

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN

**TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025**

Scheme Registration Number: 12005819

Trustee:

Independent Trustee Services Limited

	Page
Trustee and Advisers	1
Trustee Report	2 - 6
Annual Governance Statement	7 - 51
Implementation Statement	52 – 70
Report of the Independent Auditors	71– 74
Independent Auditors' Statement about Contributions to the Trustee	75
Fund Account	76
Net Assets Statement	77
Notes to the Financial Statements	78 - 82

TRUSTEE AND ADVISERS

PRINCIPAL COMPANY

HSBC Asia Holdings BV
8 Canada Square
London, E14 5HQ

TRUSTEE, SCHEME SECRETARY AND ADMINISTRATOR

Independent Trustee Services Limited
4th Floor
Cannon Place
78 Cannon Street
London
EC4N 6HL

ADMINISTRATIVE AND ACCOUNTS SUPPORT

Boal & Co (Pensions) Limited
Marquis House,
Isle of Man Business Park,
Douglas
Isle of Man, IM2 2QZ

ADMINISTRATIVE PRACTITIONER & INVESTMENT PLATFORM PROVIDER

Zurich International Life Limited
Zurich House
Isle of Man Business Park
Douglas
Isle of Man, IM2 2QZ

INDEPENDENT AUDITOR

Greystone LLC
15 St Georges Street
Douglas
Isle of Man, IM1 1AJ

LEGAL ADVISER

Sackers & Partners LLP
20 Gresham Street
London, EC2V 7JE

TAX ADVISER

Deloitte LLP
2 New Street Square
London, EC4A 3BZ

INVESTMENT ADVISERS

Towers Watson Limited
51 Lime Street
London, EC3M 7DQ

COMMUNICATIONS ADVISERS

Wordshop
Tilton Court
Digby Road
Sherborne
Dorset, DT9 3NL

TRUSTEE REPORT

The Trustee of the HSBC Globetrotter Retirement Benefits Plan ("the Scheme") is pleased to present the Annual Report to the members for the year ended 31 December 2025. The main purpose of this report is to provide general information about the Scheme. It is not meant to provide details of the way the Scheme works, nor specific personal data, as such information is contained in the Scheme booklet and members' Individual Annual Statements respectively.

THE SCHEME

The HSBC Globetrotter Retirement Benefits Plan has been established under a Definitive Trust Deed dated 1 March 2012.

The Principal Company is HSBC Asia Holdings BV. The Scheme is designed to provide retirement benefits for International Managers employed by the principal employer and/or participating employers.

Any queries regarding the Scheme should be made to the Scheme Administrative Practitioner at the address on page 1.

TRUSTEE OF THE SCHEME

The Trustee of the Scheme is Independent Trustee Services Limited and the Directors who served during that period are shown below;

Andrew David Bradshaw
Janet Belinda Branagh (appointed 20 June 2025)
Richard Cousins (appointed 20 June 2025)
Rachel Croft
Mark Evans (resigned 8 May 2025)
Helen Anne Frisby
Chantel Athlene Garfield (appointed 31 March 2025)
Annabelle Hardiman (appointed 25 June 2025)
Catherine Eleanor Hardingham
Clare Margaret Kember (appointed 20 June 2025)
Hetal Kotecha
Anthony Livingstone (resigned 2 May 2025)
Christopher Paul Vincent Martin
Nicole Mullock (appointed 20 June 2025)
Manpreet Sohal (appointed 20 June 2025)
Grant Suckling (appointed 28 February 2025)
Dinesh Chimanial Jivan Visavadia (resigned 28 February 2025)
Janine Paula Wood (resigned 12 September 2025)

The power of appointing and removing the Trustee is vested in the Principal Company.

FINANCIAL REVIEW

The Scheme's financial statements on pages 76 to 82 have been prepared and audited in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

The Fund Account on page 76 shows that the net deductions arising from dealings with members for the year totalled £378,340 (2024: net deductions totalling £400,288). The net returns on investments during the year resulted in a gain of £2,593,238 (2024: gain of £2,379,603). The Scheme's net assets for the same period therefore increased to £21,143,605 (2024: £18,928,793)

TRUSTEE REPORT (CONTINUED)

MEMBERSHIP STATISTICS

The number of members in the Scheme as at 31 December 2025 was as follows:

Scheme statistics:	Active	Preserved	Total
Members at 1 January 2025	-	253	253
Leavers	-	(3)	(3)
Members at 31 December 2025	-	250	250

INDEPENDENT ADVISERS

A full list of the Scheme's current independent advisers can be found on page 1 of this report. There were no changes to service providers or advisers during the Scheme Year.

INVESTMENT REPORT

The investment assets of the Scheme are provided under an insurance contract with Zurich International Life Limited ("Zurich").

Members can invest their retirement account in one or more of a range of funds made available in the life insurance contract by Zurich at the direction of the Trustee. The Trustee, under advice from the Investment Adviser, reviews the performance of the investment managers and the specific funds from time to time, but at least 6-monthly.

There were no employer related investments as at 31 December 2025.

The Trustee is required to produce a Statement of Investment Principles (SIP) as required by Section 35 of the Pensions Act 1995. This Statement forms the basis of investment decisions made on behalf of the Scheme and is used to monitor the performance of the investment managers. A copy of the latest Statement of Investment Principles (SIP) is attached to the Annual Governance Statement.

PERFORMANCE

The investment portfolio, as detailed in Note 3 to the Financial Statements, is made up of holdings in an insurance contract available to the members of the Scheme. As at the year-end the investment portfolio is stated at fair value, which is based on the price of underlying investments, sourced from a reputable provider or directly from third-party administrators. The fair value of the portfolio at 31 December 2025 is £21,289,488 (2024: £18,927,621).

The gain on investments, resulting from the net increase in the value of the investment portfolio and the net returns of investments, in the year to 31 December 2025 was £2,593,238 (2024: gain of £2,379,603).

The holdings over 5% of total assets of the Scheme are as follows:

	31/12/2024 Market Value	Percentage of portfolio 2024	31/12/2025 Market Value	Percentage of portfolio 2025
Holding:	£		£	
iShares Developed World Index GBP	3,996,765	21.12%	4,395,425	20.65%
iShares US Equity Index (UK) GBP	3,442,220	18.19%	3,504,624	16.46%
Insight GBP Liquidity	1,857,796	9.82%	2,191,919	10.30%
iShares Pacific ex Japan Equity Index (UK) GBP	1,589,304	8.40%	1,967,774	9.24%
Vanguard Emerging Markets Stock Index GBP	1,432,879	7.57%	1,713,336	8.05%
L&G Diversified fund GBP	1,377,303	7.28%	1,500,301	7.05%
Total	13,696,267	72.38%	15,273,379	71.75%

TRUSTEE REPORT (CONTINUED)

INDIVIDUAL FUND PERFORMANCE

The investment portfolio performance is varied and sourced from several independent fund managers by Zurich and Financial Express. Each fund manager will report on the objectives of the fund, its underlying holdings, and the fund performance over different periods. The varying nature of the content and inconsistent format of the individual fund fact sheets makes it impractical to report in detail on each fund within this Report. Detailed information in respect of the performance of each fund can be obtained directly from the Financial Express published fund fact sheet available to members via Zurich International Online ("ZIO").

SUMMARY OF CONTRIBUTIONS

The Scheme was closed to contributions by the Employer as of 1 March 2018. There were no contributions payable to the Scheme by the Employer during the year ended 31 December 2025.

TRUSTEE REPORT (CONTINUED)

STATEMENT OF TRUSTEE RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The financial statements which are to be prepared in accordance with UK Accounting Standards, are the responsibility of the Trustee. The Trustee has elected to prepare the financial statements in accordance with Section 1A of FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Accounting Standards applicable to Smaller Entities). Pension Scheme regulations require the Trustee to make available audited financial statements for each Scheme's year which:

- show a true and fair view, in accordance with applicable law and United Kingdom Accounting Standards including Section 1A of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, 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 the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes'.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis. The Trustee makes available each year, commonly in the form of a Trustee's annual report, information about the Scheme prescribed by the applicable law and regulations, which the Trustee should ensure is consistent with the financial statements it accompanies.

The Trustee is also responsible under the applicable laws and regulations for ensuring that there is prepared, maintained and from time to time revised payment schedule showing the rates of contributions payable towards the Scheme and the dates on or before which such contributions to be paid. The Scheme's Trustee is also responsible for keeping records of contributions received and for procuring that contributions are made to the Scheme in accordance with payment schedule.

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

For and on behalf of the Trustee

Jennifer Adams
TRUSTEE DIRECTOR
Chair of the Trustee

Date: 31.07.2026

TRUSTEE REPORT (CONTINUED)

STATEMENT OF TRUSTEE'S RESPONSIBILITIES IN RESPECT OF CONTRIBUTIONS

The Scheme's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Scheme's Trustee is also responsible for keeping records of contributions received in respect of any active member of the Scheme and for procuring that contributions are made to the Scheme in accordance with the Schedule.

Trustee's Summary of Contributions payable under the Schedule in respect of the Scheme year ended 31 December 2025

This Summary of Contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the Employer and member contributions payable to the Scheme under the Schedule of Contributions in respect of the Scheme year ended 31 December 2025. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions.

Contributions payable under the Schedule in respect of the Scheme year

	£
Employer	
Normal contributions	-
Member	
Normal contributions	-
Contributions payable under the Schedule	
(as reported on by the Scheme Auditor)	-

Reconciliation of Contributions Payable under the Schedule of Contributions to Total Contributions reported in the Financial Statements

	£
Contributions payable under the Schedule (as above)	-
Employer additional voluntary contributions	-
Member additional voluntary contributions	-
Total contributions reported in the Financial Statements	-

Signed on behalf of the Trustee of the HSBC Globetrotter Retirement Benefits Plan:

Jennifer Adams
TRUSTEE DIRECTOR
Chair of Trustees

Date: 31.07.2026

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

This annual statement from the Trustee for the year ending 31 December 2025 (the “Plan Year”) confirms that:

- (a) A detailed review of the Plan’s investment fund range, including the default lifestyle strategy, was carried out during the previous Plan Year, with the review concluding that the default lifestyle strategy available in the Plan (referred to in this statement as the “Lifestyle Strategy”) remains appropriate for members’ needs and was therefore not changed.

However, after 31 December 2024, as a result of the review, a new fund was added to the self-select range to provide members with the ability to invest in real assets, the BlackRock iShares Developed Real Estate Index Fund (GPB). In addition, after 31 December 2024, the BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP, EUR and USD) was added to replace the PIMCO GIS Investment Grade Credit Fund (GBP, EUR and USD). The replacement fund is a passive alternative and employs an environmental, social and governance policy.

- (b) The PIMCO GIS Investment Grade Credit Fund (GBP, EUR and USD) was formally removed from the fund range in October 2025 with all funds being mapped to the relative BlackRock iShare funds.
- (c) Returns on investments (net of charges and transactions costs) for both the default arrangements and the self-select funds are disclosed, and they have performed broadly in line with expectations.
- (d) Core member financial transactions were processed promptly and accurately.
- (e) Charges and transaction costs borne by members are disclosed.
- (f) The cumulative effect of costs and charges on members’ pension pots are illustrated.
- (g) The Plan continues to provide good value for members; and
- (h) The Trustee has kept its knowledge and understanding of the Plan and pensions matters up-to-date and together with the advice received from its advisers, enabling the Trustee to properly exercise its functions.

The rest of this statement outlines in more detail the Trustee’s management of the Plan and the basis for the above statements.

Please note that because of changes to international manager employment arrangements, pension contributions into the Plan ceased from 1 March 2018 and the Plan was closed to new members. Please also note that the Plan is not being used as a qualifying pension scheme for auto-enrolment purposes.

FOR THE RECORD

This annual statement for the Plan Year has been prepared by the Trustee of the HSBC Globetrotter Retirement Benefits Plan in accordance with:

- o Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) (referred to as the “Administration Regulations”) as amended;
- o The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 (SI 2018/233); and
- o supporting guidance issued by the Department for Work and Pensions (“DWP”) and The Pensions Regulator.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTIFICATION TO MEMBERS REGARDING THE PUBLICATION OF THIS STATEMENT

The Trustee is required to publish relevant parts of this Annual Governance Statement online. A full copy of this statement for the Plan Year, including the full Statement of Investment Principles and Implementation Statement, is available at: <https://www.zioinfosite.com/en/hsbc2020>

In the annual benefit statements for the year ending 31 December 2025, issued on 20 March 2026, Plan members were directed to the above online microsite for this purpose.

Signed on behalf of the Trustee

Jennifer Adams
TRUSTEE DIRECTOR
Chair of Trustee

Date: 31.07.2026

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

1. DEFAULT INVESTMENT ARRANGEMENTS

Details of the Plan's default arrangements are set out in the Plan's Statement of Investment Principles ("SIP"). The SIP in force at the start of the Plan Year was approved by the Trustee September 2024. However, this SIP was updated by the Trustee post the Plan Year end and the current SIP was approved by the Trustee on 2 February 2026. The current SIP is included as part of this statement as Appendix 1. A copy of the current SIP can also be accessed via this link: <https://www.zioinfosite.com/en/hsbc2020> Any reference to the SIP in this report is referring to the latest SIP dated 2 February 2026.

There have been no changes to the default arrangements during the Plan year.

Where the term "default arrangement" is used in this statement, it is intended to refer to default arrangements as defined in regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996.

Review of the Plan default lifestyle strategy and self-select fund range during the 2024 Plan year and subsequent actions

A comprehensive review of the Plan's investment fund range, including the Lifestyle Strategy was carried out during the Plan Year ending 31 December 2024. This review included:

- A review of the Plan membership to determine if the overall design of the Lifestyle Strategy remained appropriate for the membership,
- A review of the Lifestyle Strategy design,
- A gap analysis of the current self-select fund range given likely member choice and observed industry trends, and
- A review of the ESG credentials of the proposed options.

Following a number of meetings with the Employer and the Plan's investment advisers, Willis Towers Watson (the "Investment Consultant"), the outcome of the discussions and the review process are set out below.

Review of the default Lifestyle Strategy

As noted above, the Plan's default Lifestyle Strategy was reviewed in the previous Plan Year. The Lifestyle Strategy design was re-examined, based on factors such the demographics, account sizes and the estimated risk profile of the Plan's membership, as well as the current pension landscape and the ways members can access retirement savings. The Trustee took advice from its Investment Consultant when conducting its review.

The review concluded that the considerations which had been taken into account when designing the Lifestyle Strategy in 2021 were still relevant and that the Lifestyle Strategy available in the Plan remains appropriate for members' needs. Accordingly, it was decided that no change should be made to the Lifestyle Strategy.

Review of the self-select fund range

A detailed review of the Plan's self-select investment fund range was also carried out during the previous Plan Year. The review concluded that whilst the fund range remained appropriate, some changes would be made, namely:

- A new fund would be added to the self-select fund range to provide members with the ability to invest in real assets. This new fund is the BlackRock iShares Developed Real Estate Index Fund (GBP). This fund aims to achieve a return on members' investment through a combination of capital growth and income on the fund's assets which reflects the return of FTSE EPRA/NAREIT Developed Index, the fund's benchmark index.

The fund is passively managed and invests so far as possible and practicable in equity securities of real estate companies on a global basis and in real estate investment trusts which make up the fund's benchmark index.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

- The PIMCO GIS Investment Grade Credit Fund (GBP, EUR and USD) would be replaced with the BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP, EUR and USD). This replacement fund is a passive alternative to the current fund and employs an environmental, social and governance policy. The Trustee deems this fund to be a better value option for members to access this asset class. Blackrock ESG Screened Global Corporate Bond Index (available in USD/GBP/EUR)

During the Plan Year to 31 December 2025, the BlackRock iShares Developed Real Estate Index Fund (GPB) and the BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP, EUR and USD) were added to the self-select fund range.

The PIMCO GIS Investment Grade Direct Fund (GBP, EUR and USD) was formally removed from the fund range in October 2025 with all funds being mapped to the relative BlackRock iShare funds.

Aims and objectives

The aims and objectives of the Trustee in respect of the investments in the default lifestyle strategy are set out in the SIP and are as follows:

1.1 Lifestyle Strategy

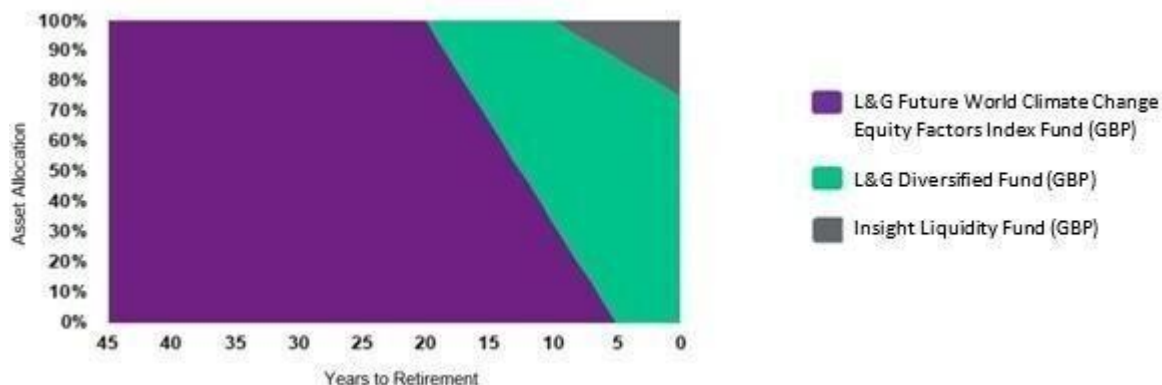
The aim of the default Lifestyle Strategy is to provide a default investment arrangement for members who do not make their own investment decisions or would prefer using an investment strategy designed by the Trustee rather than setting their own investment strategy from the self-select menu. A default lifestyle strategy has therefore been designed to consider membership demographics and risk tolerance as these change throughout a member's time in the Plan.

