scheme's investments over a one- to three-year period. The Trustee considers that the Scheme's investment portfolio is structured in accordance with the requirements of the Occupation Pension Schemes (investment) Regulations 2005 in relation to the nature, disposition, marketability, security and valuation of the Scheme's assets.

Investment managers – 1-year & 3-year performance

Fund	Asset Value (£m) 31/03/2025	Fund Return (%) 1-year	Benchmark Return (%) 1-year	Fund Return (%) 3-year annualised	Benchmark Return (%) 3-year annualised
Schroders Segregated LDI	261.4	-11.7%	-11.8%	-28.0%	-28.3%
Schroders US Dollar Liquidity Fund	19.0	5.0%	5.0%	4.1%	4.3%
Schroders Buy & Maintain	110.1	3.1% ¹	N/A ¹	N/A ¹	N/A ²
Schroders ISF Securitised Credit	52.3	1.5% ³	1.0% ³	N/A ²	N/A ²
Partners Capital Portfolio ⁴	25.1	N/A	N/A	N/A	N/A
Schroders Focus II ⁴	14.1	N/A	N/A	N/A	N/A
Blackrock Global Renewable Power Infrastructure Fund III ⁴	13.3	N/A	N/A	N/A	N/A
Stonepeak Global Renewables Fund ⁴	9.6	N/A	N/A	N/A	N/A

As shown above, on March 2025, the Scheme had c.£19.0m invested in the Schroders US Liquidity Fund. This is a USD cash-like allocation in place to fund capital calls for the BlackRock Global Renewable Power III Fund and Stonepeak Global Renewables Fund. The Scheme also had c.£4.4m in cash held across the Trustee Bank Account and a custody account with JP Morgan.

See overleaf for the footnotes.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

INVESTMENT REPORT (continued)

Investment managers – 1-year & 3-year performance (Table continued)

¹ The Schroders Buy and Maintain strategy does not use a benchmark; therefore, a benchmark return is not available.

² 3-year information is unavailable as inception date of allocation is less than 3 years (August 2023)

³ 1-year information is unavailable as inception date of allocation is less than 12 months. Performance is therefore since inception of the fund (February 2025).

⁴ Due to the illiquid nature of the following funds, performance is reported as a since inception internal rate of return ("IRR") basis. The portfolio IRRs (vs. target) for these allocations were as follows (as at the most recent dates available, 31/12/24 for Schroders and Blackrock and as at 31/3/25 for Partners Capital and Stonepeak):

Fund	Inception Date	IRR	Target IRR
Partners Capital	Dec 2008	13.2%	12.0%
Schroders FOCUS II	Jun 2020	8.8%	15.0%
BlackRock Global Renewable Power Infrastructure Fund III	Dec 2020	-10.8%	9.5%
Stonepeak Global Renewables Fund	May 2021	17.7%	10.0%

Scheme-level – 1-year & 3-year performance

Performance Metric		1-year	3-year (annualised)
i.	Total Scheme performance <i>(Composite of iii and v)</i>	-7.3%	-16.1%
ii.	Total Benchmark performance <i>(Composite of iv and vi)</i>	-7.0%	-15.7%
iii.	Matching Asset Performance <i>(LDI portfolio)</i>	-11.7%	-28.0%
iv.	Matching Asset Benchmark Performance <i>(LDI benchmark)</i>	-11.8%	-28.3%
v.	Return-Seeking Asset Performance <i>(Composite of investment manager returns)</i>	1.6%	1.1%
vi.	Return-Seeking Benchmark Performance <i>(Composite of investment manager benchmarks)</i>	2.8%	3.0%

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

INVESTMENT REPORT (continued)

Performance commentary

Scheme-level

Over the year, the Scheme's assets declined in value, primarily driven by a significant fall in the LDI portfolio. The LDI portfolio performed in line with the benchmark (in line with expectations).

Return-seeking assets delivered positive performance over the year. However, they underperformed relative to the benchmark, due to the under performance of the Partners Capital Portfolio over the last 12 months. Over the last three years, the Scheme has marginally underperformed its benchmark, driven by underperformance of the return seeking assets which were divested and reallocated into investment grade credit in the second half of 2023. Despite this, the Scheme remains on track to meet its primary funding target.

Credit (Schroders Buy and Maintain and Schroders ISF Securitised Credit)

The Schroders Buy and Maintain portfolio delivered a 12 month return of 3.1%. The portfolio's positive performance over the year was primarily driven by declining interest rates, alongside credit spreads tightening and remaining stable. Since the Scheme invested into the Schroders ISF Securitised Credit Fund, this has also delivered a positive return to the Scheme of 1.5% (vs. 1% benchmark return).

Illiquid Funds (Partners Capital, Schroders FOCUS II, BlackRock & Stonepeak Renewables)

The Partners Capital portfolio underperformed its benchmark, with a portfolio return of -0.1% versus a benchmark return of 6.9%. The Schroders FOCUS II Fund slightly underperformed, achieving a since-inception IRR of 8.8% versus a target of 12.5% (as at 31 December 2024 as performance is quarter lagged for this Fund), due to the rising interest rate environment over the last three years.

Performance across the Scheme's renewable infrastructure investments was mixed. The Stonepeak Global Renewables Fund delivered an IRR of 17.7%, outperforming its target of 10.0%. In contrast, the Blackrock Global Renewable Power Infrastructure Fund III recorded a since-inception IRR of -10.8% (on 31 December 2024), falling well short of its 9.5% target and representing a material underperformance. The Trustee is closely monitoring and engaging with its investment advisor and Blackrock on this matter.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

AVC INVESTMENTS

The Trustee provides the facility for members to make Additional Voluntary Contributions (AVCs). The Trustee holds these contributions, which are invested separately from the main fund, in the form of managed funds and a group with-profits policy.

The total number of individual accounts by provider on 5 April 2025 was:

Utmost Life and Pensions	4
Zurich Financial	86

As the Scheme is closed to future accrual it is not possible for members to obtain additional benefits on a money purchase basis. Each member continues to receive an annual statement at the year-end confirming the current sum in their account in respect of contributions made before 1 April 2017.

