



KUWAIT PETROLEUM CORPORATION
RETIREMENT BENEFITS SCHEME FOR
UK LOCALLY EMPLOYED STAFF

Newsletter

Autumn 2025

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Welcome to this latest issue of your Scheme newsletter.

The UK's economic growth remains slow by historical standards. The Bank of England held the UK's interest rate at the end of the summer, while relatively high inflation on the cost of food continues to put pressure on household budgets. At times like this, when some people's finances are stretched, it's more important than ever that we manage all members' Scheme retirement benefits with the utmost care. You can be sure that we take our role as Trustees seriously and it is a privilege to manage the Scheme's finances in the interest of all our members.

Funding update

Inside, we report on the Scheme's latest financial position in our summary funding statement. This is based on the Scheme's position as at 31 March 2025. We have also reported on the results of the valuation at 31 March 2024. The headline is that the funding position improved over the year to 31 March 2025.

We also update you on the Scheme's annual accounts, membership numbers, and investments.

Scheme website

As always, your member website is on hand to support you if you are looking for information about the Scheme or if you have a general query. See page 6 for details.

Wider pensions news

In our round-up of general pensions news we look at forthcoming changes to inheritance tax that are expected to affect pensions, latest news on Pensions Dashboards, and how to stay safe from pension fraud.

If you have any questions about the Scheme or your benefits, please get in contact. The relevant details are on page 6.

Graham Smith
Chair of the Trustees



In numbers

The membership






At 31 March 2025 there were 749 members in the Scheme compared with 752 members at the same date last year. This does not include members who are paid by an annuity.

20	Active members Working for the Company and paying regular contributions.
311	Deferred members No longer building up benefits but have benefits in the Scheme for when they retire.
418	Pensioner members Receiving benefits from the Scheme (and including the dependants of members who have died).



The accounts

Here we show headline figures from the Scheme's Annual Report and Accounts for the year ended 31 March 2025. If you would like more detail, please request a copy of the full report using the contact details on page 6.

	The value of the assets supporting the Scheme at 31 March 2025	£102.7M
	The increase in the value of the assets over the reporting year <i>This fall is matched by a corresponding fall in the Scheme's liabilities which are measured relative to UK government bonds.</i>	(£6.2M)
	The total value of Company contributions paid in to the Scheme during the year	£3.4M
	The total value of member contributions paid in to the Scheme during the year	£0.1M
	The total value of benefits paid to members during the year	£5.2M

Investment update

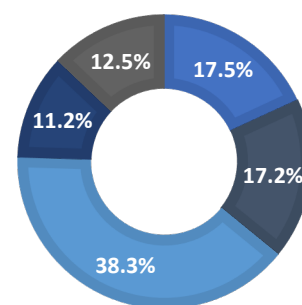
As Trustees, it is our responsibility to agree on the overall investment strategy and to make changes as and when appropriate. We work closely with our investment advisers, and we keep a close eye on how the funds are performing.

At 31 March 2025, the ongoing funding level was approximately 96%. The Scheme targets investing 50% in matching assets (protecting the Scheme funding position) and 50% in diversified growth assets to achieve excess returns above the liabilities. Over the year growth assets delivered positive performance improving funding. Overall assets fell in value due to fall in government bond prices, offset by matching fall in liabilities.

Asset allocation

At 31 March 2025, the Scheme held *invested* assets of £98.7M compared with £109.6M at the same date last year (not including insured policies and AVCs). 3.2% of assets were kept within the Trustees' bank account.

- AIL Adept SF9 17.5%
- Russell Multi Asset Growth Fund 17.2%
- Schrodgers Real Estate Fund 12.5%
- LGIM Active Corporate Bond >10 years 11.2%
- LGIM Liability Matching Portfolio 38.3%
- LGIM Sterling Liquidity Fund 0%



Performance

The table below shows how the Scheme's investments have performed compared with their agreed benchmarks. Each benchmark is an agreed indicator of how the fund is expected to perform bearing in mind economic and market expectations.

	Over the year to date		Over three years (% per year)		Over five years (% per year)	
	Performance	Benchmark	Performance	Benchmark	Performance	Benchmark
AIL Adept SF9	7.2%	9.1%	4.2%	8.1%	6.6%	6.5%
Russell Multi Asset Growth Fund	4.3%	9.6%	3.0%	8.7%	5.8%	7.0%
Schrodgers Real Estate Fund	3.2%	6.9%	-6.4%	-2.8%	0.4%	3.2%
LGIM Corp Bonds	-2.4%	-3.5%	N/A	N/A	N/A	N/A
LGIM Liability Matching Portfolio	-19.2%	-19.1%	-44.3%	-44.2%	-31.6%	-31.4%
LGIM Sterling Liquidity Fund	5.0%	5.1%	4.0%	4.1%	N/A	N/A

Growth assets have performed positively over the year, driven by positive returns in equity prices markets and diversified assets. UK Property delivered positive returns, however Schrodgers underperformed their target. The Scheme retained its redemption request to disinvest from this Fund. UK government bond prices have decreased due to concerns related to the UK's economic outlook and persistent inflation. The LGIM liability matching funds therefore delivered negative leveraged returns. This fall is matched by a corresponding fall in the Scheme's liabilities which are measured relative to UK government bonds.