The objectives of the Lifestyle Strategy are to provide members with:

- the opportunity for growth when they are over 20 years from retirement (Growth Phase);
- between 20 and 10 years ahead of retirement, an investment strategy that is gradually weighted towards a diversified growth fund. This will help to reduce investment risk, while still offering potential for growth, as this is a period when members' capacity to take risk is decreasing (Accumulation Phase); and
- capital preservation in the Pre-retirement Phase, over the final 10 years before retirement and at the ending asset allocation of the lifestyle strategy, by introducing an allocation to cash, while aiming to deliver growth above inflation at lower levels of volatility than equities through an allocation to a diversified growth fund. At retirement, a member is invested in 75% diversified growth fund and 25% cash, recognising that members' life expectancy means some investment risk is appropriate at retirement and as there is flexibility to withdraw savings as and when they wish.
- The aims, objectives and policies mentioned above together constitute the "default strategy" – what the Plan terms its "Lifestyle Strategy". The Lifestyle Strategy is intended to ensure that assets are invested in the best interests of all members, providing members with exposure to an appropriate balance of investment risk and return which is adjusted over time, as retirement approaches.
- The Lifestyle Strategy is designed so that members who do not choose to actively manage their own investments are not unduly exposed to risk, including inflation risk, conversion risk or capital risk. The SIP sets out the Trustee's policies in relation to the kinds of investments that should be held, risks (including how these are measured and managed) and the expected return on investments.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025
(CONTINUED)

The changes in fund mix as retirement approaches is set out in the diagram below, and the precise mix of funds shown in the table that follows:



Years to Selected Retirement Age	L&G Future World Climate Change Equity Factors Index Fund (GBP) (%)	L&G Diversified Fund (GBP) (%)	Insight Liquidity Fund (GBP) (%)
Greater or equal to 20 years	100.0	0.0	0.0
19 years	93.3	6.7	0.0
18 years	86.7	13.3	0.0
17 years	80.0	20.0	0.0
16 years	73.3	26.7	0.0
15 years	66.7	33.3	0.0
14 years	60.0	40.0	0.0
13 years	53.3	46.7	0.0
12 years	46.7	53.3	0.0
11 years	40.0	60.0	0.0
10 years	33.3	66.7	0.0
9 years	26.7	70.8	2.5
8 years	20.0	75.0	5.0
7 years	13.3	79.2	7.5
6 years	6.7	83.3	10.0
5 years	0.0	87.5	12.5
4 years	0.0	85.0	15.0
3 years	0.0	82.5	17.5
2 years	0.0	80.0	20.0
1 year	0.0	77.5	22.5
0 years	0.0	75.0	25.0

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

1.2 Legal & General Diversified Fund – a second default arrangement

Changes were made to the self-select fund range in 2021, and some funds that had previously been available to members were closed and replaced with new funds. These changes meant that members' investments in a legacy diversified growth fund (BNY Mellon Multi-Asset Diversified Return Fund (GBP)) were transferred to the Legal & General Diversified Fund (GBP) without members needing to give their consent. As a result, this fund is therefore deemed a second default arrangement.

The change to the self-select fund range, resulting in this second default arrangement, was based on the Trustee's review of the Plan's investment strategy and fund range in 2021, as well as advice from the Plan's investment consultant. The Trustee remains satisfied that the Legal & General Diversified Fund (GBP) is a suitable arrangement for members, forming part of the overall self-select fund range which provides members with access to assets with a range of risk and expected return characteristics. The objective of the Legal & General Diversified Fund (GBP) is to achieve long-term capital growth with lower risk than investing in global equities.

Members can either invest into the Lifestyle Strategy or the self-select fund range but cannot invest in both at the same time within the same policy (contribution type). However, members can hold the Legal & General Diversified Fund (the second default arrangement) alongside other self-select fund range options at the same time.

The self-select funds

The Trustee also provides a self-select menu, which is important given that over 88% of members currently select their own funds. There were no changes made to the range of funds available to members during the Plan year.

The following funds, both of which are included in the Lifestyle Strategy, are also made available as self-select funds:

- Legal & General Future World Climate Change Equity Factors Index Fund (GBP)
- Legal & General Diversified Fund (GBP)

In addition to the above funds, a range of other funds are available as self-select funds as outlined below.

Net Investment Performance

The Trustee is required to report on the net investment returns for the Plan's default arrangements and for each self-select fund in which members have assets invested during the Plan Year. The figures for net investment returns used in the tables below are based on those provided by Zurich International Life Limited ("Zurich") over the past 1, 3, 5 and 10 year periods to 31 December 2025 where available.

For the arrangements where returns vary with age, such as the default Lifestyle Strategy, the returns are shown over a 1-, 3-, 5-, and 10-year basis for a member aged 25, 45 and 55, and are calculated using a weighted average of returns, where appropriate.

When preparing this section of the Statement, the Trustee has taken account of the DWP's statutory guidance on "Completing the annual Value for Members assessment and Reporting of Net Investment Returns."

The annual benefit statements for the Plan Year issued to members on 20 March 2026 contained information as to how and where members can access this net investment performance information online.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

Default investment arrangements

Lifestyle Strategy	Age of member	Last 1 Years (% p.a.)	Last 3 Years (% p.a.)	Last 5 Years (% p.a.) *	Last 10 Years (% p.a.)*
	25	14.6	13.2	10.7	-
	45	14.6	13.2	10.7	-
	55	12.1	10.1	6.8	-

*** * Performance information on a 10 year basis is not available for the Lifestyle Strategy, as the underlying funds, specifically the L&G Diversified Fund (GBP) and the L&G Future World Global Multi-Factor ESG Tilted and Optimised Index only added to the Plan in December 2021.*

L&G Diversified Fund (GBP)*	Last 1 Years (% p.a.)	Last 3 Years (% p.a.)	Last 5 Years (% p.a.)	Last 10 Years (% p.a.)
	10.8	8.6	4.8	-

**Following the closure of the BNY Mellon Multi-Asset Diversified Return Fund (GBP), members were transferred into the Legal & General Diversified Fund (GBP) without consent. As a result, this fund is deemed a second default arrangement. In addition, as this fund was introduced in December 2021, 10 year performance information is not available.*

***There are no members aged 25 within the Plan. The figures are illustrative in nature based on a notional 25 year old being a member of the Plan. These illustrative figures have been provided to the Trustee by the Trustee's investment advisers. As illustrated in section 1.1 above, the Default Arrangement – Lifestyle Strategy has the same fund mix where a member is at least 20 years before their selected retirement age.*

Self-select funds

Fund	Last 1 Years (% p.a.)	Last 3 Years (% p.a.)	Last 5 Years (%p.a.)	Last 10 Years (%p.a.)**
HSBC Islamic Global Equity Index ¹	21.3	27.1	14.2	-
Insight Liquidity (GBP)	4.3	4.7	3.0	1.6
Insight Liquidity Fund (EUR)	2.3	3.1	1.7	0.6
Insight Liquidity (USD)	4.2	4.8	3.2	2.1
iShares Continental European Equity Index (GBP)	26.8	14.1	9.92	10.2
iShares Developed World Index (GBP)	12.7	16.80	12.5	13.2
iShares GiltTrak (GBP)	5.0	1.7	-5.4	-0.1
iShares Pacific ex Japan Equity Index (GBP)	28.9	14.3	8.7	11.7
iShares US Equity Index (GBP)	9.9	18.6	14.1	15.4

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

JPM Global Natural Resources (GBP) ²	38.7	8.0	15.1	14.6
L&G Diversified Fund (GBP)³	10.8	8.6	4.8	-
L&G Diversified Fund (USD)	14.9	11.2	5.0	-
L&G Future World Global Multi-Factor ESG Tilted and Optimised Fund (GBP)⁴	14.6	13.2	10.7	-
PIMCO Global Bond (EUR) ²	4.5	4.2	-0.8	1.2
PIMCO Global Bond (USD) ²	6.7	6.3	1.0	3.2
Vanguard Emerging Markets Stock Index (GBP)	24.2	11.9	4.3	9.1
Vanguard FTSE UK All Share Index (GBP)	23.9	13.5	11.6	8.3
Vanguard Global Bond Index (EUR)	2.8	2.8	-2.2	0.1
Vanguard Global Bond Index (GBP)	4.9	4.4	-0.9	1.3
Vanguard Global Bond Index(USD)	5.0	4.9	-0.3	2.1
Vanguard Japan Stock Index Fund (GBP)	15.9	13.1	6.8	8.5
iShares Developed Real Estate Index GBP ⁶	2.9	-	-	-
iShares Screened Global Corporate Bond Index EUR ⁵	4.7	-	-	-
iShares Screened Global Corporate Bond Index GBP ⁵	6.7	-	-	-
iShares Screened Global Corporate Bond Index USD ⁵	10.2	-	-	-

Notes: fund in **bold** are included in the Lifestyle Strategy.

¹The HSBC Islamic Global Equity Index Fund was established in September 2016 therefore 10-year performance is unavailable

²Funds closed to additional investment from December 2021.

³The L&G Diversified Fund (GBP) was established in 2020 therefore 10 year performance is unavailable

⁴The L&G Future World Global Multi-Factor ESG Tilted and Optimised Index Fund was established in 2018 therefore 10-year performance is unavailable

⁵ The PIMCO GIS Global Investment Grade Credit (EUR Hedged, GDP Hedged and USD Funds) were closed and replaced with the iShares Screened Global Corporate Bond Index Funds (EUR, GBP and USD) in November 2025

⁶The iShares Developed Real Estate Index GBP Fund was added to the self-select fund range in November 2025.

Performance data sourced from Zurich International Life Limited.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

Review of investment performance (default arrangements and self-select funds)

The performance of all funds available in the Plan (both the default arrangements and self-select funds) is monitored by the Trustee using six-monthly investment reports provided by the Plan's Investment Consultant.

The investment reports provide details of the funds used within the Plan, covering past performance, and providing comparisons to the appropriate benchmarks of the individual funds. A benchmark is an index (e.g. the FTSE 100 index) against which the performance of a fund may be measured.

The key areas covered in the reports are:

- Investment market background;
- Analysis of the funds used by the Plan's members;
- Fund performance over a standard set of time periods, both short and longer term; and
- Report of funds underperforming their benchmark and their comparable peers.

The Investment Consultant provides its opinion on the performance of the funds and their suitability to the Plan for the consideration of the Trustee. The Trustee is satisfied that performance is in line with the aims and objectives of the default arrangements and self-select funds offered by the Plan for all groups.

As stated above, a review of the Lifestyle Strategy option, as well as the range of self-select funds available to members, was completed in the previous Plan Year.

2. PROMPT AND ACCURATE PROCESSING OF CORE FINANCIAL TRANSACTIONS

Zurich International Life Limited ("Zurich") is the Plan administrative practitioner and investment platform provider.

Member record keeping duties are delegated to Zurich by the Trustee. The Trustee has service level agreements ("SLAs") in place with Zurich which cover the required accuracy and timeliness of the processing of all core member financial transactions and queries. The SLAs are outlined below.

Service description	Target for completion (days)
General Servicing	3
Lifestyle Strategy Changes	10
Leaver notification	3
Withdrawals	5-7
Complaints	2-5
Zurich International online site queries	3-5

SLA performance over the Plan Year across all the above items are shown below.

Q1 2025	Q2 2025	Q3 2025	Q4 2025
100%	94.74%	78.57%	73.08%

As can be seen from the table above, Q3 and Q4 2025 SLA performance was lower than the earlier two quarters, but the Trustee specifically and closely monitored the processing of core financial transactions of the Plan over the Plan Year via Zurich's quarterly administration reports. Since the Plan is closed to new members and contributions, these core financial transactions include fund switches, transfers out of the Plan, lifestyle strategy adjustments and other payments from the Plan to, or in respect of, members or beneficiaries.

Based on the ongoing reporting received and reviewed throughout the Plan year, the Trustee is satisfied that, overall, core financial transactions were processed promptly and accurately during the reporting period but continues to monitor the position closely.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

Zurich provides feedback received from members via their quarterly governance/stewardship reports to the Trustee. They also have a quality assurance and controls team in place which checks the work carried out by the servicing team.

Based on the evidence above, ongoing reporting received and reviewed throughout the Plan year, the Trustee is satisfied that core financial transactions have been processed accurately during the reporting period with efforts made to further improve performance.

3. MEMBER CHARGES AND TRANSACTION COSTS

Charges in relation to the administration of the Plan are incurred by the Plan administrator and are borne solely by the employer, together with any applicable statutory levies. In addition, all costs associated with the Trustee's exercise of its duties, including fees payable to their legal, investment, taxation and other advisers consulted in governing the Plan are also borne solely by the employer.

Investment management fees deducted from the funds by the investment managers are borne by the Plan members. These are the explicit charges of the fund and they vary depending on the type of investments held.

In accordance with Regulation 25(1)(a) of the Administration Regulations, the Trustee calculated the charges and, so far as they were able to do so, the transaction costs, borne by the members of the Plan for the Plan Year. For these purposes "charges" means all Plan investment charges borne by the members, excluding transaction costs. Transaction costs are those incurred as a result of buying or selling investments within funds (see below) and are in addition to the "charges".

3.1 Charges and transaction costs members pay

The Total Expense Ratio ("TER") is the charges borne by members expressed as a percentage of the fund value. The TERs and the transaction costs currently applicable to the Plan's Lifestyle Strategy are as follows:

Member borne charges and transaction costs LIFESTYLE STRATEGY		
Age / Years from retirement	TER (% pa)	Transaction costs (% pa)
30 year old member (35 years from retirement)	0.23	0.08
45 year old member (20 years from retirement)	0.23	0.08
50 year old member (15 years from retirement)	0.22	0.09
55 year old member (10 years from retirement)	0.22	0.10
60 year old member (5 years from retirement)	0.20	0.10

The TERs and the transaction costs borne by members in the second default arrangement, the Diversified Growth Fund, were as follows in the Plan Year:

Fund name	2024 TER (%)	2025 TER (%)	2025 Transaction Costs (%)
L&G Diversified Fund (GBP)	0.21	0.21	0.11

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

The TERs and the transaction costs currently applicable to the Plan's full investment fund menu available to members are as follows:

Fund name	2024 TER (%)	2025 TER (%)	2025 Transaction Costs (%)
L&G Diversified Fund (GBP)	0.21	0.21	0.11
L&G Diversified Fund (USD)	0.29	0.27	0.08
HSBC Islamic Global Equity Index (USD)	0.49	0.51	0.01
iShares Continental European Equity Index (GBP)	0.10	0.11	0.04
iShares Developed World Index (GBP)	0.05	0.05	0.01
iShares Pacific ex Japan Equity Index (GBP)	0.13	0.13	0.04
iShares US Equity Index (GBP)	0.10	0.10	0.01
L&G Future World Climate Change Equity Factors Index (GBP)	0.23	0.23	0.08
Vanguard FTSE UK All Share Index Unit Trust (GBP)	0.04	0.04	0.05
Vanguard Emerging Markets Stock Index (GBP)	0.09	0.09	0.08
Vanguard Japan Stock Index Fund (GBP)	0.05	0.05	0.00
JPM Global Natural Resources (GBP)*	1.02	0.97	0.59
PIMCO GIS Global Investment Grade Credit USD Hedged (USD)***	0.49	0.49	0.08
PIMCO GIS Global Investment Grade Credit EUR Hedged (EUR)***	0.49	0.49	0.15
PIMCO GIS Global Investment Grade Credit GBP Hedged (GBP)***	0.49	0.49	0.15
PIMCO Global Bond (USD)*	0.49	0.49	0.14
PIMCO Global Bond (EUR)*	0.49	0.49	0.20
Vanguard Global Bond Index (GBP)	0.05	0.05	0.11
Vanguard Global Bond Index (EUR)	0.05	0.05	0.11
Vanguard Global Bond Index (USD)	0.05	0.05	0.11
iShares GiltTrak (GBP)	0.07	0.07	0.00
Insight Liquidity (EUR)	0.10	0.10	0.00
Insight Liquidity (GBP)	0.10	0.10	0.01
Insight Liquidity (USD)	0.10	0.10	0.00
BlackRock iShares Developed Real Estate Index Fund (GBP)**	-	0.19	0.02
BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP)**	-	0.14	0.00
BlackRock iShares ESG Screened Global Corporate Bond Index Fund (EUR)**	-	0.14	0.00
BlackRock iShares ESG Screened Global Corporate Bond Index Fund (USD)**	-	0.15	0.00

Notes:

The funds highlighted in blue are those used in the Lifestyle Strategy.

**These funds were closed to additional investments from December 2021.*

*** New funds that were launched in November 2025.*

****Funds closed and replaced in November 2025*

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3.2 Transaction costs

Transaction costs are the costs incurred at the investment level by the investment managers within the funds on the Plan's investment menu, whether part of the default arrangements or chosen by members from the broader range.