Tax and Contracting-Out Status of the Scheme

The Scheme is approved as an “exempt approved scheme” under the terms of the Income and Corporation Taxes Act 1988 and to the Trustee Directors’ knowledge there is no reason why such approval should be prejudiced or withdrawn. The Scheme was contracted out of the State Earnings Related Pension Scheme/Second Tier State Pension until 31 March 2016 under a certificate issued by the Occupational Pensions Board.

Scheme Advisers

There are written agreements in place between the Trustee and each of the Scheme advisers listed on pages 1 to 3 of this report and with the Principal Employer.

Cash Equivalent Transfer Values

Cash equivalents paid during the Scheme year with respect to transfers have been calculated and verified in accordance with appropriate regulations and guidelines issued by the Institute of Actuaries. Allowance for discretionary pension increases is included in the calculation of cash equivalents.

Pension Increases

On 1 January 2025 and in accordance with the Scheme Rules, the following increases were made:

- 1.7% (2024: 3.0%) to pensions in excess of the Guaranteed Minimum Pension;
- 2.7% (2024: 5.0%) to pensions earned 1997 to 2007; and
- 2.5% (2024: 5.0%) to pensions earned post 2007.

On the same date discretionary increases (agreed between the Employer and the Trustee) of 1.7% (2024: 5.0%) were made to pensions earned prior to 1997.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

TRUSTEE REPORT (continued)

Contacting the Trustee

The Secretary to the Trustee is Judith Alborough, who is responsible for the day-to-day administration of the Scheme. If Scheme members have any queries concerning this Report, the Scheme generally or their own benefits, they should contact her by writing to:

Judith Alborough
Secretary to the Trustee
National Trust Retirement and Death Benefits Scheme
Heelis
Kemble Drive
Swindon
SN2 2NA

Email: judith.alborough@nationaltrust.org.uk
Telephone: 01793 817589

FURTHER INFORMATION

Members are entitled to inspect copies of documents giving information about the Scheme. In some circumstances, copies of the documents can be provided free, but a charge will be made for copies of the Trust Documents (Deed and Rules) and of the Actuary's Report.

Signed on behalf of the Trustee.

Trustee Director

Date 2025

Trustee Director

Date 2025

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

Independent Auditors' report to the Trustee of the National Trust Retirement and Death Benefits Scheme

Opinion

We have audited the financial statements of the National Trust Retirement and Death Benefits Scheme for the year ended 5 April 2025 which comprise the Fund Account, the Statement of Net Assets (available for benefits) and the related notes set out therein.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 5 April 2025, 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 Regulations 3 and 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 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Scheme 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

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 Scheme's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Scheme will continue in operation.

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

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

Independent Auditors' report to the Trustee of the National Trust Retirement and Death Benefits Scheme (continued)

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 this there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustee for the Financial Statements

As explained more fully in the Statement of Trustee Responsibilities, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines 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 Scheme'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 Scheme or has 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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

Independent Auditors' report to the Trustee of the National Trust Retirement and Death Benefits Scheme (continued)

We set out below the key areas which, in our opinion the financial statements are susceptible to material misstatement by way of irregularities including fraud and the extent to which our procedures are capable of detecting these.

- Management override of controls. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for bias.
- Misappropriation of investment assets owned by the Scheme. This is addressed by obtaining direct confirmation from the investment manager of investments held at the Statement of Net Assets date.
- Diversion of assets through large investment transactions. This is addressed by reviewing the AAF 01/20 / ISAE 3402 Assurance Reports on Internal Controls for fund managers and testing investment transactions to the investment manager reports.
- We have identified relevant laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, as the Pensions Act 1995 and 2004 (and regulations made thereunder), FRS102, and the Pensions Statement of Recommended Practice (SORP). We considered the extent to which a material misstatement of the financial statements might arise as a result of non-compliance.
- Reviewing meeting minutes and any correspondence with the Pensions Regulator.
- Discussing whether there are any significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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/auditors responsibilities. This description forms part of our audit report.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

Independent Auditors' report to the Trustee of the National Trust Retirement and Death Benefits Scheme (continued)

Use of our report

This report is made solely to the Scheme'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 Scheme's Trustee those matters we are required to state to them in an auditors' 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 Scheme's Trustee as a body, for our audit work, for this report or the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor
Reading

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

FUND ACCOUNT

	NOTE	£'000	2025 £'000	£'000	2024 £'000
CONTRIBUTIONS AND OTHER INCOME					
Employer's contributions receivable	4	<u>17,609</u>	17,609	<u>16,350</u>	16,350
BENEFITS AND OTHER PAYMENTS					
Benefits payable	5	(29,400)		(26,439)	
Payments to and on account of leavers	6	(297)		(169)	
Administrative expenses	7	<u>(1,344)</u>		<u>(990)</u>	
			<u>(31,041)</u>		<u>(27,598)</u>
NET (DECREASE) / INCREASE FROM DEALINGS WITH MEMBERS			(13,432)		(11,248)
RETURNS ON INVESTMENTS					
Investment income	8	2,185		1,124	
(Decrease) / Increase in market value of investments	9	(34,666)		(39,891)	
Investment management expenses	10	<u>(579)</u>		<u>(719)</u>	
NET RETURNS ON INVESTMENTS			<u>(33,060)</u>		<u>(39,486)</u>
NET (DECREASE) / INCREASE IN THE FUND			(46,492)		(50,734)
NET ASSETS BROUGHT FORWARD			<u>560,048</u>		<u>610,782</u>
NET ASSETS CARRIED FORWARD			<u>513,556</u>		<u>560,048</u>

The notes on pages 25 to 40 form part of these financial statements.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

STATEMENT OF NET ASSETS (available for benefits)

