Scottish Enterprise Pension And Life Assurance Scheme

Annual Report and Financial Statements for Year Ended 31 March 2026

Pension Scheme Registration: 10267679

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Section 1 – Trustees and their Advisers

The Trustees of the Scottish Enterprise Pension And Life Assurance Scheme ("the Scheme") are set out below:

Name	Title	Date appointed or reappointed	Date resigned (if applicable)
Julia Miller	Independent Trustee Chair of Trustee Board	11/09/2024	-
Derek Ballantyne**	Deferred member	27/05/2011	-
Clair Alexander**	Head of Financial Accounting Scottish Enterprise	09/09/2020	-
Laura Birch**	Commercial Team Leader Scottish Enterprise	27/06/2024	-
Catherine Mary Corr*	Principal Solicitor Scottish Enterprise	09/12/2020	-
Ross McKie*	Deferred member	09/12/2020	-
Leah Pape**	Head of High Growth Services Scottish Enterprise	25/03/2021	-
Aileen Hotchkiss**	Head of Business Support Partnership Scottish Enterprise	09/12/2021	30/03/2026
Gordon McLarnon**	Inward Investment Specialist – Energy Transition – Scottish Enterprise	30/03/2026	
Brenda Margaret Rankin*	Deferred member	11/09/2024	-
David Walton*	Pensioner	11/09/2024	-

* Member Nominated Trustees

**Company Appointed Trustees

Section 1 - Trustees and their Advisers (continued)

Advisers

The advisers to the Trustees are set out below:

Scheme Actuary	Kerry McClymont FFA (to 10 February 2026) Hymans Robertson LLP Calum Cooper FFA (from 10 February 2026) Hymans Robertson LLP
Scheme Administrator	Hymans Robertson LLP 20 Waterloo Street Glasgow G2 6DB Email: SCENAdmin@hymans.co.uk
Independent Auditor	Johnston Carmichael LLP (to 3 June 2026) RSM UK Audit LLP (from 4 June 2026)
Banker	Bank of Scotland plc Barclays (from 27 May 2026)
Investment Adviser	Isio Group Limited
Insurer (for Group Life Assurance)	MetLife (to 28 June 2026) Legal & General (from 29 June 2026)
Investment Managers	Aegon Asset Management Apollo Capital Management L.P. Baillie Gifford & Co BlackRock Investment Management (UK) Limited Manulife CQS (UK) LLP IFM Investors M&G Luxembourg S.A. (from June 2025) Pantheon Ventures Limited Partners Group (Luxembourg) S.A. Patrizia Infrastructure Ltd
Legal Adviser	Burness Paull LLP
Covenant Adviser	Isio Group Limited (from 1 April 2026)
Pensions Consultants	Hymans Robertson LLP
Pension Manager	Michael Wright

Section 2 – Trustees' Report

The Trustees of the Scottish Enterprise Pension And Life Assurance Scheme are pleased to present their report together with the financial and actuarial statements of the Scheme for the year ended 31 March 2026. The purpose of the report is to describe how the Scheme and its investments have been managed during the year.

Management of the Scheme

Legal Status

The Scheme is governed by a revised Definitive Trust Deed and Rules, dated 21 April 2022, as amended from time to time.

The Scheme is a final salary pension scheme whereby benefits are payable to members in accordance with the Scheme Rules based on length of service and their salary prior to retirement.

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004. All members of the Scheme were formerly contracted-out of The State Second Pension ("S2P"), with the Scheme formerly being contracted-out on a salary-related basis before the abolition of contracting-out which took effect on 6 April 2016.

The Scheme is a defined benefit scheme and administration queries can be sent to the Scheme Administrator at the address on page 2.

Trustees

Trustees are appointed and removed by Scottish Enterprise in accordance with Sections 241-243 of the Pensions Act 2004. The Pensions Act 2004 requires that at least one-third of the Trustees should be selected by the members of the Scheme. The Scheme continues to meet this requirement.

Schedule of Contributions

Following the actuarial valuation on 31 March 2023, a Schedule of Contributions was agreed and certified by the Scheme Actuary on 28 March 2024.

Members' contributions including additional voluntary contributions ("AVCs") must be paid to the Scheme within 19 days of the end of the month in which they were deducted from pay.

Going Concern

The Trustees monitor the Scheme's assets and funding level regularly and will continue to do so with input from their professional advisers. The Trustees have confirmed with the Scheme Administrator that they have a business continuity plan that is tested at regular intervals and updated periodically. The Trustees continue to monitor the operational impact of developments and have no significant concerns regarding the Scheme's ongoing ability to fulfil their operational, cashflow or benefit payment requirements.

Having given due consideration to the above and having discussed this with the Employer, the Trustees consider that the Scheme remains a going concern for the next twelve months starting from the date on which this set of Trustees' Report and Accounts have been signed.

Change in Adviser

Following the year end, the outgoing auditor, Johnston Carmichael LLP resigned as Scheme Auditors on 3 June 2026 and confirmed that they were not aware of any circumstances connected with their resignation which, in their opinion, affected the interest of members or beneficiaries. On 4 June 2026, the Trustees appointed RSM UK Audit LLP as the Scheme auditor.

Kerry McClymont resigned her position as Scheme Actuary on 10 February 2026. In her statement, she noted no circumstances connected with her resignation which, in her opinion, affected the interest of members or beneficiaries. On the same day, her colleague Calum Cooper was appointed as Scheme Actuary.

Section 2 – Trustees' Report (continued)

Pension Increases

As outlined in the Scheme Rules, increases to pensions in payment and preserved pensions have been made in accordance with the Pensions (Increase) Act 1971 and Orders made under the Social Security Pensions Act 1975.

On 1 April 2025; no increases were applied to Pre 88 Guaranteed Minimum Pension ("GMP")*, Post 88 GMP* received an increase of 1.7% and all excess benefits were increased by 1.7%.

*Members with State Pension Age ("SPA") beyond 6 April 2016 received a 1.7% increase on both their Pre 88 GMP and Post 88 GMP.

There were no discretionary increases to pensions in payment or to preserved pensions during the year (2025: none).

Transfer Values

All transfer values paid, and benefits secured by transfer values received during the year were calculated and verified as required under Section 97 of the Pension Schemes Act 1993. Transfer values paid represented the full value of members' Scheme benefits. There were no transfers paid at less than the cash equivalent. No allowance is made for any discretionary benefits when assessing transfer values.

For the year ended 31 March 2026, the Scheme received no individual transfers in from other pension schemes (2025: nil) however, in prior year the Scheme received a bulk transfer from the Civil Service Pension Arrangement and further detail is provided in Note 5.

Financial Development of the Scheme

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

The fund account shows that the net assets of the Scheme increased from £527,579,437 at 31 March 2025 to £536,082,627 at 31 March 2026. The increase in net assets is accounted for by:

	2026 £	2025 £
Contributions and other income	15,453,712	18,391,063
Benefits and other payments	(31,780,166)	(30,321,740)
Net withdrawals from dealings with members	**(16,326,454)**	**(11,930,677)**
Net returns on investments	24,829,644	(23,138,599)
Net increase/(decrease) in Scheme during the year	**8,503,190**	**(35,069,276)**
Net assets at start of year	**527,579,437**	562,648,713
Net assets at end of year	**536,082,627**	**527,579,437**

Section 2 – Trustees' Report (continued)

Guaranteed Minimum Pension

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

Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustees do not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

For the actuarial valuation as at 31 March 2023, the Trustees included a 1% loading to the Scheme's technical provisions to account for GMP equalisation and this is considered immaterial.

In November 2020 a further High Court judgment was made in respect of GMP equalisation and historic transfer values. The judge ruled that historic transfer values would fall under the scope of GMP equalisation and that trustees of pensions schemes remain liable to members where transfer value payments reflected unequalised GMP benefits. The Trustees of the Scheme are aware of the issue and will consider this as part of the wider GMP equalisation project. The impact is expected to be immaterial so no allowance is included.

Work is underway on the project to equalise GMPs in relation to both current members of the Scheme and to those who have transferred out.

Section 2 – Trustees' Report (continued)

Actuarial Position

The latest actuarial valuation of the Scheme was carried out at 31 March 2023, under the Scheme Specific Funding Regime. The latest certificate from the Scheme Actuary is shown on page 46 of this report. The Scheme Actuary certified, on 28 March 2024, that the calculation of the Scheme's technical provisions as at 31 March 2023 were made in accordance with regulations under section 222 of the Pensions Act 2004. The table below provides a summary of the actuarial position since this valuation.

	31 March 2023	31 March 2024	31 March 2025
	£ million	£ million	£ million
The Statutory Funding Objective (SFO) in relation to the liabilities:	570.8	573.9	533.1
Actuarial valuation of the assets:	570.9	562.6	527.6
Surplus/(deficit) relative to the SFO:	0.1	(11.3)	(5.5)
Funding level:	100%	98%	99%

The actuarial valuation as at 31 March 2023 showed the Scheme to have a small surplus. As part of the valuation, the Company and the Trustees agreed a contribution rate of 26% of monthly pensionable salary roll from 1 April 2024 until 31 March 2026. It was agreed that contributions from 1 April 2026 would be determined and based on an annual test carried out in advance of the 1 April application date.

Scottish Enterprise pay a 6% contribution directly to the Scheme on the behalf of the members through pension salary exchange. This is included in the employer contribution rate aforementioned.

The Trustees receive regular updates on the funding position from the Scheme Actuary. These funding updates are approximate in nature; however, they give a good indication of the progression of the Scheme's funding position. These updates indicate that the funding has fluctuated since the valuation date and as at 31 March 2026, the Scheme Actuary estimated the funding position of the Scheme to be around 99% based on the 2023 valuation basis, however this is yet to be finalised. The next formal actuarial valuation will be carried out as at 31 March 2026, with the results being finalised by 30 June 2027.

Over the year, the funding position has remained broadly stable. This has been driven by an increase in the expected return on assets and contributions being paid into the Scheme above the cost of future accruals, offset by lower than expected investment performance and higher future inflation expectations.

In accordance with the Pensions Act 2004, monitoring of the funding position will be carried out on a regular basis with an actuarial report being produced at least annually for the Trustees. Additionally, members will be provided with an annual Summary Funding Statement which highlights the funding position of the Scheme at the last formal valuation date and the estimated position at the date of the Trustees' annual monitoring report. The latest set of these statements was uploaded to the Scheme website in November 2025 and posted to the Scheme members later that month.

Members may request a copy of the valuation report from the Scheme Administrator (contact details are provided on page 2).

The actuarial valuation as at 31 March 2026 is currently underway and will not be finalised until 2027.

Section 2 – Trustees' Report (continued)

Actuarial Assumptions

Retail Price Index ("RPI") increases	Market implied RPI curve
Consumer Price Index ("CPI") increases	RPI less 1.0% p.a. pre 2030 and RPI less 0% p.a. post 2030
Pension increases	Limited Price Index ("LPI") Pension Increases curves derived from RPI, adjusted for the impact of the cap and floor
Salary increases	CPI curve less 4.0% p.a. for the first year and then plus 1.0% p.a. thereafter, plus promotional scale
Pre-retirement discount rate	Prudent discount rate set to equal 60% chance of success (this is a stochastic asset led discount rate that translates to gilts + 1.85% p.a. as at 31 March 2023), adjusted to allow for known asset returns between 31 March 2023 and 31 May 2023. This is recalibrated on a quarterly basis to allow for the prevailing asset and contribution strategy.
Post retirement discount rate	Prudent discount rate set to equal 60% chance of success (this is a stochastic asset led discount rate that translates to gilts + 1.85% p.a. as at 31 March 2023), adjusted to allow for known asset returns between 31 March 2023 and 31 May 2023. This is recalibrated on a quarterly basis to allow for the prevailing asset and contribution strategy.
Longevity base tables	2022 VITA tables
Longevity future improvements	Continuous Mortality Investigation ("CMI") 2022 model calibrated to Club VITA experience with an adjustment to initial rates of improvement to reflect recent experience relative to the demographics of the Scheme (i.e. using the "A" parameter 0.5% for males and 0.25% for females). Long term rate of improvement of 1.5% p.a., a 0% weighting to 2020 and 2021 data and a 25% weighting to 2022 data (the "W" parameter).
Pre-retirement mortality	120% of the PNXA00 standard tables
GMP equalisation	1% loading added to liabilities

Section 2 – Trustees' Report (continued)

Scheme Membership

The reconciliation of the Scheme membership during the year ended 31 March 2026 is shown below:

Pensioner Members (including Spouses and Dependants)	
As at 1 April 2025	**1,754**
Plus: Retirements – from active	46
Retirements – from preserved	54
New spouses and dependants	23
Less: Deaths	(50)
Pensioner Members as at 31 March 2026	**1,827**

Members With Preserved Benefits	
As at 1 April 2025	**920**
Plus: Employees leaving with deferred pensions	20
Less: Retirements	(54)
Transfers out	(2)
Deaths	(1)
Members with Preserved Benefits as at 31 March 2026	**883**

Active Members	
As at 1 April 2025	**1,030**
Plus: New joiners	31
Less: Retirements	(46)
Leavers with deferred pension entitlements	(20)
Leaver options	(6)
Transfers out	(1)
Death	(2)
Active Members as at 31 March 2026	**986**

Section 2 – Trustees' Report (continued)

Investment Report

Investment Managers

The assets of the Scheme are held in trust by the Trustees for the benefit of members and the responsibility for investment of the Scheme's assets is vested in the Trustees.