The Trustee can report that it received transaction cost data from all the fund managers. The data was provided in a number of different formats (i.e. using a variety of established industry templates) but the total transaction cost figures were calculated using the slippage methodology. The slippage methodology calculates a difference in the value of an asset and the price paid and includes both explicit and implicit costs. These implicit costs essentially equate to the difference between the arrival price (mid-price in the market at the time the trade was initiated with a broker and the execution price (the price achieved over the whole trade, which if done in multiple executions would be averaged). Transaction costs ranged from 0.00% to 0.59%.

As was the case when compared last year, the JPM Global Natural Resources fund had the highest transaction cost out of the total fund range (2025: 0.59% / 2024: 0.65%). Directly comparable data remains difficult to obtain, making meaningful assessments on absolute and relative value challenging to undertake.

3.3 The impact of charges and transaction costs on members' retirement savings

The Government and Regulators have previously reviewed the transparency of costs and charges for Investors and have introduced legislation to make these costs more visible. The Trustee of the Plan is required to produce an illustration for members that projects the effects of all costs and charges on the value of their pension pot.

This includes transaction costs which are a necessary part of buying and selling a fund's underlying investments, in order to achieve their investment objective. These are not new or additional charges. They have always been there, within the unit price of members' funds, but these can now be seen and compared against similar funds so members can understand their impact potential on their investment return into the future.

3.3.1 The Lifestyle Strategy – cost illustrations

The Trustee of the Plan is required to produce an illustration for members which shows the impact that ongoing charges and transaction costs can have on members' pots over time. The Trustee has provided these illustrations below, covering the Lifestyle Strategy in place during the Plan Year, and the self-select fund range.

These illustrations were prepared with regard to the statutory guidance provided to trustees. The assumptions used as the basis for these illustrations are shown below.

The following tables give a summary of the projected fund and the impact of costs and charges up to a normal retirement age of 65. The figures are presented against one member example for standalone funds and 5 member examples for the existing lifestyle strategy.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

Example Member	Years	Effect for 30 yr old member (35 years from retirement)		Effect for 45 yr old member (20 years from retirement)		Effect for 50 yr old member (15 years from retirement)		Effect for 55 yr old member (10 years from retirement)		Effect for 60 yr old member (5 years from retirement)	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Strawman A (Age: 30)	1	£51,700	£51,600	£51,700	£51,500	£51,300	£51,200	£51,000	£50,900	£50,600	£50,500
	3	£55,400	£54,900	£55,000	£54,500	£53,900	£53,500	£52,700	£52,400	£51,700	£51,400
	5	£59,300	£58,500	£58,200	£57,400	£56,300	£55,600	£54,200	£53,500	£52,800	£52,300
	10	£70,300	£68,400	£65,500	£63,900	£61,000	£59,500	£57,200	£55,900	-	-
	15	£83,300	£80,000	£71,000	£68,400	£64,400	£62,200	-	-	-	-
	20	£96,900	£91,900	£74,900	£71,400	-	-	-	-	-	-
	25	£109,200	£102,200	-	-	-	-	-	-	-	-
	30	£118,300	£109,400	-	-	-	-	-	-	-	-
	35	£124,900	£114,300	-	-	-	-	-	-	-	-

Projected fund values are rounded to the nearest hundred

Illustration assumptions and explanation

1. The tables illustrate the potential impact fund costs may have on the projected value of monies invested in an average member's pension plan over various time periods.
2. **These are not projections of your own pension plan.** Please refer to your annual account statement for an estimate of your pension.
3. All the figures illustrated here are only examples and are not guaranteed – they are not minimum or maximum amounts.
4. You could get back more or less than this and you may also get back less than the amount that you have invested.
5. Investment return in real terms: is the effective annual growth rate of the fund after adjusting for the inflation rate. They are shown in today's terms.
6. All illustrations are calculated starting at 31 December 2025
7. Investment returns and cost/charges as a percentage reduction per annum are assumed to be deducted at the end of the year and are deducted before applying investment returns.
8. The starting pot size is assumed to be £50,000 (this is the median amount for members of Globetrotter).

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

9. Contributions are £0.
10. Inflation is assumed to be 2.5% each year.
11. Scheme normal retirement age is 65.
12. Figures start with a member aged 30 years old and upwards.
13. Investment costs and other charges for the Scheme Year were provided to WTW from Zurich
14. The calculations were provided by WTW in June 2026
15. Transactions costs and other charges have been provided by Zurich and covered the 1 January 2021 to 31 December 2025. Transaction costs have been averaged by WTW using a time-based approach. The transaction costs for Blended funds were estimated by WTW based on the transaction costs for the underlying funds.

Transaction cost data

'A zero cost has been used where there are negative transaction costs (i.e. an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). It is not expected that transaction costs will always be negative. It is important to note that using a negative or zero cost during any one Plan year may not accurately represent the actual transaction costs a member may expect to see in any future Scheme year.'

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

How to read the table below

This default is a lifestyle strategy. Until 20 years from retirement, you are invested in the Legal & General Future World Climate Change Equity Factors Index Fund (100%). From that point, your pension savings are gradually switched over 19 years so that at age 65, you are invested in the Legal & General Diversified Fund GBP (75%) and the Insight Liquidity Fund GBP (25%).

Here is an example. If you are 30 years old (i.e. 35 years before your selected retirement age, see column one above) and remain invested in the default arrangement for 10 years, the projections show you will have a pot of approximately £70,300 before charges have been deducted (based on the assumptions), but taking inflation into account (i.e. in real terms). After all costs and charges (including transaction costs) have been deducted, the projected pot is £64,400.

The table above is not a projection of your own pension plan. Please refer to your annual account statement for an estimate of your pension. All the figures illustrated here are only examples and are not guaranteed – they are not minimum or maximum amounts. You could get back more or less than this and you may also get back less than the amount you have invested.

For the second default arrangement, the Legal & General Diversified Fund (GBP) the following table is an illustration of the impact that ongoing charges and transaction costs can have on members' pots over time.

Example Member	Years	LGIM Diversified Fund (GBP)	
		Before charges £	After charges £
30 year old member	1	£50,700	£50,600
	3	£52,300	£51,900
	5	£53,800	£53,200
	10	£58,000	£56,600
	15	£62,500	£60,300
	20	£67,300	£64,100
	25	£72,400	£68,300
	30	£78,000	£72,700
	35	£84,000	£77,300

These illustrations were prepared with regard to the statutory guidance available to the Trustee. The assumptions used as the basis for this illustration are the same as those shown on the previous page for the lifestyle strategy:

3.3.2 The self-select fund range – cost illustrations

For cost and charges illustrations for the full investment range available to members in the Plan, please see Appendix 2. These illustrations were prepared with regard to the statutory guidance available to the Trustee and show the charges that apply to the various investment funds available to members through the Plan. The illustrations show how charges and transaction costs could affect the growth of members' pension pots. No new contributions being paid into members' pension accounts in this Plan. Illustrations are shown for all the funds available in the Plan's investment menu, including the three funds that make up the Lifestyle Strategy.

The Trustee has also made certain assumptions – which are set out on the first three pages of Appendix 2 – that underpin the illustrations. The Trustee agreed these assumptions having considered advice on the issues from WTW.

Members should be aware that such assumptions may or may not hold true, so the illustrations at Appendix 2 do not promise what could happen in the future. This means that the information contained in this statement is not a substitute for the individual and personalised illustrations which are provided to members each year by the Plan.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. ASSET ALLOCATION DISCLOSURE

The Trustee is required to assess and report on the allocation of assets in each default arrangement in the Plan. The results are shown below in both a tabular and graphical format. The following asset allocations are covered:

- a) cash
- b) bonds creating or acknowledging indebtedness, issued by a company or issued by His Majesty's Government in the United Kingdom or issued by the government of any country or territory other than the United Kingdom
- c) listed equities – shares listed on a recognised stock exchange.
- d) private equity (that could include venture capital and growth equity) – shares which are not listed on a recognised stock exchange.
- e) infrastructure – physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons.
- f) property/real estate – property which does not fall within the description in paragraph I
- g) private debt/credit – instruments creating or acknowledging indebtedness which do not fall within the description in paragraph (b)
- h) other – any other assets which do not fall within the descriptions in paragraphs (a) to (g).

For the arrangements where the asset allocation varies with age, such as the default Lifestyle Strategy, the asset allocation is shown for a member aged 25, 45, 55 and 65.

When preparing this section of the Statement, the Trustee has taken into account of the DWP's statutory guidance on "Disclose and Explain asset allocation reporting and performance-based fees and the charge cap".

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

The Trustee is required to assess and report on the allocation of assets in each default arrangement in the Plan. The results are shown below in both a tabular and graphical format.

For the arrangements where the asset allocation varies with age, such as the default Lifestyle Strategy, the asset allocation is shown for a member aged 25, 45, 55 and 65.

When preparing this section of the Statement, the Trustee has taken into account of the DWP's statutory guidance on "Disclose and Explain asset allocation reporting and performance-based fees and the charge cap".

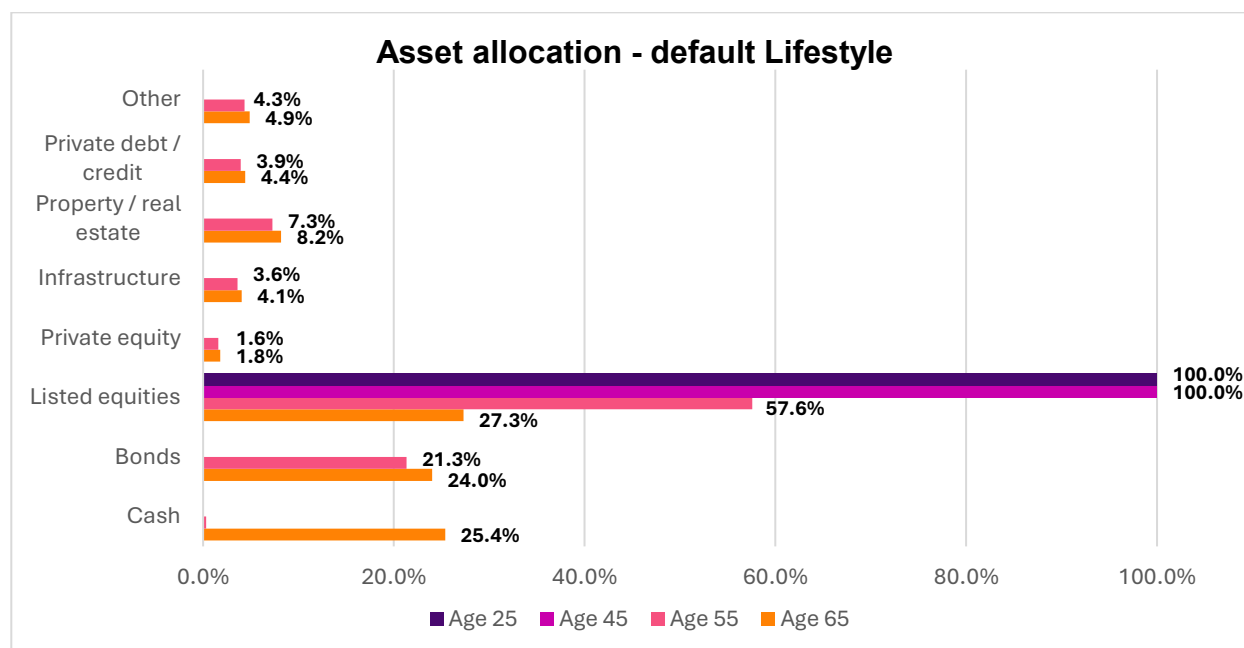
Default investment arrangements

Lifestyle Strategy

Asset class	Percentage allocation*			
	25-year-old	45-year-old	55-year-old	65-year-old
Cash	0.0%	0.0%	0.3%	25.4%
Bonds	0.0%	0.0%	21.3%	24.0%
Listed equities	100.0%	100.0%	57.6%	27.3%
Private equity	0.0%	0.0%	1.6%	1.8%
Infrastructure	0.0%	0.0%	3.6%	4.1%
Property / real estate	0.0%	0.0%	7.3%	8.2%
Private debt / credit	0.0%	0.0%	3.9%	4.4%
Other	0.0%	0.0%	4.3%	4.9%

*Totals may not sum to 100% due to rounding

The Plan does not have any members aged 25 but this data is included for illustration purposes.



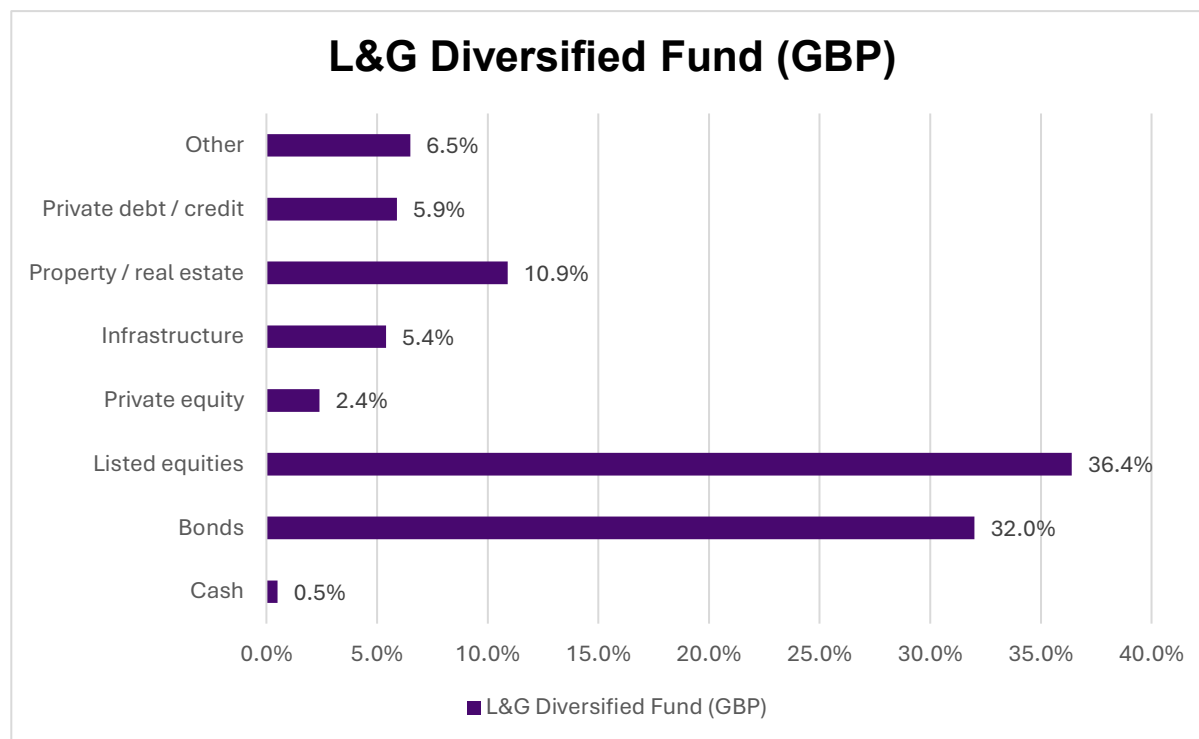
ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

L&G Diversified Fund (GBP) - the second default arrangement

Asset class	Percentage allocation*
Cash	0.5%
Bonds	32.0%
Listed equities	36.4%
Private equity	2.4%
Infrastructure	5.4%
Property / real estate	10.9%
Private debt / credit	5.9%
Other	6.5%

**Totals may not sum to 100% due to rounding*

Following the closure of the BNY Mellon Multi-Asset Diversified Return Fund (GBP), members were transferred into the Legal & General Diversified Fund (GBP) without consent. As a result, this fund is deemed a second default arrangement.



ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. VALUE FOR MEMBERS ASSESSMENT

5.1 Areas of focus for Value for Members during the Plan Year

The Trustee is committed to continuous improvement in the value it provides to members and sees the Annual Governance Statement as an opportunity to review and report on progress on any areas that were identified as in need of attention.

During the Plan Year to 31 December 2025, the Trustee's actions related to those areas highlighted in last year's report which were as follows:

Governance	➤ The Trustee will complete its assessment of the Plan's governance framework against compliance with the provisions of the Pensions Regulator's General Code of Practice. (the "General Code") The General Code came into effect on 28 March 2024.
Administration	➤ The Trustee will continue to closely monitor the provision of administration services.
Communications	➤ The Trustee will continue develop its communication strategy for the Plan to improve member engagement while continuing to issue member newsletters covering relevant investment and pensions topics.

Action taken to meet these objectives over the course of the Plan Year:

- **Governance** – the Trustee completed its assessment of the Plan's governance framework against compliance with the General Code and took steps to update current policies and to introduce new policies in light of the requirements of the General Code. The first Own Risk Assessment is due to take place before 31 December 2026.
- **Administration** – the Trustee has monitored the administration services over the Plan Year. The administration performance against SLA for the second half of the Plan Year has been disappointing but SLA performance, overall for the Plan Year, has been slightly improved on the SLA for the previous year. Based on the ongoing reporting received and reviewed throughout the Plan year, the Trustee is satisfied that, overall, core financial transactions were processed promptly and accurately during the reporting period.
- **Communications** – the Trustee has continued to develop a communications strategy which has introduced a more engaging format to its communications as well as more frequent targeted messaging to members.

5.2 Value for members assessment

In accordance with Regulation 25(1)(b) of the Administration Regulations, the Trustee has assessed the extent to which the charges and transaction costs borne by the members, as disclosed above, represent good value for members.

