Morgan Stanley

MSPTL Chair Statement – Year to 31 December 2025

Review of the default arrangement

The Trustee continued to progress the review of the default investment strategy and finalised the design of the new strategy, approved new additions to the self-select range and undertook extensive manager selection exercises. The key themes for the new default strategy include. This was implemented in 2026:

- ✓ **Target higher returns** across both growth and at-retirement phases, including the addition of illiquid assets
- ✓ **Reduce the allocation to cash at retirement**, in favour of high-quality liquid credit allocations.
- ✓ **Shorten the de-risking period** from 15 to 10 years so that you remain in a higher proportion of growth assets for longer.
- ✓ Focusing on **improving retirement outcomes**, by aligning investment strategy with member behaviour.

Has the Plan provided Value for Money?

The Trustee has concluded that during the year to 31 December 2025, the Plan's investment arrangements do represent **good value** to members. This is based on the following rationale:

Scheme charges and investments: Your Plan offers competitive pricing with access to sophisticated investments.

Governance: The Trustee has robust policies and processes in place to effectively look after your pension arrangements.

Administration, contribution and engagement: High service standards and generous contribution rates and administration services.

The Plan offers **GOOD** value to members over the year.

Key internal controls and training outcomes

The Trustee must ensure core transactions such as contributions, transfers and payments are promptly and accurately processed. This meant:

- ✓ **99.91%** of transactions were completed within Service Level Agreements in Q4 2025.
- ✓ **1 CASS and 1 GDPR breach** reported on and corrected within the year.
- ✓ The **Risk & Governance Committee** continued to oversee risks.

The Trustee is also required to maintain appropriate knowledge and understanding. Over the year, the Trustee undertook:

- ✓ **Ongoing training** on investment risk, pensions regulation and governance topics.
- ✓ **Reviewal of key documents and policies** to maintain and improve knowledge.
- ✓ **External conferences** and training sessions attended by individuals.

Performance and charges

The default strategy returned 12.8% for younger members over the year.

The default strategy returned 11.7% for older members over the year.

Annual charges for younger members were 0.39%.

Annual charges for older members were 0.29%.