

MUFG BANK UK PENSION FUND

CHAIR'S STATEMENT

YEAR ENDED 30 JUNE 2025

Introduction

I am pleased to present the Trustees' Statement of Governance, covering the defined contribution ("DC") Section of the MUFG Bank UK Pension Fund (the "Fund") for the period of 1 July 2024 to 30 June 2025.

In this statement, we describe the work carried out by the Trustees over the year to 30 June 2025, to ensure the Fund continues to provide you with good value and the potential for a good outcome for life after work. In doing so, we provide the various statutory disclosures required by legislation and cover the following key areas:

1. The investment strategy relating to the Fund's default arrangements;
2. The processing of core financial transactions;
3. Net return on investments
4. Underlying asset allocation of the default arrangement (which is a new requirement this year)
5. Charges and transaction costs within the Fund;
6. Value for Members assessment; and
7. The Trustees' compliance with the statutory knowledge and understanding requirements.

This Statement sets out how the Trustees individually, and the Board collectively, have maintained the statutory levels of knowledge and understanding to govern the Fund as well as the skills to ensure the Fund remains a valuable savings vehicle. The Trustees have taken a number of actions this year to try and ensure the Fund's objectives are met in the future.

I hope it helps you understand how the Trustees continue to work in your best interests.

The Trustees' strategy

The Trustees' key objective is to help all members achieve a good outcome for life after work. In order to ensure this is the case, the Trustees aim to provide members with an appropriate range of investment options which suit their needs, support enhancing members' investment understanding and to avoid overcomplicating the decision-making process.

The benefits earned by members under the DC Section of the Fund are money purchase in nature. This means that the amount of benefits that members will receive when they retire is not guaranteed but instead depends on factors such as the amount of contributions paid in and the investment returns earned.

Some members who were employed and a member of the defined benefit ("DB") section of the Fund at the point the DB Section closed to future accrual on 30 June 1999, may be subject to an underpin as a result of their hybrid/contracted out service. Where this is the case, the underpin is calculated as benefits fall due and where the underpin value is greater than the equivalent money purchase value, the defined underpin value will be paid to the member.

Governance structure and culture

Strong governance is essential to the Fund continuing to be a successful savings vehicle that provides good value for members. The Trustees recognise that this requires not only the right resources but also the right Board culture, including a commitment to challenge and debate, to increase knowledge and learning through relevant training and to undertake ongoing assessments of effectiveness.

Additionally, the Trustees regularly take time away from routine operations to examine emerging best practices, new investment ideas, ways of providing better value for members and to challenge the advisers in the quest to improve outcomes. This includes updates on developments in the market and in legislation that might impact on the Fund.

Default Investment Option

The Trustees are responsible for setting the Fund's investment strategy and for appointing investment managers to implement that strategy. They must also establish a default investment arrangement for members who do not select their own investment options from the fund range that is available.

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The most recent formal triennial investment strategy review was undertaken during February 2024, which considered membership analysis, projection of future pots and the range of investment funds.

The default option follows a pre-set choice of investments; starting with contributions invested in the Moderate Growth Fund, then gradually moving members' savings to the Cash Fund once a member is 5 years away from their target retirement date. The Moderate Growth Fund has higher exposures to growth assets such as equities, reflecting the importance of seeking higher long-term returns while retirement is a long way off. Members therefore have enough time to recover from any investment falls. As retirement approaches, members' savings are switched over five years with a 30% allocation in the Cash Fund at retirement. The remaining 70% allocation in the Moderate Growth Fund allows members to continue to benefit from exposure to growth assets. Targeting drawdown for the default remains appropriate, based on assessing the member experience at the time of setting the strategy.

The review resulted in several changes to the underlying funds within the Moderate Growth Fund used in the default strategy, however, the overall structure of the default arrangement will remain unchanged. The Trustees decided to reduce the exposure to actively managed equity mandates within the Moderate Growth Fund, in favour of passive management. Changes were made due to some of the then current managers underperforming expectations and analysis providing evidence that it is becoming increasingly more challenging to select managers who consistently outperform the benchmark after fees. Similar changes were also made to the High Growth Fund and Cautious Growth Fund. The changes were implemented and finalised during this Fund year in July 2024.

Alongside this review, the Trustees carried out an assessment of the self-select options, concluding that the current range of funds covers a wide spectrum of options, enabling members to select based on their own risk preferences, concluding that no changes needed to be made to the range.

Members can also elect to invest into one of two alternative lifestyle strategies; one designed for those intending to take a cash lump sum and purchase an annuity with the remainder of their pot and the other designed for those intending to access 100% of their retirement benefits as a cash lump sum at retirement. The structure of these options also remained unchanged following the review.

The next formal triennial investment strategy review is scheduled to take place in Q1 2027.

In December 2024, the Trustees and Mercer received notification from Phoenix of LGIM's decision to close the RAFI Fundamental Emerging Markets Fund. Following this notification the Trustees instructed Phoenix to replace the allocation to the closing fund with the BlackRock iShares Emerging Markets Index fund, which was completed on Tuesday 14th January 2025.

Additional Default Arrangements

In accordance with the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Fund has identified the investment options listed in the table below as 'default arrangements' (as defined by these regulations). These have been identified as 'default arrangements' as members' contributions have been automatically directed to these funds without members having instructed the Trustees where their contributions are to be invested; this is due to historic fund removals and is further explained in the table below.

Fund	Reason for identification as a 'default arrangement'	Date
Annuity Lifestyle Strategy	This option was the DC Section's Default Investment Option from February 2016 to July 2019. Also, when the Core Lifestyle and Self-Select Lifestyle Strategies were removed, members who did not choose another investment option had their contributions automatically redirected to this option.	February 2016
LGIM Asia Pacific (ex- Japan) Developed Equity Index Fund	When the Martin Currie Asia Pacific Fund was removed, members who did not choose another investment option had their contributions automatically redirected to this option.	
Baillie Gifford UK Alpha Fund	When the AXA Framlington UK Select Opportunities Fund was removed, members who did not choose another investment option had their contributions automatically redirected to this option.	