The Trustee is committed to ensuring that members receive good value from the Plan having had regard to the DWP's guidance on value for members and net investment returns. Good value encompasses an appraisal of the value of key features and benefits of the Plan and relates this to all costs incurred by Plan members. As mentioned above, a result of the move to Zurich, the charges members pay for some of the investment options remained the same or have been significantly reduced given the strength of Zurich's buying power with fund managers. It is not just the charges and transaction costs that are considered, but other factors that contribute to members' experiences such as fund administration and member services.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

The Trustee commissioned its Investment Consultant to carry out an independent value for members assessment in respect of the reporting period, in line with the Code of Practice requirements and DWP statutory guidance, to support the Trustee in their own assessment of the Plan. This assessment included a comparison of the reported costs and charges as well as investment performance (net of fees) against three other schemes. In line with the DWP guidance, each of these three schemes needed to be:

- An occupational pension scheme with total assets greater than £100 million, or
- A personal pension scheme, which is not an investment-regulated pension scheme.

For the purposes of this comparison, the Trustee has used the same three schemes as last year which were:

- An occupational pension scheme with total assets over £100 million,
- A government backed master trust, and
- A master trust offered through an insurance company.

These three comparator schemes should, in theory, be able to take on the assets of the Plan if the Plan was to wind up. However, given the fact that the administration and other Plan governance charges and expenses are met by the employer, rather than being borne by members, who pay only the costs and charges related to their particular investment choices, and the international nature of the membership it would be difficult to find a scheme which, in practice, offers members comparable terms.

Assessment

The three areas looked at were 1) costs and charges, 2) net investment returns and 3) plan governance, administration, and communication. Under each area, the assessment included a review of the relevant benefits and services provided by the Plan and how they compared to the three other schemes. Each component of the three areas was given a rating of **good value**, **fair value** or **poor value**, and a total rating.

The Trustee concluded that **the Plan offers good value for members**, for the reasons set out in the table below.

As mentioned above, the administration and other Plan governance charges and expenses are met by the employer, rather than being borne by members, who pay only the costs and charges related to their particular investment choices. This makes a significant difference to the cost to members.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

1. Costs and charges Good value	➤ The total expense ratio for the Plan's default investment strategy was good value when benchmarked against the total expense ratio for the default investment strategy of the 3 comparator schemes. In addition the total expense ratio for the largest self-select funds (based on assets under management) and wider self-select fund range provide good value. ➤ The Plan's default arrangement TER was lower than each of the three comparator funds. ➤ It is noted that the default arrangement incorporates consideration of materially financial environmental, social and governance factors. ➤ Transaction costs incurred in the default investment strategy were assessed as fair value against the 3 comparator schemes. The Plan's transaction cost for the default investment strategy for a member aged 45 was 0.08%. One of the comparator schemes offered a transaction cost of 0.05% with another offering, 0.05% with the other fund being higher at 0.11%. The transaction costs for the five largest self-select funds also provide good value with transaction costs being in line with, or lower than three of the four funds where comparable information is available. The wider self-select fund range was assessed as providing fair value. All Plan governance and administration costs (except for ongoing fund charges and transaction costs) are met by the employer.
2. Net investment returns Good value	➤ The default investment strategy (the Lifestyle Strategy referred to earlier in this report) has produced better net returns over the 3 and 5 year periods to 31 December 2025 in comparison to the default funds of the 3 comparator schemes, and is assessed as providing good value. ➤ The 5 largest self-select funds (based on assets under management) are assessed as providing good value as performance has been broadly in line with or better than at least 2 comparator schemes. . ➤ The performance of the wider self-select range was assessed as providing fair value. ➤ Three of the Plan's self-select funds were not able to be compared to the comparator schemes as there was either no appropriate like-for-like funds available or performance information for the comparator funds was unavailable. Excluding these from the assessment, out of the remaining 17 self-select funds; 7 self-select funds produced 5-year net performance returns in line or better than the comparator schemes; 2 self-select funds produced 1-year net performance returns in line or better than the comparator schemes. Overall, on the basis of the information available, we would assess that the net investment returns for the default and self-select fund range have provided good value to members.

3. Administration and governance Fair value	➤ The key features of a range of services, including governance, administration and communications have been assessed and 84% of the key features are available under the Plan. This score is consistent with last year's assessment and is assessed as fair value. ➤ The Trustee monitors the promptness and accuracy of core financial transactions by meeting with the administrators quarterly to discuss Plan activity and receiving quarterly reports on administration processes. Member queries and requests are dealt with promptly with the required input and expertise of the Plan advisers provided to ensure that members are given clear and helpful information relating to their Plan benefits. The Trustee continues to monitor the administrator's service delivery standards. The administrator has confirmed that their external assurance report for the year to 31 December 2025 did not identify any material concerns. ➤ Plan data is of a high standard with annual reports run by the Plan administrators to assess the common and scheme specific data for the Plan based on the Pensions Regulator requirements. These reports are shared with the Trustee and any necessary action taken thereafter. The Trustee has previously worked with HSBC to review the administrator's cyber security controls to ensure Plan data continues to be held securely and is not aware of any factors that would impact that assessment but will keep this under review. Trustee meetings are held at least three times a year with formal minutes taken and maintained. ➤ The current default investment strategy was put in place in December 2021 following an assessment of its appropriateness for the demographic profile of the Plan membership and was reviewed during the previous Plan Year. ➤ The Trustee's investment adviser provided advice on Environmental, Social and Governance (ESG) financial factors and stewardship (including voting rights and engagement activities for underlying holdings) when the Plan's lifestyle strategy was designed and funds selected. The Trustee considers these to be important financial and risk factors for future member outcomes.
--	--

	➤ In terms of investment governance, the Trustee is provided with regular update reports from the Plan administrators and the Plan investment advisers in terms of which funds are utilised by members and on investment performance. Members have access to a range of educational material online through the Zurich education hub and are provided with an annual investment focused newsletter. ➤ As set out below, the Trustee keeps its knowledge, understanding and skills up to date and dedicates sufficient time to running the Plan. • Formal Trustee meetings are held at least three times per year with ad hoc meetings held in between as and when necessary. • Independent Trustee Services Limited (ITS Limited), part of the Independent Governance Group (IGG), is represented by two Trustee directors who are supported by the wider IGG team. This brings diversity of thought, skills, experience and background to the decision making for the Plan. • The Chair of the Trustee Board is an experienced chair and an accredited professional trustee. • As accredited professional trustees, both the lead Trustee director and second Trustee director representing ITS Limited carry out a minimum amount of formal continuous professional development each year. This keeps their knowledge up to date. • The Plan has a rolling programme for the review of advisers. The employer attends each Trustee's meeting and is kept up to date on Plan developments on a timely basis. ➤ In terms of member communications, during the Plan Year the Trustee : • Provided members with an integrated Member Benefit Statement. • Issued bi-annual newsletters which provide clear and timely guidance to members. The Trustee monitors the members' engagement with the newsletters, which is generally high. • increased the number of Expression of Wish forms completed by members to a rate considerably over the market average. ➤ Members receive comprehensive tax support from Deloitte paid for by the employer, which is of value to an internationally mobile membership base. ➤ The Trustee conducts regular campaigns seeking beneficiary nominations, with high response rates.. ➤ The Trustee has a conflicts of interest policy which is reviewed annually and considered at each Trustee's meeting to ensure that any Trustee or adviser conflict is recorded.
--	---

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

In reflecting on the value for money that the Plan's overall benefits and options represent, the Trustee considered how this could be further improved and identified the following areas:

Governance	The Trustee will complete the work needed to ensure compliance with the provisions of the General Code and complete the Own Risk Assessment.
Administration	The Trustee will continue to closely monitor the provision of administration services and take steps to improve the delivery of the services where required.
Communications	The Trustee will continue to develop further its communication strategy for the Plan.

In accordance with The Pensions Regulator's General Code and with relevant legislation available at the time of the statement, the Trustee concluded that the charges borne by members and the Plan's overall benefits and options represent good value for money for members.

6. TRUSTEE KNOWLEDGE AND UNDERSTANDING (TKU)

The Pensions Act 2004 requires trustees and trustee directors to:

- (a) have sufficient knowledge and understanding of pensions and trust law and the principles relating to the funding and investment of occupational schemes; and
- (b) be conversant with their scheme's documentation (including the trust deed and rules, the SIP and other documents setting out the trustees' current policies).

The Pensions Regulator published a General Code of Practice (the "General Code") effective 28 March 2024, which outlines expectations and requirements as regards to trustee knowledge and understanding. The remainder of this section of the statement sets out how the requirements for knowledge and understanding have been met during the Plan Year.

6.1 Trustee Appointment

Independent Trustee Services Limited (ITS Limited) is the sole corporate trustee of the Plan. During 2025, the lead director to the Plan was Jennifer Adams, an experienced professional trustee specialising in defined contribution plans. She was supported by David Brickman, Trustee Director of ITS Limited, to provide peer review and back-up, as well as Laura Dawkin, Trustee Manager. Jennifer, David and Laura are accredited professional trustees with the Association of Professional Pension Trustees (APPT). Accreditation is renewed annually pending evidence of adherence to the APPT professional requirements, including codes of conduct, training, and adherence to fit and proper standards. Of note is the requirement to follow the Code of Practice for Professional Corporate Sole Trustee appointments.

During the Plan Year, Jennifer, David and Laura provided co-authorisation of documents or decisions according to the delegated authorities issued by the board of ITS Limited. Key information regarding the Plan is made available to all ITS Limited support team members via secure document folders, as well as the sharing of ongoing Plan documents such as minutes and papers, to ensure both support trustee directors and trustee manager are fully familiar with the Plan.

6.2 Trustee training

During the Plan Year, as accredited professional trustees, Jennifer, David and Laura carried out a minimum number of hours of continuous professional development (CPD) each year. This is documented, logged and shared with the APPT each year as part of the professional trustee accreditation renewal process.

This CPD covers a range of topical pension topics to keep Jennifer, David and Laura's knowledge up to date.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6.3 Ongoing TKU during the Plan Year

The Trustee has demonstrated the following key areas of TKU during the Plan Year:

6.3.1 A working knowledge of the trust deed and rules

The Trustee maintains a working knowledge of the trust deed and rules and consults the relevant documents regarding their specific application as the need arises. During the Plan Year, the Trustee consulted the trust deed and rules, and its legal advisers, in response to particular events or member issues, such as determining eligibility in certain circumstances in response to benefit access requests from members.

6.3.2 A working knowledge of the current SIP

Following the amendments to the investment strategy implemented in 2021 and the updates made to the SIP in September 2024 and January 2026, the Trustee, advised by its Investment Consultant, has continued to monitor the performance and costs of the strategy. To support this, the Investment Consultant provides quarterly reports enabling the Trustee to understand and assess the investment strategy.

A working knowledge of all documents setting out the Trustee's current policies

The Trustee has a variety of policies that guide the operation of the Plan and its decision-making. All Trustee policies are scheduled for regular review within the Plan Calendar maintained by the Plan Secretary to guide both trustee training and policy development.

6.3.3 Sufficient knowledge and understanding of the relevant principles relating to the investment of occupational schemes

During the Plan Year, the Trustee concluded the actions needed following the investment strategy review carried out during the previous Plan Year..

6.3.4 Sufficient knowledge and understanding of pension and trust law

The Trustee looked ahead using the Plan calendar to particular events and legislative changes, and training was undertaken in anticipation of these matters. Topics covered various consultations by the Pensions Regulator and their potential impact on the Plan, such as proposals for changes to Inheritance Tax, the General Code of practice/effective system of governance; and Pensions Dashboards.

6.4 Evaluation of training effectiveness

ITS Limited is a professional provider of independent governance services to pension schemes, and both Jennifer and David are specialists in defined contribution workplace schemes. As part of ITS Limited's professional practice standards, the lead director (Jennifer Adams) was required to undertake relevant ongoing training in the Plan Year and to log this with her professional body (APPT) and firm. The training comprises a mix of internal bespoke issues, external training and industry seminars, and assessed online education. This ensures that the lead director is aware of important upcoming developments in pensions obligations and can lead and support the Trustee board effectively, supplemented with input from investment and legal advisers.

All advisers provide feedback to the lead director on training needs and gaps. The lead director has a formally documented Annual Governance Review with the support director, where training needs are assessed. and plans revised.

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6.5 Evaluation of the Trustee Board's effectiveness

The Board's effectiveness is also examined at each meeting through a review of the Plan Calendar, to ensure that all key governance and compliance items are being addressed on a timely basis. The Plan Calendar and Risk Register are reviewed quarterly, to ensure that all key governance issues are being addressed comprehensively.

Training outcomes

The above combined knowledge and understanding of the Trustee, together with advice received from professional, expert advisers, enables the Trustee to properly exercise its functions as Trustee of the Plan in the following ways:

- the knowledge, understanding and advice is directly relevant to the Trustee's functions in relation to the Plan.
- it supports and facilitates good decision-making in line with the Plan rules and legislation;
- it supports effective administration and investment of the Plan's assets; and
- it ensures that the Trustee is up-to-date with the latest legislative requirements, guidance and industry practice relating to the Plan.

LOOKING AHEAD

New issues come along continually, from additional regulatory compliance requirements to external factors, and the Trustee's calendar must be sufficiently flexible to respond to contingencies. The Trustee continues to follow guidance provided by the Pensions Regulator and remains in continuous dialogue with the Plan's sponsor, administrators and advisers to monitor members' investments, particularly ongoing conflicts and geopolitical situations, and associated investment market volatility and inflation. Members have been provided with relevant and updated information on their online pension account, where they can review their investment strategy at their convenience. In addition, bi-annual newsletters are now issued to members to keep them informed of current issues and developments potentially impacting the Plan.

The Trustee is also preparing for connection to the 'Pensions Dashboard', the statutory deadline for connection being 31 October 2026. Zurich have indicated that they are unable to facilitate a connection for the Plan to the Pensions Dashboard with their administration being based in the Isle of Mann and so the Trustee is exploring other options to ensure the statutory deadline is met.

APPENDIX 1

HSBC Globetrotter Retirement Benefits Plan

Statement of Investment Principles

January 2026

Introduction

1. This document is the Statement of Investment Principles ("Statement" or "SIP") prepared by the Trustee of the HSBC Globetrotter Retirement Benefits Plan ("the Plan") in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended) and the Occupational Pension Schemes (Investment) Regulations 2005 and the Occupational Pension Schemes (Charges and Governance) Regulations 2015. This Statement is intended to set out the investment strategy, including the investment objectives and investment policies, which the Trustee adopts when selecting investments for Plan members. It outlines the Trustee's processes for the selection, monitoring and evaluation of the investment options offered by the Plan.
2. The sole corporate Trustee of the Plan, Independent Trustee Services Limited (the "Trustee"), will review this Statement at least once every three years and without delay after any significant change in investment policy. Before finalising this SIP, the Trustee has consulted with the Sponsoring Employer, HSBC Asia Holdings BV ("Employer"), and obtained and considered written professional advice from WTW, the Plan's Investment Consultant. However, the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.
3. The Plan's assets are held in Trust. The Trustee is responsible for the investment of the Plan's assets and its investment powers are set out in the Plan's Trust Deed. Whilst the Trustee may consult with the Employer on its decisions regarding the Plan's assets and investment strategy, there is no scope for the Employer to limit the Trustee's power of investment.
4. The Trustee invests the assets of the Plan through a series of pooled investment vehicles offered through a bundled defined contribution pension policy with Zurich International Life Limited. Life policies based in the Isle of Man are held with Zurich International Life Limited, which in turn invest in these pooled investment vehicles.

Plan Governance

Trustee

5. The Trustee is responsible for the investment of the Plan's assets. The Trustee is responsible for some decisions and delegates the balance, within the framework documented in the SIP.

The Trustee has overall responsibility for the Plan's investments which includes the following duties and responsibilities:

- Ensuring the Plan complies with legislation and regulation including reviewing the Plan's compliance with the SIP on an annual basis, or immediately after any change in strategy
- Considering proposed changes and agreeing final changes to the SIP. Consulting with the Employer before amending the SIP

- Appointing and providing oversight of third-party advisers to the Plan including the Investment Consultant, Fund Provider, and investment managers
- Determining and reviewing the Plan's investment strategy on an ongoing basis, including reviewing at least every three years, or without delay following any meaningful change to the investment policy, the Plan, the membership, or the default arrangements
- Preparing member communications relating to investment matters

Investment Consultant

6. The Investment Consultant advises the Trustee in the following areas:
- Reviewing any amendments to the SIP
 - Undertaking project work, as required, including review of investment strategy and policy (including the range of funds)
 - Reviewing the ongoing suitability of the Plan's default arrangements
 - Ongoing monitoring and selection of the Plan's investment managers
 - Monitoring investment market outlook and potential implications for the Plan's investments

Fund Provider and Investment Managers

7. The Trustee delegates the day-to-day administration and management of the Plan's investments to the fund platform provider (the "Fund Provider"), Zurich International Life Limited, and the investment managers. The Trustee invests the assets through a series of pooled investment vehicles offered through a bundled policy with the Fund Provider and accessed by holding life policies with the Fund Provider.

The investment managers' roles in practice include the responsibility to:

- Manage the assets for each investment fund within the investment guidelines, objectives and restrictions set out for that pooled fund but, subject to that, exercising discretion as appropriate when investing in the portfolio
- Have regard to the need for diversification of investments so far as appropriate and to the suitability of investments
- Inform the Fund Provider of any planned changes in the performance objective and guidelines of any pooled fund used by the Plan before they occur
- Appoint custodians for the assets managed in the underlying pooled funds.

