

MEMBERS' REPORT 2025

COMMONWEALTH WAR
GRAVES COMMISSION
SUPERANNUATION SCHEME

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COMMONWEALTH
WAR GRAVES
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DEAR MEMBER

Welcome to the 2025 Trustees Report to Members which provides members with information on the progress of the Commonwealth War Graves Commission Superannuation Scheme over the last year and other news and information which we trust you will find of interest.

This report provides a summary of the work performed on your behalf during the period, and we hope it will give you a greater understanding of key issues governing the progress of the Scheme. A copy of the full Trustees' Annual Report and Accounts is available from the Scheme's administrators, Capita, whose contact details can be found at the back of this report.

It is with great sadness that we must inform you that Martin Duffy, who served as a Trustee for 12 years, died earlier this year. Martin was a Commission-appointed Trustee and worked for the Scheme on a voluntary basis. His fellow Trustees greatly valued his knowledge and experience gained from a long career in finance and he will be greatly missed.

The Trustees were very sorry to lose the services of Sue Kettle as Secretary to the Trustees earlier this year. She was appointed in September 2011 and had worked with the Trustees for several years before that. She brought a wealth of experience to the task and acquired a deep knowledge of the Scheme over the years. As Trustees we relied enormously on her wise counsel and appreciated her deft management of the many challenges that have arisen in the last decade and a half.

There are some important aspects to highlight:

- **Annual Funding Update** - An annual funding update as at 31 March 2025 has been completed and a Summary Funding Statement detailing the outcome of the update has been included with this report. We are pleased with the continued improvement in the funding level and for the continued support of the Commission.
- **Guaranteed Minimum Pension (GMP) Equalisation Project.** The Trustees continue to work through the complex benefit review exercise known as GMP equalisation. The review, or 'equalisation', involves checking whether anyone's pension needs a small increase due to historical inequalities in the way GMP has been worked out for men and women. The project will take some time to complete but we will be able to share more information with you in the coming year.
- **Pensions Dashboards.** Pensions dashboards are a government initiative to help people keep track of their pensions through digital apps, websites and other tools. They will pull private and state pension data together so that individuals will be able to see all of their pension information in one place. Most pension schemes and providers must connect to the dashboard by 31 October 2026. Work is continuing and the Government has yet to confirm when it will be available for the public. Further details regarding the implementation of pensions dashboards can be found on page 22.
- **Beware of Scams.** We want every member to be vigilant to scams and the increasingly clever ways scammers have of getting you to part with your money. Please be aware of the dangers and know the warning signs to look out for. Read more on page 23.



St-Manvieu War Cemetery,
Normandy

AN IMPORTANT CHANGE TO THE TRUSTEE STRUCTURE

The Scheme has to date been managed by a board of individual Trustees, which has included current and former Commonwealth War Graves Commission colleagues. Two of the Trustees are Member Nominated Trustees. You should already have received a letter from the Commonwealth War Graves Commission informing you that going forward, and as permitted by the Trust Deed and Scheme Rules, the Commission has chosen to transfer the management of the Scheme's governance to a **Professional Corporate Sole Trustee**.

Please be assured that your pension remains secure and will continue to be paid in accordance with the rules of the Scheme and overriding law. There is no change to the operations of the Scheme and we can confirm that the Scheme is in a sound position. Both the Commonwealth War Graves Commission and its Member Governments remain fully committed to supporting it.

The Corporate Sole Trustee appointed by the Commission with effect from 9 December 2025 is Dalriada Trustees Limited. The following is a message from Dalriada:

"We are extremely pleased to have been chosen for this appointment and are very much looking forward to supporting the members of the Commonwealth War Graves Commission Superannuation Scheme (the "Scheme"). We are one of the largest professional trustee firms in the UK, working with over 400 pension schemes. We have over 60 professional pension trustees from all of the main pensions specialisms working with us, and our team-based approach to trusteeship really makes the most of that experience. We also have colleagues who are native speakers in the main European languages, allowing us to assist with communications for overseas members. We will build on the hard work of the previous trustee board to ensure that, in an ever-changing pensions landscape, effective governance and best market practice is provided to you, the members of the Scheme. We will continue to make sure the Scheme is run both diligently and efficiently by working closely with the Commission and the Scheme's service providers. We look forward to being the sole trustee of your scheme."