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Fund	Reason for identification as a 'default arrangement'	Date
LGIM Sterling Liquidity Fund	When the LGIM Cash Fund was removed, members who did not choose another investment option had their contributions automatically redirected to this option. When the Threadneedle Pensions Property Fund suspended trading in March 2020, members' scheduled contributions into the fund were automatically redirected to this option.	
BlackRock MSCI World Index	When the M&G Global Leaders Fund was removed, members who did not choose another investment option had their contributions automatically redirected to this option. When the Odey Opus Fund was closed to new contributions, members who did not choose another investment option had their contributions automatically redirected to this option.	
BNY Mellon Absolute Return Bond Fund	When the LGIM Overseas Bond Fund was removed, members who did not choose another investment option had their contributions automatically redirected to this option.	

The full fund range, including the individual manager funds within the additional defaults identified above, are monitored on at least an annual basis to ensure they are meeting the needs of members and offer value for members. All of the defaults were reviewed during the last strategy review and no new defaults were created during the year.

Statement of Investment Principles

The Trustees' Statement of Investment Principles (SIP) dated October 2024 includes investment principles in relation to the Fund's default investment arrangements and is appended. This covers our aims and objectives in relation to the default investment arrangements as well as our policies in relation to matters such as risk and diversification. It also states why we believe the default investment arrangements are designed in members' best interests.

The SIP is available on request, by contacting the administration team. Furthermore, it has been published on a publicly available website at <https://www.mufgemea.com/governance/mufg-bank-uk-pension-fund/> and will be signposted in the annual benefit statements.

Core Financial Transactions

A prompt and accurate administration service is essential to the Trustees' duty to pay the right benefits to the right members at the right time. The Trustees believe that providing members with a positive ongoing experience of the Fund's services will increase their confidence in pensions and encourage members to save more in order to achieve good outcomes for life after work. Time has been spent during the year to ensure the Fund's data is up to date and accurate, contribution payments and other core financial transactions are reconciled and that member queries are addressed promptly.

Core financial transactions are (broadly):

- Investment of contributions made to the Fund by members and their employer;
- Transfers into and out of the Fund of assets relating to members;
- Switches of members' investments between different funds within the Fund; and
- Payments from the Fund to or in respect of members (e.g. payment of death benefits).

Over the Fund year, the Trustees monitored this through:

- The Schedule of Contributions which sets out the statutory timescales for the Bank to remit monthly contributions to the Fund. Contributions were processed via an automated straight through process to provide both speed and accuracy.

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- The Trustees operated an outsourced operational model, with the Fund's administration and management of its Fund bank account delegated to Aptia Limited. The Trustees agreed timescales with its administrators, Aptia for the processing of all member-related services, including core financial functions relating to contribution handling, quoting benefits and paying benefits. These timescales were well within any applicable statutory timescale.

Task	Service Level Agreement
Transfer out settlement	15 working days
Transfer in settlement	10 working days
Retirement Quotation	10 working days
Retirement Settlement	13 working days
Death claim - issue documentation	2 working days
Investment switch - post or email	1 working day

- Aptia recorded all member transactions and benefit processing activities in a work management system which assigns the relevant timescale to the task.
- Aptia's administration reports disclosed the providers' performance against these agreed timescales and were presented at the bi-annual Administration and Governance Trustees' meetings. Shorter reports in the form of dashboards are also provided monthly. This gave the Trustees insight into member activity, completion timescales for administrative functions and the reliability of the Fund's administration controls.
- The Trustees required additional disclosures in respect of any transactions and benefit processing activity that had not been completed within the agreed timescales including the cause of the delay, the extent to which agreed timescales were breached and the proposed remedial measures. There were a number of cases that fell outside the SLAs but all cases fell within the regulatory timeframes and there were no reported breaches during the Fund year.
- The Trustees received the Fund administrator's assurance report on its internal controls for the period ending June 2025 and noted the Reporting Accountant's opinion that Mercer's description of services was fairly presented and that controls were designed, implemented and operated effectively throughout the period.

The table overleaf sets out the Fund's core financial transactions and the controls that existed during the year to ensure accuracy and promptness. Overall, the Trustees were satisfied that the administrator's controls to process transactions promptly and accurately functioned well during the year.

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Core financial transaction	Key internal control
Payment of monthly contributions	<p>Promptness Schedule of Contributions requires the Bank to pay member and Bank contributions by the 22nd of month following that to which they relate. Administrator must report all breaches of the Schedule of Contributions within five working days of the breach being identified. Data on any events that breached the target timescale, including the amount of time it took to complete.</p>
	<p>Accuracy Members were encouraged to use Aptia OneView to check that the contributions shown on their records and that benefit statements reconcile with pay slips.</p>
Investment of monthly contributions following receipt by the Trustees	<p>Promptness Administrator's agreed timescale for investing contributions is 5 days from date of receipt of contributions. Data on any events that breached the target timescale, including the amount of time it took to complete. Contributions were processed via an automated straight through process to ensure speed.</p>
	<p>Accuracy Monthly contribution cycle included a reconciliation of transaction statements from fund managers with contribution receipts from the Bank.</p>
Investment switches requested by members	<p>Promptness Administrator's Service Level Agreement ("SLA") for switching investments was 1 day from date of request. Data on any events that breached the target timescale, including the amount of time it took to complete.</p>
	<p>Accuracy All switches were reconciled with manager transaction statements. All members were notified when a switch was completed.</p>
Payment of benefits to members	<p>Promptness Cash flow preparation included identification of forthcoming benefit payments SLAs for core benefit transactions (retirements, deaths and transfers) helped ensure that member wishes were known well in advance of benefit payment date. Bi-annual appraisal of common data helped ensure that member data was accurate, reducing the likelihood of delay from data gaps. Clear authorisation requirements existed for the payment of transactions, balancing the need for promptness on the one hand with senior oversight on the other. Data on any events that breached the target timescale, including the amount of time it took to complete.</p>
	<p>Accuracy Administrator operated peer review system for all benefit calculations. Data accuracy was subject to regular evaluation and updating.</p>

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Net return on investments

The tables below set out annualised net performance for the 1- and 5-year periods for the lifestyle arrangements (for age 25, 45, and 55) and for the self-select fund range. When preparing this Statement, the Trustees have taken account of the statutory guidance when producing this section.