The Fund Providers' responsibilities include:

- Providing the Trustee with a quarterly statement of the assets and cash flows and a quarterly report on the results of past actions
- Informing the Trustee of any changes in the performance objective or guidelines of any underlying pooled funds used by the Plan as soon as practicable
- Making the Trustee aware of any developments within the investment proposition.

Given that the Plan invests in pooled funds, the safekeeping of the underlying assets is undertaken by parties selected by the fiduciary managers of the pooled funds.

Investment Objectives, Risk, and Investment

Strategy Investment Objectives

8. The Trustee recognises that members have differing investment needs which may change during members' working lives and that individual members have different attitudes to risk. As such, the Trustee aims to provide a range of investment options to allow members to make their own investment decisions based on their individual circumstances.
9. The following encapsulates the Trustee's objectives:
 - To provide a range of investment funds that should enable members to tailor their own investment strategy to meet their own individual retirement needs and risk and return requirements.
 - To offer funds which facilitate diversification and long-term capital growth.
 - To offer funds that enable members to reduce risk in their investments as they approach retirement.
 - To provide a default investment option for members who do not make their own investment decisions or would prefer using an investment strategy designed by the Trustee rather than setting their own investment strategy from the self-select menu. A lifestyle option has therefore been designed to consider membership demographics and risk tolerance as this changes throughout a member's time in the Plan. The objectives of the lifestyle option are to provide members with:
 - a) the opportunity for growth when they are over 20 years from retirement (**Growth Phase**);
 - b) between 20 and 10 years ahead of retirement, an investment strategy that is gradually weighted towards a diversified growth fund. This will help to reduce investment risk, while still offering potential for growth, as this is a period when members' capacity to take risk is decreasing (**Accumulation Phase**); and
 - c) capital preservation in the **Pre-retirement Phase**, over the final 10 years before retirement and at the ending asset allocation of the lifestyle strategy, by introducing an allocation to cash, while aiming to deliver growth above inflation at lower levels of volatility than equities through an allocation to a diversified growth fund. At retirement, a member is invested in 75% diversified growth fund and 25% cash, recognising that members' life expectancy means some investment risk is appropriate at retirement and as there is flexibility to withdraw savings as and when they wish.

- A second default fund – the LGIM Diversified Fund (GBP) – was created in December 2021 through the mapping of member balances from a legacy diversified growth fund. The objective of the LGIM Diversified Fund (GBP) is to achieve long-term capital growth with lower risk than investing in global equities. More detail on this second default fund is set out at paragraph 17 below.

Risk

10. The Trustee recognises that, in a defined contribution arrangement, members assume the investment risks and that members are exposed to different types of risks at different stages of their working life. Investment risks inherent within the Plan include:
 - **Inflation risk** - the risk that investments do not provide a return at least in line with inflation such that the real (i.e. post inflation) value of the members' contributions, and ultimately, benefits erode over time. This is managed by the provision of growth seeking investment options with higher expected returns than inflation.
 - **Pension conversion risk** - When a member retires, they may use their account to secure a pension. The cost of buying a pension varies from time to time and depends partly on the price of bonds. By switching their investments into a fund that invests in bonds when they are close to retirement, members can help to protect against this risk.
 - **Capital risk** – the risk that the value of the investment will fall in value over any period of time. The Trustee has made available cash funds denominated in three major world currencies for the purpose of managing this risk. In addition, this risk is managed by ensuring the investment options are sufficiently diversified and members can construct a diversified portfolio using a number of different asset classes.
 - **Manager risk** - the risk that the chosen investment managers underperform their respective benchmarks which will ultimately result in lower returns for members. This is managed by offering passively managed investment funds and through consideration of the appropriate number of actively managed funds, as well as ongoing monitoring of the investment managers.
 - **Market risk** - the risk that the funds made available to members may be sensitive to market movements which can lead to losses (as well as gains) in the value of a member's investment/benefit. This is managed by allowing members to invest in a range of diversified assets in different countries/regions such that risk is not excessively concentrated to any market.
 - **Operational risk** – the Trustee regularly considers and monitors risks inherent in the Plan's operations.
 - **Concentration risk** - the risk of holding a large proportion of assets in a single investment manager, strategy, asset class or geography. This is managed through the selection of broad-based funds that show internal diversification, as well as by offering the members a fund range which provides for reasonable diversification.
 - **Liquidity risk** – the risk that assets are not easily realisable such that cash is not readily available to meet cash flow requirements. The Trustee has had regard to this in selecting appropriate funds and in designing the lifestyle strategy. This is managed through investing in daily dealt funds which ensure holdings can be sold quickly.

- **Opportunity cost risk** – the risk that members fail to take enough investment risk when appropriate to do so and thereby are left with a lower level of retirement benefit than they might otherwise have achieved. The Trustee has made available a range of growth seeking funds which provide opportunities for capital growth in both the individual fund range and the growth phase of the lifestyle strategy.
- **Currency risk** - funds made available to members may have the ability to invest in overseas assets which are denominated in currencies other than Sterling, which is the Plan's currency. Therefore, there is a risk that the relative movements in Sterling and other currencies leads to losses (or gains) in the value of a member's investment. This is managed by providing members with fund options that invest in both Sterling and non-sterling assets and by offering currency-hedged bond funds in the self-select range that hedge the overseas currency risk. In addition, as members are globally mobile, the country in which they retire and the currency in which they may wish their retirement benefits to be paid is unknown. To manage this risk, the Trustee has analysed the membership demographics and surveyed the membership and based on this has also made available US Dollar and Euro denominated fund options within the self-select range.
- **Retirement objective mismatch risk** – the risk that members' investment allocation in the years prior to retirement does not match their retirement objectives, exposing members to inefficient or uncertain outcomes. The Trustee has made available one lifestyle strategy with an ending asset allocation that provides both potential for growth above inflation at lower levels of volatility than equities and an element of capital preservation through some exposure to cash. Additionally, a range of fund options is offered in the self-select range to help members manage this risk.
- **Environmental, Social and Governance (ESG) risk:** Management of investments with regard to ESG factors, including but not limited to climate change, can impact performance and member outcomes. ESG factors are currently explicitly integrated in the investment fund used for the growth phase of the default lifestyle and that is also available within the self-select fund range.

The Trustee seeks to offer a lifestyle strategy and self-select options which allow members to mitigate the above investment-related risks. However, the Trustee acknowledges that it is not possible to mitigate all of these risks at the same time. The Trustee continues to monitor these risks as part of the ongoing monitoring of investment managers and the investment review activities outlined in this SIP.

Investment Strategy

11. The Trustee aims to provide members with a reasonable degree of freedom over the investment policy of their account. This allows members to tailor their own investment strategy in line with their own preferences and/or individual needs. The range of funds is across the major asset classes, and the differing characteristics of the asset classes ensures that members have broad access to market returns which cater for the evolving risks members face, including both active and passively managed options.
12. The Trustee will determine the range of funds to be made available to meet a range of member needs considering the risks set out above.
13. The Trustee believes that the range of funds offers adequate diversification and is appropriate for the Plan given there is a wide range of fund options that show internal diversification and meet different member needs (e.g. by offering a range of growth seeking, mixed-asset and capital protection asset classes). The Trustee has taken advice from its Investment Consultant to ensure the investment options are suitable and will regularly review the suitability of the funds. From time to time the Trustee may change the investment managers or investment options, where appropriate.

14. The funds available are expected to provide an investment return relative to an appropriate level of risk. The Trustee believes that the range of funds offered should provide the range of returns suitable for the membership as a whole. The investment options include the following assets and have the following risk and expected return characteristics:
- **Equities** – expected to produce returns in excess of rates of salary and price inflation in the medium to long-term. Capital values may be highly volatile in the short-term.
 - **Diversified assets** – expected to produce returns in excess of rates of salary and price inflation in the medium to long-term. Capital values may be volatile in the short-term although this is expected to be less than for equities.
 - **Bonds** – capital values are likely to be less volatile than equities but tend to produce lower returns in the medium to long-term that may not exceed rates of salary and price inflation. The value of bonds is expected to move broadly in line with the price of annuities, providing some protection to the ‘purchasing power’ of a member’s account near retirement when used to provide a pension income (annuity).
 - **Cash** – low risk to capital and asset values are easily realisable with limited investment returns associated with the low risk nature of the assets. There is a risk that the lower expected returns on cash may not exceed rates of salary and price inflation in the medium to long-term.
15. Within the Plan, members’ accounts are held in funds which can be realised to provide pension benefits on retirement, or earlier on transfer to another pension arrangement.

Default Options

16. The Trustee provides a main default option for those members that do not make their own investment decisions. The default lifestyle strategy is designed to offer the potential for growth above inflation in earlier years by investing in equities then gradually and automatically reduce risk by investing in diversified assets and cash as a member approaches their selected retirement age. At retirement, the allocation of 75% diversified assets and 25% cash provides both potential for growth above inflation at lower levels of volatility than equities and an element of capital preservation through some exposure to cash. The default has been designed to consider the demographics, risk profile and expected retirement objectives of the Plan’s membership.
17. As part of the investment changes implemented in December 2021, changes were made to the self-select fund range, and some funds that had previously been available to members were closed and replaced with new funds. These changes meant that members’ investments in a legacy diversified growth fund (BNY Mellon Multi-Asset Diversified Return Fund (GBP)) were transferred to the LGIM Diversified Fund (GBP) without members needing to give their consent. As a result, this new fund is therefore deemed a second default option. This change to the self-select fund range was based on the Trustee’s review of the Plan’s investment strategy and fund range, as well as advice from the Plan’s Investment Consultant. The Trustee is satisfied that this fund is a suitable option for members, forming part of the overall self-select fund range which provides members access to assets with a range of risk and expected return characteristics.
18. Members can either invest into the default lifestyle strategy or the self-select fund range but cannot invest in both at the same time within the same policy (contribution type). However, members can hold the LGIM Diversified Fund (the second default option) alongside other self-select fund range options at the same time.

Relationship with Investment Managers and Plan Provider

19. In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for selection of specific investments to investment managers accessed via the Fund Provider, including the acquisition and realisation of investments. The investment managers shall provide the skill and expertise necessary to manage the investments of the Plan competently.
20. The Trustee delegates the day-to-day management of the assets to the Fund Provider and the investment managers. The Trustee is not involved in the investment managers' and the Fund Provider's day-to-day investment decisions and day-to-day management of the Plan's assets and does not directly seek to influence attainment of their performance targets.
21. The Trustee will, in considering advice from the Investment Consultant, review the suitability of the Plan's investments on an ongoing basis including the suitability of the appointed Fund Provider and the funds utilised. Following such review, the Plan's investments may be amended from time to time.
22. The Trustee monitors fund investment performance every six months through the receipt of reporting provided by the Investment Consultant.
23. The Trustee will select or deselect investment managers (via the Fund Provider's investment platform) based on the Trustee's view of the investment managers' ability to achieve performance objectives. In making this assessment, the Trustee will consider a number of qualitative and quantitative factors, as well as the views of the Investment Consultant.

Environment, Social and Governance (ESG) factors and stewardship

24. The Trustee recognises that sustainable investment factors, such as (but not limited to) environmental (including climate change related risks) social and governance (ESG) matters are financially material over the long-term. The Trustee has delegated the responsibility for the selection, retention and realisation of investments to the investment managers (within certain guidelines and restrictions as applicable to the investment objectives and guidelines of each of the investment funds available to Plan members). This includes consideration of all financially material factors, including ESG factors where permissible within applicable guidelines and restrictions. ESG factors are currently explicitly integrated in the investment fund used for the growth phase of the default lifestyle, considering in particular the time horizon of this strategy. This same fund is also available within the self-select fund range.
25. Non-financial ESG considerations are also reflected in the investment strategy. Through surveying the membership, it is clear the members view these matters as important. These views are taken into consideration in the self-select fund range.
26. The Trustee expects the Plan's investment managers to have effective stewardship, both through voting and engagement. The Trustee delegates the responsibility for the stewardship activities attaching to the investments (including voting rights and engagement activities with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings) to the Plan's investment managers. Annually, the Plan's investment managers are requested to provide information to the Trustee including voting policies, voting statistics and most significant votes on behalf of the Trustee. Investment managers are asked to define which criteria has been assessed to choose the most significant votes.

27. For the investments advised on by the Plan's Investment Consultant, the Trustee receives regular research and updates as part of its monitoring process. Sustainable investing, stewardship and ESG considerations are implicit in such research alongside other criteria. When considering the appointment of a new investment manager (via the Fund Provider), the Trustee, with input from the Plan's Investment Consultant, will consider the manager's approach to stewardship as one of the selection criteria, where relevant.
28. The investment strategy of the default arrangements has regard to the policies outlined in this section of the SIP.

Alignment with Investment Managers

29. The Plan uses many different investment managers and mandates to implement its investment policies. The Trustee ensures that, in aggregate, the investment options are consistent with the policies set out in this Statement, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee will also ensure that the investment objectives and guidelines of any particular pooled vehicle are consistent with its policies, where relevant to the mandate in question.
30. To maintain alignment, investment managers are provided with the most recent version of the Plan's Statement of Investment Principles on an annual basis and the Trustee, with support from the Investment Consultant, will ask the investment managers on an annual basis to confirm if the management of the assets is consistent with those policies set out in this Statement, and as relevant to the mandate in question. To the extent there is any misalignment between the management of assets and the relevant policies in the Statement of Investment Principles, the Trustee will engage with the investment managers as part of this process.
31. Should the Trustee's monitoring process reveal that an investment manager's fund is not aligned with the Trustee's policies set out in this Statement (and as relevant to the mandate in question), in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005), the Trustee will engage with the investment manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the fund and the investment manager's engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be considered for termination.
32. For most of the Plan's investment options, the Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods. The Trustee has selected certain investment funds where such engagement is not deemed appropriate, due to the nature of the strategy and/or the investment time horizon underlying decision making (for example, cash funds).
33. The Trustee appoints its investment managers (via an investment platform) with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets. When assessing an investment manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate an investment manager's appointment based purely on short term performance. However, an investment manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.
34. Investment managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement.

35. The Trustee reviews the costs incurred in managing the Plan's assets on at least an annual basis, which includes the costs associated with portfolio turnover. There is no broad targeted portfolio turnover (how frequently assets within a fund are bought and sold by Investment managers) which the Trustee adheres to. The Trustee, with the help of the Investment Consultants, will monitor that the level of portfolio turnover remains appropriate in the context of the investment managers' strategy and the Plan's investment strategy.

Liquidity and Realisation of Investments

36. The Trustee believes allocating to illiquid assets is likely to improve diversification and offers the potential for higher risk adjusted returns over the long term. However, the Trustee's overarching policy is that members' accounts are held in funds that trade regularly and can be realised promptly to provide pension benefits on retirement, or earlier on transfer to another pension arrangement.
37. The default arrangements do not include any direct allocation to illiquid assets, although there may be an indirect allocation to illiquid assets within the LGIM Diversified Growth Fund at the discretion of the investment manager. The LGIM Diversified Fund is daily dealt and currently has less than 10% of the total Fund value (indirectly) allocated to illiquid assets (as at 30 June 2025). The Trustee receives regular research updates on the Fund via its Investment Consultant and would be notified should this underlying exposure change materially. The Trustee's policy is to invest in assets that are sufficiently liquid to allow them to be realised readily and typically daily dealt. The Trustee does not currently have any plans to invest directly in illiquid assets in the near future.

Investment Arrangements

38. The Trustee provides one lifestyle strategy which works as follows:

In the **growth phase** of the lifestyle, a member's pension pot will be invested 100% in a growth fund until 20 years before a member's selected retirement age. The fund for this growth phase is the LGIM Future World Climate Change Equity Factors Index Fund (GBP) (further details on this fund are shown later in this document).

In the **accumulation phase**, which starts from 20 years to a member's selected retirement date, the lifestyle automatically switches into a diversified fund, that is expected to deliver long-term capital growth but with lower risk than the global equities in the growth phase. In this accumulation phase, the investments are switching into the LGIM Diversified Fund (GBP) (further details on this fund are shown later in this document).

In the **pre-retirement phase**, which starts from 10 years to a member's selected retirement age, the lifestyle also automatically starts switching into a cash fund that aims to maintain capital value. By the member's selected retirement age, the **at-retirement asset allocation** will be 75% LGIM Diversified Fund (GBP) and 25% Insight Liquidity Fund (GBP).

The lifestyle is the default strategy used in the Plan and has been designed based upon analysis of the demographics and risk profile of the Plan's membership and the expected retirement objectives of the membership. The availability of a default strategy to DC members does not constitute advice for any individual DC member. The table below shows how the asset allocation of the lifestyle strategy changes over the time to a member's selected retirement age:

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Years to Selected Retirement Age	LGIM Future World Climate Change Equity Factors Index Fund (GBP) (%)	LGIM Diversified Fund (GBP) (%)	Insight Liquidity Fund (GBP) (%)
Greater or equal to 20 years	100.0	0.0	0.0
19 years	93.3	6.7	0.0
18 years	86.7	13.3	0.0
17 years	80.0	20.0	0.0
16 years	73.3	26.7	0.0
15 years	66.7	33.3	0.0
14 years	60.0	40.0	0.0
13 years	53.3	46.7	0.0
12 years	46.7	53.3	0.0
11 years	40.0	60.0	0.0
10 years	33.3	66.7	0.0
9 years	26.7	70.8	2.5
8 years	20.0	75.0	5.0
7 years	13.3	79.2	7.5
6 years	6.7	83.3	10.0
5 years	0.0	87.5	12.5
4 years	0.0	85.0	15.0
3 years	0.0	82.5	17.5
2 years	0.0	80.0	20.0
1 year	0.0	77.5	22.5
0 years	0.0	75.0	25.0

39. The fund benchmark and performance objectives of the current fund range are set out below. The funds listed below can be self-selected by members who wish to make their own decisions with respect to how their account is invested.