For further details on our investment approach, read our Statement of Investment Principles (SIP) at <https://pensioninformation.aon.com/kuwait>.

You can also read our engagement policy Implementation Statement showing how our policy on engagement activities and voting has been followed during the year.

In the news

Beware of fraud

Criminals are constantly trying to develop new ways to tempt you into giving or providing access to your personal information. As far as pension savings are concerned, you are at most risk if you're aged 50 to 69.

In 2024, over £17.5 million was lost to pension fraud while the average loss per person was more than £33,000. (Source: Action Fraud)

One current scam tactic is to impersonate a trusted organisation such as a bank or leading retailer. Never disclose any personal information or financial details from any unexpected contact – be it over the phone or by email.

It's equally important that you use strong passwords for all your personal accounts. And never click on a link in an unexpected email, text message or social media post.

Read more about the warning signs and how you can protect yourself:

<http://www.thepensionsregulator.gov.uk/en/pension-scams>

If you suspect fraud, report it to Action Fraud: www.actionfraud.police.uk/

Pensions and inheritance tax

In last year's Autumn Budget, the Government announced plans to bring some pension-related payments into a person's estate for inheritance tax purposes from 6 April 2027.

Most unused pension funds and death benefits will be brought into scope of inheritance tax from 6 April 2027 if the legislation is passed unchanged.

However, certain pension-related payments are expected to remain excluded:

- lump sums only payable if a member dies in service,
- pension benefits paid to a dependant as a regular Scheme pension, and
- payments to a surviving spouse, civil partner or registered charity.

General code of practice

The Pensions Regulator's role is to protect UK workplace pension schemes. Its new general code of practice came into effect from March 2024. The new general code is more straightforward than the previous suite of separate codes and aims to help the trustees of pension schemes run their scheme effectively. The code seeks to strengthen the risk management and governance of pension schemes.

As Trustees, we are working through the requirements of the code and ensuring that the Scheme continues to be run effectively.



If you would like to know more, the code is on The Pensions Regulator's website:
www.thepensionsregulator.gov.uk/en/document-library/code-of-practice

In the news

Pensions Dashboards

In our last newsletter, we provided you with some information on the UK Government's Pensions Dashboards Programme. Pensions Dashboards are websites that allow individuals to search for and view details of all their pension information in one place. That includes DB and DC, private sector, public sector and state pensions. Individuals will be able to see basic details such as their service dates, any accrued DC pot, and expected pensions on retirement. All schemes must connect by 31 October 2026, with schemes being encouraged to connect in line with a connection timetable before this date.

Since April 2025 over 40 million pension records from workplace and private pensions have been connected to the pensions dashboards ecosystem. The point at which Dashboards will be available to the public is still unknown and will be determined by the Government, subject to rigorous testing (which has commenced). We know that the industry will be given at least 6 months' notice before this go live date. Preparations to connect the Scheme to Dashboards are underway. We will provide further information when available.

You can also read regular updates via www.pensionsdashboardsprogramme.org.uk

The growth of AI

Artificial intelligence (AI) is featuring in the news more and more, as the underlying technologies develop and industries identify the benefits it can deliver (and the risks it can pose).

As Trustees, we are monitoring the growth of AI closely, including how it's being (and will be) used within the pensions world. This is part of our general governance of the Scheme. You can be assured that we will be prudent when it comes to using AI in any way and will not do anything to put the Scheme or members' data or benefits at risk.

At the same time, we don't want to stand still, and recognise that robust and effective use of AI may have real benefits and efficiencies for members and the Scheme. We will keep you updated.

Retirement Living Standards

Do you know what standard of living you are aiming for in retirement? Does your current pension saving put you on track?

The Retirement Living Standards can help you to picture the broad lifestyle you might have in retirement.

Are you heading for a minimum, moderate or comfortable retirement? If you're not on track for the lifestyle you would like, consider adjusting your retirement plan – for example, contributing more and/or retiring later.



For more information, visit
www.retirementlivingstandards.org.uk

More information

Scheme website



To find out more about the Scheme, go to:
<https://pensioninformation.aon.com/kuwait>
or scan the QR code with your tablet or smartphone.

You can find the following information on the site:

- General information about the Scheme
- Useful documents about the Scheme's activities
- Frequently Asked Questions
- Contact details

Contact point

Please use any of the methods below to get in touch with the Administration team.

Email: kuwait.pensions@aon.com

Phone: 0330 123 2317

(lines are open Monday to Friday, 8:30am to 5pm)

Write to: Kuwait Petroleum Corporation Retirement Benefits Scheme, Aon, PO Box 196, Huddersfield, HD8 1EG

Reminder to keep us up to date

Please let us know if you change your name or address so we can continue to contact you about the Scheme and your benefits.