Lifestyles

Lifestyle strategy Target Drawdown (default strategy)		Annualised returns to 30 June 2025	
Age of member		1 year (%)	5 years (% p.a.)
25		6.7	4.2
45		6.7	4.2
55		6.7	4.2

Lifestyle strategy Annuity Lifestyle (additional default)		Annualised returns to 30 June 2025	
Age of member		1 year (%)	5 years (% p.a.)
25		6.7	4.2
45		6.7	4.2
55		6.7	4.2

Lifestyle strategy Cash Lifestyle (additional default)		Annualised returns to 30 June 2025	
Age of member		1 year (%)	5 years (% p.a.)
25		6.7	4.2
45		6.7	4.2
55		6.7	4.2

Source: Phoenix, as at 30 June 2025.

Self-Select Funds

Fund	Annualised Returns	
	1 Year	5 Years (% p.a.)
Risk-Profiled Funds		
High Growth Fund	7.8	9.3
Moderate Growth Fund	6.7	4.2
Cautious Growth Fund	4.1	1.0
Defensive Fund	1.6	-3.8
Self-Select Funds		
UK Equities		
BlackRock UK Equity	10.1	10.8
Artemis Income Fund	18.3	13.3
Baillie Gifford UK Equity Alpha*	7.8	0.5
BlackRock UK Smaller Companies	-3.6	3.6

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Fund	Annualised Returns	
	1 Year	5 Years (% p.a.)
US Equities		
BlackRock US Equity Index	6.2	13.8
Europe ex UK Equities		
BlackRock European Equity Index	8.6	9.8
Lazard European Alpha	5.8	8.4
Japan Equities		
BlackRock Japan Equity Index	6.9	6.7
Asia Pacific (ex-Japan) Equities		
Stewart Investors Asia Pacific Leaders	-6.6	4.9
LGIM Asia Pacific (ex-Japan) Equity*	4.3	5.8
Commodities		
BlackRock Physical Gold ETF**	29.5	10.5
Diversified Growth		
Baillie Gifford Diversified Growth	7.5	2.9
Global Equities		
MFS Meridian Global Equity	2.9	7.2
Acadian Global Managed Volatility	8.7	7.6
BlackRock Aquila MSCI World Index*		
WS Lancaster Global Equity.	1.4	8.6
BlackRock World ex UK Equity Index	6.6	12.1
Schroder Global Sustainable Equity	6.6	10.5
American Century Concentrated Global Equity	5.8	9.2
HSBC Islamic Global Equity Index**	1.8	13.3
LGIM Future World Global Equity Index**	7.1	
Impax Environmental Leaders**	1.6	
Emerging Markets Equity		
Lazard Emerging Markets	10.3	10.4
BlackRock Emerging Markets Index	10.3	10.4
Property		
Threadneedle Property Fund	5.8	3.6
Bonds		
M&G Corporate Bond Fund	4.7	2.5
BlackRock Over 15 Year UK Gilt Index	-4.3	-13.2
BlackRock Over 5 Year UK IL Gilt Index	-7.1	-10.8
BNY Mellon Absolute Return Bond*	6.3	4.9
Cash		
LGIM Liquidity*	4.8	2.6

Source: Phoenix, as at 30 June 2025. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format to the lifestyle performance on the previous page.

Performance shown net of all charges and transaction costs.

*These funds are additional default arrangements.

** Performance not available for 5 years due to date of inception in the Fund.

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AVC Funds

Fund	Annualised Returns	
	1 Year	5 Years (% p.a.)
Prudential Global Equity	TBC	TBC
Prudential With Profits Cash Accumulation*	TBC	TBC

Source: Prudential, as at 30 June 2025

*Performance shown as gross. The With-Profits Fund's management charge depends on the performance of the With-Profits Fund, in particular the investment return and expenses. If, for example, over time investment returns are higher, then Prudential would expect to increase the charges and if investment returns are lower Prudential would expect to reduce the charges. Deduction of this charge is through the bonus mechanism.

4. Underlying Asset Allocation Disclosure

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 ("the 2023 Regulations") introduce new requirements for trustees of certain occupational pension schemes. For the first fund year that ends after 1 October 2023, trustees of relevant occupational pension schemes are required to disclose their full asset allocations of investments from their default arrangements.

Income Drawdown Lifestyle Strategy

	Percentage allocation – Age 25, 45, 55 (%)	Percentage allocation – Age 65 (%)
Cash	3.5	32.5
Bonds	26.7	18.7
Listed Equity	53.3	37.3
Private Equity	0.0	0.0
Infrastructure	0.0	0.0
Property/Real Estate	7.7	5.4
Private Debt/Credit	0.0	0.0
Other	8.7	6.9

* The strategic allocation to cash is 30%. The additional allocation comes from the exposure to cash within the 70% allocation at age 65 to the Moderate Growth Fund.

Annuity Lifestyle Strategy

	Percentage allocation – Age 25, 45, 55 (%)	Percentage allocation – Age 65 (%)
Cash	3.5	25.1
Bonds	26.7	74.9
Listed Equity	53.3	0.0
Private Equity	0.0	0.0
Infrastructure	0.0	0.0
Property/Real Estate	7.7	0.0
Private Debt/Credit	0.0	0.0
Other	8.7	0.0

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Other Defaults

	L&G Asia Pacific (ex-Japan Developed Equity Index Fund (%)	Baillie Gifford UK Alpha Fund (%)	BlackRock MSCI World Index (%)
Cash	0.0	0.5	0.0
Bonds	0.0	0.0	0.0
Listed Equity	100.0	99.5	100.0
Private Equity	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0
Other	0.0	0.0	0.0

	BNY Mellon Absolute Return Bond Fund (%)	L&G Sterling Liquidity Fund (%)
Cash	0.0	100.0
Bonds	100.0	0.0
Listed Equity	0.0	0.0
Private Equity	0.0	0.0
Infrastructure	0.0	0.0
Property/Real Estate	0.0	0.0
Private Debt/Credit	0.0	0.0
Other	0.0	0.0

Notes: Normal Retirement Date for the Fund is age 65, members have the opportunity of selecting their own retirement date.

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

Cash - Cash and assets that behave similarly to cash e.g., treasury bills. This only includes invested cash and not cash held in a bank account or accounting values such as net current assets.

Bonds - Loans made to an issuer (such as a government or a company) which undertakes to repay the loan at an agreed later date. The term refers generically to corporate bonds or government bonds (such as gilts).

Listed Equity - Shares in a company which is listed on a stock exchange and can be bought and sold on that stock exchange.

Private Equity - Unlisted equities which are not publicly traded on a stock exchange.