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

The Trustees' policy is to delegate day to day management of the assets to the Scheme's investment managers appointed by the Trustees for this purpose. The Trustees have appointed Aegon Asset Management ("Aegon"), Apollo Capital Management L.P. ("Apollo"), Baillie Gifford & Co ("Baillie Gifford"), BlackRock Investment Management (UK) Limited ("BlackRock"), Manulife CQS (UK) LLP ("CQS"), IFM Investors ("IFM"), M&G Luxembourg S.A. ("M&G"), Pantheon Ventures Limited ("Pantheon"), Partners Group (Luxembourg) S.A. ("Partners Group") and Patrizia Infrastructure Ltd ("Patrizia") to manage the Scheme's assets.

Investment Strategy and Review

The Trustees take a holistic approach to considering and managing risks when formulating the Scheme's investment strategy.

The Scheme's investment strategy was derived following careful consideration of various factors. The considerations include the nature and duration of the Scheme's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of employer contributions required to fund the Scheme, and also the strength of the sponsoring employer's covenant. The Trustees considered the merits of a range of asset classes.

The Trustees recognise that the investment strategy is subject to risks, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is monitored by regularly assessing the funding position and the characteristics of the assets and liabilities at least annually. This risk is managed by investing in assets which are expected to perform in excess of the liabilities over the long term, and also by investing in a suitably diversified portfolio of assets with the aim of minimising (as far as possible) volatility relative to the liabilities.

The assets of the Scheme consist of investments which are traded on regulated markets.

Investment Target

The Trustees have set performance objectives for each of their investment managers. In aggregate, the performance objectives take account of the liability profile of the Scheme and the level of risk that the Trustees believe is appropriate.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Investment Allocation

	Pooled Investment Vehicles (£)	%
Return Seeking Assets:	**296,601,316**	**60.1**
Equities (UK, overseas and emerging markets)	51,805,848	10.5
Asset Backed Securities	38,879,561	7.9
Multi-Asset Credit	90,401,988	18.3
Long Lease Property	19,857,882	4.0
Private Equity	2,552,288	0.6
Semi-Liquid Credit	43,069,044	8.7
Direct Lending	8,104,045	1.6
Junior Infrastructure Debt	27,886,637	5.7
Infrastructure Equity	14,044,023	2.8
Matching Assets:	**196,982,250**	**39.9**
Liability Driven Investment ("LDI") and Short Duration Credit	196,468,911	39.8
Liquidity	513,339	0.1
Total	**493,583,566**	**100**

Source: Investment Managers. Figures may not sum due to rounding.

All of the investments noted above relate to pooled investment vehicles. The Trustees regard all the investments as readily marketable other than the private equity, direct lending, semi-liquid credit and infrastructure funds.

Investment Policy and Management

Following agreement of a revised investment strategy at the September 2024 Trustee Board, it was agreed to fully redeem from the long lease property mandate, driven by senior team changes and significant investor outflows. As such, a further updated strategy was approved at the June 2025 Trustee Board, which re-allocated the long lease property exposure across existing infrastructure equity and liquid multi-asset credit allocations.

The Trustees continued to make progress in implementing the strategy throughout the financial year, with completion expected over the remainder of 2026. The Scheme's investments are managed in accordance with the Occupational Pension Schemes (Investment) Regulations 1998 and may be realised quickly enough to meet the cashflow needs of the Scheme.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Investment Policy and Management (continued)

The responsibility for investment of Scheme assets is vested in the Trustees who, in turn, delegate responsibility for day to day decisions to professional investment managers. Each of the Scheme's principal managers operates in accordance with guidelines and restrictions set out in an investment management agreement and with instructions given by the Trustees from time to time.

The proportions of the Scheme's investments managed by each of the managers at 31 March 2026 are as follows:

Manager	Mandate	Actual (%)	Benchmark (%)	Variance (%)
Baillie Gifford	Global Active Environmental, Social and Governance ("ESG") Equities	3.0	2.5	0.5
BlackRock	Global Passive ESG Equities	5.7	5.0	0.7
BlackRock	Emerging Market ("EM") Equities	1.2	1.0	0.2
BlackRock	Long Lease Property	3.8	-	3.8
BlackRock	Short Duration Credit ("SDC")	7.8	7.5	0.3
BlackRock	Liability Driven Investment ("LDI")	29.7	34.0	-4.3
CQS	Multi-Asset Credit ("MAC")	10.0	7.5	2.5
Pantheon	Private Equity	0.7	-	0.7
Aegon	European Asset Backed Securities ("ABS")	7.4	7.5	-0.1
Apollo	Semi-Liquid Credit	8.2	7.5	0.7
Partners Group	Direct Lending	1.5	7.5	-6.0
Patrizia	Junior Infrastructure Debt	5.2	5.0	0.2
BlackRock	Infrastructure Equity	1.2	2.5	-1.3
IFM	Infrastructure Equity	1.5	5.0	-3.5
M&G	Liquid Multi-Asset Credit	7.3	7.5	-0.2
BlackRock	Liquidity Fund	0.1	-	0.1

Source: Investment Managers.

As at 31 March 2026, the proportion of Scheme assets invested in Equity (global active ESG, global passive ESG, and emerging markets), Private Equity, Multi-Asset Credit, Short Duration Credit, Long Lease Property, Semi-liquid Credit, Liquidity and Junior Infrastructure Debt were higher than the Trustees' existing benchmark and are noted above.

Correspondingly, the allocations to Liquid Multi-Asset Credit, European Asset Backed Securities, Private Credit (Direct Lending and Asset Backed Finance), Liability Driven Investment and Infrastructure Equity were underweight to the Trustees' existing benchmark and are noted above.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Investment Performance

Isio has been appointed by the Trustees to monitor the performance of the Scheme and the managers, and to provide regular reports to the Trustees. The Scheme (excluding the private market holdings) posted a return of 5.0% net of fees during the twelve-month period to 31 March 2026, against the benchmark return of 6.2%.

Market sentiment over 2025 was shaped by shifting monetary policies, persistent trade tensions and evolving fiscal concerns. Despite short spikes of volatility over the year, on the whole, markets delivered strong growth, continuing to benefit from ongoing enthusiasm around AI, strong corporate earnings and the continued rate cutting cycle across key regions. Against this backdrop, the majority of the Scheme's growth assets delivered positive absolute returns and the Scheme's LDI mandate also performed positively as gilt yields fell overall and inflation expectations increased due to the Middle East conflict.

The Scheme's passive equity portfolio delivered strong performance over the period. Emerging market equities outperformed developed markets, supported by gains among energy-exporting countries as oil prices surged during the first quarter of 2026. In contrast, the Baillie Gifford active ESG equity mandate underperformed its target over the 12-month period due to stock selection challenges.

Credit markets delivered positive returns, primarily driven by elevated income carry and modest spread tightening. Overall, the Scheme's credit allocations benefited from this backdrop, although some funds struggled to meet their cash-based return objectives amid heightened market volatility.

Within real assets, the BlackRock long lease property and IFM infrastructure equity mandates delivered stable returns over the year. However, the BlackRock infrastructure equity fund continued to experience declines, reflecting portfolio write-downs. The Trustees remain actively engaged with BlackRock and are monitoring the position closely.

Over the three-year period to 31 March 2026, the Scheme (excluding private equity) returned 0.3% p.a., against a benchmark of 1.3% p.a. Relative performance over this time period was heavily influenced by the rising interest rate environment.

	12 months ending 31 March 2026 (%)	3 years ending 31 March 2026 (%p.a.)
Scheme	5.0	0.3
Benchmark	6.2	1.3

Source: Total Scheme figures are estimated by Isio based on underlying data from the investment managers. All returns are shown net of fees. Due to availability of data, Patrizia Infrastructure Debt and BlackRock GRP III are lagged to 31 December 2025 and total Scheme performance does not include Q1 2026 returns for these mandates.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Performance over the last year (%)

The performance of the managers and of Scheme assets in aggregate are analysed relative to appropriate index measures. Over the year to 31 March 2026, the investment rates of return of the major managers and the combined Scheme were as follows:

Manager	Benchmark	Scheme Return (%)	Benchmark Return (%)
Baillie Gifford Global Alpha Paris Aligned ("GAPA")	MSCI ACWI Index + 2% p.a. (net)	5.6%	20.3%
BlackRock (ESG Equity)	MSCI World ESG Focus Low Carbon Screened Index	16.0%	14.2%
BlackRock (EM Equity)	MSCI Emerging Markets Index	27.3%	26.8%
Aegon	Bloomberg Barclays Capital Euro ABS Fixed and Floating Index (Hedged to GBP)	5.0%	4.7%
M&G	SONIA + 2.55% (net)	3.1%	5.2%
CQS	SONIA + 4% p.a. (net)	5.3%	8.2%
Apollo	SONIA + 3.5% p.a. (net)	7.0%	7.8%
Partners Group	SONIA + 4% p.a. (net)	7.1%	8.2%
Patrizia[2]	SONIA + 4% p.a. (net)	10.1%	8.4%
BlackRock (Global Renewable Power Fund III)[1,2]	9 – 10% net IRR	(23.2%)	9.0%
IFM	Net IRR of 10% p.a.	8.9%	10.0%
BlackRock (Long Lease Property)	UK Long Income Open-Ended Property Fund Index	6.2%	5.4%
BlackRock (SDC)	3 Month SONIA + 1.5 p.a. (net)	4.2%	5.6%
BlackRock (Liquidity Fund)	SONIA Overnight	4.1%	4.1%
BlackRock (LDI)	Liability Cashflow	3.3%	3.3%
Total (ex Private Equity)	**Composite**	**5.0%**	**6.2%**

Source: One year performance figures are estimated by Isio based on underlying data from the investment managers. Returns are shown net of fees. LDI Funds are shown to have no out or under performance given they are benchmarked against the Scheme's liabilities. Note: Mandates disinvested over the 12-month period are excluded from the table.

[1] The performance estimate for BlackRock Global Renewable Power Fund III (infrastructure equity) has been calculated by Isio based on valuation and cashflow information shared by BlackRock over the period.

[2] Due to availability of data, performance for the Patrizia and BlackRock Global Renewable Power Fund is shown as at 31 December 2025.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Statement of Investment Principles ("SIP")

The Trustees have produced a Statement of Investment Principles as required by Section 35 of the Pensions Act 1995. This Statement sets out the Trustees' policies on the choice of investments which are used to provide the benefits payable to Scheme members. The Trustees also produce an Investment Implementation Policy Document ("IIPD") which outlines the detailed day to day implementation of the investment policy of the Scheme.

The document provides details of the mandates of the Scheme's investment managers, their policies for managing assets and the risk guidelines and performance benchmarks set for each of the managers. A separate Statement of Compliance with the Investment Governance Group ("IGG") Principles provides further information on the Trustees' governance of the Scheme's assets, including details of the Scheme's service providers and the services which they provide.

The Statement of Investment Principles and the IIPD are revised regularly to reflect any changes in the Scheme's investment arrangements. The Statement of Investment Principles is available to view at the following address: https://sepensions.co.uk/media/22qjilay/statement-of-investment-principles-2025-for-prism.pdf. The Statement of Compliance with the IGG Principles is also revised regularly. Copies of both documents are available to members on request from the Administration Team as noted on page 2.

Investment Activity

Following the agreement of a risk-focussed investment strategy at the September 2024 Trustee Board, the Trustees continue to implement the revised investment strategy on a phased basis.

In December 2024, the Trustees agreed to make a full disinvestment from the BlackRock Long Lease Property mandate, following senior team changes and significant redemptions. The disinvestment instruction was submitted for the 31 December 2025 trade date. At the May 2025 Investment Committee meeting, the Trustees agreed to reinvest the LLP proceeds equally into Liquid MAC and Infrastructure Equity (+2.5% each). This resulted in an updated strategy, approved at the June 2025 Trustee meeting, which retained the current manager line-up and modestly increased the expected return.

Following manager selection exercises completed over 2025, the Trustees formally appointed the M&G Sustainable Total Return Credit Investment Fund for the new Liquid Multi-Asset Credit allocation, and the Apollo Asset Backed Finance Fund for the Private Debt allocation. The M&G allocation was funded over June 2025 and October 2025, which involved re-investing excess cash from unwinding illiquid allocations.

In June 2025, the Trustees and Sponsor approved raising the hedge target from 70% to 75% on a Technical Provisions basis, following an LDI review using updated liability cashflows from the 2023 valuation. This change was implemented in July 2025 and involved terminating the Scheme's index-linked gilts allocation to achieve a more efficient hedging solution using LDI. As part of this activity, the Trustees also increased allocations to Short Duration Credit and Asset Backed Securities to align with target weights and provide further collateral resilience.

The Trustees completed a further review of the liability hedge in Q1 2026, based on updated cashflows from the 2023 valuation adjusted for Scheme and market experience to 30 September 2025. As part of this review, the Trustees and Sponsor approved raising the liability hedging target from 75% to 80% on the Technical Provisions basis, which was implemented in April 2026.

In April 2026, the Trustees funded an initial £30m investment in the Apollo Asset Backed Finance Fund. This was funded using surplus cash from the BlackRock ICS Liquidity Fund (arising from the unwind of illiquid funds), together with £4m of excess collateral within the LDI mandate, with cash in transit as at 31 March 2026. The remaining allocation is expected to be funded in late 2026, once additional proceeds from the unwind of illiquid assets are received, bringing the total allocation to 7.5% of Scheme assets.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Investment Activity (continued)

Derivatives

Managers for the Scheme may use derivative products for the efficient management of their portfolios.