Please also update your Expression of Wish form if you need to. This tells us who you would like to receive any benefits that become payable in the event of your death. As the Trustees, we have the final say over who receives the benefits. We will consider your Expression of Wish form, so if you have never filled one in, or you have not done so recently, particularly if your circumstances have changed, please complete a form and send it to us.

You can download a blank Expression of Wish form from the Scheme website.

Taking advice

If you would like advice about your retirement plans, we recommend you speak with an independent financial adviser. You can find an adviser in your area by searching MoneyHelper's online directory.

Go to www.moneyhelper.org.uk and choose **Pensions and retirement > Taking your pension > Find a retirement adviser.**

Behind the scenes

As Trustees, we maintain up-to-date knowledge of pensions, investments and finance. We also attend training courses as and when necessary, for example, when pensions legislation changes. We meet regularly throughout the year to discuss how the Scheme is progressing.

The Board is made up of Company-appointed Trustees and member-nominated Trustees. The current Trustees on the Board are listed below.

Company-appointed	Member-nominated
Graham Smith	David Wright
Philip Wharton	Martin Stanley
Julian Amesbury	Colin Simpson

Remember

If you would like more information about the Scheme, you can request a copy of the Trustees' Annual Report & Accounts. Contact the administration team via phone, email, or post using the details on the left.

We also appoint professionals to support us on areas of particular expertise.

Administrator	Aon Solutions UK Limited
Actuary	Vanessa Jaeger FIA C.Act Aon Solutions UK Limited
Auditor	Deloitte LLP
Investment Adviser	Aon Investments Limited
Legal Adviser	Squire Patton Boggs (UK) LLP

Summary funding statement

This section summarises the results of the valuation at 31 March 2024. It also looks at the most recent previous results. These financial health checks are vital for monitoring the Scheme's progress. We hope the information helps you to understand how the Scheme is developing.

The latest position

The table below reports the results of the latest valuation as at 31 March 2024. It also sets out how the funding position has changed:

- Since the position shown in our previous summary funding statement as at 31 March 2023, and
- In the year following the valuation date, up to 31 March 2025.

	Update	Valuation	Update
Date	31 March 2025	31 March 2024	31 March 2023
The funding level	96%	93%	96%
The funding target	£106.5 million	£117.9 million	£120.8 million
The value of the Scheme's assets	£102.2 million	£110.1 million	£116.1 million
The overall position	Shortfall of £4.3 million	Shortfall of £ 7.7 million	Shortfall of £4.7 million

The next financial check will be based on the Scheme's position at 31 March 2026. We will report on the results once they are complete.

It is important to remember that it is normal for pension scheme funding levels to fluctuate over time. Even when funding is temporarily below target, the Scheme will continue to pay benefits in full as long as it continues.

Reasons for the change

The latest update shows that the funding level has improved since the valuation at 31 March 2024. This improvement has primarily been driven by deficit contributions paid by the Company.

The Trustees and Company agreed to strengthen the assumptions for calculating the funding target at the valuation at 31 March 2024 and this was the primary driver behind decrease in the funding level compared to the update at 31 March 2023.



Summary funding statement

Removing the shortfall

As part of the valuation at 31 March 2024, we agreed with the Company to bring the Scheme to a fully funded position. This is known as a 'recovery plan'. The Company agreed to pay:

- £3M by 31 March 2025
- £3M by 31 March 2026
- £3M by 31 March 2027

These contributions and anticipated investment growth are expected to remove the shortfall by 31 March 2027.

In addition, the Company continues to pay:

- A monthly contribution equal to 28.4% of members' pensionable salaries to help towards the future cost of members' benefits;
- All administration costs, running expenses and other charges, for example the annual levy to the Pension Protection Fund (www.pensionprotectionfund.org.uk).

The next formal valuation will look at the Scheme's position at 31 March 2027. This will include working out if the recovery plan is on track or if changes need to be agreed.

If the Scheme came to an end

The Scheme's funding level is worked out in two ways.

- The 'ongoing' basis (shown on the previous page), which assumes that the Scheme will continue into the future.
- The 'full solvency' basis, which shows the funding position if the Scheme started to 'wind up' at the date of the valuation. If this happened, all members' benefits would have to be secured without delay by buying insurance policies. This would be more expensive than paying benefits gradually over time, so the full solvency position is generally lower than the ongoing position, even for fully funded pension schemes.

At 31 March 2024, the Scheme full solvency funding level was 78% with a shortfall of £31.2 million.

Please note that we are legally required to report the full solvency position as part of this funding statement. The Company has no immediate plans to wind up the Scheme, however this will be considered when it becomes affordable and the Trustees will keep you informed of developments in relation to this.

We must also tell you if there have been any payments to the Company out of Scheme funds in the last 12 months. There have not been.

The Pensions Regulator

The Pensions Regulator is the UK watchdog of workplace pension schemes. It has the authority to change the way occupational pension schemes are run though it has not needed to use its powers in this way for our Scheme. You can find out more about the Regulator online at

www.thepensionsregulator.gov.uk