Fund	Current Mandate Benchmark	Performance Objective
LGIM Future World Climate Change Equity Factors Index (GBP) *	FTSE All-World ex CW Climate Balanced Factor Index	To match benchmark performance (gross of fees)
iShares Developed World Index (GBP)	MSCI World Index (GBP)	To match benchmark performance (gross of fees)
HSBC Islamic Global Equity Index (USD)	Dow Jones Islamic Market Titans 100 Index (USD)	To match benchmark performance (gross of fees)
Vanguard Emerging Markets Stock Index (GBP)	MSCI Emerging Markets Index (GBP)	To match benchmark performance (gross of fees)
iShares US Equity (GBP)	FTSE USA Index (GBP)	To match benchmark performance (gross of fees)
iShares Pacific Ex-Japan (GBP)	FTSE Developed Asia Pacific ex Japan Index (GBP)	To match benchmark performance (gross of fees)
Vanguard Japan Stock (GBP)	MSCI Japan Index (GBP)	To match benchmark performance (net of fees)
iShares Continental European Equity (GBP)	FTSE World Europe Ex UK Index (GBP)	To match benchmark performance (net of fees)
Vanguard FTSE UK All Share Index Unit Trust (GBP)	FTSE All-Share Index (GBP)	To match benchmark performance (gross of fees)
LGIM Diversified (GBP) * This is a second default fund (see 'Default Options' section)	Performance objective: Bank of England base rate + 3.75% p.a. before fees	To achieve long-term capital growth with lower risk than investing in global equities in the long-term
LGIM Diversified (USD)	Performance objective: Secured Overnight Financing Rate + 3.75% p.a. before fees	To achieve long-term capital growth with lower risk than investing in global equities in the long-term
Vanguard Global Bond Index (GBP Hedged)	Spliced BB Global Aggregate Float-Adjusted and Scaled Index (GBP Hedged)	To match benchmark performance (gross of fees)

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Fund	Current Mandate Benchmark	Performance Objective
Vanguard Global Bond Index (EUR Hedged)	Spliced BB Global Aggregate Float-Adjusted and Scaled Index (EUR Hedged)	To match benchmark performance (gross of fees)
Vanguard Global Bond Index (USD Hedged)	Spliced BB Global Aggregate Float-Adjusted and Scaled Index (USD Hedged)	To match benchmark performance (gross of fees)
BlackRock iShares Developed Real Estate Index Fund***	FTSE EPRA Nareit Developed Index (Net) in USD (USD)	To match benchmark performance (gross of fees)
BlackRock iShares ESG Screened Global Corporate Bond Index Fund (EUR)***	Bloomberg Barclays Global Aggregate Corporate Index (EUR Hedged)	To match benchmark performance (gross of fees)
BlackRock iShares ESG Screened Global Corporate Bond Index Fund (USD)***	Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged)	To match benchmark performance (gross of fees)
BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP)***	Bloomberg Barclays Global Aggregate Corporate Index (GBP Hedged)	To match benchmark performance (gross of fees)
PIMCO Global Bond (EUR Hedged) **	Bloomberg Barclays Global Aggregate Index (EUR Hedged)	To outperform benchmark performance (net of fees)
PIMCO Global Bond (USD Hedged) **	Bloomberg Barclays Global Aggregate Index (USD Hedged)	To outperform benchmark performance (net of fees)
JPM Global Natural Resources (GBP) **	EMIX Global Mining & Energy Index (GBP)	To achieve long-term capital growth by investing primarily in natural resources companies, globally.
iShares GiltTrak Fund (GBP)	FTSE Actuaries UK Conventional Gilts All Stocks Index (GBP)	To match benchmark performance (gross of fees)
Insight Liquidity (GBP) *	Sterling Overnight Interbank Average Rate (SONIA)	To maintain capital value whilst producing income
Insight Liquidity (EUR)	7 Day EUR LIBID	To maintain capital value whilst producing income
Insight Liquidity (USD)	Effective Federal Funds Rate (EFFR)	To maintain capital value whilst producing income

**These funds are used as underlying building blocks of the default lifestyle strategy*

***These funds are closed to additional investment from December 2021*

****These funds were added in June 2025*

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Approved by Independent Trustee Services Limited, as trustee for the HSBC Globetrotter Retirement Benefits Plan as at 2nd February 2026.

APPENDIX 2

COSTS AND CHARGES ILLUSTRATIONS – SELF-SELECT INVESTMENT FUND RANGE ONLY

As at 31 December 2025

Background

The Trustee of the Plan is required to produce an illustration for members which shows the effects of all costs and charges on the value of their pension pot. The Trustee has provided these illustrations below, covering the Lifestyle Strategy in place during the period, and the self-select fund range.

These illustrations were prepared with regard to the statutory guidance provided to trustees. The assumptions used as the basis for this illustration are shown below.

This includes transaction costs which are a necessary part of buying and selling a fund's underlying investments, in order to achieve their investment objective. These are not new or additional charges. They have always been there, within the unit price of your funds, but you can now see them, compare them against similar funds and understand their impact on to your investment return.

The tables below show the charges that apply to the various investment options available to you through Globetrotter and the illustration shows how they could affect the growth of your pension pot. You are reminded that there are no new contributions being paid.

Costs and charges

In order to meet each fund's investment objective, it will sometimes be necessary to buy and sell underlying investments. In doing so, the fund may need to pay broker commissions and transfer taxes (such as stamp duty reserve tax (SDRT)).

In the case of shares, broker commissions and transfer taxes are paid by the fund on each transaction. In the case of fixed income securities such as bonds, transaction costs are incurred indirectly through what is known as the dealing spread – the difference between the prices paid to buy and sell the underlying investments in the fund.

Comparing the portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of investment
- Historic transaction costs are not an effective indicator of the future impact on performance
- Transaction costs for buying and selling investments due to other investors joining or leaving the fund may be recovered by investors.

For further information please refer to the Pricing Policy notes which follow:

- Transaction costs vary from country to country
- Transaction costs vary depending on the types of investment in which a fund invests
- As the manager's investment decisions are not predictable, transaction costs are also not predictable
- Transaction costs may vary significantly from year to year and please note that transaction costs are not captured in ongoing charges. They are an additional expense charged directly to the fund and are reflected in daily fund prices (and net performance).

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

APPENDIX 2: Costs and Charges Illustrations (continued)

Projected fund values are rounded to the nearest hundred.

Example Member	Years	LGIM Diversified Fund (GBP)		LGIM Diversified Fund (USD)		HSBC Islamic Global Equity Index (USD)		iShares Continental European Equity Index (GBP)		iShares Developed World Index (GBP)	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Strawman A (Age: 30)	1	£50,700	£50,600	£51,800	£51,600	£52,200	£51,900	£52,200	£52,100	£51,700	£51,700
	3	£52,300	£51,900	£55,500	£54,900	£56,900	£56,000	£57,000	£56,700	£55,300	£55,200
	5	£53,800	£53,200	£59,500	£58,400	£62,000	£60,500	£62,100	£61,700	£59,100	£59,000
	10	£58,000	£56,600	£70,800	£68,100	£76,900	£73,200	£77,200	£76,000	£70,000	£69,600
	15	£62,500	£60,300	£84,300	£79,600	£95,400	£88,500	£95,900	£93,800	£82,800	£82,100
	20	£67,300	£64,100	£100,400	£92,900	£118,400	£107,100	£119,100	£115,600	£97,900	£96,900
	25	£72,400	£68,300	£119,500	£108,400	£146,900	£129,500	£147,900	£142,600	£115,800	£114,400
	30	£78,000	£72,700	£142,300	£126,600	£182,200	£156,700	£183,800	£175,800	£137,000	£134,900
	35	£84,000	£77,300	£169,300	£147,800	£226,000	£189,500	£228,300	£216,800	£162,000	£159,200

Example Member	Years	iShares US Equity Index (GBP)		LGIM Future World Climate Change Equity Factors Index Fund		Vanguard FTSE UK All Share Index Unit Trust (GBP)		iShares Pacific ex Japan Equity Index (GBP)		Vanguard Emerging Markets Stock Index (GBP)	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Strawman A (Age: 30)	1	£51,700	£51,700	£51,800	£51,600	£51,700	£51,700	£52,200	£52,100	£51,700	£51,700
	3	£55,300	£55,100	£55,600	£54,900	£55,400	£55,200	£57,000	£56,700	£55,400	£55,200
	5	£59,200	£58,900	£59,600	£58,500	£59,200	£59,000	£62,200	£61,600	£59,300	£58,900
	10	£70,000	£69,300	£71,000	£68,400	£70,200	£69,700	£77,300	£75,900	£70,400	£69,300
	15	£82,900	£81,500	£84,700	£80,000	£83,100	£82,300	£96,100	£93,500	£83,500	£81,700
	20	£98,100	£96,000	£100,900	£93,600	£98,500	£97,100	£119,400	£115,200	£99,100	£96,200
	25	£116,000	£113,000	£120,300	£109,500	£116,700	£114,600	£148,500	£141,900	£117,600	£113,300
	30	£137,300	£133,000	£143,300	£128,100	£138,300	£135,300	£184,600	£174,800	£139,600	£133,400
	35	£162,500	£156,500	£170,800	£149,800	£163,800	£159,800	£229,500	£215,300	£165,600	£157,100

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Projected fund values are rounded to the nearest hundred.

	Years	Vanguard Japan Stock Index Fund (GBP)		JPM Global Natural Resources (GBP)		PIMCO GIS Global Investment Grade Credit USD Hedged (USD)		PIMCO GIS Global Investment Grade Credit EUR Hedged (EUR)		PIMCO GIS Global Investment Grade Credit GBP Hedged (GBP)	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Strawman A (Age: 30)	1	£51,700	£51,700	£52,500	£51,700	£50,800	£50,500	£50,800	£50,500	£50,800	£50,500
	3	£55,300	£55,200	£58,000	£55,300	£52,300	£51,500	£52,400	£51,500	£52,400	£51,500
	5	£59,200	£59,000	£64,000	£59,200	£53,900	£52,500	£54,100	£52,500	£54,100	£52,500
	10	£70,000	£69,600	£81,900	£70,000	£58,200	£55,100	£58,500	£55,100	£58,500	£55,100
	15	£82,900	£82,100	£104,800	£82,800	£62,800	£57,800	£63,300	£57,800	£63,200	£57,800
	20	£98,100	£96,900	£134,200	£98,000	£67,700	£60,700	£68,500	£60,700	£68,400	£60,700
	25	£116,100	£114,400	£171,700	£115,900	£73,000	£63,700	£74,100	£63,700	£73,900	£63,700
	30	£137,500	£134,900	£219,700	£137,100	£78,800	£66,900	£80,200	£66,900	£79,900	£66,900
	35	£162,700	£159,200	£281,200	£162,200	£85,000	£70,200	£86,700	£70,200	£86,400	£70,200

Example Member	Years	PIMCO Global Bond (USD)		PIMCO Global Bond (EUR)		Vanguard Global Bond Index (GBP)		BlackRock iShares Developed Real Estate Index Fund (GBP)		BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP)/ (EUR)	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Strawman A (Age: 30)	1	£49,800	£49,500	£49,800	£49,500	£50,800	£50,700	£52,200	£52,100	£50,700	£50,700
	3	£49,500	£48,500	£49,500	£48,500	£52,400	£52,200	£56,900	£56,600	£52,200	£52,000
	5	£49,100	£47,600	£49,200	£47,600	£54,100	£53,600	£62,000	£61,400	£53,800	£53,400
	10	£48,200	£45,300	£48,500	£45,300	£58,600	£57,500	£77,000	£75,400	£57,800	£57,000
	15	£47,300	£43,100	£47,800	£43,100	£63,400	£61,700	£95,500	£92,700	£62,200	£60,900
	20	£46,400	£41,100	£47,100	£41,100	£68,600	£66,200	£118,500	£113,900	£66,900	£65,000
	25	£45,600	£39,100	£46,300	£39,100	£74,200	£71,000	£147,100	£139,900	£71,900	£69,500
	30	£44,800	£37,200	£45,600	£37,200	£80,300	£76,200	£182,500	£171,800	£77,300	£74,200
	35	£44,000	£35,400	£45,000	£35,400	£87,000	£81,700	£226,500	£211,000	£83,100	£79,200

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Projected fund values are rounded to the nearest hundred.

Example Member	Years	BlackRock iShares ESG Screened Global Corporate Bond Index Fund (USD)		Vanguard Global Bond Index (EUR) /(USD)		iShares GiltTrak (GBP)		Insight Liquidity (EUR)/ (USD)		Insight Liquidity (GBP)	
		Before charges	Before charges	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Strawman A (Age: 30)	1	£50,700	£50,700	£50,800	£50,700	£50,700	£50,700	£49,800	£49,700	£49,800	£49,700
	3	£52,200	£52,000	£52,400	£52,200	£52,200	£52,100	£49,300	£49,100	£49,300	£49,100
	5	£53,800	£53,400	£54,100	£53,600	£53,800	£53,600	£48,800	£48,500	£48,800	£48,500
	10	£57,800	£57,000	£58,600	£57,500	£57,900	£57,400	£47,600	£47,100	£47,600	£47,100
	15	£62,200	£60,800	£63,400	£61,700	£62,200	£61,500	£46,500	£45,800	£46,500	£45,800
	20	£66,900	£64,900	£68,600	£66,200	£66,900	£65,900	£45,300	£44,400	£45,400	£44,400
	25	£71,900	£69,300	£74,200	£71,000	£72,000	£70,700	£44,200	£43,100	£44,300	£43,100
	30	£77,300	£74,000	£80,300	£76,200	£77,500	£75,700	£43,200	£41,900	£43,200	£41,900
	35	£83,100	£78,900	£87,000	£81,700	£83,300	£81,200	£42,100	£40,700	£42,200	£40,700

APPENDIX 2: Costs and Charges Illustrations (continued)

Illustration assumptions and explanation

1. The tables illustrate the potential impact fund costs may have on the projected value of monies invested in an average member's pension plan over various time periods.
2. **These are not projections of your own pension plan.** Please refer to your annual account statement for an estimate of your pension.
3. All the figures illustrated here are only examples and are not guaranteed – they are not minimum or maximum amounts.
4. You could get back more or less than this and you may also get back less than the amount that you have invested.
5. Investment return in real terms: is the effective annual growth rate of the fund after adjusting for the inflation rate. They are shown in today's terms.
6. All illustrations are calculated starting at 31 December 2025
7. Investment returns and cost/charges as a percentage reduction per annum are assumed to be deducted at the end of the year and are deducted before applying investment returns.
8. The starting pot size is assumed to be £50,000 (this is the median amount for members of Globetrotter).
9. Contributions are £0.
10. Inflation is assumed to be 2.5% each year.
11. Scheme normal retirement age is 65.
12. Figures start with a member aged 30 years old and upwards.
13. Investment costs and other charges for the Scheme Year were provided to WTW from Zurich
14. The calculations were provided by WTW in June 2026
15. Transactions costs and other charges have been provided by Zurich and covered the 1 January 2021 to 31 December 2025, except for:
 - 15.1** BlackRock iShares Developed Real Estate Index Fund (GBP)
 - 15.2** BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP) / (EUR) / (USD)which covered the period 1 January 2025 to 31 December 2025. Transaction costs have been averaged by WTW using a time-based approach. The transaction costs for Blended funds were estimated by WTW based on the transaction costs for the underlying funds.

Transactional cost data

A zero cost has been used where there are negative transaction costs (i.e. an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). It is not expected that transaction costs will always be negative. It is important to note that using a negative or zero cost during any one Plan year may not accurately represent the actual transaction costs a member may expect to see in any future Plan year.

APPENDIX 2: Costs and Charges Illustrations (continued)

The assumptions for projected investment returns, costs and charges for each Fund in the Plan range are:

Fund name	Real projected growth rate (p.a.)
LGIM Diversified Fund (GBP)	1.493%
LGIM Diversified Fund (USD)	3.547%
HSBC Islamic Global Equity Index (USD)	4.404%
iShares Continental European Equity Index (GBP)	4.434%
iShares Developed World Index (GBP)	3.417%
iShares Pacific ex Japan Equity Index (GBP)	4.450%
iShares US Equity Index (GBP)	3.425%
LGIM Future World Climate Change Equity Factors Index Fund	3.573%
Vanguard FTSE UK All Share Index Unit Trust (GBP)	3.449%
Vanguard Emerging Markets Stock Index (GBP)	3.481%
Vanguard Japan Stock Index Fund (GBP)	3.429%
JPM Global Natural Resources (GBP)	5.059%
PIMCO GIS Global Investment Grade Credit USD Hedged (USD)	1.527%
PIMCO GIS Global Investment Grade Credit EUR Hedged (EUR)	1.586%
PIMCO GIS Global Investment Grade Credit GBP Hedged (GBP)	1.576%
PIMCO Global Bond (USD)	-0.368%
PIMCO Global Bond (EUR)	-0.303%
Vanguard Global Bond Index (GBP)	1.594%
BlackRock iShares Developed Real Estate Index Fund (GBP)	4.410%
BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP / EUR / USD)	1.463%
Vanguard Global Bond Index (EUR)	1.594%
Vanguard Global Bond Index (USD)	1.594%
iShares GiltTrak (GBP)	1.469%
Insight Liquidity (EUR / USD)	-0.488%
Insight Liquidity (GBP)	-0.484%

HSBC Globetrotter Retirement Benefits Plan
**Annual Implementation
Statement – Plan year
ending 31 December 2025**

ANNUAL IMPLEMENTATION STATEMENT – PLAN YEAR ENDING 31 DECEMBER 2025

Section 1: Introduction

This document is the Annual Implementation Statement (“the statement”) in relation to the HSBC Globetrotter Retirement Benefits Plan (“the Plan”). It has been prepared by the Trustee and covers the Plan year ending 31 December 2025 (“the year”).