Custodial Arrangements

For the Scheme's pooled fund investments, the Trustees have no direct ownership of the underlying assets of the pooled funds. The policies, proposal forms, prospectuses and related principles of operation, set out the terms on which the assets are managed. The safekeeping of the assets within the pooled funds is performed on behalf of the representative investment managers by custodian banks specifically appointed to undertake this function and whose appointment is reviewed at regular intervals by the manager.

Social, Environmental and Ethical Considerations & Exercise of Voting Rights

The Trustees believe that environmental, social and corporate governance issues are a financial risk but also an investment opportunity for the Scheme.

The Scheme's voting policy is exercised by its investment managers in accordance with their own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

The Trustees review their approach to ESG and update the Scheme's SIP to reflect their views accordingly.

The Trustees have integrated ESG within the Scheme's investment strategy, which includes both active and passive ESG equity mandates, a renewable infrastructure equity mandate, and a new sustainable liquid multi-asset credit allocation. The Trustees have been working with Isio on these changes and will continue to monitor and evolve the Scheme's exposure to sustainable investments as opportunities arise. The Trustees conducted a sustainability integration assessment to review the ESG credentials of each of the Scheme's managers, who Isio review formally on an annual basis. The Trustees received the latest annual report in Q2 2026.

Investment managers are expected to report on their adherence to ESG periodically as part of the Trustees' increased monitoring on ESG. The Trustees review the underlying investment managers' integration of and approach to ESG on an annual basis.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Social, Environmental and Ethical Considerations & Exercise of Voting Rights (continued)

The Trustees have delegated the exercise of voting rights to the investment managers on the basis that voting power will be exercised by them, however acknowledge responsibility for the voting policies that are implemented on the Trustees' behalf. Accordingly, the managers have produced written guidelines of their process and practice in this regard. The managers are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary meetings of companies.

Investment Management Arrangements

The Trustees have appointed several investment managers to manage the assets of the Scheme as listed in the Investment Implementation Policy Document. The investment managers are regulated under the Financial Services and Markets Act 2000.

All decisions about the day-to-day management of the assets have been delegated to the investment managers via a written agreement. The delegation includes decisions about:

- Selection, retention and realisation of investments including taking into account all financially material considerations in making these decisions;
- The exercise of rights (including voting rights) attaching to the investments;
- Undertaking engagement activities with investee companies and other stakeholders, where appropriate.

The Trustees take investment managers' policies into account when selecting and monitoring managers. The Trustees also take into account the performance targets the investment managers are evaluated on. The investment managers are expected to exercise powers of investment delegated to them, with a view to following the principles contained within this statement, so far as is reasonably practicable.

The investment managers' remuneration is based upon a percentage value of the assets under management. The fees have been negotiated to be competitive. The Scheme's mandates for Direct Lending, Infrastructure Equity, and unlisted Private Equity are also subject to a performance related fee element.

As all of the Scheme's assets are invested in pooled vehicles, the custody of the holdings is arranged by the investment manager.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Risks, Financially Material Considerations and Non-Financial matters

Risks	Definition	Policy
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	• Selecting an investment objective that is achievable and is consistent with the Scheme's funding basis and the sponsoring company's covenant strength. • Investing in a diversified portfolio of assets.
Funding	The extent to which there are insufficient Scheme assets available to cover ongoing and future liability cash flows.	• Funding risk is considered as part of the investment strategy review and the actuarial valuation. • The Trustees will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Scheme.	• When developing the Scheme's investment and funding objectives, the Trustees take account of the strength of the covenant ensuring the level of risk the Scheme is exposed to is at an appropriate level for the covenant to support.

Remuneration

The Trustees review the performance of all of the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives.

The Trustees evaluate performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years.

Investment manager fees are reviewed annually to make sure the correct amounts have been charged and that they remain competitive.

The Trustees do not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.

Incentivisation

As the Scheme is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustees' policies. However, the Trustees invest in a portfolio of pooled funds that are aligned to the strategic objective.

The Scheme's mandates for Direct Lending, unlisted Private Equity, and Infrastructure Equity are subject to a performance related fee.

The Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements.

The Trustees do not incentivise the investment managers to make decisions based on non-financial performance.

Section 2 – Trustees' Report (continued)

Investment Report (continued)

Investment Manager Monitoring and Engagement

The Trustees monitor and engage with the Scheme's investment managers and other stakeholders on a variety of issues. Below is a summary of the areas covered and how the Trustees seek to engage on these matters with investment managers.

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Performance, Strategy and Risk	• The Trustees receive a quarterly performance report which details information on the underlying investments' performance, strategy and overall risks, which are considered at the relevant Trustees' meeting. • The Scheme's investment managers are invited, in person, to present to the Trustees on their performance, strategy and risk exposures.	• There are significant changes made to the investment strategy. • The risk levels within the assets managed by the investment managers have increased to a level above and beyond the Trustees' expectations. • Underperformance vs the performance objective over the period that this objective applies.
Environmental, Social, Corporate Governance factors and the exercising of rights	• The Trustees' investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues. • The Trustees receive information from their investment advisers on the investment managers' approaches to engagement. • The Trustees will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters at least annually.	• The manager has not acted in accordance with their policies and frameworks. • The manager's policies are not in line with the Trustees' policies in this area.

Through the engagement described above, the Trustees will work with the investment managers to improve their alignment with the above policies. Where sufficient improvement is not observed, the Trustees will review the relevant investment manager's appointment and will consider terminating the arrangement.

Employer Related Investments

There were no employer related investments during the year (2025: nil).

Section 2 – Trustees' Report (continued)

Statement of Trustees' Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102), are the responsibility of the Trustees. Pension Scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

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

In discharging the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees also have 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.

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

Section 2 – Trustees' Report (continued)

Further Information

Internal Dispute Resolution ("IDR") Procedures

It is a requirement of the Pensions Act 1995 that the Trustees of all occupational pension schemes must have IDR procedures in place for dealing with any disputes between the Trustees and the scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustees, details of which are included in the member booklet.

Contact for Further Information

Further information about the Scheme is available on request. The Trust Deed and Rules governing the Scheme are available for inspection. Enquiries should be addressed to the Scheme Administrator (details on page 2).

The Money and Pensions Service ("MaPS")

This service is available at any time to assist members and beneficiaries with pensions questions and issues they have been unable to resolve with the Trustees of the Scheme. MaPS has launched MoneyHelper, which brings together the Money Advice Service, The Pensions Advisory Service and Pension Wise to create a single place to get help with money and pension choices. MoneyHelper is impartial, backed by the government and free to use.

The Money and Pensions Service
Bedford Borough Hall
138 Cauldwell Street
Bedford
MK42 9AB
Tel: 0800 011 3797
Website: www.moneyhelper.org.uk

The Pensions Ombudsman

Members have the right to refer a complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) the member is complaining about happened – or, if later, within three years of when they first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
London
E14 4PU
Tel: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk
Members can also submit a complaint form online: https://www.pensions-ombudsman.org.uk/making-complaint

Section 2 – Trustees' Report (continued)

The Pensions Regulator ("TPR")

TPR has the objectives of protecting the benefits of members, promoting good administration and reducing the risk of claims on the Pension Protection Fund. TPR has the power to investigate schemes, to take action to prevent wrongdoing in or maladministration of pension schemes and to act against employers failing to abide by their pension obligations. TPR may be contacted at the following address:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF
Website: www.thepensionsregulator.gov.uk

Pension Tracing Service

The Pension Schemes Registry has been replaced with the Pension Tracing Service and is now provided by the Department for Work and Pensions. Responsibility for compiling and maintaining the register of occupational pension schemes has been passed to The Pensions Regulator.

Contact details for the services are as follows:

The Pension Service
Post Handling Site A
Wolverhampton
WV98 1AF
United Kingdom
Tel: 0800 731 0175
Website: www.gov.uk/find-pension-contact-details

Approval of the Report by the Trustees

Signed for and on behalf of the Trustees of the Scottish Enterprise Pension And Life Assurance Scheme by:

J Miller	Trustee
L Birch	Trustee
22 October 2026	Date

Section 3 – Independent Auditor's Report

Independent Auditor's Report to the Trustees of the Scottish Enterprise Pension And Life Assurance Scheme

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Scheme's Trustees' 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 Scheme's Trustees with respect to going concern are described in the relevant sections of this report.

Section 3 – Independent Auditor's Report (continued)

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 Scheme's Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 19, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are 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 Trustees 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.

Section 3 – Independent Auditor's Report (continued)

The Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Scheme operates in and how the Scheme is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Act 1995 and 2004 and regulations made under them and FRS 102, including the Financial Reports of Pension Schemes 2018 (the Pensions SORP). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgements and estimates.

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

Section 3 – Independent Auditor's Report (continued)

Use of our report

This report is made solely to the Scheme's Trustees as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
4th Floor, G1
5 George Square
Glasgow
G2 1DY

Date: 23 October 2026

Section 4 – Financial Statements

Fund Account for year ended 31 March 2026

	Note	2026 £	2025 £
Contributions and Benefits			
Contributions – Employer	4	**14,798,787**	15,333,628
– Members	4	**375,690**	359,813
Transfer in	5	**-**	2,444,823
Other income	6	**279,235**	252,799
		15,453,712	18,391,063
Benefits paid or payable	7	**(29,841,584)**	(28,332,125)
Payments to and on account of leavers	8	**(262,464)**	(581,916)
Life assurance premiums	9	**(235,232)**	(223,403)
Administrative expenses	10	**(1,440,886)**	(1,184,296)
		(31,780,166)	(30,321,740)
Net withdrawals from dealings with members		**(16,326,454)**	(11,930,677)
Returns on Investments			
Investment income	11	**10,979,345**	13,993,356
Change in market value of investments	13	**14,138,242**	(36,121,675)
Investment management expenses	14	**(287,943)**	(1,010,280)
Net returns on investments		**24,829,644**	(23,138,599)
Net increase/(decrease) in the Scheme during the year		**8,503,190**	(35,069,276)
Net assets at the start of the year		**527,579,437**	562,648,713
Net assets at the end of the year		**536,082,627**	527,579,437

The notes on pages 28 to 43 form part of these financial statements.

Section 4 – Financial Statements (continued)

Statement of Net Assets (available for benefits) as at 31 March 2026

	Note	2026 £	2025 £
Investment assets			
Pooled investment vehicles	*13*	**493,583,566**	510,685,834
Other investment balances	*13*	**31,000,991**	1,113,514
		524,584,557	511,799,348
Current assets	*15*	**12,397,788**	16,277,727
Current liabilities	*16*	**(899,718)**	(497,638)
Closing net assets of the Scheme available for benefits		**536,082,627**	527,579,437

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with on pages 6 and 7 and the Actuarial certificate is on page 46 and these financial statements should be read in conjunction therewith.

Signed for and on behalf of the Trustees of the Scottish Enterprise Pension And Life Assurance Scheme by:

J Miller — Trustee

L Birch — Trustee

22 October 2026 — Date

The notes on pages 28 to 43 form part of these financial statements.

Section 5 – Notes to the Financial Statements

Notes to the financial statements for the year ended 31 March 2026

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS 102) – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (Revised 2018) ("the SORP").

The financial statements are prepared on a going concern basis, which the Trustees believe to be appropriate as they believe that the Scheme has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least the next twelve months from the date of approval of these financial statements. In reaching this conclusion, the Trustees have taken into account plausible downside assumptions of the sponsoring employer to gain comfort that it will continue to make contributions as they fall due. This assessment gives the Trustees confidence to prepare the financial statements on a going concern basis.

The financial statements have been prepared on an accruals basis.

2 IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under Scottish law. The address for enquiries to the Scheme is Scottish Enterprise Pension And Life Assurance Scheme Administration, Hymans Robertson LLP, 20 Waterloo Street, Glasgow, G2 6DB.

3 ACCOUNTING POLICIES

The principal accounting policies are set out below.

Contributions

Employer and member contributions are accounted for on an accruals basis at rates agreed between the Trustees and the Employer based on the recommendations of the Actuary and set out in the Schedule of Contributions.

Members' additional voluntary contributions are accounted for on an accruals basis.

Other income

Any additional income is accounted for on an accruals basis.

Benefits paid or payable

Benefits are included in the financial statements on an accruals basis when the member notifies the Trustees as to the type or amount of benefit to be taken, or where there is no choice, on the date of retirement or leaving.

Where a member's benefit entitlement exceeds the United Kingdom HMRC tax limits (Lifetime Allowance or the Annual Allowance), the member is liable for taxation which can be settled by the member or the Trustees may settle the tax on behalf of the member for a reduction in benefit entitlement. When the Scheme settles the tax, the cost is accounted for on an accruals basis.

Individual and group transfers

Individual transfers to and from the Scheme during the year are included in the financial statements when the member liability is discharged.

Notes to the financial statements for the year ended 31 March 2026 (continued)

3 ACCOUNTING POLICIES (CONTINUED)

Individual and group transfers (continued)

Group transfers to and from the Scheme during the year are included in the financial statements and become a liability to the Scheme when the cash is received.

Life assurance premiums

Life assurance premiums are accounted for on an accruals basis in order to be recorded in the same period as the corresponding lump sum death in service benefits.

Administrative expenses and investment management expenses

Administrative expenses and investment management expenses are accounted for on an accruals basis.