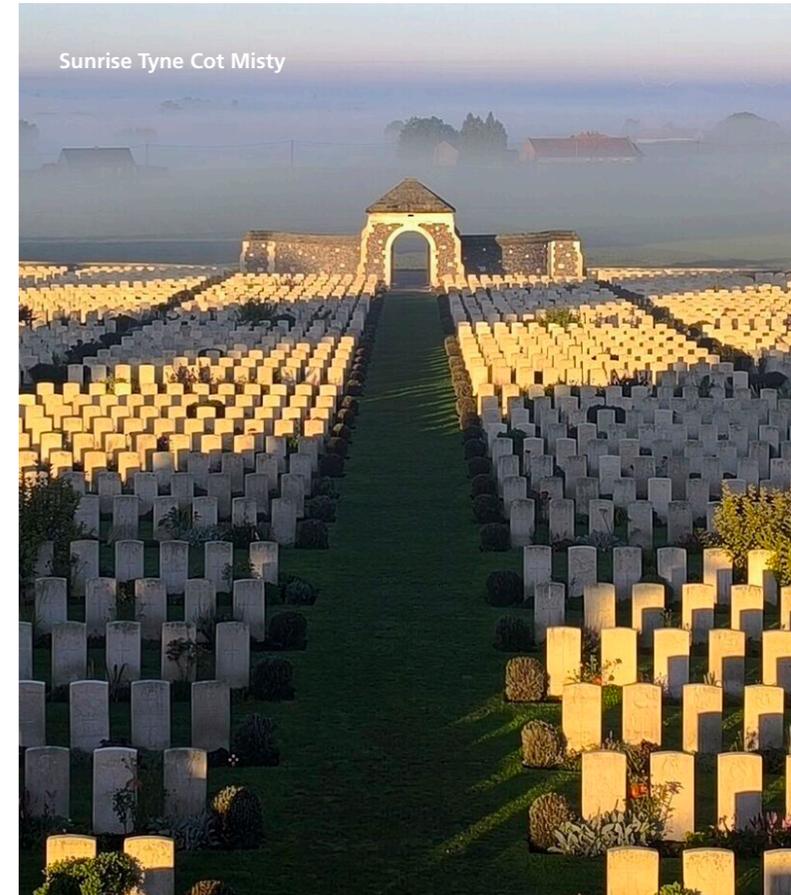
So, this will be the last report from the current Board before we pass on to Dalriada. We have thoroughly enjoyed our role and wish Dalriada continued success.

If you would like further information about the Scheme or any of the issues covered in this report, then please contact Capita or the Secretary to the Trustees – contact details can be found on the final page of this report.

Finally, on behalf of my fellow Trustees, I would like to wish you a healthy and happy new year.

Chris Farrell

On behalf of the Trustees



THE TRUSTEES

The responsibility for overseeing the running of the Scheme rests with the Trustees. The Scheme is set up as a trust and it is a fundamental duty of the Trustees to administer the Scheme in line with the provisions of the Scheme's Trust Deed and Rules. The Trustees therefore work closely with the Commission to ensure that, with the help of professional advisers, the Scheme is run in accordance with the Trust Deed and Rules and the legislation governing UK pension schemes, and that ultimately there will be sufficient funds available to pay members' benefits.

In total the Trustees met five times during the scheme year (1 April 2024 to 31 March 2025). This consisted of four routine meetings to discuss matters relating to the administration and investment performance of the Scheme and one special meeting to consider the Scheme's investment strategy. The Trustees also regularly attend seminars and training sessions in order to remain up to date on pensions issues and legislative changes.

The Scheme is currently administered by four Trustees - of these two were nominated by the Commission and two are Member Nominated Trustees (MNTs).

One of the Commission nominated Trustees is Capital Cranfield Trustees Limited which is an independent trustee company represented by Paul Watson. The other Commission nominated Trustee is Anna Longley who is the Commission's Finance Manager for Africa and Asia Area. A third Commission nominated Trustee, Martin Duffy, sadly passed away in July 2025 and has not been replaced.

The current MNT arrangements allow all eligible deferred and pensioner members to stand as MNTs and to nominate and select other members to act as MNTs. The current MNTs are Chris Farrell who is serving his third term of office as an MNT and Bernard McGee who is serving his second term.

Capital Cranfield Trustees Limited was appointed by the Trustee Board as Chair of the Trustees with effect from 1 April 2025, replacing Chris Farrell who had held the position since 10 January 2018.