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

Property/Real Estate - Properties which do not fall within the description of Infrastructure.

Private Debt - Non-bank lending to companies, not issued or traded publicly.

Other - Assets are categorised as 'other' because they don't fit into one of the asset classes described above or because we don't hold enough information for them to be categorised.

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Charges and Transaction Costs

Charges

The Trustees are required to report on the charges and transaction costs for the investments used in the default arrangement(s) as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members. When preparing this Statement, the Trustees have taken account of statutory guidance when producing this section.

The charges borne by members consist of investment management and Phoenix's platform fees, which are deducted directly through the unit prices of the funds they invest in – these combined charges are known as 'Total Expense Ratios'. All other costs associated with running the Fund, including administration, advisory, legal, benefit modelling tools and other member communications resources are paid for by the Fund.

As at 30 June 2025, the DC Section's fund range comprised funds with charges ranging from 0.3% per year to 1.29 % per year, which depend on the asset class and the type of management that is deployed. The Fund also complied with regulations on charge controls over the year to 30 June 2025. The Trustees can confirm that the default investment option, and all other funds identified as 'additional defaults' earlier in this Statement, remain within the charge cap of 0.75% p.a. of funds under management.

For the year ending 30 June 2025, the default investment option was the Drawdown Lifestyle Strategy, which consisted of the Moderate Growth Fund and the LGIM Sterling Liquidity Fund. The Total Expense Ratios varied from 0.47% to 0.13% p.a. throughout the Drawdown Lifestyle Strategy.

For the year ending 30 June 2025, the Legacy Default Option (Annuity Lifestyle strategy) consisted of the Moderate Growth Fund and the Defensive Fund. The Total Expense Ratios varied from 0.15% p.a. to 0.4% p.a. throughout the Annuity Lifestyle Strategy. Charges for the other additional default funds are listed in the table below.

These charges exclude the costs associated with trades in and out of a fund as well as the costs of trading a fund's underlying securities, including commissions and stamp duty, which are collectively referred to in this Statement as 'transaction costs'.

Transaction Costs

Transaction costs are not explicitly deducted from a fund but are captured in its investment performance (in other words, the higher the transaction costs, the lower the returns produced by a fund). The Financial Conduct Authority has provided guidance (PS17/20) to investment managers regarding calculations and disclosures of transaction costs which comply with regulations. The prescribed methodology for calculating transaction costs compares the price of the stocks being traded when a transaction was executed with the price at which the transaction was requested. Market movements during these two points may be positive or negative and may also outweigh other explicit transaction costs. For this reason, the overall transaction costs provided can be negative or positive in nature. The Trustees requested this information from Phoenix, as their platform provider. In turn, Phoenix worked with the various underlying investment firms to collate the required data on transaction costs. The transaction costs reported by Phoenix for each fund are shown in the table below.

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Costs and Charges

Fund	Total Expense Ratios	Transaction Costs
	(% p.a.)	(% p.a.)
Risk-Profiled Funds		
High Growth Fund	0.35	0.21
Moderate Growth Fund	0.47	0.17
Cautious Growth Fund	0.52	0.24
Defensive Fund	0.15	0.02
Self-Select Funds		
UK Equities		
BlackRock UK Equity	0.12	0.01
Artemis Income Fund	0.79	0.08
Baillie Gifford UK Equity Alpha*	0.53	0.19
BlackRock UK Smaller Companies	0.84	1.05
US Equities		
BlackRock US Equity Index	0.12	0.00
Europe ex UK Equities		
BlackRock European Equity Index	0.13	0.03
Lazard European Alpha	0.85	0.10
Japan Equities		
BlackRock Japan Equity Index	0.12	0.04
Asia Pacific (ex-Japan) Equities		
Stewart Investors Asia Pacific Leaders	0.83	0.06
LGIM Asia Pacific (ex-Japan) Equity*	0.16	0.02
Commodities		
BlackRock Physical Gold ETF	0.20	0.03
Diversified Growth		
Baillie Gifford Diversified Growth	0.67	0.32
Global Equities		
MFS Meridian Global Equity	0.70	0.00
Acadian Global Managed Volatility	0.30	0.03
BlackRock Aquila MSCI World Index*	0.12	0.01
WS Lancaster Global Equity.	1.27	1.5
BlackRock World ex UK Equity Index	0.12	0.00
Schroder Global Sustainable Equity	0.61	0.22
American Century Concentrated Global Equity	0.63	0.84
HSBC Islamic Global Equity Index	0.35	0.00
LGIM Future World Global Equity Index Fund	0.18	0.00
Impax Environmental Leaders (Ireland) Fund	0.88	0.14
Emerging Markets Equity		
Lazard Emerging Markets	0.78	0.15
BlackRock Emerging Markets Index	0.30	0.16

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Property		
Threadneedle Property Fund**	0.83	0.25
Bonds		
M&G Corporate Bond Fund	0.51	0.01
BlackRock Over 15 Year UK Gilt Index	0.12	0.04
BlackRock Over 5 Year UK IL Gilt Index	0.12	0.00
BNY Mellon Absolute Return Bond*	0.72	0.52
Cash		
<i>LGIM Liquidity*</i>	0.13	0.00
Cash		

Source: Phoenix and the underlying investment firms

Total Expense Ratios and Transaction Costs cover the period to 30 June 2025

Funds in italics are the component funds of the Default Investment Option for the year ended 30 June 2025.

**These funds are additional default arrangements*

***These funds have further expenses in addition to the TER which relate to the costs associated with the management and operation of the physical properties in the portfolio of the underlying fund. This is known as the Property Expense Ratio (PER) and may fall or rise due to changes in the costs incurred in the management of the properties.*

Legacy Additional Voluntary Contributions ('AVCs')

The Fund has holdings in unit-linked and with-profits AVC policies with Prudential. The holdings are very small in scale relative to the size of the Fund's main arrangements held with Phoenix. These funds were formally reviewed during the year.

The Trustees have sought to quantify the charges and transaction costs associated with the holdings in these policies by requesting the information from the respective providers in line with the prescribed transaction cost disclosure methodology. More details on the charges borne by members are provided in Appendix B. The Trustees will continue to request any outstanding information and will report on this once this information is reliably obtainable from the Provider.

With respect to the with-profits policy, payouts on surrender and maturity will reflect all charges incurred, though they are not separately identified. Moreover, the actual performance received by members, net of charges, is only known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of any 'smoothing'.