Investment income

Income arising from the underlying investments of the pooled investment vehicles that is not distributed but reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value.

Income from pooled investment vehicles is accounted for when declared by the fund manager and can be accrued for at the year end.

Foreign currencies

The Scheme's functional currency is in pounds sterling ("GBP") however the Scheme also has bank accounts denominated in US dollars ("USD") and Euros ("EUR") for investment transactions.

Amounts denominated in foreign currencies at the year end are translated into sterling at the rates of exchange ruling at the year-end date. Differences on foreign currency transactions are shown in the fund account within the change in market value of investments to which they relate.

Investment income denominated in foreign currencies is recorded at the rate of exchange on the date of the transaction. Any exchange differences are disclosed in return on investments.

The presentational currency is pounds sterling.

Investments

Pooled investment vehicles are valued at the bid price at the accounting date as advised by the investment managers.

Critical accounting judgments and estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. No critical accounting judgments have been made in the financial statements.

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Scheme, the Trustees believe the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Scheme investments and, in particular, those classified in Level 2 and 3 of the fair-value hierarchy.

The valuations of Scheme investments are provided by investment managers using established industry valuation techniques. The Trustees take comfort in the investment managers' governance frameworks and independent audit processes, as well as regular oversight undertaken by the Trustees and their advisers, which together help reduce the risk of material estimation uncertainty

Notes to the financial statements for the year ended 31 March 2026 (continued)

4 CONTRIBUTIONS

	2026	2025
	£	£
Employers:		
Employer contributions - normal	**14,798,787**	14,591,628
Additional in respect of transfers in	**-**	742,000
	14,798,787	15,333,628
Members:		
Employee contributions – normal	**47,844**	44,561
Additional voluntary contributions	**327,846**	315,252
	375,690	359,813
	15,174,477	15,693,441

Employer and Employee contributions are due under the Schedule of Contributions, certified by the Scheme Actuary on 28 March 2024.

Salary sacrifice applies from 1 April 2016 and the majority of Scheme members have opted into this arrangement. During the year, employee contributions totalling £3,378,312 (2025: £3,333,017) were made under the salary sacrifice arrangement. They are included as Employer contributions – normal, in the table above.

Additional contributions in respect of the transfer in were received in prior year – see Note 5 for detail.

Members have the ability to pay additional voluntary contributions to the Scheme in return for extra years of pensionable service added to their benefits.

5 TRANSFER IN

	2026	2025
	£	£
Group transfer in	**-**	2,444,823

In the prior year, 11 members from the Civil Service Pension Arrangement (“CSPA”) transferred their past service benefits from the CSPA into the Scheme and assets of £2,444,823 were transferred. The Employer also transferred £742,000 to the Trustee Bank Account in the prior year to mitigate the impact on the Scheme’s funding position as a result of the transfer, and this was accounted for as an additional contribution – see Note 4.

Notes to the financial statements for the year ended 31 March 2026 (continued)

6 OTHER INCOME

	2026	2025
	£	£
Transfer calculation fees	-	4,120
Lump sum death benefits	**279,235**	248,679
	279,235	252,799

Included in the above table are lump sum death in service receipts that have been reclaimed from the assurance policy held with MetLife and offset against the benefits paid to the members' beneficiaries.

7 BENEFITS PAID OR PAYABLE

	2026	2025
	£	£
Pensions	**22,801,272**	21,778,292
Commutations and lump sum retirement benefits	**6,429,758**	6,088,625
Lump sum death benefits	**610,554**	465,208
	29,841,584	28,332,125

8 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2026	2025
	£	£
Individual transfers to other schemes	**262,464**	581,916

9 LIFE ASSURANCE PREMIUMS

	2026	2025
	£	£
Life assurance premiums	**235,232**	223,403

Lump sum death in service benefits are secured by an assurance policy and the underwriting arrangements are carried out by MetLife.

Notes to the financial statements for the year ended 31 March 2026 (continued)

10 ADMINISTRATIVE EXPENSES

	2026	2025
	£	£
Administration, actuarial and investment consultancy	**1,141,398**	1,041,817
Audit fee	**27,500**	25,500
Legal and other professional fees	**170,695**	95,166
Independent Trustee fees and expenses	**25,603**	21,813
Pension Manager fees	**75,690**	-
	1,440,886	1,184,296

Pension Manager fees relate to salary costs for an employee who is being paid from the Scheme since June 2025.

11 INVESTMENT INCOME

	2026	2025
	£	£
Pooled investment vehicles	**10,477,447**	13,348,382
Interest on cash deposits	**360,674**	691,098
Currency exchange	**141,224**	(46,124)
	10,979,345	13,993,356

Currency exchange includes all gains and losses arising from transactions denoted in either USD or Euros.

12 TAX

The Scottish Enterprise Pension And Life Assurance Scheme is a registered pension scheme for tax purposes under the Finance Act 2004. The Scheme is therefore exempt from taxation except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate (see Note 11 above).

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 INVESTMENTS

13.1 INVESTMENT RECONCILIATION

The movements in investments during the year were:

	Value at 1 April 2025	Purchases at cost	Sales proceeds	Change in market value	Value at 31 March 2026
	£	£	£	£	£
Pooled investment vehicles	510,685,834	88,588,651	(119,829,161)	14,138,242	493,583,566
Other investment balances	1,113,514				31,000,991
	511,799,348				524,584,557

As disclosed in the Investment Report, the Trustees implemented strategy changes during the year to 31 March 2025 and 31 March 2026, these are reflected in the above purchases and sales.

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

Transaction Costs

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme. It has not been possible for the Trustees to quantify such indirect costs.

Other investment balances	**2026**	2025
	£	£
Cash deposits	**108,442**	131,246
Accrued investment income	**795,625**	982,268
Unsettled trades and cash-in-transit	**30,096,924**	-
	31,000,991	1,113,514

Unsettled trades and cash-in-transit at 31 March 2026 includes £30m (2025: nil) which was paid out of the Trustee bank account on 31 March to a new fund, Apollo ABF fund, with the investment taking place on 1 April 2026.

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 INVESTMENTS (CONTINUED)

13.1 INVESTMENT RECONCILIATION (CONTINUED)

Concentration of investments

The following pooled investment vehicles, account for more than 5% of the Scheme's net assets as at 31 March 2026 and 31 March 2025:

	2026		2025	
	Market value £	**%**	Market value £	%
Liability Solutions Funds III*	**196,468,911**	**37**	171,192,270	32
CQS Credit Multi Asset Fund	**52,210,941**	**10**	49,572,453	9
Apollo Total Return Fund	**43,069,044**	**8**	42,898,324	8
Aegon European ABS Fund GBP Class I Inc Hedged	**38,879,560**	**7**	28,273,221	5
M&G Sustainable Total Return Credit Investment Fund	**38,191,047**	**7**	-	-
BlackRock - ACS World ESG Equity Tracker Fund	**29,626,025**	**6**	24,610,771	5
Patrizia Infrastructure Debt Partners	**27,886,637**	**5**	37,755,039	7
BlackRock UK Long Lease Property Fund	**19,857,882**	**4**	30,359,319	6
BlackRock – Index-Linked Gilt Funds	**-**	**-**	34,182,570	6
BlackRock – Liquidity Fund	**513,339**	**<1**	36,777,575	7

*This fund contains both the Liability Driven Investment and Short Duration Credit elements.

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 INVESTMENTS (CONTINUED)

13.2 POOLED INVESTMENT VEHICLES ("PIV")

The holdings of pooled investment vehicles are analysed below:

	2026	2025
	£	£
Venture capital funds	**2,552,288**	4,261,758
Property funds	**19,857,882**	30,359,319
Growth and growth fixed income unit trusts	**232,260,486**	181,397,070
Gilt unit trusts	**196,468,911**	205,374,841
Cash funds	**513,339**	36,777,575
Infrastructure funds	**41,930,660**	52,515,271
	493,583,566	510,685,834

Where the investments are held in pooled investment vehicles the change in market value also includes reinvested income, where the income is not distributed. All pooled investment vehicles are managed by companies registered in the UK.

POOLED INVESTMENT VEHICLES - CAPITAL COMMITMENTS

As a consequence of the contracts entered into by BlackRock Investment Management (UK) Limited, Pantheon Ventures Limited, Patrizia Infrastructure Ltd and IFM Investors, the Scheme is committed to complying with funding requests, known as draw downs, up to an agreed maximum funding limit.

BlackRock Investment Management (UK) Limited

Maximum committed	Drawn down	Potential further commitment
$14,000,000	$13,129,064	$1,635,876

Pantheon Ventures Limited

Maximum committed	Drawn down	Potential further commitment
£56,968,699	£51,434,739	£3,713,986

Patrizia Infrastructure Ltd

Maximum committed	Drawn down	Potential further commitment
£40,000,000	£36,682,024	Investment period closed

IFM Infrastructure Investment

Maximum committed	Drawn down	Potential further commitment
£10,000,000	-	£10,000,000

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 INVESTMENTS (CONTINUED)

13.3 INVESTMENTS FAIR VALUE HIERARCHY

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

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

The Scheme's investment assets and liabilities have been fair valued using the above hierarchy categories as follows:

As at 31 March 2026	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	**-**	**397,927,528**	**95,656,038**	**493,583,566**
Other investment balances	**31,000,991**	**-**	**-**	**31,000,991**
	31,000,991	**397,927,528**	**95,656,038**	**524,584,557**

As at 31 March 2025	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	395,834,468	114,851,366	510,685,834
Other investment balances	1,113,514	-	-	1,113,514
	1,113,514	395,834,468	114,851,366	511,799,348

Scheme assets that are categorised as Level 3 are often less liquid by nature. However, most of the Level 3 assets regularly pay out income to the Scheme and some are naturally unwinding over time. The income generated from these assets ensures that the Scheme remains in a strong liquidity position in order to meet ongoing cashflow requirements. Furthermore, the Trustees maintain a sufficient allocation to liquid assets so that there is a prudent buffer to meet cashflow requirements and adhere to regulatory guidance.

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 INVESTMENTS (CONTINUED)

13.4 INVESTMENT RISKS

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: 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.
- 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.
- 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.

The Scheme has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustees' Report. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustees by regular reviews of the investment portfolios.

Further information on the Trustees' approach to risk management and the Scheme's exposures to credit and market risks is set out below. This does not include cash and 'other investments' as these are not considered significant in relation to the overall investments of the Scheme.

Investment Strategy

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

The Trustees' over-riding funding principles for the Scheme are as follows – to set the employer contribution at a level which is sufficient:

- To build up assets to provide for new benefits of active members as they are earned;
- To recover any shortfall in assets relative to the value placed on accrued liabilities over the longer term;
- To ensure that there are always sufficient assets of the Scheme (at their realisable value) to meet 100% of benefits as they fall due for payment to members.

Trustees will invest the assets in a manner which is appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme and will take into account of the security, quality, liquidity, and profitability of the portfolio as a whole. The investment strategy is set out in the Trustees' Statement of Investment Principles and Investment Implementation Policy Document.

The current strategy benchmark is disclosed on page 13.

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 INVESTMENTS (CONTINUED)

13.4 INVESTMENT RISKS (CONTINUED)

The Investment Strategy (continued)

The actual allocations will vary from the above due to market price movements. However the Trustees review the asset split on a quarterly basis at Investment Committee ("IC") meetings and decide where to invest/disinvest cashflows. In the event of the proportion of assets materially diverging from the strategic benchmark, and cashflows being insufficient to remedy the situation, the Trustees will review what action should be taken at the next scheduled IC meeting or earlier if appropriate, following advice from their investment consultant.

Credit Risk

Pooled investment arrangements used by the Scheme are listed below. The Scheme's holdings in pooled investment vehicles are not rated by credit rating agencies. The Trustees manage and monitor the credit risk arising from its pooled investment arrangements by considering the nature of the arrangement, the legal structure and regulatory environment.

Direct credit risk arising from pooled investment vehicles structured as authorised unit trusts, limited companies, closed ended funds, limited partnerships and open ended investment companies is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. Cash held by the pooled manager's custodian is not ring-fenced but the credit risk arising on this is mitigated by the use of regular cash sweeps (typically daily) and investing cash in liquidity funds.

Indirect credit risk arising on the underlying derivatives held by the pooled investment vehicles depends on whether the derivatives are exchange traded or over the counter ("OTC") derivatives. OTC derivatives contracts are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements. Indirect credit risk also arises on forward foreign currency contracts. The credit risk relating to these futures is also mitigated by collateral arrangements.

A summary of pooled investment vehicles by legal structure is disclosed below:

	2026 £	2025 £
Open ended investment companies	192,031,535	171,796,779
Authorised unit trust	196,468,911	205,374,841
Unauthorised unit trust	19,857,882	30,359,319
Shares of Limited Liability Partnership	43,069,044	42,898,324
Public limited liability company	8,104,045	15,176,014
Closed-ended alternative investment fund	27,886,637	37,755,039
Special Limited Partnership	6,165,512	7,325,518
Total	**493,583,566**	**510,685,834**

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 INVESTMENTS (CONTINUED)

13.4 INVESTMENT RISKS (continued)

Market Risk

Currency Risk

Indirect currency risk arises from the Scheme's investment in sterling priced pooled investment vehicles which hold underlying investments denominated in foreign currency and direct currency risk arises from the Scheme's investments in pooled investment vehicles priced in foreign currency. The Scheme's equity funds with Baillie Gifford and BlackRock fall under this category, as do the pooled private equity funds, asset backed securities fund, private debt fund and infrastructure debt fund, managed by Pantheon, Aegon, Partners Group and Patrizia respectively.