Sue Kettle, who had acted as Secretary to the Trustees since September 2011, retired in January 2025. The current Scheme Secretary is Emma Colligan.



Kemmel Chateau Military Cemetery

The current Trustees of the Scheme are:

Commission Nominated

Anna Longley
Commission Employee

Capital Cranfield Trustees Limited
Independent Trustee

Member Nominated

Chris Farrell
Pensioner Member of the Scheme

Bernard McGee
Pensioner Member of the Scheme

Secretary to the Trustees

Emma Colligan
Capita Pension Solutions

SCHEME MEMBERS

The following table shows how the membership of the Scheme changed over the year to 31 March 2025:

	31 March 2025	31 March 2024
Members with De-ferred Benefits	195	210
Pensioners	394	390
Total	589	600

Following the Scheme's closure to future accrual on 31 March 2016, all active members became deferred members of the Scheme from 1 April 2016.

Heverlee War Cemetery



THE TRUSTEES' ADVISERS

Although the Trustees have overall responsibility for running the Scheme, they have appointed professional advisers to assist in the management of the Scheme. The Scheme's current advisers are:

Actuary

Mr John Dignan from the Government Actuary's Department (GAD) replaced Mr Matt Gurden (also from GAD) as the Scheme Actuary on 18 July 2025. Working closely with the Trustees and the Commission, the Actuary keeps the financial health of the Scheme under review.

Auditors

Cooper Parry Group Limited carries out an annual audit of the Scheme.

Investment Adviser

Capita Pension Solutions provides investment advice to the Trustees.

Investment Managers

Schroder Investment Management Limited

BNY Mellon Investment Management

Insight Investment

Legal & General Assurance (Pensions Management) Limited

Threadneedle Asset Management Limited

Administrators

Capita Pension Solutions maintains the records and carries out the administration of the Scheme.

Legal Adviser

DLA Piper UK LLP provides legal advice to the Trustees. The Legal Adviser reviews and updates the Trust Deed and Rules to reflect decisions made by the Trustees as well as legislative changes introduced by the Government.

Bankers

Royal Bank of Scotland plc

INVESTMENTS AND FUND PERFORMANCE

INVESTMENT STRATEGY

The Trustees have produced a Statement of Investment Principles (SIP), which sets out the Trustees' policies on investments. The current investment strategy was implemented in May 2023 but is reviewed regularly. The Trustees agreed to adopt a dynamic approach to asset allocation whereby the investment strategy was dependent on the return required to achieve full funding on a Low Dependency basis by 31 March 2037. Specifically, the Trustees agreed set trigger levels for reducing the allocation towards return-seeking asset classes when market conditions were favourable and increasing the amount of liability hedging. The de-risking triggers were hit twice during the period to January 2024, following which the asset allocation was moved to more appropriate lower risk portfolios. The de-risking framework has been suspended whilst a review of the Scheme's investment strategy is carried out by the Trustees in conjunction

with their investment consultant following the completion of the triennial valuation as at 31 March 2023. This review has now been completed and any agreed changes to the strategy will be communicated in next year's report.

Explanation of terms

- *Low Dependency* is where a scheme's funding and investment strategies are such that there is a low chance of requiring further employer support and, to the extent that such support is required, the amount of support is low relative to the size of the scheme.
- *Liability hedging* aims to reduce the volatility of a scheme's assets relative to the present value of its liabilities.



All of the Scheme's assets (except for the Threadneedle property fund) are managed through the LGIM investment platform. This approach provides ongoing cost savings as a result of reduced annual asset management fees, along with simplified and more efficient future asset transfers, reducing both risk and costs.

The Trustees are required to produce an implementation statement which provides details about the extent to which the stewardship and engagement policy has been followed during the year and details of the voting behaviour of the Scheme's investment managers. A copy of the latest implementation statement can be viewed on the Commission's website at www.cwgc.org/who-we-are/pension-scheme

Glenshee Parish Churchyard

MONITORING OF PERFORMANCE

Together with their Investment Adviser, the Trustees supervise and closely monitor the performance of the managers and ensure that the specific asset allocations and strategy agreed with the Trustees, have in fact been complied with to manage investment risk relative to the Scheme liabilities.

The Trustees have delegated the day-to-day management of investment to its appointed fund managers. The names of those who have managed the Scheme's investments during the year are listed on page 9. A written agreement between the Trustees and each manager sets out the terms on which the manager may act.