Purpose of this statement

The purpose of this statement is to set out:

- Any review and changes made to the Statement of Investment Principles (“SIP”) over the year and when these changes were made (see Section 2);
- Details of how and the extent to which, in the opinion of the Trustee, the Trustee’s policies (as set out in the SIP) have been followed during the year (see Section 3); and
- A description of voting behaviour by, or on behalf of, the Trustee (including the most significant votes made by or on behalf of the Trustee) and any use of a proxy voter during the year (see Section 4).

A copy of this statement will be posted on the Plan’s website at: <https://www.zioinfosite.com/en/hsbc2020>. The latest version of the Plan’s SIP can also be found there too, and this statement should be read alongside the SIP.

The Trustee confirms that the investments which the Plan holds were chosen in line with the requirements of s36 of the Pensions Act 1995.

Overall, the Trustee believes that the policies and principles outlined in the SIP have been followed over the Plan year.

The Trustee will continue to monitor the investment managers’ stewardship practices on an ongoing basis.

ANNUAL IMPLEMENTATION STATEMENT – PLAN YEAR ENDING 31 DECEMBER 2025

Section 2: Review and changes to the SIP

The SIP is a legally required document prepared by the Trustee having consulted with the Plan's sponsoring employer. The SIP sets out the principles the Trustee follows in order to provide a suitable range of investment funds for the Plan's members. The SIP in place for the majority of the Plan year was adopted by the Trustee on 30 September 2024.

However, it was reviewed and updated just outside of the Scheme year with a revised SIP being published in January 2026. Changes were made to reflect the change in allocation to illiquid assets in the LGIM Diversified Fund and to amend the self-select range following changes made by the Trustee in conjunction with the Plan's investment advisers.

ANNUAL IMPLEMENTATION STATEMENT – PLAN YEAR ENDING 31 DECEMBER 2025

Section 3: The Statement of Investment Principles

The table outlines the policies in the SIP (dated 30 September 2024) for the Plan and explains how these have been implemented for the Plan year ending 31 December 2025.

	Policy	In the year to 31 December 2025
Investment objectives 	The following encapsulates the Trustee's objectives: - To provide a range of investment funds that should enable members to tailor their own investment strategy to meet their own individual retirement needs and risk and return requirements. - To offer funds which facilitate diversification and long-term capital growth. - To offer funds that enable members to reduce risk in their investments as they approach retirement. - To provide a default investment option for members who do not make their own investment decisions or would prefer using an investment strategy designed by the Trustee rather than setting their own investment strategy from the self-select menu. A lifestyle option has therefore been designed to consider membership demographics and risk tolerance as this changes throughout a member's time in the Plan. - A second default fund – the LGIM Diversified Fund (GBP) – was created in December 2021 through the mapping of member balances from a legacy diversified growth fund. The objective of the LGIM Diversified Fund	Based on the Plan's investments as at 31 December 2025, the Trustee believes the objectives for the Plan and in respect of the investments in the default arrangement have been met over the Plan year in line with the policies set out in the SIP. The Trustee believes that an appropriate range of investment funds are offered to enable plan members to tailor their investment strategy to their retirement needs. The funds are offered across major asset classes to allow diversification and enable members to tailor to their individual risk/return preferences. The Plan offers a default lifestyle to Plan members who prefer not to make their own investment decisions. The lifestyle design provides the following characteristics: - Full exposure to global equities (developed and emerging markets) for younger members, when they have a stronger risk tolerance and therefore can better tolerate volatility; - Introduction of a multi-asset fund in the accumulation phase to reduce volatility as members get closer to retirement and start to need more capital protection; - Using a combination of cash and diversifying assets at retirement that will provide capital protection and some exposure to investment growth to members when they reach retirement. As part of the review of the Plan membership in 2020, it was agreed that following the Pension Freedoms most members are likely to wish to either drawdown their savings progressively and/or

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Policy	In the year to 31 December 2025
	(GBP) is to achieve long-term capital growth with lower risk than investing in global equities.	target a cash lump sum at retirement rather than targeting an annuity purchase.
Investment strategy 	The Trustee aims to provide members with a reasonable degree of freedom over the investment policy of their account. This allows members to tailor their own investment strategy in line with their own preferences and/or individual needs. The range of funds is across the major asset classes, and the differing characteristics of the asset classes ensure that members have broad access to market returns which cater for the evolving risks members face, including both active and passively managed options.	The Trustee believes that the investment objectives above have been met over the Plan year. The Trustee believes that a suitable range of funds has been offered to members over the Plan year. The range of funds is offered across major asset classes, including a multi-asset fund which enables members to access a range of asset classes within a single fund solution. The funds available are expected to provide an investment return relative to an appropriate level of risk and the Trustee believes that the range of funds offered provide the range of returns suitable for the membership as a whole. The investment options available to members cover asset classes such as equities, diversified assets, real estate, bonds and cash. These asset classes offer differing levels of risk and return characteristics to suit member needs. Within the Plan, members' accounts are held in funds which can be realised to provide pension benefits on retirement, or earlier on transfer to another pension arrangement.
Diversification 	The Trustee believes that the range of funds offers adequate diversification and is appropriate for the Plan given there is a wide range of fund options that show internal diversification and meet different member needs (e.g. by offering a range of growth seeking, mixed-asset and capital protection asset classes). The Trustee has taken advice from its Investment Consultant to ensure the investment options are suitable and will regularly review the suitability of the funds. From time to time the Trustee may change the investment managers or investment options, where appropriate.	The range of investment options is diversified from an asset class perspective and each investment fund is diversified at a security level. All investments are pooled funds; therefore, security selection decisions are delegated to the investment managers. The default lifestyle strategy provides a well diversified portfolio at different stages of members' retirement journey, investing in developed and emerging market equities, a multi-asset fund and cash at different stages of the lifestyle. The inclusion of the multi-asset fund helps members gain exposure to alternative asset classes and reduce volatility relative to equities as they get closer to retirement.

Policy	In the year to 31 December 2025
	The Plan's self-select range also offers a multi-asset fund and a wide range of options that members can use to build a diversified portfolio according to their needs. The Trustee receives written advice from the Investment Consultant on the suitability of the investment options available to members as part of the triennial investment strategy review process and continues to review the suitability of funds on an ongoing basis as part of its semi-annual reporting. Additionally, the Plan receives updates from its Investment Consultant's manager research team with notable updates on managers and any changes of investment rating. During the Plan year, the range of fund options offered to members was reviewed, with the introduction of a real estate index fund and changes to the global bond fund options undertaken in Q4 2025.
Risk management  The Trustee recognises a range of specific investment risks with reference to the Plan's arrangements which are summarised in the SIP.	The Trustee monitors and manages these risks through: • The regular reporting received by its Investment Consultant and platform provider; • The lifestyle strategy offered to members, which is designed to help members address different investment risks they face throughout their retirement journey; • The range of self-select options offered, which enable members to consider the risks that are most relevant to them and to invest to mitigate these. The Trustee considers that the balance of investments held and the approach to managing risk is in the best interests of members to help them manage the range of risks applicable to their circumstances but recognising that it is not possible to mitigate all of these risks at the same time. For members invested in the lifestyle strategy, the Trustee considers that the design of the glidepath is appropriate for managing risk over the member journey to retirement.

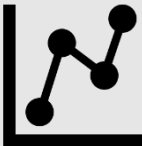
HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Policy	In the year to 31 December 2025
Environment, Social and Governance (ESG) factors and stewardship 	The Trustee recognises that sustainable investment factors, such as (but not limited to) environmental (including climate change related risks) social and governance (ESG) matters are financially material over the long-term. The Trustee has delegated the responsibility for the selection, retention and realisation of investments to the investment managers Non-financial ESG considerations are also reflected in the investment strategy. Through surveying the membership, it is clear the members view these matters as important. These views are taken into consideration in the self-select fund range. The Trustee expects the Plan's investment managers to have effective stewardship, both through voting and engagement. The Trustee delegates the responsibility for the stewardship activities attaching to the investments to the Plan's investment managers. Annually, the Plan's investment managers are requested to provide information to the Trustee including voting policies, voting statistics and most significant votes on behalf of the Trustee. Investment managers are asked to define which criteria has been assessed to choose the most significant votes. When considering the appointment of a new investment manager (via the Fund Provider), the Trustee, with input from the Plan's Investment Consultant, will consider the manager's approach to stewardship as one of the selection criteria, where relevant.	The Trustee's view is that ESG factors can have a significant impact on investment returns, particularly over the long-term. As a result, the Trustee believes that the incorporation of ESG factors is in the best long-term financial impacts of its members. The responsibility for the selection, retention and realisation of securities has been delegated by the Trustee to the investment managers, including the consideration of ESG issues. Whilst ultimately the Trustee's responsibility, the Trustee delegates the implementation of stewardship activities (including voting rights and engagement activities) to the investment managers. The Trustee monitors the investment managers' approach to sustainable investment through research from its investment consultant, which considers the integration of ESG factors in the investment process and stewardship capabilities. The Trustee integrates ESG considerations into its selection of the fund range. ESG considerations in the investment process and stewardship capabilities are considered as part of assessing possible changes to the investment strategy. As an example, the new bond fund option introduced by the Trustee during the Scheme year includes an ESG screened portfolio. The Trustee will further consider the ongoing monitoring of the sustainable investment considerations and stewardship practices of the Plan's investment managers.

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Policy	In the year to 31 December 2025
Relationship with investment managers 	The Trustee ensures that, in aggregate, the investment options are consistent with the policies set out in the SIP. For most of the investment options, the Trustee expects the investment managers to invest with a medium to long time horizon, and the Trustee appoints its investment managers with an expectation of a long-term partnership. The Trustee reviews the costs incurred in managing the Plan's assets on at least an annual basis. The Trustee will select or deselect investment managers (via the Fund Provider's investment platform) based on the Trustee's view of the investment managers' ability to achieve performance objectives. In making this assessment, the Trustee will consider a number of qualitative and quantitative factors, as well as the views of the Investment Consultant.	At the close of the Plan year, the current SIP (dated January 2026) was sent to all the Plan's current investment managers, who were asked to highlight if there is any misalignment between the Trustee's policies and how they manage the Plan's assets. No concerns were raised by any managers. With the exception of LGIM, PIMCO and JPM, all of the Plan's investment managers confirmed that there is no misalignment between their management of assets and the policies in the SIP as relevant to the fund in question. LGIM provided supporting information on their own policies in response to the request rather than explicitly providing this confirmation, whilst PIMCO and JPM advised that they were not able to directly respond to this request. As part of the Value for Members assessment carried out for the Plan year, the total expense ratio (TER) for the Plan's default investment strategy (at varying membership ages) was benchmarked against three comparator schemes. In addition, the TERs for the largest self-select funds (based on assets under management as at 31 December 2025) were also benchmarked against appropriate funds available in the comparator schemes. The results of the assessment showed that the Plan's TER represent good value. In addition, the Plan's transaction costs were benchmarked against those from the three comparator schemes. The result of this assessment concluded that the transaction costs incurred from the Plan represent fair value to members. Considering the assessment of the total expense ratios and transaction costs together, WTW concluded that the Plan's costs and charges as a whole provide good value for members which is in line with last year's assessment. The Investment Consultant provided the Trustee with a scorecard to assist in reviewing portfolio turnover levels. It was viewed that the portfolio turnover figures provided by the investment managers over the Plan year for the Plan's

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Policy		In the year to 31 December 2025
		investment funds as of 31 December 2025 are broadly within a reasonable range based on the nature of each of the investment funds.
Investment Monitoring and Reporting 	The Plan's investments will be regularly monitored by the Trustee (with the assistance of its Investment Consultant) over an appropriate time horizon, to consider the extent to which the investment strategy and decisions of the fund managers are aligned with the Trustee's beliefs.	The Trustee reviews the funds' performance on a six-monthly basis through reporting prepared by its Investment Consultant. The Investment Consultant also provided updates to the Trustee regarding its forward-looking views on the Plan's investment managers and the investment market outlook. The performance reporting also includes more granular monitoring of the performance of the Plan's ESG integrated global equity fund and multi-asset funds that are used in both the lifestyle strategy and the self-select range. Most of the investment funds are managed passively and aim to broadly match the performance of their underlying benchmark indices. Most funds have delivered performance in line with expectations over the Plan year and longer term.
	The SIP also outlines the investment monitoring and reporting process, including the considerations for investment option removal.	

ANNUAL IMPLEMENTATION STATEMENT – PLAN YEAR ENDING 31 DECEMBER 2025

Section 4: Voting information and significant votes

The Plan offers a diverse range of asset classes through the lifestyle strategy and the self-select fund range. This section focusses on the equity and multi-asset investments which have voting rights attached.

As set out in the SIP dated 30 September 2024, the Trustee's policy for the implementation of stewardship activities is to delegate the exercising of rights (including voting and stewardship) and the integration of ESG considerations in day-to-day decisions to the Plan's investment managers. This section sets out the voting activities of the Plan's equity and multi-asset investment managers over the year, where the holdings include a right to vote as an ultimate owner of a stock, including details of the investment managers' use of proxy voting services.

All of the Plan's investments are through pooled fund vehicles. The Plan's investment managers have their own voting policies which determine their approach to voting, and the principles they follow when voting on investors' behalf. All investment managers also use voting proxy advisors which aid in their decision-making when voting. Details are summarised in the table below. The Trustee considers the investment manager voting policies to be appropriate, and consistent with the Trustee's policies and objectives and ultimately, therefore in the best financial interests of the members.

The stewardship capabilities of the Plan's investment managers, including voting and engagement with investee companies, are assessed by the Plan's Investment Consultant as part of the ongoing monitoring of the investment managers.

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Manager	Investment Funds	Use of proxy voting service / brief description of voting process	Voting activity
BlackRock	iShares Developed World Equity Index Fund	BlackRock uses the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis to provide research. They then use ISS's electronic platform to execute their votes.	Number of resolutions on which manager was eligible to vote: 20,253 Percentage of eligible votes cast: 91% Percentage of votes with management: 96% Percentage of votes against management: 3% Percentage of votes abstained or withheld: 0%
	iShares US Equity Index Fund		Number of resolutions on which manager was eligible to vote: 6,973 Percentage of eligible votes cast: 98% Percentage of votes with management: 98% Percentage of votes against management: 1% Percentage of votes abstained or withheld: 0%
	iShares Continental European Equity Index Fund		Number of resolutions on which manager was eligible to vote: 10,174 Percentage of eligible votes cast: 80% Percentage of votes with management: 88% Percentage of votes against management: 11% Percentage of votes abstained or withheld: 1%
	iShares Pacific ex Japan Equity Index Fund		Number of resolutions on which manager was eligible to vote: 4,740 Percentage of eligible votes cast: 99% Percentage of votes with management: 90%

HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Manager	Investment Funds	Use of proxy voting service / brief description of voting process	Voting activity
			Percentage of votes against management: 9% Percentage of votes abstained or withheld: 0%
	iShares Developed Real Estate Index Fund		Number of resolutions on which manager was eligible to vote: 4,199 Percentage of eligible votes cast: 84% Percentage of votes with management: 95% Percentage of votes against management: 4% Percentage of votes abstained or withheld: 0%
Vanguard	Japan Stock Index Fund	Vanguard Investment Stewardship team votes on behalf of Vanguard's internally managed equity holdings. Vanguard casts proxy votes via dedicated voting providers. They consult a wide variety of third party research providers and their own internal proprietary databases. They then analyse the various issues and ballot measures in conjunction with their Proxy Voting Guidelines and other relevant data to reach our own independent decisions. The Investment Stewardship team uses a variety of research from well-known providers, such as ISS, Glass Lewis, and Equilar, as well as a number of smaller research providers. They do not rely on recommendations from proxy advisors for their voting decisions. They believe it is valuable to understand all sides of an issue before	Number of resolutions on which manager was eligible to vote: 2,380 Percentage of eligible votes cast: 100% Percentage of votes with management: 97% Percentage of votes against management: 3% Percentage of votes abstained or withheld: 0%
	FTSE UK All Share Index Unit Trust Fund		Number of resolutions on which manager was eligible to vote: 9,945 Percentage of eligible votes cast: 100% Percentage of votes with management: 99% Percentage of votes against management: 1% Percentage of votes abstained or withheld: 0%

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

	Emerging Markets Stock Index Fund	casting a vote on behalf of a Vanguard fund. As such, proxy advisors can be a useful data aggregator which serves as one of the many inputs that Vanguard's Investment Stewardship team uses to reach independent voting decisions on each fund's behalf.	Number of resolutions on which manager was eligible to vote: 24,049 Percentage of eligible votes cast: 100% Percentage of votes with management: 89% Percentage of votes against management: 11% Percentage of votes abstained or withheld: 3%
--	--	---	---

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Manager	Investment Funds	Use of proxy voting service / brief description of voting process	Voting activity
HSBC	Islamic Global Equity Index Fund	HSBC use the voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their own bespoke voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC's guidelines.	Number of resolutions on which manager was eligible to vote: 1,642 Percentage of eligible votes cast: 97% Percentage of votes with management: 83% Percentage of votes against management: 16% Percentage of votes abstained or withheld: 0%
JP Morgan	Global Natural Resources	Although JP Morgan use the ISS ProxyExchange platform and see their voting recommendations, this forms only the starting point for their proprietary thinking, and all their voting decisions are made on a case by case basis by in-house specialists in conjunction with the Analyst and/or Fund Manager in reference to the JPMAM Corporate Governance Policy and Voting Guidelines.	Number of resolutions on which manager was eligible to vote: 936 Percentage of eligible votes cast: 100% Percentage of votes with management: 94% Percentage of votes against management: 5% Percentage of votes abstained or withheld: 1%
LGIM	Future World Climate Change Equity Factors Index	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure the proxy provider votes in accordance with LGIM's position on ESG, they have put in place a custom voting policy with specific voting instructions.	Number of resolutions on which manager was eligible to vote: 22,485 Percentage of eligible votes cast: 100% Percentage of votes with management: 79% Percentage of votes against management: 20% Percentage of votes abstained or withheld: 1%
	Diversified Fund (GBP)		Number of resolutions on which manager was eligible to vote: 100,740 Percentage of eligible votes cast: 100% Percentage of votes with management: 76% Percentage of votes against management: 23% Percentage of votes abstained or withheld: 1%

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Manager	Investment Funds	Use of proxy voting service / brief description of voting process	Voting activity
LGIM	Diversified Fund (USD)		Number of resolutions on which manager was eligible to vote: 58,045 Percentage of eligible votes cast: 100% Percentage of votes with management: 78% Percentage of votes against management: 21% Percentage of votes abstained or withheld: 1%

Note: Figures are provided by the investment managers and may not sum to 100% due to a variety of reasons, such as rounding, lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management. Voting activity for the whole of the Plan year has been shown above.