Interest Rate Risk

The Scheme is subject to interest rate risk because a proportion of the Scheme's investments are held in bond-like instruments through pooled vehicles. These assets match the characteristics of the liabilities (interest rate and inflation sensitivity). Under this strategy, if interest rates fall (rise), the value of the bonds will rise (fall) to match the increase (fall) in the actuarial value placed on the liabilities arising from a fall (rise) in the discount rate.

The Scheme has exposure to growth fixed income assets via the CQS multi-asset credit, M&G liquid multi-asset credit, Apollo semi-liquid credit, Aegon asset backed securities and BlackRock short duration credit. The interest rate exposure for these funds are expected to be low. The Partners Group direct lending mandate and Patrizia junior infrastructure debt mandates have exposure to floating rate loans which minimise interest rate risk. The Scheme's infrastructure investments with IFM and BlackRock GRP, in addition to the BlackRock Long Lease Property Fund, are also subject to interest rate risk as underlying asset valuations are impacted from higher (lower) interest rates through the discount rate, which decreases (increases) the present value of future income streams.

Notes to the financial statements for the year ended 31 March 2026 (continued)

13 INVESTMENTS (CONTINUED)

13.4 INVESTMENT RISKS (continued)

Other Market Risk

Other price risk arises principally in relation to the Scheme's return seeking assets, which includes equities held in pooled vehicles, semi-liquid credit, direct lending, multi-asset credit, private equity and property.

The table below shows the specific investment risks which affect each of the Scheme's investments as at 31 March 2026 and 31 March 2025:

Fund Name	Credit risk	Currency risk	Interest rate risk	Other price risk	Value 31 March 2026	Value 31 March 2025
Aegon - European Asset Backed Securities	x	x	x	-	38,879,560	28,273,221
Apollo – Semi-Liquid Credit	x	-	x	x	43,069,044	42,898,324
Baillie Gifford – Global Alpha Paris-Aligned	-	x	-	x	15,683,908	14,857,443
BlackRock – ESG Tracker	-	x	-	x	29,626,025	24,610,772
BlackRock – EM Equity	-	x	-	x	6,495,915	6,008,843
BlackRock – Long Lease Property	x	-	x	x	19,857,882	30,359,319
BlackRock – Liquidity	x	-	x	-	513,339	36,777,575
BlackRock – Index-Linked Gilt Funds	x	-	x	x	-	34,182,570
BlackRock – Liability Driven Investment	x	-	x	x	196,468,911	141,289,718
BlackRock – Short Duration Credit	x	-	x	x	-	29,902,552
BlackRock – Infrastructure Equity	x	x	x	x	6,165,512	7,325,518
IFM - Infrastructure Equity	-	-	x	x	7,878,512	7,434,715
CQS – Multi-Asset Credit	x	-	x	x	52,210,941	49,572,453
M&G – Liquid Multi-Asset Credit	x	-	-	-	38,191,047	-
Pantheon - Private Equity	x	x	-	x	2,552,288	4,261,758
Partners Group - Direct Lending	x	x	-	x	8,104,045	15,176,014
Patrizia – Junior Infrastructure Debt	x	-	-	-	27,886,637	37,755,039
Total					**493,583,566**	**510,685,834**

In the above table, the risk noted [x] affects the asset class, [-] has none or negligible exposure.

Notes to the financial statements for the year ended 31 March 2026 (continued)

14 INVESTMENT MANAGEMENT EXPENSES

	2026	2025
	£	£
Administration, management and custody	**287,943**	1,010,280

15 CURRENT ASSETS

	2026	2025
	£	£
Cash in bank	**12,221,523**	16,060,323
Other prepayments	**176,265**	217,404
	12,397,788	16,277,727

16 CURRENT LIABILITIES

	2026	2025
	£	£
Accrued benefits payable	**467,328**	171,027
Accrued fees payable	**432,390**	326,611
	899,718	497,638

17 EMPLOYER RELATED INVESTMENTS

There were no employer-related investments (2025: none) within the meaning of section 40(2) of the Pensions Act 1995.

Notes to the financial statements for the year ended 31 March 2026 (continued)

18 RELATED PARTY TRANSACTIONS

During the period from 1 April 2025 to 31 March 2026, seven Trustees were contributing members of the Scheme (2025: eight), two Trustees were deferred members (2025: two) and one Trustee was in receipt of a pension from the Scheme (2025: two).

Trustee contributions are paid and benefits have been paid in accordance with the Rules of the Scheme.

In addition, the employer has met the cost of the PPF levy of £nil in the year under review (2025: £10,549).

The fees of the Independent Trustee are paid by the Employer and recharged to the Scheme. The amount reimbursed to the Employer by the Scheme was £25,603 (2025: £8,530 to Alistair Gray and £13,152 to Julia Miller). There were also out of pocket expenses paid in the year to 31 March 2026 which totalled £nil (2025: £131), details of these can be found in Note 10.

With effect from 14 April 2025, the Trustees entered into a services agreement with Scottish Enterprise under which Scottish Enterprise provides pension management and scheme secretarial support to the Trustees. The services are delivered by an individual employed by Scottish Enterprise and, under the agreement, the Scheme pays an annual fee of £65,354.69 to Scottish Enterprise, payable quarterly in arrears. The fee may be varied from time to time by agreement between the parties. During the year, the amount charged to the Scheme in respect of these services was £56,940 and £18,750 remained payable at the year end.

As disclosed in Notes 4 and 5, in the prior year the Employer paid £742,000 on behalf of the Trustees as part of a top-up payment for members who transferred into the Scheme from the Civil Service Pension Arrangement ("CSPA") on 1 October 2019. This transaction was calculated by the Scheme Actuary on behalf of the Trustees and the Employer was instructed to make the payment after detailed consultation.

19 GUARANTEED MINIMUM PENSION

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

Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustees do not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

For the actuarial valuation as at 31 March 2023, the Trustees have included a 1% loading to the Scheme's technical provisions to account for GMP equalisation and this is considered immaterial.

In November 2020 a further High Court judgment was made in respect of GMP equalisation and historic transfer values. The judge ruled that historic transfer values would fall under the scope of GMP equalisation and that trustees of pension schemes remain liable to members where transfer value payments reflected unequalised GMP benefits. The Trustees of the Scheme are aware of the issue and will consider this as part of the wider GMP equalisation project. The impact is expected to be immaterial so no allowance is included.

Work is underway to equalise benefits.

Notes to the financial statements for the year ended 31 March 2026 (continued)

20 VIRGIN MEDIA CASE

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd case, which considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. On 29 April 2026, the UK Government enacted the Pension Schemes Act 2026, bringing retrospective validation into law to help pension schemes manage the implication for section 37.

FRC issued finalised guidance on 22 May 2026, which sets out practical, non-prescriptive support for actuaries, including illustrative examples that demonstrate how a proportionate approach may be applied when gathering evidence and exercising professional judgment, particularly where historical records are incomplete.

As a legal solution is now available to certify any deeds in relation to which there is inadequate evidence that the necessary certificate was obtained at the time the Trustees will be obtaining legal and actuarial advice about the next steps, if any, needed to regularise the position. It is not anticipated that this will result in any material impact for the Scheme.

21 SUBSEQUENT EVENTS

There have been changes to some advisers after 31 March 2026, including change of auditor from Johnston Carmichael LLP to RSM UK Audit LLP. Details to changes in advisers have been noted on page 2.

On 1 April 2026, the Scheme invested to a new fund, Apollo ABF fund, funds for which were paid out of the Trustee bank account on 31 March 2026 and therefore this has been recorded in the financial statement as unsettled trades and cash-in-transit.

Section 6 – Independent Auditor's Statement about Contributions under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustees of the Scottish Enterprise Pension And Life Assurance Scheme

Statement about contributions payable under schedule of contributions

We have examined the summary of contributions payable to the Scottish Enterprise Pension And Life Assurance Scheme on page 45, in respect of the scheme year ended 31 March 2026.

In our opinion the contributions for the scheme year ended 31 March 2026 as reported in the attached summary of contributions on page 45 and payable under the schedule of contributions have in all material respects been paid at least in accordance with the schedule of contributions certified by the actuary on 28 March 2024.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 45 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.

Respective responsibilities of Trustees and the auditor

As explained more fully on page 19 in the Statement of Trustees' Responsibilities, the scheme's Trustees are 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 Trustees are 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 and to report our opinion to you.

Use of our statement

This statement is made solely to the scheme's Trustees as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the scheme's Trustees those matters we are required to state to them in an auditor's statement 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 and the scheme's Trustees as a body, for our audit work, for this statement, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
4th Floor, G1
5 George Square
Glasgow
G2 1DY
Date:

Section 7 – Summary of Contributions

Summary of Contributions payable in the year

During the year ended 31 March 2026, the contributions payable to the Scheme under the Schedule of Contributions were as follows:

	Employer	Members
	£	£
Employer		
Employer contributions - normal	14,798,787	-
Members		
Employee contributions - normal	-	47,844
In accordance with the Schedule of Contributions	**14,798,787**	**47,844**
Other contributions payable		
Additional voluntary contributions	-	327,846
Total (as per Fund Account)	**14,798,787**	**375,690**

Signed for and on behalf of the Trustees of the Scottish Enterprise Pension And Life Assurance Scheme by:

J Miller ..... Trustee

L Birch ..... Trustee

22 October 2026 ..... Date

Section 8 – Actuarial Certificate

Scottish Enterprise Pension & Life Assurance Scheme

Schedule of Contributions – Actuarial Certificate

Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective on 31 March 2023 can be expected to be met by the end of the period for which the schedule is to be in force.

Consistency with statement of funding principles

In my opinion, this schedule of contributions is consistent with the statement of funding principles dated 27 March 2024.

Please note that the adequacy of contributions statement in this certificate relates to the Scheme's statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the Scheme's full liabilities with annuities if the Scheme were to wind up.

Signed by	Calum Cooper
Date	28-Mar-2024 | 12:06 GMT
Name	Calum Cooper
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of Employer	Hymans Robertson LLP
Address	20 Waterloo Street, Glasgow, G2 6DB

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.

Section 9 – Schedule of Contributions

Scottish Enterprise Pension & Life Assurance Scheme

Schedule of Contributions

This schedule sets out the contributions that will be paid to the Scottish Enterprise Pension & Life Assurance Scheme (the Scheme). This schedule is dated 27 March 2024 and applies from 1 April 2024 until 31 March 2029. It replaces the previous schedule dated 1 June 2021.

This schedule has been prepared after consultation with Scottish Enterprise (the sponsor) and after taking the advice of Calum Cooper (the scheme actuary). This schedule has been certified by the scheme actuary and the certificate is included in the appendix.

Salary definition

A member's pensionable salary for contribution purposes is defined in the Scheme rules to be basic salary of the member. Where a member's salary is reduced under the pensions salary exchange arrangement, salary is defined in the Scheme rules as the amount before the reduction.

Member contributions

Members shall pay contributions at the rate of 6% of pensionable salary. These contributions and any voluntary contributions are due to be paid to the Scheme not later than 19 days from the end of the month in which the deduction from pay is made. However, if a member elects to participate in the pensions salary exchange arrangement they will not be required to contribute to the Scheme[1].

Sponsor contributions for new benefits

The sponsor shall pay the following contributions to the Scheme (less any contributions payable by the member) on a monthly basis in respect of the accrual of new benefits:

- contributions at the rate of 26% of monthly pensionable salary roll up to 31 March 2026
- contributions from 1 April 2026 will be determined and based on an annual test carried out in advance of the 1 April application date. Further details on the annual test are set out below.

All monthly sponsor contributions shall be paid to the Scheme not later than 19 days after the end of the calendar month to which they relate.

Annual test

An annual test, certified by the scheme actuary, will be applicable for contributions payable from 1 April 2026 to test whether the contribution rate should remain constant or increase or decrease by 1% of pensionable salary. The test will calculate whether the assets plus projected contributions (sponsor and member) are sufficient to meet the long term objective.

Test to determine contributions payable from 1 April 2026

"Success" is determined as having a 60% chance (on a gilts basis) of paying all the pensions promised to members (allowing for future accrual and new entrants) over the long term (stated as 30 years at 31 March 2023) on the current strategy and without additional remedial action. The test will be carried out as at 31 March of the relevant year (e.g. the test to determine contributions payable from 1 April 2026 will be carried out as at 31 March

Section 9 – Schedule of Contributions (continued)

2025), or such later date as agreed between the Trustees and sponsor. All contributions are a % p.a. and net of any contribution payable by members.

If contributions are:

- greater than 20% then the following test applies: if there is less than a 55% chance of success then contributions increase by 1%. If there is a 65% or greater chance of success then contributions reduce by 1%.
- less than 20% then the following test applies: if there is less than a 65% chance of success then contributions increase by 1%. If there is a 75% or greater chance of success then contributions reduce by 1%, subject to a minimum contribution of 18%.
- 20% then the following test applies. If there is less than a 60% chance of success then the contribution rate will increase by 1%. If there is a 70% or greater chance of success then the contribution rate will reduce by 1%.

In all other circumstances, contributions will remain unchanged.

Sponsor contributions are subject to a minimum of 18% p.a. (net of any contributions payable by the member).