The managers' duties include the consideration of social, environmental or ethical issues in the selection, retention and realisation of investments as well as voting and corporate governance in relation to the Scheme's assets. The Trustees have reviewed each of the investment managers' policies on these issues and believe that the policies adopted by the managers are consistent with their own views.



Sorroby Burial Ground, Tiree

The asset allocation of the Scheme's investments at 31 March 2025 was as follows:

		*Actual Asset Allocation %
LGIM All World Equity Fund		10.8
Threadneedle Property Unit Trust		6.2
LGIM Schroder Life Diversified Growth Fund		9.5
LGIM Insight Broad Opportunities Fund		9.5
LGIM BNY Mellon Real Return Fund		9.5
LGIM Synthetic Leveraged Equity Fund		5.0
Total Growth Assets		50.5
LDI	LGIM LDI Matching Core Short Fund – Nominal	49.5
	LGIM LDI Matching Core Long Fund - Real	
	LGIM LDI Matching Core Short Fund - Real	
	LGIM Absolute Return Bond Fund	
LGIM Sterling Liquidity Fund		
Total Matching Assets		49.5
Total		100.0



SCHEME RETURN

The returns on the Scheme's investment funds over the year to 31 March 2025 are shown below.

	Fund Return
Growth Assets	
LGIM All World Equity Fund	5.0%
Threadneedle Property Unit Trust	8.7%
LGIM Schroder Life Diversified Growth Fund	4.3%
LGIM BNY Mellon Real Return Fund	3.8%
LGIM Insight Broad Opportunities Fund	-1.2%
LGIM Synthetic Leveraged Equity Fund	0.0%
Matching Assets	
LGIM LDI Matching Core Short Fund – Nominal	-19.4%
LGIM LDI Matching Core Long Fund - Real	-24.5%
LGIM LDI Matching Core Short Fund - Real	-21.8%
LGIM Absolute Return Bond Fund	7.5%

The matching assets have been carefully chosen to mimic movements in the underlying liabilities so that the funding position remains stable. The LDI funds have similar characteristics to the underlying liabilities when interest rates and inflation changes and hence, when the present value of the future liabilities falls, so do the LDI funds, as seen here.

THE SCHEME'S ACCOUNTS

Every year, the Trustees produce a full set of accounts, showing how much money has been paid into the Scheme and how much has been paid out. Below is snap-shot of the net assets of the Scheme as 31 March 2025.

Fund value at 1 April 2024	£70,498,593
Money going into the Scheme	
Commission contributions	£850,000
Money coming out of the Scheme	
Benefits payable (pensions and lump sum retirement and death benefits)	(£5,517,624)
Benefits payable to and on account of leavers	£55
Administrative expenses	£419
Total expenditure	(£5,517,150))
Investment income less expenditure	£23,188
Change in market value of investments	(£3,485,379)
Fund value at 31 March 2024	£62,369,252

Although the Scheme's fund value has fallen over the year to 31 March 2025, the value of the Scheme's liabilities has also fallen, with the Scheme's funding level remaining stable as a result of the Liability Driven Investment (LDI) hedging strategy in place (which helps the Scheme to match movements in its liabilities caused by changes in inflation and interest rates).



The Scheme accounts have been audited by Cooper Parry and received an unqualified opinion that they represent a true and fair view of the Scheme's financial transactions.

PENSION INCREASES

Your pension in retirement is increased each year to keep in line with the cost of living in the country in which you are based.

The table below shows how pensions have increased over the last three years.

	2024/25 %	2023/24 %	2022/23 %
United Kingdom	6.7	10.1	3.1
Canada	2.67	2.81	8.13
South Africa	4.99	5.66	7.41

Annual pension increases within the Scheme applied to pensions in payment for those based on UK conditions of service follow the statutory increases for Public Sector schemes.

ACTUARIAL REPORT

Every three years our Scheme goes through a detailed financial analysis called an Actuarial Valuation, at which an assessment is made of both our current and future assets and liabilities. Each year in between, an annual review is completed to check how the funding position has changed in the previous 12 months.

The most recent triennial actuarial valuation of the Scheme was carried out as at 31 March 2023.

The valuation showed that over the three-year period to 31 March 2023, there had been an improvement in the Scheme's financial position, with the funding level increasing from 87% as at 31 March 2020 to 91% as at 31 March 2023. This improvement was primarily attributable to the change in the discount rate used to convert the expected future benefit payments into a present value, which was largely driven by an increase in gilt yields, but partly offset by allowing for the de-risking of the investment strategy. The deficit contributions paid by the Commission since the 2020 valuation and changes to the mortality assumptions also contributed to the improved funding position. However, lower than expected returns on assets, higher than expected pension increases and a change in inflation assumptions had a negative impact on the Scheme's funding level.