	NOTE	2025 £'000	2024 £'000
INVESTMENTS	9		
Assets - Return Seeking Strategy			
Pooled investment vehicles		80,918	99,758
Cash deposits		577	184
		<u>81,495</u>	<u>99,942</u>
Total Net Return Seeking Strategy Investments		<u>81,495</u>	<u>99,942</u>
Assets –Liability Matching Strategy			
Pooled investment vehicles		66,574	41,012
Bonds		576,195	591,872
Derivatives		1,098	234
Cash deposits		2,873	1,008
Other investment balances		58,920	23,692
		<u>705,660</u>	<u>657,818</u>
Liabilities - Liability Matching Strategy			
Derivatives		(926)	(1,137)
Other investment balances		(274,185)	(199,314)
		<u>(275,111)</u>	<u>(200,451)</u>
Total Net Liability Matching Investments		<u>430,549</u>	<u>457,367</u>
AVC Investments		1,972	2,191
TOTAL INVESTMENTS	9	<u>514,016</u>	<u>559,500</u>
CURRENT ASSETS	11	3,120	4,339
CURRENT LIABILITIES	12	(3,580)	(3,791)
NET CURRENT (LIABILITIES) / ASSETS		<u>(460)</u>	<u>548</u>
NET ASSETS AT 5 APRIL		<u>513,556</u>	<u>560,048</u>

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

STATEMENT OF NET ASSETS (continued)

The financial statements summarise the transactions of the Scheme 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 Scheme year. The actuarial position of the Scheme, which does take into account such obligations, is dealt with in the Report on Actuarial Liabilities on page 6 of the Annual Report and these financial statements should be read in conjunction with this report.

These financial statements were approved by the Trustee on 2025.

Signed on behalf of the Trustee:

Trustee Director

Trustee Director

The notes on pages 25 to 40 form part of these financial statements.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 April 2025

1 BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis and 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 issued by The Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (Revised 2018).

2 SCHEME CONSTITUTION

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

3 ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the financial statements:

(a) Investments

Investments are included at fair value as explained below:

- i) Fixed interest securities are stated at their clean price, where applicable including the indexation element which is payable on maturity. Accrued interest is excluded from the market value of fixed income securities and is included in other investment balances.
- ii) Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager.
- iii) Swaps are valued based on the present value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.
- iv) Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
- v) Annuities are not material to the Scheme and have been excluded from the Statement of Net Assets.
- vi) With profit insurance policies are reported at the policy value provided by Utmost Life and Pensions and Zurich Financial based on the cumulative reversionary bonuses declared and the current terminal bonus.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

3 ACCOUNTING POLICIES (continued)

- vii) Under repurchase agreements, the Scheme continues to recognise and value the securities that are delivered to the counterparty as collateral and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back recognised as a payable amount.
- viii) Shares in other pooled arrangements have been valued at the latest available net asset value, determined in accordance with fair value principles, provided by the pooled investment manager.

(b) Investment Income

Income is recognised as explained below:

- i) Income from bonds is accounted for on an accruals basis. Accrued interest on bond income is excluded from the market value of the bond and included in income.
- ii) Income from cash and short-term deposits is accounted for on an accruals basis.
- iii) Income from pooled investment vehicles is accounted for when declared by the fund manager. Other income from pooled investment vehicles is reinvested without the purchase of additional units and included in change in market value within the Fund account.
- iv) Receipts from annuity policies held by the Trustee are accounted for as investment income on an accruals basis.
- v) Cash receipts and payments on swap contracts are included in investment income when they are due.
- vi) Investment income includes recoverable withholding tax. Irrecoverable withholding tax is shown as an expense.

(c) Contributions

- i) Employer deficit funding contributions and contributions towards administrative expenses are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier and with the agreement of the Employer and Trustee. Additional contributions are accounted for on receipt.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

3 ACCOUNTING POLICIES (continued)

(d) Benefits Payable

Payments to members are recognised as follows:

- i) Pensions in payment are accounted for in the period to which they relate.
- ii) Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.
- iii) Individual transfers out of the Scheme are accounted for when the member liability is discharged which is normally when the transfer amount is paid or received.

(e) Administrative Expenses

- i) Expenses are accounted for on an accruals basis.
- ii) Investment management expenses are accounted for on an accruals basis. Transaction costs are included in the cost of purchases and sales proceeds.

(f) Other

- i) 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 profit and losses on sales of investments during the year.
- ii) Balances denominated in foreign currencies are translated into Sterling at the rate ruling at the yearend date. Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

4 EMPLOYER'S CONTRIBUTIONS RECEIVABLE

	2025 £'000	2024 £'000
Employer - deficit funding	17,045	15,826
- administration expenses	564	524
	<u>17,609</u>	<u>16,350</u>

The Scheme closed for future accrual on 31 March 2016. The deficit funding contribution was paid monthly (£1,420,380) along with monthly contributions (£46,996) towards administration expenses.

The deficit contributions increased to £18,083,952 per annum in April 2025, increasing by the annual increase in CPI plus 1% on 1 April each year thereafter until 31 December 2029.

5 BENEFITS PAYABLE

	2025 £'000	2024 £'000
On or during retirement:		
Pensions	24,123	22,749
Commutation and lump sum benefits	5,111	3,602
Death benefits:		
Death in service	64	55
Death in retirement / deferment	102	33
	<u>29,400</u>	<u>26,439</u>

6 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2025 £'000	2024 £'000
Individual transfers to other schemes	<u>297</u>	<u>169</u>

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

7 ADMINISTRATIVE EXPENSES

	2025 £'000	2024 £'000
Investment advice	503	497
Actuarial advice	303	290
Audit fees	37	36
Legal Fees	37	(1)
Levies	30	32
Professional subscriptions and membership fees	3	2
Consultancy	411	120
Sundry costs	20	14
Total administration expenses	<u>1,344</u>	<u>990</u>

The day-to-day administration of the Scheme is undertaken in-house by the Principal Employer who meets these direct costs in line with the Schedule of Contributions. The costs of external advisers as detailed above are met from the Scheme.

Consultancy costs include £297k relating to GMP equalisation, £42k Strategy review and £23k Pension Dashboard costs. The Trustee is undertaking a review into the administration and the option of outsourcing of various functions and some costs were incurred prior to year end.