Certifying the annual tests

Tests will be certified by the scheme actuary with sponsor notification at least six months prior to their respective 1 April application. All assumptions will be consistent with the Statement of Funding Principles dated 27 March 2024, updated for market conditions. Where the test shows that further increases are required, the sponsor will ensure total contributions increase as required. However, in non-valuation years and for these annual test purposes a 1% step-up will always be deemed enough.

Timing of the annual tests

The timing of the tests are set out in the table below. Please note that where a new valuation is agreed, if a test is due within three months of the date of signing that valuation, then the test is no longer due.

Date of test	Latest date contributions to be agreed by	Date new contribution rate (if changing) would take effect
31 March 2025	30 Sept 2025	1 April 2026
31 March 2026	30 Sept 2026	1 April 2027
31 March 2027	30 Sept 2027	1 April 2028
31 March 2028	30 Sept 2028	1 April 2029

Sponsor deficit reduction contributions

The 31 March 2023 actuarial valuation showed that the Scheme had no funding deficit relative to the Scheme's statutory funding objective and so no deficit contributions are required.

All sponsor contributions are due to be paid to the Scheme not later than 19 days after the end of the month to which they relate.

Section 9 – Schedule of Contributions (continued)

The sponsor shall also pay to the Scheme any additional contributions required from time-to-time on the advice of the scheme actuary as required from time to time under the Scheme's trust deed and rules.

Expenses, Levies, Fees and Insurance Premiums

The sponsor's contributions include an allowance for the following which are payable by the Scheme:

- the Pension Protection Fund administration levy
- the Pension Regulator's general levy
- life insurance premiums
- fees payable to the Scheme's administrators, investment managers and other professional advisors
- other Scheme expenses that are reasonably incurred in the course of the Trustees performing their duties.

This list is not exhaustive and other ongoing expenses may be met from the Scheme at the discretion of the Trustees on the advice of the scheme actuary.

The sponsor's contributions do not include any allowance for the Pension Protection Fund levy or the Trustees' indemnity insurance, which are payable in addition to the contributions shown on this schedule, unless otherwise agreed by the Trustees on advice from the scheme actuary.

Prepared by the Trustees of the Scheme

Signature [redacted] on behalf of the Trustees

Print name ALISTAIR GRAY Position Chair of Trustee Board

Date 28-Mar-2024 | 13:22 GMT

Agreed by the sponsor

Signature [redacted] on behalf of Scottish Enterprise

Print name Douglas Colquhoun Position Chief Financial Officer

Date 28-Mar-2024 | 14:14 GMT

This schedule of contributions is provided to meet the requirements of section 227 of the Pensions Act 2004.

Section 10 – Implementation Statement

Scottish Enterprise Pension And Life Assurance Scheme – Implementation Statement to 31 March 2026

The following pages contain the Implementation Statement Report for the Scottish Enterprise Pension And Life Assurance Scheme to the Scheme year end 31 March 2026.



Scottish Enterprise Pension and Life Assurance Scheme: Implementation Report

August 2026

isio.

Document classification: Confidential

Background

Background

This statement explains how the Trustees' policies set out in the Statement of Investment Principles (SIP) have been followed during the reporting year, including the exercise of voting rights and engagement activities undertaken by the Scheme's investment managers.

Statement of Investment Principles (SIP)

The Statement of Investment Principles ('SIP') sets out the Trustees' policies in relation to voting rights and engagement activity. As stated within the SIP, the Trustees have acknowledged responsibility for the voting and engagement policies undertaken by the Scheme's investment managers on their behalf.

The SIP can be found online at the web address https://sepensions.co.uk/scheme-documents/statement-of-investment-principles-2025/

Summary of key actions undertaken over the Scheme reporting year

- Following the agreement of a risk-focussed investment strategy at the September 2024 Trustee Board, the Trustees continue to implement the revised investment strategy on a phased basis over the reporting year.
- In December 2024, the Trustees agreed to make a full disinvestment from the BlackRock Long Lease Property mandate, following senior team changes and significant redemptions. The disinvestment instruction was submitted for the 31 December 2025 trade date. At the May 2025 Investment Committee meeting, the Trustees agreed to reinvest the LLP proceeds equally into Liquid MAC and Infrastructure Equity (+2.5% each). This resulted in an updated strategy, approved at the June 2025 Trustee meeting, which retained the current manager line-up and modestly increased the expected return.
- Following manager selection exercises completed over 2025, the Trustees formally selected the M&G Sustainable Total Return Credit Investment Fund for the new Liquid Multi-Asset Credit allocation, and the Apollo Asset Backed Finance Fund for the Private Debt allocation. The M&G allocation was funded over June 2025 and October 2025, which involved re-investing excess cash from unwinding illiquid allocations.
- In June 2025, the Trustees increased the hedge target from 70% to 75% on a Technical Provisions basis, following an LDI review using updated liability cashflows from the 2023 valuation. This change was implemented in July 2025 and involved terminating the Scheme's index-linked gilts allocation to achieve a more efficient hedging solution using LDI. As part of this activity, the Trustees also increased allocations to Short Duration Credit and Asset Backed Securities to align with target weights and provide further collateral resilience.
- The Trustees completed a further review of the liability hedge in Q1 2026, based on updated cashflows from the 2023 valuation adjusted for Scheme and market experience to 30 September 2025. As part of this review, the Trustees raised the liability hedging target from 75% to 80% on the Technical Provisions basis, which was implemented in April 2026.
- In April 2026, the Trustees funded an initial £30m investment in the Apollo Asset Backed Finance Fund. This was funded using surplus cash from the BlackRock ICS Liquidity Fund

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(arising from the unwind of illiquid funds), together with £4m of excess collateral within the LDI mandate, with cash in transit as at 31 March 2026. The remaining allocation is expected to be funded in late 2026 to bring the total allocation to 7.5% of Scheme assets.

Implementation Statement

This report demonstrates that Scottish Enterprise Pension and Life Assurance Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed:

Position:

Date:

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Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 75% of these risks on a Technical Provisions liability basis. (Post reporting period, the Trustees' policy was amended to target 80% of liabilities on the Technical Provisions basis).	In June 2025, the Trustees and Sponsor approved raising the hedge target from 70% to 75% on a Technical Provisions basis, following an LDI review using updated liability cashflows from the 2023 valuation. This change was implemented in July 2025. The Trustees completed a further review of the liability hedge in Q1 2026, based on updated cashflows from the 2023 valuation adjusted for Scheme and market movements to 30 September 2025. Post reporting period, the Trustees approved raising the liability hedging target to from 75% to 80% on the Technical Provisions basis, which was implemented in April 2026.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	The Trustees regularly monitor the collateral and liquidity position to reduce the impact of this risk via quarterly reporting provided by their investment consultant. Over the reporting period, the Trustees made top-up investments to existing collateral supporting assets (Short Duration Credit and Asset Backed Securities), bringing those assets to their target weightings. The Trustees also implemented a new allocation to Liquid Multi-Asset Credit (MAC) (7.5% of Scheme assets) which provides daily liquidity and additional collateral resilience to the LDI portfolio.

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Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	As noted in previous sections, the Trustees made progress in implementing a new risk-focussed investment strategy over the period and increased the Scheme's liability hedging target (reducing unrewarded risks).
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	The Trustees enhanced diversification within the credit portfolio through the introduction of the new Liquid MAC mandate. The Trustees also reviewed options to top-up the Scheme's Private Debt allocation to target weight and agreed to introduce a new Asset Backed Finance allocation with Apollo, with the initial investment taking place in April 2026.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criterion: 1. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI Signatory The Trustees monitor the managers on an ongoing basis.	The Trustees completed the Scheme's Annual Sustainability Integration Assessment in Q2 2025. The purpose of the assessment was to evaluate the investment managers' approach to integrating ESG factors and suggest actions for improvement. The Scheme's investment advisor Isio then communicates these proposed actions to the Scheme's investment managers on the Trustees' behalf.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Hedge all currency risk on all assets that deliver a return through contractual income.	The Trustees reviewed the Scheme's currency hedging approach in November 2025 and subsequently agreed a formal currency hedging policy in March 2026 for the passive developed market equity allocation (BlackRock ESG Tracker Fund). The policy establishes a market-based trigger framework under which specific GBP/USD exchange rate levels prompt a review of the developed market equity FX hedge. No triggers were hit or changes implemented over the reporting period.

Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	No action or change over the reporting period.

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Changes to the SIP

Over the period to 31 March 2026, the Trustees updated the SIP in August 2025 to reflect recent investment strategy changes.

<table>
<tr><th>Changes to the SIP</th><th></th></tr>
<tr><td>Date updated: August 2025</td><td></td></tr>
<tr><td>Hedging target</td><td>• The SIP was updated to reflect the change in the Scheme's hedging target to 75% (on a Technical Provisions basis).</td></tr>
<tr><td>Strategic benchmark</td><td>• The SIP was updated to reflect the new strategic benchmark agreed in September 2024, including references to the expected return target of Gilts + 2.5% per annum.</td></tr>
<tr><td>Collateral management policy</td><td>• The Scheme's collateral management policy within the SIP was amended to reflect the new collateral waterfall, shown below. This includes the new Lower Risk Multi-Asset Credit Mandate with M&G and removes the Baillie Gifford Diversified Growth allocation (which has been fully disinvested).
<table>
<tr><th>Manager</th><th>Asset Class</th><th>Dealing frequency</th></tr>
<tr><td>LDI manager</td><td>Short Duration Credit</td><td>Daily frequency</td></tr>
<tr><td>Non-LDI manager</td><td>Asset Backet Securities</td><td>Daily frequency</td></tr>
<tr><td>Non-LDI manager</td><td>Lower Risk Multi-Asset Credit</td><td>Daily frequency</td></tr>
<tr><td>LDI manager</td><td>Equity</td><td>Daily frequency</td></tr>
<tr><td>Non-LDI manager</td><td>Equity</td><td>Daily frequency</td></tr>
</table>
</td></tr>
</table>

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Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regarding to ESG as a financially material risk. This page details how the Scheme's ESG policy is implemented, while the following page outlines Isio's assessment criteria as well as the ESG beliefs used in evaluating the Scheme's managers' ESG policies and procedures. The rest of this statement details our view of the managers, our actions for engagement and an evaluation of the stewardship activity.

The below table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustees intend to review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

Implementing the Current ESG Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights	• The Trustees will obtain regular training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments. • As part of ongoing monitoring, the Trustees will use any ESG ratings information provided by their investment consultant to assess how the Scheme's investment managers take accounts of ESG issues. • Through their investment consultant, the Trustees will request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes on an annual basis. • Through the manager selection process, ESG considerations will form part of the evaluation criteria.	• The manager has not acted in accordance with their policies and frameworks. • The manager has received a 'red' ESG rating from the investment consultant, signifying that its ESG approach is below satisfactory.

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ESG summary and engagement with the investment managers

Manager, fund	ESG Summary	Actions identified	Engagement with manager commentary
Baillie Gifford Global Alpha Paris-Aligned	The Fund is a variation of the Baillie Gifford ("BG") Global Alpha strategy. The parent fund is adjusted in order to screen out carbon intensive companies from the portfolio. The Fund has a commitment to lowering carbon intensity and this is assessed by having a lower greenhouse gas intensity than the MSCI ACWI EU Paris Aligned Requirements Index. BG demonstrates a strong approach to ESG integration, supported by clear fund-level ESG objectives, exclusions and a detailed ESG scoring framework embedded within the investment process. The manager also demonstrates strong stewardship capabilities, with evidence of engagement and voting, and enhanced quantitative risk screening tools.	BG could provide more detailed, stock-level ESG reporting, including greater clarity on how key ESG metrics are calculated and verified. BG could also provide clearer temperature pathway alignment reporting. BG could enhance collaboration on ESG initiatives, particularly in demonstrating progress against net zero and decarbonisation objectives.	Isio engaged with Baillie Gifford on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the Baillie Gifford engagements.
BlackRock Global ESG Equity	BlackRock benefits from strong firm-level ESG policies, established stewardship priorities, and active collaboration across the industry. At a fund level, ESG integration is less advanced, reflecting the passive nature of the strategy. The fund lacks explicit ESG objectives and climate risk modelling, and reporting is less developed relative to peers. Recent changes to BlackRock's climate positioning, including	BlackRock should introduce firm-level stewardship objectives and formal approach within the firmwide ESG policy. BlackRock should develop clearer fund-level ESG objectives and integrate the use of climate scenario analysis within the risk framework. BlackRock should incorporate ESG metrics (including climate data) into regular reporting.	Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the BlackRock engagements.

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	withdrawal from net zero initiatives, have also weakened the overall approach.	BlackRock should commit to a Net Zero firm-wide target, with meaningful interim targets. BlackRock's global business withdrew from the Climate Action 100+ initiative in early 2024, transferring its membership to its European arm. BlackRock should reconsider this position, which reduces their ability to drive forward stewardship responsibilities on behalf of their clients.	
BlackRock EM Equity	BlackRock maintains a firmwide ESG policy and has set clear stewardship priorities which are overseen by the central team, while also collaborating with the wider investment community on a range of ESG topics. ESG integration at the fund level remains limited, with no clear ESG objectives, no exclusions framework and weak climate data coverage. Reporting and evidence of engagement, on both carbon emissions and non-environmental metrics, remains weaker than peers, highlighting areas for further improvement.	BlackRock should introduce firm-level stewardship objectives and formal approach within the firmwide ESG policy. BlackRock should commit to a Net Zero firm-wide target, with meaningful interim targets. BlackRock's global business withdrew from the Climate Action 100+ initiative in early 2024, transferring its membership to its European arm. BlackRock should reconsider this position, which reduces their ability to drive forward stewardship responsibilities on behalf of their clients. BlackRock should improve ESG reporting coverage (including carbon metrics). BlackRock should provide more robust evidence of engagement and voting activity at the fund level, to better demonstrate the effectiveness of stewardship relative to peers. BlackRock should develop clearer fund-level ESG objectives and integrate the use of climate scenario analysis within the risk framework.	Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the BlackRock engagements.