As a result of the shortfall identified by the 2023 actuarial valuation, the Commission agreed to pay additional contributions as detailed in the table opposite.

Year ending	Contribution (£)
31/03/2024	850,000*
31/03/2025	850,000*
31/03/2026	850,000
31/03/2027	850,000
31/03/2028	850,000
31/03/2029	850,000
31/03/2030	850,000

* This contribution has already been paid

These contributions together with the expected returns on the Scheme assets are expected to eliminate the shortfall by 31 March 2030, although the funding level is expected to fluctuate as market conditions change. The contribution requirements will be reconsidered following the next actuarial valuation which is due to be carried out as at 31 March 2026.

Since completion of the valuation, two annual funding updates have been carried out. The funding update as at 31 March 2024 shows that the Scheme's funding level increased over the year from 91% as at 31 March 2023 to 93% as at 31 March 2024. This improvement was largely attributable to the increase in gilt yields over the year which resulted in an increase in the discount rate used to calculate the liabilities, which in turn decreased the expected value of the liabilities. The deficit contributions paid by the Commission also contributed to the improvement. These positive factors were partially offset by lower than expected investment returns being achieved over the period since the 2023 valuation.

The funding update as at 31 March 2025 shows that there has been a slight deterioration in the Scheme's financial position in the year to 31 March 2025 with the estimated funding level decreasing to 90%. This deterioration was mainly due to lower than expected investment returns over the year.

This was partly offset by the deficit contributions paid by the Commission and an increase in gilt yields which increased the discount rate used to calculate liabilities. The Trustees are not concerned about this short-term movement but rather look to the long-term return.

A Summary Funding Statement detailing the results of the 2023 actuarial valuation and the 2024 and 2025 funding updates has been included with this report.