Reporting of Costs and Charges

The Trustees fully support transparency of charges and costs for members. However, a key consideration for members is the performance produced net of combined charges and costs. Moreover, a cheaper fund does not necessarily deliver the best value for money.

The Trustees note that no funds currently available to members charge performance-based fees.

To illustrate the impact of charges and costs on a typical member's pension pot, we have provided examples below based on:

- The most popular fund by number of members. This is the default strategy, the Income Drawdown Lifestyle strategy, over the reporting period covered by this Statement.
- The most expensive fund.
- The least expensive fund.
- Legacy and technical defaults

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The statutory guidance has been considered when providing these examples. The illustrations below have taken into account the following elements:

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

We have shown example illustrations of what invested money (including existing and future contributions, as well as investment returns) in each of these funds could be worth at certain points in a member's life through to retirement age, taking inflation, investment costs and charges into account.

These figures are shown in today's money, meaning they show what those pots could buy today. For example, the table shows that, at retirement, a member aged 21 today, with £5,940 invested in the Income Drawdown Lifestyle Strategy (default) could be worth £307,209 at retirement in today's value.

The figures shown below are just illustrations and are not a guarantee of future values. Illustrations 1 and 2 display the expected pot size of an active member representing the youngest members in the Fund and Illustration 3 and 4, to be found in the appendix, display the expected pot size of an active member of median age within the Fund. This Statement has been published on a publicly available website at <https://www.mufgemea.com/governance/mufg-bank-uk-pension-fund/> and will be signposted in the annual benefit statements.

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Illustration 1: Active Member (youngest age)

Age	Default Strategy		Most Expensive DC Fund		Least Expensive DC Fund	
	TER, 0.47%-0.13% p.a.		TER, 1.27% p.a.		TER, 0.12% p.a.	
	Transaction Cost, 0.28%-0.20% p.a.		Transaction Cost, 1.39% p.a.		Transaction Cost, 0.00% p.a.	
Income Drawdown Lifestyle (£)		WS Lancaster Global Equity (£)		BlackRock Aquila Over 5 Years UK Index-Linked Gilts (£)		
	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred
18	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000
20	£24,422	£24,103	£25,571	£24,393	£25,405	£25,352
25	£57,468	£55,461	£65,838	£57,826	£64,569	£64,196
30	£93,570	£88,459	£117,125	£95,074	£113,383	£112,325
35	£133,010	£123,182	£182,444	£136,576	£174,222	£171,956
40	£176,097	£159,722	£265,637	£182,815	£250,051	£245,840
45	£223,167	£198,172	£371,593	£234,332	£344,563	£337,383
50	£274,590	£238,633	£506,542	£291,731	£462,359	£450,806
55	£330,768	£281,210	£678,417	£355,682	£609,178	£591,337
60	£391,878	£325,857	£897,322	£426,935	£792,168	£765,456
65	£448,761	£367,061	£1,176,125	£506,321	£1,020,243	£981,192

Notes to illustration 1

1. Values shown are *estimated* projections and are not guarantees.
2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
3. The starting pot size is assumed to be £12,000 the median value for the 10% youngest members, aged between 18 and 28, with an annual salary assumption of £58,937.50.
4. Inflation and salary increases of 2.5% p.a. has been assumed.
5. Contributions are assumed be 10% p.a.
6. The projected gross growth rates for each fund (before ongoing management charges and transaction costs are applied) are as follows:

Income Drawdown Lifestyle	1.50% p.a. above inflation for members 6 or more years from age 65 Reducing to 0.90% p.a. above inflation for members at or beyond age 65
WS Lancaster Global Equity	3.50% p.a. above inflation
BlackRock Aquila Over 5 Years UK Index-Linked Gilts	4.50% p.a. above inflation
7. For the purpose of the above illustration, where transaction costs are deemed negative (as calculated using the prescribed methodology), zero transaction costs have been assumed for prudence.
8. Transaction costs used for the purpose of producing the illustrations are an average cost of past five scheme years.
9. The return rates above are prescribed and based on the volatility of the fund over the five-year period to 30 September 2023. As a result, recent heightened volatility of some funds may lead to an increase in the return assumption, e.g. the BlackRock Aquila Over 5 Years UK Index-Linked Gilts.

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Illustration 2: Active Member (youngest age) invested in additional defaults

In accordance with the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Fund has identified the investment options listed in the table below as 'default arrangements' (as defined by these regulations). Please refer to section 4 of the SIP for further details on additional defaults.

Age	Legacy Default Strategy TER, 0.47%-0.15% p.a.		Additional Default Fund TER, 0.16% p.a.		Additional Default Fund TER, 0.53% p.a.		Additional Default Fund TER, 0.12% p.a.	
	Transaction Cost, 0.28%-0.03% p.a.		Transaction Cost, 0.01% p.a.		Transaction Cost, 0.09% p.a.		Transaction Cost, 0.03% p.a.	
	Annuity Lifestyle (£)		LGIM Asia Pacific (ex-Japan) Equity Fund		Baillie Gifford UK Equity Alpha Fund		BlackRock Aquila Life MSCI World	
	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred
18	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000
20	£24,422	£24,103	£25,408	£25,334	£25,437	£25,161	£25,051	£24,985
25	£57,468	£55,461	£64,590	£64,070	£64,814	£62,886	£61,932	£61,482
30	£93,570	£88,459	£113,443	£111,970	£114,099	£108,665	£105,802	£104,569
35	£133,010	£123,182	£174,355	£171,201	£175,787	£164,219	£157,986	£155,437
40	£176,097	£159,722	£250,300	£244,443	£252,997	£231,634	£220,059	£215,490
45	£223,167	£198,172	£344,990	£335,010	£349,636	£313,442	£293,895	£286,386
50	£274,590	£238,633	£463,051	£447,002	£470,592	£412,717	£381,724	£370,085
55	£330,768	£281,210	£610,253	£585,486	£621,985	£533,187	£486,196	£468,897
60	£392,042	£326,120	£793,786	£756,728	£811,474	£679,379	£610,467	£585,552
65	£455,272	£377,296	£1,022,619	£968,479	£1,048,645	£856,784	£758,287	£723,271