For the funds managed by BlackRock, the voting figures may not sum to 100% due to the with/against management votes also including the count of abstained votes. If there were multiple vote strings for a given meeting, any proposal voted different ways between the vote strings would have been counted twice.

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

The following tables outline the most significant votes cast by the respective investment managers on the Trustee's behalf for each of the funds outlined above. This is based on the criteria set by each investment manager:

Most significant votes cast	Coverage in portfolio
Company: Air Products and Chemicals, Inc. Meeting Date: 23 January 2025 Resolution: Elect Dissident Nominee Director Andrew Evans Company Management Recommendation: For How the manager voted: For Rationale: BIS considered the election of Andrew Evansto be in the best interests of shareholders. Outcome of the vote: Pass Criteria on which the manager assessed this vote to be "most significant": BlackRock prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which they invest on behalf of clients. This vote has been assessed as significant under the key themes for 2025– these themes are reflected in their global principles.	iShares Developed World Equity Index Fund iShares US Equity Index Fund
Company: Stellantis NV Meeting Date: 15 April 2025 Resolution: Approve Remuneration report containing remuneration policy for management board members Company Management Recommendation: Against How the manager voted: Against Rationale: BIS did not support the 'remuneration policy', because, in its view, the remuneration arrangements are poorly structured, include poor use of remuneration committee discretion regarding the grant of a one-off award and the disclosure did not provide sufficient understanding of the company's remuneration policies. Outcome of the vote: Pass Criteria on which the manager assessed this vote to be "most significant": See above	iShares Continental European Equity Index Fund

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Company: First Pacific Company Limited Meeting Date: 18 June 2025 Resolution: Elect Edward K.Y. Chen as Director Company Management Recommendation: not disclosed How the manager voted: Against Rationale: BIS voted against due to insufficient independence after reclassification. Audit Committee without majority independence. Remuneration Committee without majority independence. The nomination committee is not majority independent. Chair of Remuneration Committee not independent Outcome of the vote: Pass Criteria on which the manager assessed this vote to be "most significant": See above	iShares Pacific ex Japan Equity Index Fund
Company: Marks & Spencer Group Plc Meeting Date: 01 July 2025 Resolution: Re-elect Sapna Sood as Director Company Management Recommendation: For How the manager voted: Against Rationale: Concern regarding director attendance/commitments. Outcome of the vote: Pass Criteria on which the manager assessed this vote to be "most significant": Not provided	Vanguard FTSE UK All Share Index Unit Trust Fund
Company: PDD Holdings Meeting Date: 19 December 2025 Resolution: Elect Director Haifeng Lin Company Management Recommendation: For How the manager voted: Against Rationale: Concern regarding board/committee structure and/or independence. Outcome of the vote: Not provided Criteria on which the manager assessed this vote to be "most significant": Not provided	Vanguard Emerging Markets Stock Index Fund

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Company: Mitsubishi UFJ Financial Group, Inc. Meeting Date: 27 June 2025 Resolution: Appoint Shareholder Director Nominee Misaki, Yuta Company Management Recommendation: Against How the manager voted: Against Rationale: Concern regarding board/committee structure and/or independence. Outcome of the vote: Fail Criteria on which the manager assessed this vote to be "most significant": Not provided	Vanguard Japan Stock Index Fund
Company: Microsoft Corporation Meeting Date: 5 December 2025 Resolutions: Elect Director Satya Nadella Company Management Recommendation: Not provided How the manager voted: Against	LGIM Future World Climate Change Equity Factors Index LGIM Diversified Fund (GBP) LGIM Diversified Fund (USD)

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Rationale: LGIM believe a vote against this proposal is warranted, as it expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns. Outcome of the vote: Pass Criteria on which the manager assessed this vote to be "most significant": Thematic - Board Leadership: L&G considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.	
Company: Microsoft Corporation Meeting Date: 5 December 2025 Resolution: Human Rights Risk Assessment Company Management Recommendation: Against How the manager voted: For Rationale: HSBC believe that the proposal would contribute to the better management of human rights issues and be in the interest of shareholders. Outcome of the vote: Fail Criteria on which the manager assessed this vote to be "most significant": The company has a significant weight in the portfolio and HSBC voted against management.	HSBC Islamic Global Equity Index Fund
Company: China Hongqiao Group Limited Meeting Date: 7 May 2025 Resolution: Elect Fu Yulin as Director Company Management Recommendation: For How the manager voted: Against Rationale: BIS voted against management as it believes at least a majority of the board should be comprised of independent directors and clear steps should be taken to improve board independence over time. Outcome of the vote: Pass Criteria on which the manager assessed this vote to be "most significant": Vote against management	JP Morgan Global Natural Resources

**REPORT OF THE INDEPENDENT AUDITORS, GREYSTONE LLC,
TO THE TRUSTEE OF HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN**

Opinion

We have audited the financial statements of HSBC Globetrotter Retirement Benefits Plan (the 'scheme') for the year ended 31 December 2025 which comprise the fund account, the net assets statement and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the scheme during the scheme year ended 31 December 2025 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
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. 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 there is a material misstatement in the financial statements or a material

**REPORT OF THE INDEPENDENT AUDITORS, GREYSTONE LLC,
TO THE TRUSTEE OF HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
(CONTINUED)**

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.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustee's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustee's report has been prepared in accordance with applicable legal requirements.

Matters on which we report by exception

In the light of the knowledge and understanding of the scheme and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's report. We have nothing to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from offices of the trustee not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustee's responsibilities statement set out on page 5, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustee is responsible for assessing the 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 intend to liquidate the scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement contained within the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**REPORT OF THE INDEPENDENT AUDITORS, GREYSTONE LLC,
TO THE TRUSTEE OF HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
(CONTINUED)**

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the scheme's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the scheme operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Schedule to the Occupational Pension Schemes Regulations 1996 and local tax legislation.

Audit response to risks identified

As a result of identifying the valuation of the scheme's insurance contract as being at potential risk of fraud or error, the specific procedures we performed in response to this risk included obtaining a valuation report from the Investment Platform Provider and reviewing the performance of the represented funds against publicly available sources.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

**REPORT OF THE INDEPENDENT AUDITORS, GREYSTONE LLC,
TO THE TRUSTEE OF HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
(CONTINUED)**

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx> This description forms part of our auditor's report.

Use of our report

This report is made solely to the scheme's trustee, in accordance with 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 in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustee, for our audit work, for this report, or for the opinion we have formed.

Rob Patterson (Senior Statutory Auditor)
For and on behalf of Greystone LLC
Chartered Accountants & Registered Auditors
Douglas, Isle of Man

31.07. 2026

INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF THE HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN

We have examined the Summary of Contributions payable under the Schedule of Contributions to the HSBC Globetrotter Retirement Benefits Plan in respect of the Scheme year ended 31 December 2025 which is set out on page 6.

This statement is made solely to the Scheme's Trustee, in accordance with the Pensions Act 1995 and Regulations made thereunder. 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 auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee's responsibilities set out on page 5, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions.

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

Scope of work on statement about contributions

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

Statement about contributions payable under the Schedule of Contributions

In our opinion contributions for the Scheme year ended 31 December 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.

Greystone LLC
Chartered Accountants
15 St Georges Street
Douglas
Isle of Man
IM1 1AJ

31.07.2026

FUND ACCOUNT

	Note	2025 £	2024 £
CONTRIBUTIONS AND BENEFITS			
Monies into surplus account		2,500	-
Payments to and on account of leavers		(295,533)	(400,288)
Partial withdrawals		(85,307)	-
Net deductions arising from dealings with members		<u>(378,340)</u>	<u>(400,288)</u>
RETURNS ON INVESTMENTS			
Change in market value of investments	3	2,593,238	2,379,603
Foreign exchange (loss)		(86)	(310)
Net returns on investments		<u>2,593,152</u>	<u>2,379,293</u>
Net increase in fund for year		2,214,812	1,979,005
Net assets of the Plan at 1 January as previously reported		18,928,793	16,949,788
NET ASSETS OF THE SCHEME AT 31 DECEMBER		<u>21,143,605</u>	<u>18,928,793</u>

The notes on pages 78 to 82 form part of these financial statements.

NET ASSETS STATEMENT

	Note	2025 £	2024 £
INVESTMENT ASSETS			
Insurance contract *	3	<u>21,289,488</u>	<u>18,927,621</u>
		<u>21,289,488</u>	<u>18,927,621</u>
CURRENT ASSETS			
Cash at Lloyds International	5	<u>3,672</u>	<u>1,172</u>
CURRENT LIABILITIES			
Creditors – members	6	<u>(149,555)</u>	<u>-</u>
Net Assets as at 31 December		<u><u>21,143,605</u></u>	<u><u>18,928,793</u></u>

*The insurance contract with Zurich utilises the agreed price on 31 December 2025.

The notes on pages 78 to 82 form part of these financial statements.

The financial statements summarise transactions of the Scheme and the net assets at the disposal of the Trustee. They do not take account of the future liability to pay pensions and other benefits. The Scheme is a money purchase type arrangement and consequently the question of an actuarial liability does not exist.

The financial statements on pages 76 to 82 were approved by the Trustee:

For and on behalf of the Trustee

Jennifer Adams
TRUSTEE DIRECTOR
Chair of the Trustee

Date: 31.07.2026

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared on an accruals basis, in accordance with Financial Standard (FRS) Section 1A of 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Accounting Standards Applicable to Smaller Entities, issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice “Financial Reports of Pension Schemes” (2018) (“the SORP”).

The financial statements have been prepared on the going concern basis.

The principal accounting policies applied in preparation of these financial statements are set below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Based on Section 1A of FRS 102 pension schemes are exempt from the requirement to include a statement of cash flows in the financial statements (FRS 102:7.1A).

Benefits and payments to and on account of leavers

Member terminations are processed upon the receipt of the signed termination form and identification documents from the member. The member’s account is encashed, and the value paid to the member.

Scheme fees

All fees in relation to the Scheme are paid by the Principal Company unless otherwise agreed.

Currency

The Scheme’s functional and presentational currency is Sterling.

Transactions in foreign currencies have been translated to base currency at the rate ruling on the transaction date. Monetary assets, liabilities and investments existing at the net assets statement date have been translated at the rate ruling on the reporting date.

Gains and losses arising on conversion or translation are dealt with as part of the change in the market value of investments.

Cash and cash equivalents

Cash comprises cash in hand and short term deposits held with financial institutions.

Investment income (dividends)

Income from equities and any pooled investment vehicles which distribute income, is accounted for on an accrual’s basis. These amounts are never received in cash and immediately reinvested.

Investments

Investments included at fair value and are stated at bid prices, which are based on prices of underlying investments, sourced from reputable providers or directly from third-party administrators. Investments transaction costs are added to purchase costs and netted against sale proceeds, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (Continued)

Investment transaction costs

Investment transaction costs are added to purchase costs and netted off against sale proceeds, as appropriate.

2. FAIR VALUE OF INVESTMENTS

Fair Value of investments

The fair value of investments 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

Category	Level 1 £	Level 2 £	Level 3 £	Total 31/12/2025 £
Insurance contract	-	21,289,488	-	21,289,488

Category	Level 1 £	Level 2 £	Level 3 £	Total 31/12/2024 £
Insurance contract	-	18,927,621	-	18,927,621

Additional analysis of investments

The holding of investments is made of an insurance contract which is analysed below:

	2025 £	2024 £
Equities	17,090,673	15,204,798
Bonds	1,832,468	1,742,179
Alternatives	53,888	-
Cash	2,312,459	1,980,644
	<u>21,289,488</u>	<u>18,927,621</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. INVESTMENTS

The annual management fees of the underlying funds are taken into account in calculation of the unit price of these investments. The investment portfolio is made up of holdings in an insurance contract available to the members of the Scheme.

The change in market value of underlying investments comprises all increases and decreases in the market value of underlying investments held at any time during the year, including profits and losses realised on the sales of underlying investments during the year.

The insurance contract held with Zurich was:

Type of investment	Opening Balance	Purchases	Sales	Change in Market Value	Closing Balance
	£	£	£	£	£
Insurance Contract	18,927,621	1,292,187	(1,523,558)	2,593,238	21,289,488
	18,927,621	1,292,187	(1,523,558)	2,593,238	21,289,488

4. INVESTMENT RISKS

As a result of the entity holding investments it is exposed to the following risks:

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. The Scheme is indirectly exposed to credit risk arising on the financial instruments held by the pooled investments within the insurance contract. To mitigate this risk only investments in regulated jurisdictions with reputable investment managers are utilised.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates. The scheme is subject to currency exposure as the functional and presentational currency is Sterling and some funds are denominated in EUR and USD, the investments are placed worldwide, and it is the decision of individual members as to amount of currency exposure they wish to take through their investment selection.

The following sets out a sensitivity analysis in relation to foreign currency risk on investments denominated in EUR and USD. At 31 December 2025, if EUR and USD had strengthened by 5% against Sterling with all other variables held constant, value of investments denominated in EUR and USD would appreciate and the increase for the year would have been £80,649 (2024: £75,901) higher, as a result of foreign exchange gains on translation of EUR and USD. A 5% depreciation of the EUR and USD against the Sterling at 31 December 2025 with all other variables held constant, would have an equal and opposite effect on the value of investments denominated in EUR and USD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENT RISKS (Continued)

Investment type	Currency	Closing 31/12/2024	Closing 31/12/2025	Sensitivity	Effect 31/12/2024	Effect 31/12/2025
		£	£	%	£	£
Money Market	EUR	9,535	10,244	5%	477	512
Bonds	EUR	217,982	241,607	5%	10,899	12,080
Equities	USD	659,567	753,954	5%	32,978	37,698
Bonds	USD	517,616	496,890	5%	25,881	24,844
Money Market	USD	113,313	110,296	5%	5,666	5,515
					<u>75,901</u>	<u>80,649</u>

- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates. Some members within the scheme invest in bonds and cash, so are subject to interest rate risk. It is the decision of individual members as to amount of interest rate exposure they wish to take through their investment selection.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at 31 December 2025, had the prices of investments increased by 5%, with all other variables remaining constant, the value of investments would have been higher by £1,064,474 (2024: £946,381). A 5% decrease in the price of the investments with all other variables held constant, would have an equal and opposite effect on the value of investments.

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Trustee manages investment risks, including credit risk and market risk, by monitoring the fund performance to its benchmark taking into account the Scheme's strategic investment objectives.

These investment objectives are set in the schemes Statement of Investment Principles (SIP) and monitored by the Trustee by regular reviews of the investment portfolio.

5. MONIES FROM SURPLUS ACCOUNT

When the Scheme was administered by Moore Stephens (the previous administrator) the Company had paid additional contributions in error into the Scheme. These monies had been held in Moore Stephens bank account and utilised to pay ad hoc fees. These monies have now been transferred over to a bank account in the Trustees name. This bank account is held with Lloyds International.

6. CREDITORS

	2025 £	2024 £
Withdrawals to members in progress	149,555	-
	<u>149,555</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. CONTINGENT LIABILITIES

These financial statements do not take account of liabilities to pay pensions and other benefits in the future. On this basis, in the opinion of the Trustee, the Scheme has no contingent liabilities at the year end.

8. RELATED PARTY TRANSACTIONS

The administrative expenses for the year of £45,328 (2024: £41,841) for the Scheme are borne by the Principal Company and are payable directly to Zurich, who are the Scheme's Administrative Practitioner.

9. SUBSEQUENT EVENTS

The Trustee is not aware of any material subsequent events that require disclosure within the financial statements.