8 INVESTMENT INCOME

	2025 £'000	2024 £'000
Income from bonds	10,294	9,891
Annuity income	(34)	35
Income from Pooled Investment Vehicles	676	562
Other income	88	100
Interest paid on repurchase agreements	(6,281)	(9,294)
Net interest on swaps	<u>(2,558)</u>	<u>(170)</u>
Total investment income	<u>2,185</u>	<u>1,124</u>

The Trustee conducted an update of the various annuity policies with Reassure. A reconciliation showed that Reassure were not aware that several of pensioners and dependants had died and annuities in respect of these have been fully refunded.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

9 INVESTMENTS

RECONCILIATION OF INVESTMENTS

	Value at 6.4.24	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in Market value	Value at 5.4.25
	£'000	£'000	£'000	£'000	£'000
Bonds	591,872	96,038	(79,431)	(32,284)	576,195
Pooled investment vehicles	140,770	92,842	(82,355)	(3,765)	147,492
Derivatives	(903)	397,830	(398,049)	1,294	172
AVC investments	2,191	-	(231)	12	1,972
	<u>733,930</u>	<u>586,710</u>	<u>(560,066)</u>	<u>(34,743)</u>	<u>725,831</u>
Cash deposits	1,192			77	3,450
Other investment balances	(175,622)			-	(215,265)
Total investments	<u>559,500</u>			<u>(34,666)</u>	<u>514,016</u>

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 and gains and losses on foreign currency investment.

The net movement on bonds above was a result of Schroders trading bonds to rebalance the LDI portfolio to match scheme liabilities.

Schroders trade derivatives to hedge against a variety of different risks. These include:

- Gilt repo and inflation swaps within the LDI portfolio, to hedge against changes in the liabilities that arise from changes in interest rates and inflation.
- Currency forwards and interest rate swaps to hedge non-GBP currency and non-GBP interest rate exposure.

Included within the purchase and sales figures above, is £52m switched within Schroders from LDI portfolio to ISF Securities Credit Fund as described under Investment changes on pages 9 & 10. There were no Fund Manager changes during the year.

A breakdown of Other Investment balances can be found on page 34.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

9 INVESTMENTS (continued)

The following investments exceed 5% of the value of the net assets of the Scheme:

	% holding	2025 £'000	2024 £'000
Schroders - Index-Linked & Treasury			
Gilts	64.5%	468,478	488,905
Schroders - Corporate bonds	14.8%	107,717	102,967
Schroders - SISF Security Credit	7.2%	52,270	-
Schroders - GBP Liquidity Unit Trust	4.6%	33,253	41,012

FAIR VALUATION HIERARCHY ANALYSIS

The fair valuation of investments shown below has been determined using the following 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.

Fair Value Hierarchy As at 5 April 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Bonds	-	576,195	-	576,195
Pooled investment vehicles	-	85,523	61,969	147,492
Derivatives	-	172	-	172
Cash	3,450	-	-	3,450
Other investment balances	3,536	(218,801)	-	(215,265)
AVC Investments	-	-	1,972	1,972
TOTAL INVESTMENTS*	6,986	443,089	63,941	514,016

Fair Value Hierarchy As at 5 April 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Bonds	-	591,872	-	591,872
Pooled investment vehicles	-	65,666	75,104	140,770
Derivatives	-	(903)	-	(903)
Cash	1,192	-	-	1,192
Other investment balances	3,120	(178,742)	-	(175,622)
AVC Investments	-	-	2,191	2,191
TOTAL INVESTMENTS*	4,312	477,893	77,295	559,500

*These figures exclude Net Current Assets / (Liabilities)

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

9 INVESTMENTS (continued)

Pooled Investment Vehicles

These can be analysed following the Fund Manager analysis as follows:

	2025	2024
	£'000	£'000
Credit Funds	62,155	9,050
Property Funds	975	1,269
Private Equity Funds (excluding property)	51,109	64,785
Cash	33,253	65,666
Total Pooled Investment Vehicles	<u>147,492</u>	<u>140,770</u>

*These funds include equities, bonds, derivatives, and cash.

The Diversified Growth fund solely relates to investment in the Schroders Diversified Growth Fund. This investment includes equities, corporate and government bonds, high yield and emerging market debt, property, private equity, and cash.

Except for the cash balance, all the investments shown with Pooled Investment Vehicles relate to the Scheme's return seeking strategy.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

9 INVESTMENTS (continued)

Derivatives

Forward Foreign Exchange

Contracts	Settlement date	Currency bought '000	Currency sold '000	Asset '000	Liability '000
Forward	09/04/25	£29,853	\$37,288	1,037	-
Forward	09/04/25	£322	\$404	9	-
Forward	09/04/24	\$200	£158	-	(4)
Forward	09/04/25	\$155	£123	-	(3)
Forward	09/04/25	\$285	£220	-	-
Forward	09/04/25	\$383	£296	1	-
Forward	20/06/25	\$5,920	£4,580	-	(4)
Forward	20/06/25	£69,565	\$90,057	62	-
				At 5 April 2025	1,109 (11)
				At 5 April 2024	18 (1,155)

Swaps

Nature	Expiration	Notional £'000	Asset £'000	Liability £'000
Interest rate swap	0-10 Years	9,600	-	246
Interest rate swap	0-10 Years	13,500	-	300
Interest rate swap	0-10 Years	4,000	-	70
Interest rate swap	11-20 Years	2,000	-	51
Interest rate swap	21-30 Years	6,428	-	140
Interest rate swap	31-40 Years	4,419	-	119
		At 5 April 2025	39,947 -	926
		At 5 April 2024	29,100 234	-

The asset value above includes accrued interest of £ nil. (2024: £ nil)

Futures

Nature	Expiration	Notional \$'000	Asset £'000	Liability £'000
US Treasury Bond	0-10 Years	5,744	4,541	-
Synthetic US Treasury Bond Offset	0-10 Years	(5,744)	-	(4,541)
			At 5 April 2025	4,541 (4,541)
			At 5 April 2024	4,512 (4,512)

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

9 INVESTMENTS (continued)

Transaction Costs

The majority of transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. There was no direct transaction costs incurred during the year (2024: £nil). Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. In respect of Schroders Investments the amount of indirect costs is not separately provided to the Scheme. Partners Capital advise indirect transaction costs of £nil (2024: £nil).