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BlackRock Long Lease Property	The Fund benefits from BlackRock's firm-level ESG policy and stewardship priorities. At the fund level, key strengths include the integration of ESG considerations within the risk management process and the use of a comprehensive ESG scorecard across underlying investments. There are, however, opportunities to enhance the fund's investment approach, stewardship activities, and ESG-related reporting and disclosures. Due to the nature of the asset class, the Fund has a limited level of control to implement some ESG practices.	BlackRock should enhance ESG reporting by providing regular fund-level disclosures on ESG metrics, including climate and social indicators, carbon-related data and asset-level ESG scores to improve transparency for investors. BlackRock should strengthen stewardship activities by providing clearer evidence of engagement on material ESG issues and reporting engagement outcomes, allowing investors to better assess the effectiveness of its responsible investment approach. BlackRock should also commit to a Net Zero firm-wide target, with meaningful interim targets. BlackRock's global business withdrew from the Climate Action 100+ initiative in early 2024, transferring its membership to its European arm. BlackRock should reconsider this position, which reduces their ability to drive forward stewardship responsibilities on behalf of their clients.	Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the BlackRock engagements.
Manulife CQS ("CQS") Multi-Asset Credit	CQS has strong firm-level policies, (e.g. 2050 net zero commitment on >50% assets) and engagement with collaborative initiatives across industry topics, being a signatory to several key organisations. The Fund has quantifiable ESG objectives: lower weighted average carbon intensity ("WACI") than a benchmark, a net-zero target and limiting exposure to low-scoring issuers. Regular reporting for the fund includes ESG and climate metrics.	CQS should enhance ESG reporting coverage, as current disclosures are limited to weighted carbon intensity and capture less than 50% of the portfolio. CQS should develop ESG reporting further to cover social and nature metrics. CQS should also grow the coverage of reported / verified greenhouse gas emissions.	Isio engaged with CQS on the Trustees' behalf to review their ESG policies, set actions and priorities. The investment consultant regularly reports back to the IC with updates on the CQS engagements.

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Apollo Multi-Asset Credit	Apollo publish firm-level ESG and engagement policies. They have a well-resourced and dedicated sustainability team and platform. Additionally, high-level engagement priorities and escalation approaches are in place. The Fund has no direct ESG objectives, nor a formal exclusions list. However, a scorecard is used to apply their ESG risk framework consistently and a detailed quarterly ESG report is produced for the fund.	Apollo should encourage the formalisation of climate as a key stewardship priority, including clearer articulation of how climate considerations are embedded within engagement activity and investment decision-making. Apollo should consider introducing explicit fund-level ESG objectives, alongside greater use of climate scenario analysis and portfolio risk modelling, to strengthen the integration of climate risks within the investment process.	Isio engaged with Apollo on the Trustees' behalf to review their ESG policies and set actions and priorities. The investment consultant regularly reports back to the Scheme's IC with updates on Apollo engagements.
Partners Group Direct Lending (PMCS 2018)	Partners Group ("PG") have a well-resourced central SI team and a structured training program. They also have a strong net zero commitments, including pathway to net zero by 2030 on all corporate activities and 2050 across all portfolios. At a fund level, Partners Group maintain a robust investment approach aligned with industry recognised guidance, e.g. UNGC principles. An ESG scorecard is used during initial due diligence to assess each asset's ESG risk.	PG should implement fund-level ESG objectives with a quantifiable target to enhance ESG policy. PG should look to evidence engagement activity, including quantified engagement coverage, clear case studies, and outcomes linked to ESG priorities, across climate, social, and nature topics. PG should improve the breadth and consistency of fund-level ESG reporting, particularly by increasing GHG data coverage, moving beyond ad hoc carbon disclosures, and include temperature alignment metrics and broader ESG indicators (e.g. social and nature metrics).	Isio engaged with Partners Group on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the Partners Group engagements.
Aegon Asset Backed Securities	Aegon have net zero and interim targets and are signatories to many ESG initiatives. Aegon have a self-standing RI team, a firm level ESG policy and track all engagements centrally. The Fund integrates ESG using a scorecard approach to exclude issuers below specified limits. ESG reporting has been an area for development, however Aegon have recently made improvements in this area by including greater detail on	Aegon should provide more clarity on plans to expand the proportion of AUM covered by firm-level net zero commitments, and how this translates into fund-level implementation and portfolio outcomes. Aegon should look to further evidence climate risk mitigation within the investment process, including the use of portfolio-level analysis or scenario modelling to demonstrate how climate risks are identified and managed.	Isio engaged with Aegon on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the Aegon engagements.

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	ESG ratings and metrics in fund reporting.		
BlackRock Infrastructure Equity	BlackRock demonstrates clear strengths in the fund's ESG integration across its investment approach and reporting capabilities. However, firm-level changes to the risk-management process has led to a deterioration in its risk management approach. In addition, BlackRock's inability to provide fund-level case studies remains a weakness of their ESG capabilities. The Global Renewable Power Fund III (GRP III) is an article 9 Fund under SFDR with clear ESG objectives. The Fund invests to be aligned to various UN SDG goals and provides annual ESG reporting against these objectives.	BlackRock should introduce firm-level stewardship objectives and formal approach within the firmwide ESG policy. BlackRock should commit to a Net Zero firm-wide target, with meaningful interim targets. BlackRock's global business withdrew from the Climate Action 100+ initiative in early 2024, transferring its membership to its European arm. BlackRock should reconsider this position, which reduces their ability to drive forward stewardship responsibilities on behalf of their clients. BlackRock should provide fund level case studies of how ESG risks are captured during the due diligence process. BlackRock should demonstrate clear examples / case studies of fund level engagements with outcomes that support ESG risk mitigation.	Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the BlackRock engagements. Following some portfolio write downs incurred over 2024/2025 the Trustees have actively engaged with BlackRock in relation to the portfolio impacts, the investment managers' fiduciary responsibilities and its plan to recover value. This included the Trustees arranging an additional meeting with BlackRock in August 2025 to receive a direct update on the Fund, recent team changes, and actions being taken by BlackRock to recover value and improve processes going forward. The Trustees continue to monitor fund developments closely and escalate issues to BlackRock as required.
M&G Sustainable Total Return Credit	M&G maintains strong firm-wide climate commitments and well-established stewardship practices. The Fund has a clear focus on sustainable investment opportunities, with proprietary ESG analytical tools used to identify and monitor ESG-themed bonds across the investment universe.	M&G should improve ESG reporting by increasing the frequency and breadth of metrics included within regular fund report, including climate and social metrics.	Isio engaged with M&G on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the M&G engagements.
Patrizia Infrastructure Debt	Patrizia have strong firm-level policies, (e.g. net zero commitment by 2040). They also have a strong focus on sustainable investment knowledge implemented through a robust training program across the firm. Reporting for the Fund covering climate risk mitigation/opportunities and ESG metrics is provided annually. Ongoing monitoring	Patrizia should establish clearer fund-level ESG objectives and stewardship priorities, supported by a more formalised engagement framework to improve accountability and demonstrate how ESG considerations influence outcomes over the fund's remaining life. Patrizia should enhance transparency around	Isio engaged with Patrizia on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the Patrizia engagements.

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	processes are supported by ESG scores and assessments of each asset. However, the fund's mature stage and operation outside the investment period, limits the scope for significant ESG change.	engagement activity by providing more structured tracking of engagement actions, escalation pathways and outcomes, enabling investors to better assess the effectiveness of stewardship efforts.	
IFM Global Infrastructure	IFM has a firm-wide Net Zero Commitment with interim targets. The firm has a dedicated ESG team for various strategies, and a stewardship team which covers climate, social, and biodiversity. The firm has strong collaboration capabilities as they are signatories to a number of ESG initiatives. Sustainable investment factors are incorporated into the due diligence on new investments. IFM ensures each asset has a net zero transition and an emissions reduction pathway in place.	IFM should consider using a formal ESG scorecard during its ongoing monitoring and review the Fund's ESG scorecard on an annual basis. IFM should seek to provide broader ESG metrics in regular fund reporting such as social and nature-based, IFM should provide more detailed case study evidence of engagement aligned with set priorities.	Isio engaged with Isio on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the IFM engagement.
BlackRock LDI Portfolio	BlackRock have set explicit stewardship priorities on which to engage with investee companies, overseen by a central team. They also have strengths in the risk management approach, specifically in using multiple data sources and modelling LDI funds have no specific ESG objectives. They have a proprietary green bond taxonomy framework and rate green gilts within this. Improved reporting and greater transparency around stewardship activity and engagement outcomes would strengthen the overall approach.	BlackRock should introduce firm-level stewardship objectives and formal approach within the firmwide ESG policy. BlackRock should develop more standardised ESG reporting at the fund level, including broader ESG metrics beyond current disclosures. BlackRock should commit to a Net Zero firm-wide target, with meaningful interim targets. BlackRock's global business withdrew from the Climate Action 100+ initiative in early 2024, transferring its membership to its European arm. BlackRock should reconsider this position, which reduces their ability to drive forward stewardship responsibilities on behalf of their clients. BlackRock should provide evidence of engagement with counterparties and provide	Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the BlackRock engagements.

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		counterparty ESG scores and/or metrics.	
BlackRock Sustainable Short Duration Credit ("SDC")	BlackRock have clear forward-looking climate objectives for the fund embedded in its approach. A key strength is the use of BlackRock's PEXT/NEXT framework, which assesses the broader societal and environmental impacts of portfolio holdings, as well as a suite of climate, nature, and social metrics reported for the Fund. Stewardship remains a weak area for the Fund, with limited fund-level ESG engagement and limited evidence of strategic alignment. Firm-level environmental pledges are also weak, with no net-zero target in place.	BlackRock should introduce firm-level stewardship objectives and formal approach within the firmwide ESG policy. BlackRock should commit to a Net Zero firm-wide target, with meaningful interim targets. BlackRock's global business withdrew from the Climate Action 100+ initiative in early 2024, transferring its membership to its European arm. BlackRock should reconsider this position, which reduces their ability to drive forward stewardship responsibilities on behalf of their clients. BlackRock should encourage greater evidence of fund-level engagement and voting activity, including clearer articulation of how stewardship priorities translate into measurable outcomes at the portfolio level.	Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the BlackRock engagements.
BlackRock Liquidity Fund	BlackRock demonstrates strengths in the fund's investment and risk management processes, with ESG considerations incorporated through the use of an ESG scorecard and the exclusion of certain harmful sectors. BlackRock are also able to evidence active voting and engagement on relevant ESG priorities and provides an appropriate level of fund-level carbon-related metrics reporting. While there remain opportunities to further enhance ESG integration, we note that BlackRock are partly constrained due to the nature of the asset class.	BlackRock should commit to a Net Zero firm-wide target, with meaningful interim targets. BlackRock's global business withdrew from the Climate Action 100+ initiative in early 2024, transferring its membership to its European arm. BlackRock should reconsider this position, which reduces their ability to drive forward stewardship responsibilities on behalf of their clients. BlackRock should include ESG metrics in regular reporting (incl. ESG scores, climate and social scores).	Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the IC with updates on the BlackRock engagements.

Pantheon Private Equity	The Scheme has a small allocation to a historic Private Equity Fund of Funds with Pantheon. No engagement has taken place with this manager on ESG issues.

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Engagement

As the Scheme invests via fund managers the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 31 March 2026.

Fund name	Engagement summary	Commentary
Baillie Gifford Global Alpha Paris-Aligned	Total engagements: 62 Environmental: 29 Social: 27 Governance: 82 One engagement can comprise of more than one topic across each company. Therefore, the total number of engagements may not equal the sum of individual topic totals. Topic totals can also include engagements that span multiple sub-topics. For example, an engagement addressing several governance matters, such as board effectiveness and remuneration, may be counted as more than one governance engagement above.	Baillie Gifford contacted numerous companies where they engaged on a diverse variety of subjects. Examples of significant engagement include: Alphabet Inc.: Baillie Gifford engaged with Alphabet through a shareholders call with the Global Head of Data Centre Energy, to better understand how the company is managing rapid data centre expansion while maintaining its low-carbon energy and water commitments. The discussion covered grid capacity constraints, regulatory challenges and workforce shortages, alongside Google's efforts to improve system efficiency, increase flexible demand and invest in emerging low-carbon technologies, including nuclear and geothermal energy. The engagement provided reassurance that Alphabet remains committed to its environmental objectives despite growing demand and policy uncertainty. Baillie Gifford will continue to engage with the company on these issues and monitor progress against their sustainability objectives.