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Age	Additional Default Fund		Additional Default Fund	
	TER, 0.72% p.a.		TER, 0.13% p.a.	
	Transaction Cost, 0.29% p.a.		Transaction Cost, 0.00% p.a.	
	BNY Mellon Absolute Return Bond		LGIM Liquidity Fund	
	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred
18	£12,000	£12,000	£12,000	£12,000
20	£23,715	£23,296	£23,611	£23,558
25	£52,791	£50,356	£52,136	£51,821
30	£81,569	£75,809	£79,954	£79,207
35	£110,052	£99,752	£107,083	£105,741
40	£138,242	£122,273	£133,542	£131,451
45	£166,143	£143,458	£159,345	£156,362
50	£193,757	£163,385	£184,509	£180,499
55	£221,088	£182,129	£209,051	£203,886
60	£248,139	£199,760	£232,986	£226,546
65	£274,911	£216,345	£256,328	£248,502

Notes to illustration 2

1. Values shown are estimated projections and are not guarantees.
2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
3. The starting pot size is assumed to be £12,000 the median value for the 10% youngest members, aged between 18 and 28, with an annual salary assumption of £58,937.50.
4. Inflation and salary increases of 2.5% p.a. has been assumed.
5. Contributions are assumed be 10% p.a.
6. The projected gross growth rates for each fund (before ongoing management charges and transaction costs are applied) are as follows:

Annuity Lifestyle Strategy (Legacy Default)	1.50% p.a. above inflation
LGIM Asia Pacific (ex-Japan) Equity Fund	4.50% p.a. above inflation
Baillie Gifford UK Equity Alpha	4.50% p.a. above inflation
BlackRock Aquila Life MSCI World	3.50% p.a. above inflation
BNY Mellon Absolute Return Bond	-0.50% p.a. below inflation
LGIM Liquidity	-0.50% p.a. below inflation

7. For the purpose of the above illustration, where transaction costs are deemed negative (as calculated using the prescribed methodology), zero transaction costs have been assumed for prudence.
8. Transaction costs used for the purpose of producing the illustrations are an average cost of past five scheme years.

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Value for members

The Trustees regularly examine ways of providing better value for members. Underpinning the assessments of value is the belief that value is about using the resources at our disposal effectively to help members achieve a good outcome for life after work. Also, while some measures of value should be scrutinized carefully over the short-term (for example, the performance of the Fund's administrator), the Trustees believe that others, such as the suitability and performance of investment funds, span several years.

Additionally, some components of member value can be assessed quantitatively, but those that impact on members' experience of the Fund and its services often require a more qualitative assessment.

The Trustees have assessed the value for members of the member-borne deductions within the Fund for the year ending 30 June 2025 in counsel with their advisers. This assessment considered the funds offered to members in terms of:

- Charges
- Net of charges performance relative to benchmarks and targets/objectives
- Fund range available to members
- Research views from their investment adviser on the investment managers and platform provider
- Overall governance and administration of the funds.

The Trustees concluded that the Fund's overall range of investment options represent **reasonable to good value for members for the year in question** in comparison to the member-borne charges for those options. The reasons underpinning this conclusion include:

- Charges for the default investment arrangement are below the charge cap of 0.75% per annum and were reduced further with the use of more index tracking strategies during the year
- The changes made to the blended funds at the start of the Fund year; namely to reduce active equity management and focus active management on other asset classes has resulted in the blended funds outperforming their benchmarks over the 12 months to 30 June 2025. The Trustees have noted that a number of the self select funds have underperformed benchmarks after fees but are cognisant that the percentage of assets invested in these funds is relatively low, giving more prominence of the rating to the Moderate Growth Fund as the default.
- The Fund offers a broad range of online tools and support, timely communications and administration response times largely within agreed SLAs. The Trustees have also established and Effective System of Governance document to comply with the General Code.

As a result, we believe that the overall Fund has delivered reasonable to good value in respect of member-borne deductions. We do note that there are areas for improvement and actions are underway for addressing these. Additionally, the implementation of increased passive management within the Fund year will address future risks of underperformance and reduce fees paid by members in the default strategy.

Knowledge, understanding and resources

The Fund is run by a board of individual Trustees, all of whom maintain an appropriate level of knowledge and understanding that, together with professional advice available to them, enables them to properly exercise their functions and duties in relation to the Fund.

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In the context of governing a pension fund, 'skills' relate to knowledge of pensions and regulatory requirements, as well as the ability to identify opportunities, manage risks, challenge professional advice and understand the evolving needs of members. The Trustees believe that the best way to embed these skills is to have a Board that brings together individuals with different perspectives, experiences and beliefs and from different departments within the Bank. A more diverse Board enhances dialogue and reduces the risk of 'groupthink', leading to high quality decision-making and monitoring.

Reflecting this belief, the Board comprises individuals with diverse and complementary professional skills including finance, risk, accounting and investment. A detailed description of the duties the Chair of Trustees carries out has been produced and is reviewed and updated periodically.

The Trustees maintain a training plan which is designed to align closely with its longer-term strategy and business plans and is reviewed on an annual basis. During the year, the Trustees discussed their training needs as part of their meetings, having regard to the statutory requirements to have knowledge and understanding of pension law and to be conversant with the Fund's trust deed and rules, SIP, and other documents recording the Trustees' policies.

Over the year, the Trustees updated the SIP Implementation statement which sets out how the policies within the SIP have been followed throughout the year, including those that cover the Trustees' position on significant votes.

The Trustee board periodically conducts assessments of its effectiveness. These assessments obtain candid feedback on an anonymous basis from each Trustee as well as external advisors on the Board's diversity, inclusiveness culture, operating framework and performance generally. The results are collated and reported by Mercer and discussed openly at Board meetings. The assessment questions are similarly prepared by Mercer with each Trustee invited to provide input prior to them being finalised. The last assessment was carried out in May 2024, which confirmed that a majority of the Trustees felt that they effectively governed in all the key areas, listed below, to a moderate extent if not to a great extent.