Collateral

Schroders held £11,503,724 collateral and pledged £2,748,863 collateral at year end (2024: held £2,298,620 and pledged £768,842) in gilts as collateral on the swap and repurchase agreement positions.

Other investment Balances

	2025	2024
	£'000	£'000
Repurchase agreements	(274,185)	(199,314)
Reverse repurchase agreements	55,384	20,572
Accrued income	3,536	3,120
	<u>(215,265)</u>	<u>(175,622)</u>

Repurchase and reverse repurchase agreements

The Scheme has entered repurchase agreements using its UK government gilts as the underlying security. The Scheme retains the entitlement to receive income accruing on these securities and has a contractual agreement to repurchase the securities at a specified future date. The Scheme has also entered reverse repurchase agreements.

The securities are included in the financial statements as assets of the Scheme at their market value. On 5 April 2025 the market value of securities sold under repurchase agreements was £264,235,451 (5 April 2024 £181,138,401).

Amounts payable to counterparties under repurchase agreements are shown as liabilities in the Scheme's financial statements under investment liabilities. On 5 April 2025 this amounted to £274,185,000 (5 April 2024; £199,314,000). Amounts receivable under reverse repurchase agreements on 5 April 2025 amounted to £55,384,000 (5 April 2024 £20,572,000).

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

9 INVESTMENTS (continued)

AVC investments

	2025 £'000	2024 £'000
Utmost Life and Pensions	12	29
Zurich Financial	1,960	2,162
	<u>1,972</u>	<u>2,191</u>

The Trustee holds assets invested separately from the main fund in the form of individual policies with Utmost Life and Zurich. These policies secure additional benefits on a money purchase basis for certain members electing to pay AVCs.

Investment Risks

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

Credit risk: this is 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: comprises the following three types of risk:

- i) Interest rate risk: The risk that the fair value or future cash flows of a financial asset will fluctuate due to changes in market interest rates.
- ii) Currency risk: The risk that the fair value of future cashflows of a financial asset will fluctuate due to changes in foreign exchange rates.
- iii) Other price risk: The risk that the fair value or future cash flows of a financial asset will fluctuate due to changes in market prices (other than those caused by interest rates and currency movements).

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

9 INVESTMENTS (continued)

Investment Risks (continued)

How risks are managed

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy as set out above. The Trustee manages investment risks, including credit risk and market risk, within an agreed risk budget which is set taking into account the Scheme's strategic investment objectives. The investment objectives and risk budget are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee through regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management is set out below.

Credit Risk

The Scheme is subject to direct credit risk via its holdings in private equity, private credit, public credit and renewable infrastructure. Credit risk is indirect through holdings in pooled vehicles and direct through holdings in segregated vehicles. Credit risk on the underlying holdings is managed by the relevant asset managers through both in-house credit assessments and review of external credit rating reports.

Counterparty credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the operating environment of the pooled manager.

Counterparty credit risk also arises from entering derivative contracts as part of the LDI hedging programme. This is mitigated by daily collateralisation, by diversifying exposure across a number of counterparties and by the LDI manager's ongoing assessment of the creditworthiness of each counterparty.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

9 INVESTMENTS (continued)

Credit Risk (continued)

Pooled investment arrangements used by the Scheme comprise shares in limited liability partnerships of £25,134,582 (2024: £28,614,524) and units in open ended investment funds of £122,357,454 (2024: £112,512,805).

The total assets exposed to Credit risk are shown below:

	2025 £m	2024 £m
Direct credit risk	371.5	469.3
Indirect credit risk	133.4	99.5

Interest Rate Risk

The Scheme is subject to interest rate risk because some of its investments are held in bonds, interest rate swaps and derivatives which are sensitive to interest rates. These investments are used to hedge interest rate risk arising from the Scheme's liabilities. If interest rates fall (rise), the value of the assets will rise (fall) proportional to the increase (decrease) in the present value of the liabilities. The target hedge ratio was c. 92.6% as of 5 April 2025.

The total assets exposed to Interest rate risk are shown below:

	2025 £m	2024 £m
Interest rate risk	504.9	568.8

Currency Risk

The Scheme is subject to indirect currency risk due to exposure to overseas private equity and private debt within the Partners Capital Portfolio. The Scheme's investment in the Schrodgers ISF Securitised Credit Fund has overseas exposure but the Scheme implements this allocation through a GBP share class, meaning that currency exposure is removed. The rest of the Scheme's foreign current risk is hedged through a currency hedging mandate with Schrodgers. This mandate hedges 100% of exposure to US dollar exposure arising from the renewables holdings with BlackRock and Stonepeak, the Schrodgers FOCUS II Fund, Schrodgers Buy and Maintain and Schrodgers US Liquidity Fund.

The total assets exposed to Currency risk are shown below:

	2025 £m	2024 £m
Currency risk	25.2	28.7

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

Other Price Risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio. As at 5 April 2025, £81,495,000 equating to 15.9% of the portfolio was held in return seeking investments (2024: £99,942,000 equating to 17.9%).

Other price risk also arises on the underlying assets within the Pooled Investment Vehicles including the Diversified Growth Fund, equity funds, property funds and absolute return funds because the funds invest in equities, private equity and property. The Scheme manages this exposure to price risk by constructing a diverse portfolio of investments across various markets. The value of these funds can be seen on page 31.

The total assets exposed to Other Price risk are shown below:

	2025 £m	2024 £m
Other Price Risk	471.8	518.3

10 INVESTMENT MANAGEMENT EXPENSES

	2025 £'000	2024 £'000
Investment management fees	554	684
Custody fees and other expenses	25	35
	<u>579</u>	<u>719</u>

11 CURRENT ASSETS

	2025 £'000	2024 £'000
Cash Balances	2,995	4,334
Other Debtors	125	5
	<u>3,120</u>	<u>4,339</u>

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

12 CURRENT LIABILITIES

	2025 £'000	2024 £'000
Accrued expense	279	534
Due to Employer	3,301	3,257
	<u>3,580</u>	<u>3,791</u>

13 RELATED PARTIES

The Member Nominated Trustee Directors are members of the Scheme. No National Trust appointed Trustees are members of the Scheme. The balance due to the Employer at year end was £3,300,869 (2024: £3,256,892). This arises as the Employer pays the pension payroll and gets reimbursed periodically throughout the year.