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BlackRock Global ESG Equity	Total engagements: 443 Environmental: 173 Social: 159 Governance: 419 One engagement can comprise of more than one topic across each company. Therefore, the total number of engagements may not equal the sum of individual topic totals.	The BlackRock Investment Stewardship Team (BIS) carry out all voting and engagement activities. The BIS engage across all funds at an issuer level thereby leveraging all the capital at their disposal to maximise engagement effectiveness. BlackRock does not provide fund-specific ESG engagement examples. However, the following firm-level engagement relates to a company held within the Fund: Western Digital Corporation (WDC): BlackRock engaged with WDC's board and executive leadership ahead of the 2025 AGM to discuss governance matters relating to the company's strategy and capital allocation priorities following the spin-off of its Flash business. Discussions covered post-separation business developments, leadership succession and growth opportunities linked to increasing AI-driven demand for data storage solutions. The engagement provided additional insight into the company's strategic direction and capital allocation framework, supporting the manager's assessment of AGM proposals and voting decisions.
BlackRock EM Equity	Total engagements: 164 Environmental: 61 Social: 43 Governance: 157 One engagement can comprise of more than one topic across each company. Therefore, the total number of engagements may not equal the sum of individual topic totals.	The BlackRock Investment Stewardship Team (BIS) carry out all voting and engagement activities. The BIS engage across all funds at an issuer level thereby leveraging all the capital at their disposal (for example across equity and credit) to maximise engagement effectiveness. BlackRock does not provide fund-specific ESG engagement examples. However, the following firm-level engagement relates to a company held within the Fund: POSTCO Holdings Co (POSCO): BlackRock engaged with members of POSCO's board and executive leadership to discuss the company's approach to managing health and safety risks, following a series of workplace accidents. Discussions focused on the company's efforts to strengthen its safety culture, governance and operational controls, including the

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		use of technology and enhanced supplier assessments. The engagement improved the manager's understanding of the board's oversight of health and safety matters and the actions being taken to reduce operational and workforce risks.
BlackRock Long Lease Property	BlackRock currently do not provide details of their engagement activities for this investment due to the nature of the Fund. Isio will work with BlackRock on behalf of the Scheme to develop BlackRock's engagement reporting going forward.	As with the equity mandates, BlackRock's ESG related engagement is led by the BIS team. BlackRock lease on full repairing and insuring ("FRI") terms, which means that whilst a tenant is in a property BlackRock has limited control over that property. BlackRock does recognise the importance of engaging with tenants and other stakeholders to gain insight into their ESG practices and key performance indicators. Engagement activity varies from asset to asset, but often includes a combination of campaigns, activities and events to address sustainable best practice, particularly in relation to energy and resource efficiency, which is a key priority area for BlackRock and the wider industry.
BlackRock Infrastructure Equity	BlackRock currently do not provide a breakdown of their engagement activities for this investment due to the nature of the Fund. Isio will work with BlackRock on behalf of the Scheme to develop BlackRock's engagement reporting going forward.	BlackRock actively engages with underlying assets on ESG issues to enhance risk mitigation within the mandate. BlackRock have explicit stewardship priorities from a firm-level perspective and use a central team to drive engagements. However, this is done without fund-specific KPIs or milestones. BlackRock have been unable to provide case studies of any engagements for the Fund.
Aegon Asset Backed Securities	Total Engagements: 114 Environmental: 4 Social: 2 Governance: 29 Other: 81 One engagement can comprise of more than one topic across each company. Therefore, the total number of engagements may not equal the sum of individual topic totals.	Before investing in an ABS transaction, the investment team will engage with the relevant parties including the seller, sponsor, originator and other transaction parties via a sector-specific questionnaire. Aegon will monitor these engagements against set milestones and undertake further investments where necessary. Examples of significant engagement include:

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		Various Residential Mortgage Backed Securities (RMBS) and consumer Asset Backed Securities (ABS) issuers: Aegon engaged with RMBS and consumer ABS issuers during the year with the aim of improving the availability of ESG-related, loan-level data. This involved distributing ESG questionnaires to issuers and encouraging enhanced disclosure through direct discussions where data availability was limited. Aegon noted that, although the availability of ESG data improved over the past year, significant gaps remain. In particular, the limited availability of Energy Performance Certificate (EPC) data continues to present a key challenge for investors seeking to integrate ESG considerations into RMBS assessments. Aegon intends to continue engaging with issuers to promote greater transparency and improve the quality and consistency of ESG disclosures.
Manulife CQS ("CQS") Multi-Asset Credit	Total engagements: 53 CQS do not provide a breakdown of their ESG engagements by topic.	CQS engages with corporate issuers, banks to whom they provide regulatory capital relief, CLO managers, regulators and service providers. Key engagement priorities include governance, climate risk management and people factors. Examples of significant engagement include: Food Retail Company: CQS engaged with the company on human and labour rights, following concerns on wage growth, employment disclosure and human rights diligence relative to peers. Discussions with senior management covered employee pay, union engagement and supply chain oversight. The company outlined actions including wage increases in line with the National Living Wage, ongoing union dialogue and enhancements to its human rights framework and supplier standards. CQS encouraged further progress on transparency and governance, and will continue to monitor wage competitiveness,

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		labour relations and supply chain risks.
M&G Sustainable Total Return Credit	Total Engagements: 32 Environmental: 21 Social: 6 Governance: 5	M&G established company-wide policies and stewardship priorities when engaging with portfolio firms. These priorities focus on environmental factors however also cover social and governance factors. M&G can provide evidence of engagements on ESG issues at the underlying strategy and firm level. Examples of significant engagement include: Bayer: M&G engaged with Bayer through the Access to Medicine Foundation initiative (ATMI) on improving access to medicine in low- and middle-income countries. The company outlined progress through its Global Health Unit, which focuses on expanding availability and sustainability of healthcare systems via partnerships and reinvestment. Reporting, in particular impact reporting, continues to be a challenge for the company. The company confirmed that establishing a framework to measure impact remains a work in progress. It is currently looking into established models
Apollo Multi-Asset Credit	Total Engagements: 209 Environmental: 203 Social: 204 Governance: 203 One engagement can comprise of more than one topic across each company. Therefore, the total number of engagements may not equal the sum of individual topic totals.	Apollo has set engagement policies at the firm-level, including high-level engagement priorities and an escalation approach. As bond investors, Apollo's voting rights are limited, making it more difficult to engage with portfolio companies in comparison to equity investors. Engagement coverage for the fund has been relatively low in recent years, but Apollo can demonstrate examples of engagement with issuers. Examples of significant engagement include: Breitling: In an effort to help drive value creation and address stakeholder issues, Apollo held a sustainability engagement call with Breitling. Key takeaways from the engagement include Breitling being on track to achieve

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		100% Artisanal & Small Scale Mining (ASM) gold, which generally has more ethical practices, alongside 100% lab-grown diamonds. Additionally, rather than sourcing directly from mines, Breitling works through a diversified set of vetted refiners discloses all refining partners, and is actively building a multi-brand ASM sourcing initiative within the industry.
Partners Group Direct Lending (PMCS 2018)	During the reporting period, the Fund did not undertake any ESG-related engagements, which is consistent with its current phase of winding down operations.	Partners Group maintain ongoing contact with the management teams of their portfolio companies, however, given their position as debt lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks. Partners Group were unable to provide fund-level engagement examples.
Patrizia Infrastructure Debt	Total Engagements (Corporate): 23 Environmental: 11 Social: 8 Governance: 4	Patrizia engage with investee companies on ESG issues as part of their regular monitoring and pre-investment due diligence, the outcome may impact investing decisions. Engagement takes place on a yearly basis to collect ESG linked KPIs which thereafter feed into the Fund's Climate Change Reporting and Sustainability Reporting. Examples of significant engagement include: Adapteo: Patrizia engaged directly with Adapteo's Chief Sustainability Officer and Group Treasurer to gain a greater understanding of the company's sustainability strategy, circular economy model, decarbonisation initiatives and approach to evolving EU sustainability

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		regulations. Through a dedicated sustainability deep-dive discussion, Adapteo demonstrated progress against its three strategic sustainability pillars and provided updates on its assessment of EU Taxonomy alignment and CSRD requirements. The engagement improved Patrizia's understanding of the company's sustainability framework and future reporting plans.
IFM Global Infrastructure	IFM do not provide a detailed breakdown of ESG engagements undertaken during the year. However, they note that engagement activity within the Global Infrastructure Fund is continuous and embedded within their asset ownership model.	IFM engage through board representation in both their private equity and public market portfolio holdings. IFM will only invest in companies which have appropriate governance structures in place. IFM bring together key executives of their portfolio companies to help spread good ESG practice and objectives across the portfolio. Examples of significant engagement include: Veolia Energia Polska: IFM engaged closely with the company through its active ownership approach, including board representation and regular dialogue with management, to support ongoing sustainability improvements. With IFM's involvement, the company committed to transitioning away from coal, supporting Poland's shift towards a cleaner energy mix. This objective aligns with IFM's broader commitment to achieving net zero emissions across all asset classes, including the Global Infrastructure Fund, by 2050. IFM reports that the first phase of the decarbonisation programme is progressing well and they will continue to work alongside the company to help future-proof its energy generation assets and facilitate the use of lower-emission fuels.
BlackRock LDI and Liquidity Funds	BlackRock currently do not provide details of their engagement activities due to the nature of the funds. Isio will work with BlackRock on the development of the firm's engagement reporting.	BlackRock integrates ESG considerations into their counterparty selection process and engages with derivative counterparties on governance issues. BlackRock continues to be an active participant and leader in the evolution of the green bond

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		market. They have a proprietary green bond taxonomy framework and rate green gilts within this. BlackRock currently do not collect engagement data for the LDI and liquidity funds.
BlackRock Sustainable Short Duration Credit ("SDC") Fund	Total Engagements: 56 Environmental: 19 Social: 10 Governance: 48 One engagement can comprise of more than one topic across each company. Therefore, the total number of engagements may not equal the sum of individual topic totals.	BlackRock have explicit stewardship priorities from a firm-level perspective and use a central team to drive engagements. However, this is done without fund-specific KPIs or milestones. BlackRock have been unable to provide case studies of any engagements for the Fund.
Pantheon Private Equity	Pantheon has been unable to provide specific examples of engagements given the Fund of Funds approach. An extract has been provided which outlines their engagement policy.	*"Pantheon's active ownership is exhibited through comprehensive manager due diligence and monitoring, the core service it provides to its investors. Where there are concerns around the strategic direction or governance of a fund, Pantheon will typically work in concert with other investors, often as a member of the Limited Partner Advisory Committee for that fund, in order to bring influence to bear on the manager. In contrast with the listed markets, Private Equity firms typically manage closed end funds with a pre-defined end date and are required to raise new capital through a new fund raising every three to five years, usually raising a significant proportion of new capital from existing investors. Whilst LPs are not able to be involved in the management of the fund, this feature of the private equity market means we have a very important role to play in monitoring and engaging with its managers. Interactions with our underlying managers is frequent and will take place at least two to three times a year, and more often in many cases. In addition, we will also review the statutory reporting materials the manager is required to send to us, which will contain information on the performance of the fund and its underlying companies."*

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Voting (for equity/multi asset funds only)

As the Scheme invests via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 31 March 2026. The managers also provided examples of any significant votes.

Fund name	Voting summary	Examples of significant votes	Commentary
Baillie Gifford Global Alpha Paris Aligned	Votable Proposals: 1,258 Proposals Voted: 99.8% For votes: 93.4% Against votes: 5.2% Abstain votes: 1.4%	Prosus N.V.: Baillie Gifford voted against the resolution to approve the remuneration policy due to concerns regarding a special "moonshot" award for the CEO, which they did not believe appropriately aligned pay with performance. It also voted against the standard long-term incentive plan, citing concerns over the level of stringency within the performance targets. Although both resolutions were ultimately approved, Baillie Gifford communicated its concerns directly to the Chair of the Remuneration Committee.	Whilst Baillie Gifford makes use of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource stewardship activities or rely upon their recommendations. All client voting decisions are made in-house.
BlackRock Global ESG Equity	Votable Proposals: 6,878 Proposals Voted: 97.0% For votes: 97.0% Against votes: 2.0% Abstain votes: 0.0% *Figures may not total 100% due to a variety of reasons, such as 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.	Amazon.com, Inc.: In May 2025, BlackRock voted in favour of a shareholder resolution requesting enhanced disclosure on the impact of its data centres on the company's climate commitments. BlackRock supported the proposal on the basis that it aligns with the investment objectives of the funds and with BlackRock's Investment Stewardship Climate and Decarbonisation Guidelines, which emphasise improved transparency on material climate risks. Despite this support, the resolution was a failure.	BlackRock use Institutional Shareholder Services (ISS) electronic platform to execute vote instructions. BlackRock categorise their voting actions into two groups: holding directors accountable and supporting shareholder proposals. Where BlackRock have concerns around the lack of effective governance on an issue, they usually vote against the re-election of the directors responsible to express this concern.

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BlackRock EM Equity	Votable Proposals: 23,092 Proposals Voted: 99.0% For votes: 85.0%* Against votes: 14.0%* Abstain votes: 4.0%* *Figures may not total 100% due to a variety of reasons, such as 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.	The Siam Cement Public Company Limited: In March 2026, BlackRock voted against the election of a Director, citing concerns regarding board independence and the individual's capacity to provide effective oversight given their role on a number of public company boards. BlackRock considered that these factors could impair the director's ability to fulfil their responsibilities effectively. Despite BlackRock's opposition, the resolution was ultimately approved by shareholders.	BlackRock use Institutional Shareholder Services (ISS) electronic platform to execute vote instructions. BlackRock categorise their voting actions into two groups: holding directors accountable and supporting shareholder proposals. Where BlackRock have concerns around the lack of effective governance on an issue, they usually vote against the re-election of the directors responsible to express this concern.

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