- Headline opinion – The Trustees believe the board is doing a good job governing the Fund in all important areas.
- Trustee Board Meetings - Regular, well-run meetings ensure the Board stays focused on key issues and makes timely decisions that benefit members. Interim catch ups with the Chair of Trustees supports positioning of agenda items.
- Trustee Board Structure - Having the right number of Trustees, from different parts of the Bank, with the right skills helps the board make balanced and informed decisions for the Fund's success.
- Your Contributions – The Trustees actively work to help members contribute the right amount to their retirement savings by promoting awareness of the benefits of making regular contributions, encouraging members to take full advantage of any matching contributions offered
- Trustee board contributions - Trustees bring valuable experience and knowledge, which helps the board address challenges and opportunities effectively on behalf of members.
- Decision making - The Trustees follow a careful decision-making process, considering all relevant information and risks, to ensure that choices made are in the best interests of members.
- Appointments - Choosing new Trustees carefully ensures the board remains strong and capable of managing the Fund, considering individuals who have the right skills, experience, and commitment,
- Inductions and training – New and existing Trustees receive comprehensive induction and ongoing training to fully understand their roles, responsibilities, and the latest developments in pension governance and investment landscape.
- Governance and risk - The Trustees places strong emphasis on good governance and risk management, regularly reviewing policies to ensure the Fund with regulations.

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The next Trustee Effectiveness review is due to take place in 2026.

In addition, the Trustees, maintain a training plan which is reviewed each year, which allows the Trustees to identify areas for development and derive an effective training plan.

MUFG Bank, Ltd.'s extensive pool of employees with significant financial, risk, investment and general business expertise provides the Trustees with a wide range of quality candidates to select from when they seek new Trustees. Additionally, the Bank's in-house Human Resources Team provides the Board with considerable operational support.

Finally, the Trustees maintain a comprehensive induction training program for new Trustees. This provides an overview of important pension law and regulatory requirements as well as the Trustees' strategy, policies, and current activities. Its aim is to help new Trustees participate quickly in informed decision-making.

The Pensions Act 2004 requires individual trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts and the investment of the assets. The degree of knowledge and understanding required is that appropriate for the purposes of enabling the Trustees to exercise the function in question.

Trustees must also be conversant with the Fund's own documentation. These are described in legislation as the Trust Deed and Rules and the SIP. Trustees must also be conversant with any other document recording current policy relating to the administration of the Fund generally.

The table below shows how these duties were fulfilled and how the combined knowledge and understanding, together with the advice which is available to the Trustees, enables them to properly exercise their duties and responsibilities. Hence, over the period under review, the Trustees, with the support of their advisers, have met the requirements of sections 247 and 248 of the Pensions Act 2004 (requirements for knowledge and understanding).

Requirement	How we met it
Trustees must describe how, throughout the Fund year, the Trustees have demonstrated a working knowledge of the Trust Deed and Rules.	<ul style="list-style-type: none">• All benefits to members were paid in line with the rules set out in the deed.• Further to a query received by a member, the Trustees sought legal advice on the definition under the Rules of a dependent. This clarified the Trustees' powers under the Rules and who could qualify for benefits on a member's death.• The Trustees have received ongoing legal advice in relation to their powers under the Rules as part of discussions with the Bank on future strategy.
Trustees must describe how, throughout the Fund year, the Trustees have demonstrated a working knowledge of the current SIP.	<ul style="list-style-type: none">• A new SIP was signed following the implementation of the investment changes which were finalised in October 2024. The Trustees considered the risks set out in the SIP when considering these investment strategy changes.• The Trustees reviewed the funds available to members and received relevant training, including training to fully understand the new emerging markets equity fund that was implemented during the year.• The SIP Implementation Statement was updated for this Fund year, which sets out how the policies within the SIP have been followed throughout the year.

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Trustees must describe how, throughout the Fund year the Trustees have demonstrated a working knowledge of all documents setting out the Trustees' current policies.	<ul style="list-style-type: none">• All Trustees are familiar with and have access to copies of the current Scheme governing documentation, key policies and procedures.• The Effective System of Governance inventory has been compiled and sets out the policies of the Trustees for the governance of the Fund. The Trustees dedicate a minimum of two meetings per year to the governance of the Fund.• A Risk Sub-Committee has been formed to review the Fund's risks and update the Fund's policies under the Effective System of Governance
Trustees must have appropriate knowledge and understanding of the law relating to pensions and trusts.	<ul style="list-style-type: none">• The Trustees worked through the trustee knowledge and understanding requirements set by The Pensions Regulator ("TPR"). Several Trustees have completed additional modules from the Regulator's toolkit, including the module on pension scams, annual tPR Scheme Return, formal review of progress in relation to CMA objectives. Timely compliance to connect to the Pensions Dashboard has been achieved and the Trustee has taken account of the 2025 Pensions Bill and will be considering actions.
Trustees must have appropriate knowledge and understanding of the relevant principles relating to the funding and investment of the occupational schemes.	<ul style="list-style-type: none">• The Trustees' investment advisors report biannually on the performance of the Fund's investments and on their views regarding the Scheme's investments. DC reports and views were given at the meetings on 30 October 2024 and 9 June 2025.• The Trustees have also taken action to increase understanding of their investments in relation to the impact of climate risk, with training undertaken on 9 June 2025 and have commissioned work to review this exposure and risks.
Trustees must describe how, throughout the Fund year the Trustees have demonstrated that their combined knowledge and understanding, together with available advice, enables them to properly exercise their functions.	<ul style="list-style-type: none">• The Trustee Board comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the challenges that Trustees face.• The Trustees maintained a training log that set out individual and broad based training activity.• The Trustees reviewed their training plan, taking into account the balance and variety of expertise amongst the Trustees.• The Trustees regularly received email bulletins and updates from their advisers on the latest developments affecting DC pension schemes.

This Statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above Statement has been produced by the Trustees to the best of their knowledge.

Signed:

Date:

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CHAIR'S STATEMENT *(continued)*

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APPENDIX A – Illustrations for an active member of median age

An additional example illustration of the impact of costs and charges on a typical member's pension pot is provided below. This includes all member costs, including the Total Expense Ratio, transaction costs and inflation.