Trustees perform their duties on a voluntary basis and were reimbursed £3,317 (2024: £2,479) for travel costs during the year.

14 EMPLOYER RELATED INVESTMENTS

No employer-related investments were held at any time during the year.

15 CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS

The Scheme had the following fund commitments, totalling £77,846,631 (\$100,500,000) (2024: £79,542,447 (*\$100,500,000)) and no contingent liabilities, on 5 April 2025 other than to pay future pension benefits.

<u>Fund</u>	<u>Uncalled Commitment</u> <u>(\$)</u>
Lone Star Fund VIII	199,653
Lone Star Fund IX	460,746
Schroders Focus II Fund	3,689,516
Stonepeak Global Renewables Fund	11,760,346
Blackrock Global Renewable Power	3,613,365
Infrastructure Fund	

*The comparatives have been adjusted to disclose Fund Commitments on a "look through" basis as the Fund Managers have confirmed there will be no more capital calls, except relating to the funds above.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

NOTES TO THE ACCOUNTS (continued)

16 GMP EQUALISATION

In October 2018 a Court ruling determined that defined pension schemes must equalise the guaranteed minimum pension (“GMP”) element of men and women which was earned between May 1990 and April 1997. The disparity arose because of government legislation which required the GMP element of men’s and women’s pensions to be calculated differently in the past. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on backdated amounts.

The Trustee has obtained an estimate of the overall impact of GMP Equalisation based on the 5 April 2023 actuarial data covering both backdated payments and future pension instalments of £2.3m. This is calculated on a technical provision basis. The element of the £2.3m that relates to the backdated payments is not currently available.

A 2020 High Court ruling on GMP equalisation means that there is a need to estimate further equalisation costs. The estimated cost of equalising the GMP element of historic individual transfer values paid from the Scheme was estimated to be £54,000 on an accounting basis at 28 February 2021 used in the Employers accounts.

A provision has not been recognised in the accounts in respect of these elements as they are expected to be immaterial and given the uncertainty surrounding the final amount.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

Independent auditors' statement about contributions to the Trustee of The National Trust Retirement and Death Benefits Scheme.

Statement about contributions payable under the Schedule of Contributions

We have examined the summary of contributions payable to The National Trust Retirement and Death Benefits Scheme, for the Scheme year ended 5 April 2025 which is set out on page 42.

In our opinion contributions for the Scheme year ended 5 April 2025 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 Scheme Actuary on 20 October 2020 and 25 March 2024 which covers the period 6 April 2024 to 5 April 2025.

Basis of opinion

Our objective is to obtain sufficient evidence to give reasonable assurance that contributions reported in the attached 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 Scheme and the timing of those payments under the Schedule of Contributions.

Responsibilities of Trustee

As explained more fully in the Statement of Trustee Responsibilities, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions which sets out the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the Employer and the Cessation Members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of Cessation Members of the Scheme and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions.

Auditors' responsibilities for the Statement about 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 Scheme's Trustee, as a body, in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditors' 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 Scheme's Trustee as a body, for our work, for this statement, or the opinion we have formed.

Crowe U.K. LLP
Statutory Auditor
Reading

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

SUMMARY OF CONTRIBUTIONS PAYABLE IN THE YEAR

	£'000
Contributions payable under the Schedule of Contributions	
Deficit funding	17,045
One-off additional contribution	-
Administration expenses	564
Total contributions payable under the schedule	17,609
Other contributions	
Employer additional voluntary contributions	-
Total contributions payable to the Scheme per the financial statements.	17,609

Signed on behalf of the Trustee on 2025

Trustee Director

Trustee Director

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

Certification of Schedule of Contributions

The National Trust Retirement and Death Benefits Scheme

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 5 April 2023 to be met by the end of the period specified in the recovery plan dated 25 March 2024.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 25 March 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.

Signature: John Sydenham

Date: 25 March 2024

Name: John Sydenham

Qualification: Fellow of the Institute and Faculty of Actuaries

Address: 1 Redcliffe Street, Bristol, BS1 6NP

Name of employer: Aon Solutions UK Limited

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

APPENDIX 1

IMPLEMENTATION STATEMENT

Introduction / Summary

Under the regulatory requirements covering occupational pension schemes, the National Trust Retirement and Death Benefits Scheme Corporate Trustee Limited in its capacity as Trustee of the National Trust Retirement and Death Benefits Scheme (the “Trustee” / “we”) is required to produce an annual Implementation Statement stating how the policy covered in the Statement of Investment Principles (the “SIP”) regarding the exercise of the rights attached to the investments and the undertaking of engagement activities in respect of the investments has been followed.

This document has been prepared by the Trustee, covering the period 6 April 2024 to 5 April 2025. This time period has been covered in order to report to the end of the Scheme year on the regulations that came into force in October 2019.

The document looks to set out at a high level how the Trustee’s policy on stewardship and engagement has been implemented. Where relevant, the document describes the areas of the portfolio where stewardship and engagement are most likely to be financially material. Disclosed is also the Trustee’s opinion on the outcomes of voting and engagement activity for managers that hold listed equities (where engagement is most easily evidenced within the portfolio) and publicly traded credit.

Overall, the Trustee is comfortable that the voting and engagement policies set out in the SIP have been properly adhered to over the period.

Changes to the SIP over the period

The Statement of Investment Principles was last reviewed in November 2024. Updates to the SIP were made to:

- Update the Trustee’s new primary investment objective and risk budgets.
- Update Trustee’s updated hedging target.
- Update the governance section to align with the latest Terms of Reference.

The Scheme’s latest SIP is available on the Scheme website.

Summary of the Scheme’s Stewardship Policy

The Stewardship Policy in the SIP reflects the Trustee’s approach to practising effective stewardship and acting in the best financial interests of the Scheme’s members. The policy also adheres to the latest stewardship guidance issued by the Department for Work and Pensions (“DWP”) which was effective from October 2022.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

APPENDIX 1 (continued)

IMPLEMENTATION STATEMENT (continued)

Summary of the Scheme's Stewardship Policy (continued)

The Trustee understands good stewardship to be the responsible allocation, management, and oversight of capital to create long-term value for the Scheme's members, leading to sustainable benefits for the economy, the environment and society. The Trustee will aim to use its influence as an owner of assets to ensure that as far as possible best practices are reflected in terms of environmental, social and governance ("ESG") factors, and it will hold its investment managers to account for the effective use of their influence as owners of assets.

Key areas of focus

To best channel stewardship efforts, the Trustee believes that it should focus on a selection of key themes. Key themes have been selected by assessing their relevance to the Scheme and its members, the financially material risks that they pose, and the maturity and development of thinking within the industry that allows for ease of integration into their approach. The key themes are:

- Climate Change
- Biodiversity

The Trustee has sent its Stewardship Policy to the Scheme's investment managers, setting out the Trustee's overall view on stewardship, its chosen stewardship themes, and its expectations of the managers in exercising effective stewardship on the Trustee's behalf. More detail on the Trustee's Stewardship Policy can be found within section 1 of the Statement of Investment Principles, which can be accessed via the Scheme website.

How the Trustee's voting and engagement (stewardship) policies have been followed?

The Trustee meets with the Scheme's investment managers on a periodic basis to discuss, amongst other things, their recent stewardship activity on behalf of the Scheme. The Trustee has put together assessment criteria to assess managers during these meetings. Amongst other things, the criteria assess managers' approach to stewardship, in particular relating to the Trustee's key area of focus – climate change and biodiversity.

Over the year, the Trustee met with all the Scheme's investment managers and intends to continue doing so. The IC selects which managers to meet as part of a rolling programme of reviews, or when required due to performance/other issues. As part of these sessions, investment managers are asked to provide information about their environmental, social and governance ("ESG") practices and are questioned on the extent to which ESG factors are integrated into their investment decisions. They are also asked to provide information on their approaches to stewardship and engagement. Over the reporting period, the Trustee also assessed its investment adviser against the objectives it had set for them. The Trustee utilises a scorecard system to evaluate its managers against ESG factors. This feedback is then provided directly to the managers.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

APPENDIX 1 (continued)

IMPLEMENTATION STATEMENT (continued)

Summary of the Scheme's Stewardship Policy (continued)

For example, Schroders received feedback following the March 2024 IC meeting on the Buy and Maintain portfolio, where the IC noted that better information on the portfolio engagements in relation to climate change and biodiversity would be helpful. This feedback was addressed in their next meeting in March 2025, which was well received.

Of the Scheme's investment managers in place at year end, Schroders and Blackrock are signatories to the UK Stewardship Code, while Stonepeak and Partners Capital are not. Although the Trustee expects the Scheme's managers to be signatories to the Stewardship Code, the Trustee understands that there are valid reasons as to why a manager may not be a signatory. Given the natures of the strategies that Stonepeak and Partners Capital manage, and the region in which the managers primarily operate, the Trustee has no immediate concerns.

Voting

The Trustee does not currently have any public equity investments and so does not have the voting rights that are associated with such instruments. This report therefore does not disclose any information on voting activity that could have taken place during the year.

Engagement

The Trustee expects the nature of engagement to vary between asset classes. The Trustee acknowledges that engagement can take place across the various asset classes in which the Scheme invests. With this in mind, on the pages that follow are examples of engagement across both the Scheme's liquid and illiquid investment managers.

This year, the Trustee asked managers to provide examples related to the Trustee's two agreed themes of climate change and biodiversity. The Trustee notes that engagement examples provided by the Scheme's managers are focused primarily on climate change. Acknowledging the relative nascency of considering biodiversity in more detail in an investment context, the Trustee expects the approaches of the Scheme's managers to this theme to develop over time. Nevertheless, the Trustee discusses both climate change and biodiversity when meeting with the Scheme's managers.

This is the first year the Trustee has requested engagement examples from its illiquid asset managers. The Trustee recognises that the nature of engagement in these holdings differ materially from the liquid market strategies but continues to discuss these matters with the relevant fund managers on an annual basis as part of the manager engagement meetings.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

APPENDIX 1 (continued)

IMPLEMENTATION STATEMENT (continued)

Summary of the Scheme's Stewardship Policy (continued)

Schroders – Direct Engagement

Strategy: Buy and Maintain

Company: Oil and Gas Company

Focus of the engagement: Environment – climate change.

Details of the engagement:

Schroders is engaged in ongoing dialogue with an oil and gas company, including recent in-person meetings with both the Chair and CEO. The engagement focuses on concerns regarding the company's long-term positioning on oil and gas production, its carbon capital expenditure, and its emission intensity targets. Schroders also raised concerns about the company's revised long-term strategy, while acknowledging its renewed focus on balance sheet strength. Key engagement priorities include capital allocation discipline - particularly in upstream exploration – alongside accountability for Scope 1 and 2 emissions and health and safety.

Outcome of the engagement:

The engagement has enabled Schroders to communicate its expectations around strategic positioning, capital discipline and sustainability performance. Discussions have focused on aligning the company's approach with long-term value creation, whilst ensuring that operational and environmental risks are appropriately managed. Meetings took place in December 2024, with follow-ups in 2025.

Strategy: ISF Securitised Credit

Company: Citibank

Focus of the engagement: Environmental

Details of the engagement:

Jubilee 7 is a publicly traded RMBS (residential mortgage-backed security) transaction backed by Dutch residential and mixed use buy-to-let, and small balance commercial real estate ("CRE") mortgages. These mortgages are originated by three specialist lenders in the Netherlands. The structure includes a green incentive mechanism: borrowers receive an interest rate reduction if they purchase energy-efficient properties (EPC rating A-C) or commit to improving the energy efficiency of properties currently rated EPC C-G by at least one label.