Illustration 3: Active Member (median age)

Age	Default Strategy TER, 0.47%-0.13% p.a. Transaction Cost, 0.28%-0.20% p.a.		Most Expensive DC Fund TER, 1.27% p.a. Transaction Cost, 1.39% p.a.		Least Expensive DC Fund TER, 0.12% p.a. Transaction Cost, 0.00% p.a.	
	Income Drawdown Lifestyle (£)		WS Lancaster Global Equity (£)		BlackRock Aquila Over 5 Years UK Index-Linked Gilts (£)	
	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred
41	£45,050	£45,050	£45,050	£45,050	£45,050	£45,050
45	£82,740	£80,670	£91,234	£83,280	£89,978	£89,615
50	£133,762	£127,287	£163,067	£135,961	£158,500	£157,217
55	£189,501	£176,342	£254,556	£194,655	£243,904	£240,978
60	£250,229	£227,855	£371,078	£260,050	£350,349	£344,758
65	£309,936	£277,821	£519,483	£332,910	£483,019	£473,342

Notes to Illustration 3

1. Values shown are *estimated* projections and are not guarantees.
2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
3. The starting pot size is assumed to be £45,050 the median value for members, with an annual salary assumption of £83,025.
4. Inflation and salary increases of 2.5% p.a. has been assumed.
5. Contributions are assumed be 10% p.a.
6. The projected gross growth rates for each fund (before ongoing management charges and transaction costs are applied) are as follows:

Income Drawdown Lifestyle	1.50% p.a. above inflation for members further than 5 years from age 65 Reducing to 0.90% p.a. below inflation for members at or beyond age 65
WS Lancaster Global Equity	3.50% p.a. below inflation
BlackRock Aquila Over 5 Years UK Index-Linked Gilts	4.5% p.a. above inflation

7. For the purpose of the above illustration, where transaction costs are deemed negative (as calculated using the prescribed methodology), zero transaction costs have been assumed for prudence.
8. Transaction costs used for the purpose of producing the illustrations are an average cost of past five scheme years.

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Illustration 4: Active Member (median age) invested in additional defaults

In accordance with the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Fund has identified the investment options listed in the table below as 'default arrangements' (as defined by these regulations). Please refer to section 4 of the SIP for further details on additional defaults.

Age	Legacy Default Strategy		Additional Default Fund		Additional Default Fund		Additional Default Fund	
	TER, 0.47%-0.15% p.a. Transaction Cost, 0.28%-0.03% p.a.		TER, 0.16% p.a. Transaction Cost, 0.01% p.a.		TER, 0.53% p.a. Transaction Cost, 0.09% p.a.		TER, 0.12% p.a. Transaction Cost, 0.03% p.a.	
	Annuity Lifestyle (£)		LGIM Asia Pacific (ex-Japan) Equity Fund		Baillie Gifford UK Equity Alpha Fund		BlackRock Aquila Life MSCI World	
	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred
41	£45,050	£45,050	£45,050	£45,050	£45,050	£45,050	£45,050	£45,050
45	£82,740	£80,670	£89,999	£89,492	£90,221	£88,335	£87,333	£86,886
50	£133,762	£127,287	£158,574	£156,787	£159,377	£152,770	£149,150	£147,633
55	£189,501	£176,342	£244,076	£240,002	£245,935	£230,963	£222,682	£219,349
60	£250,333	£228,037	£350,680	£342,902	£354,274	£325,850	£310,148	£304,015
65	£314,297	£285,361	£483,597	£470,142	£489,875	£440,997	£414,189	£403,969

Age	Additional Default Fund TER, 0.72 p.a.		Additional Default Fund TER, 0.13% p.a.	
	Transaction Cost, 0.29% p.a.		Transaction Cost, 0.00% p.a.	
	BNY Mellon Absolute Return Bond		LGIM Liquidity Fund	
	Pot size with no charges incurred	Pot size with charges incurred	Pot size with no charges incurred	Pot size with charges incurred
41	£45,050	£45,050	£45,050	£45,050
45	£77,756	£75,146	£77,042	£76,706
50	£118,260	£110,752	£116,140	£115,169
55	£158,349	£144,245	£154,271	£152,436
60	£198,027	£175,750	£191,458	£188,545
65	£237,297	£205,384	£227,724	£223,533

Notes to Illustration 4

1. Values shown are *estimated* projections and are not guarantees.
2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
3. The starting pot size is assumed to be £45,050 the median value for members, with an annual salary assumption of £83,025.
4. Inflation and salary increases of 2.5% p.a. has been assumed.
5. Contributions are assumed be 10% p.a.

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6. *The projected gross growth rates for each fund (before ongoing management charges and transaction costs are applied) are as follows:*

<i>Annuity Lifestyle Strategy (Legacy Default)</i>	<i>1.50% p.a. above inflation</i>
<i>LGIM Asia Pacific (ex-Japan) Equity Fund</i>	<i>4.50% p.a. above inflation</i>
<i>Baillie Gifford UK Equity Alpha</i>	<i>4.50% p.a. above inflation</i>
<i>BlackRock Aquila Life MSCI World</i>	<i>3.50% p.a. above inflation</i>
<i>BNY Mellon Absolute Return Bond</i>	<i>-0.50% p.a. below inflation</i>
<i>LGIM Liquidity</i>	<i>-0.50% p.a. below inflation</i>

7. *For the purpose of the above illustration, where transaction costs are deemed negative (as calculated using the prescribed methodology), zero transaction costs have been assumed for prudence.*

8. *Transaction costs used for the purpose of producing the illustrations are an average cost of past five scheme years.*

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APPENDIX B – Transaction Cost Information for the Additional Voluntary Contributions with Prudential

The table below shows the charges and aggregate transaction costs based upon the information supplied by Prudential on their funds still held by the Fund. The charges borne by members consist of investment management and Prudential's platform fees only, which are deducted directly through the unit prices of the funds they invest in – these combined charges are known as 'Total Expense Ratios'.

Aggregate transaction costs represent annualised transaction costs incurred by the fund manager within the underlying fund. The aggregate transaction costs shown account for the impact of market movements between the placement of a request to buy or sell an investment and the execution of that request. As such, the aggregated transaction cost can be positive or negative.

Fund	Charges - Total Expense Ratios (TER)	Transaction Costs
	(% p.a.)	(% p.a.)
Prudential Global Equity Fund	0.77	0.18
Prudential With-Profits Cash Accumulated Fund	n/a*	0.18

Source: Phoenix, as at 30 September 2023.

TER as at July 2024

Transaction costs period covers 01/10/2022 - 30/09/2023

** The With-Profits Fund's management charge depends on the performance of the With-Profits Fund, in particular the investment return and expenses. If, for example, over time investment returns are higher, then Prudential would expect to increase the charges and if investment returns are lower Prudential would expect to reduce the charges. Deduction of this charge is through the bonus mechanism.*