To qualify for the rate reduction, improvements must be completed within six months of the mortgage closing, and borrowers must provide a certified energy label as evidence. Additionally, properties with an existing EPC rating of A or B are eligible for an immediate interest rate discount at origination, as verified in the valuation report.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

APPENDIX 1 (continued)

IMPLEMENTATION STATEMENT (continued)

Summary of the Scheme's Stewardship Policy. (continued)

Strategy– ISF Securitised Credit (continued)

Outcome of the engagement:

In January 2025, Schroders joined a roadshow call for Jubilee 7. The transaction offers a 10-15 basis point interest discount for energy efficient properties. Schroders also conducted a review of the ESG policies of the three originators and Citibank to assess the overall investment case. Based on the structure and characteristics of the deal, Schroders viewed the opportunity positively and chose to proceed with the investment.

Strategy: Focus II

Company: Prodigy Finance

Focus of the engagement: Social

Details of the engagement:

Schroders engaged with Prodigy Finance to understand how the company delivers social impact through its asset-backed securitisation model. Prodigy provides postgraduate loan financing to students from over 150 countries, with a strong emphasis on improving access to education for women and individuals from emerging markets. During the engagement, Schroders received a business update, which included Prodigy's announcement in November 2024 of a further \$310 million in funding through its second partnership with the U.S. International Development Finance Corporation. Schroders also discussed Prodigy's prioritisation of financing in specific countries, particularly India, which remains a key market due to its strong credit performance and growth potential.

Outcome of the engagement:

Schroders challenged Prodigy on aspects of its business plan, particularly the rationale behind its country prioritisation strategy and how this aligns with its long-term growth ambitions. Following the discussion, Schroders were satisfied with Prodigy's strategic direction and commitment to delivering impact. As a result, Schroders decided to maintain its investment, confident in Prodigy's ability to achieve both financial and social outcomes.

Note: The Trustee provided feedback that the engagement example shared by Schroders for the FOCUS II Fund did not align with the thematic focus outlined for this section of the Implementation Statement. In this instance, Schroders confirmed that no climate change or biodiversity-related engagements were available to report for the Scheme year in relation to the Schroders Focus II Fund. This is due to the nature of the underlying investments and the fund not having primary objectives related to climate change mitigation or biodiversity enhancement. The Trustee intends to follow-up with Schroders on this matter and engage with them to drive change in its next manager engagement meeting.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

APPENDIX 1 (continued)

IMPLEMENTATION STATEMENT (continued)

Summary of the Scheme's Stewardship Policy. (continued)

Blackrock – Direct Engagement

Company: Akaysha

Focus of the engagement: Environmental – climate change

Details of the engagement:

BlackRock has holdings in Akaysha, an Australian battery storage developer, which is currently developing the "Orana" battery storage asset. Akaysha places significant importance on the environmental initiatives in their host communities. They adopt an "avoid-minimise-mitigate" approach to project development, which is fundamental to their business practices.

One example of this approach is the Orana BESS project, where Akaysha carefully considered the existing vegetation on the site. The majority of the land consists of native grasslands and woodlands, specifically associated with White Box Grassy Woodland. BlackRock engaged with Akaysha to ensure that the project minimised environmental impact.

Outcome of the engagement:

As a result of BlackRock's engagement, Akaysha designed the project's footprint to avoid disturbing as much woodland as possible, even if it meant a more complex design and maintenance process. The New South Wales department of planning has recognised these efforts, citing the project as a prime example of the "avoid-minimise-mitigate" approach and using it as a case study for other projects.

Partners – Indirect Engagement

Partners Capital invests predominantly via third-party asset managers, and the investment model does not involve direct ownership or control of underlying companies. Instead, influence is exerted through the managers selected and engaged with. Given this model, sustainable investing efforts focus on ensuring that third-party managers are integrating financially material ESG considerations into their investment processes.

Company: Senior Direct Corporate Lending Manager

Focus of the engagement: Environment – climate change

Details of the engagement:

Partners engaged via a Senior Direct Corporate Lending manager, identifying climate risk as a gap area in their ESG integration scoring. Partners recommended systematic climate risk assessments and emissions tracking, advocated for onboarding a third-party emissions data provider, Watershed, and provided feedback and expectations based on peer benchmarking.

THE NATIONAL TRUST RETIREMENT AND DEATH BENEFITS SCHEME

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2025

APPENDIX 1 (continued)

IMPLEMENTATION STATEMENT (continued)

Summary of the Scheme's Stewardship Policy. (continued)

Partners – Indirect Engagement (continued)

Outcome of the engagement:

As a result of this engagement, the Senior Direct Corporate Lending manager hired a Climate Strategy Lead to oversee climate-related strategic priorities, developed a firm-wide emissions measurement process and launched a Climate Transition Program. Additionally, they launched a formal climate engagement framework and onboarded Watershed as the emissions platform provider. This engagement led to measurable outcomes, including new leadership hires, the adoption of emissions tracking platforms, and a formal escalation of climate priorities.

Stonepeak – Direct Engagement

Company: Onshore Wind Energy Company

Focus of the engagement: Environment – climate change and biodiversity

Details of the engagement:

Stonepeak invested in an onshore wind energy platform in partnership with a Japan-based renewable energy developer. Stonepeak holds an 80% interest and assumed control of the business, while the partner retained a 20% stake and continues to manage day-to-day operations. This structure allows Stonepeak to maintain oversight through Board representation and regular engagement with management. Although the projects are still in development, Stonepeak has engaged with the platform's management to support alignment with both parties' commitments to responsible ownership, focusing on climate risks, environmental impact, and biodiversity.

Outcome of the engagement:

Through its Board representation, Stonepeak engages with the company on operational and sustainability matters. This supports alignment on development practices and enables monitoring of progress, while also drawing on the partner's local knowledge and technical expertise.

The platform applies the renewable energy developer's Development Policy, which aligns with guidelines from the Japanese Ministry of the Environment and relevant international environmental laws. These standards extend to business partners in the supply chain. Engagement has also led to project-level practices being established to address worker health and safety and human rights risks, in line with applicable regulations.