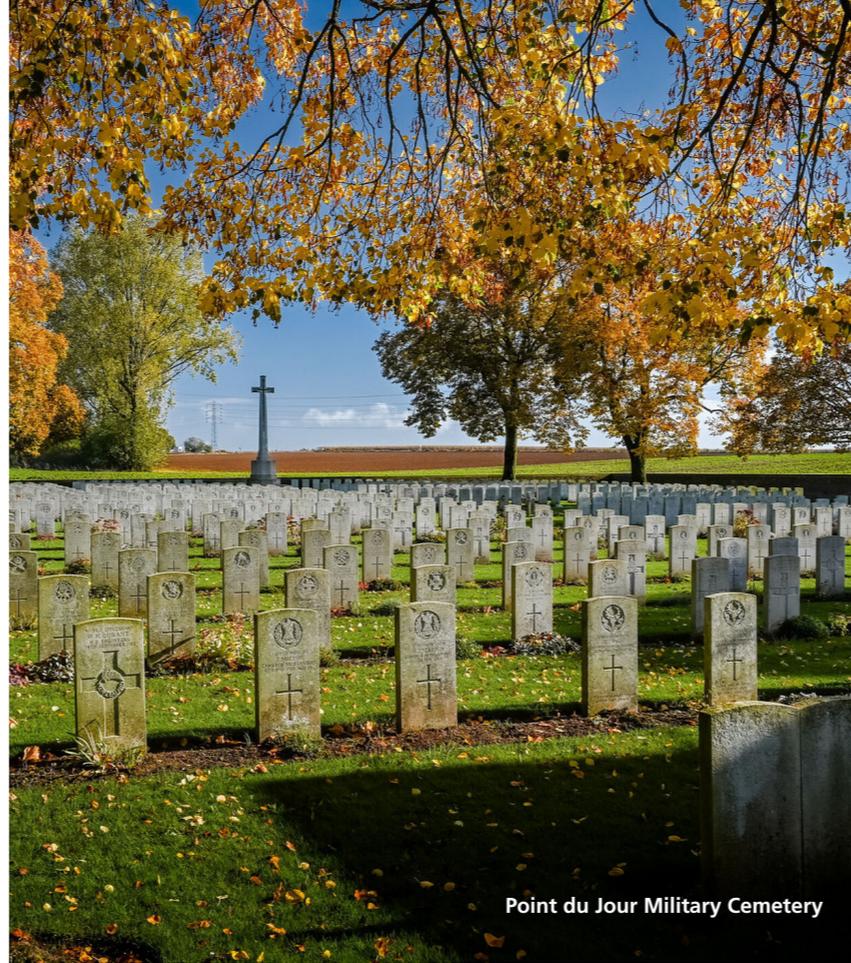


CURRENT ISSUES

Equalisation of GMPs

As noted in previous reports, a High Court ruling made at the end of 2018 in relation to Guaranteed Minimum Pensions (GMPs) confirmed that pension schemes must ensure GMPs built up between 17 May 1990 and 6 April 1997 are equal between men and women. A second judgement was issued on 21 November 2020 regarding the impact of GMP equalisation on historic transfers out. The judgement confirmed that schemes must top up historic transfer values calculated on an unequal basis.

The Trustees, in conjunction with the Scheme Actuary and their legal adviser, considered the impact of these judgements on the Scheme. Counsel's opinion was obtained which confirmed that members with a State Pension Age falling after April 2016 are subject to the HMT direction on the indexation of GMP which applies to public sector schemes. For members with a State Pension Age falling before April 2016, the HMT direction does not apply and therefore the range of GMP equalisation methods identified as being available to pension schemes in the High Court judgement needed to be considered. Following consultation with the Commission, the GMP equalisation method has been agreed and work has started on this complex project. The project is being overseen by a GMP sub-committee formed by the Trustees and it is anticipated that it will be completed by April 2026.



Point du Jour Military Cemetery

General Code of Practice

The 2024 Member Report covered the introduction of a new general code of practice by The Pensions Regulator to help trustees run their schemes more effectively. The code came into force at the end of March 2024,

The code requires trustees to have an Effective System of Governance (ESOG) in place which includes processes and procedures to ensure compliance across every aspect of governance, from management activities and organisational structure to investment matters and member communications. The ESOG also requires trustees to regularly review every aspect of their governance and risk management systems by carrying out an 'own risk assessment' (ORA).

During 2025 the Trustees have completed an analysis of the Scheme's current processes and procedures against the requirements of the new code, to identify any areas where additional documentation of processes was required and to prepare for the first ORA which the Trustees are required to complete by 31 March 2026. The Trustees are pleased to report that the Scheme was already compliant with most aspects of the General Code and, where it wasn't, new processes and policies have been introduced to ensure the Scheme is fully compliant.

Pensions Dashboards

Pensions Dashboards is a secure, online tool that will allow individuals to view their pension information, including their State Pension, all in one place. This system will help individuals to understand and plan for retirement by bringing together details from multiple providers and reuniting savers with lost or forgotten pensions. Commercial and a government-backed dashboard are being developed which will connect to a single digital ecosystem.

How it works:

- Find your pensions: You will be able to use personal information like your name, address and date of birth to search for your pensions across different schemes.
- View your information: Once identified, the dashboard will show you details such as the pension type, estimated retirement income and provider contact information.
- Secure access: The system is designed to be secure, with your pension information only being shown while you are logged into your chosen dashboard.
- Central digital architecture: The Pensions Dashboards Programme is building the central digital architecture and standards to facilitate the secure exchange of data between dashboards and pension providers.

- Regulation: The Financial Conduct Authority and The Pensions Regulator will regulate the schemes and providers that connect to the ecosystem.

Availability:

- Pensions dashboards are not yet available to the public.
- The government has set a connection deadline of 31 October 2026 for most pension providers to connect to the ecosystem.

You can keep up to date with progress at www.pensionsdashboardsprogramme.org.uk.



Watch out for Pension Scams

The danger from pension scams continues, and they're becoming ever more sophisticated – with the use of artificial intelligence (AI) by fraudsters becoming more common.

Examples of AI scams include deepfakes (a video where a person is digitally manipulated to look like someone else), voice cloning (where victims are convinced they're having a genuine phone conversation with a person) and chatbot phishing (with text that replicates the tone and coherence of legitimate messages).

Things to watch out for are the small details on videos, particularly in people's faces. Note any inconsistencies and discrepancies and pay attention to tone of voice as AI scams usually lack emotion.

DON'T...

- be rushed or pressured – take time to make all the checks you need. If a deal sounds too good to be true, it probably is.

DO...

- reject unexpected pension offers – a free offer out of the blue is probably a scam
- check who you're dealing with by using the Financial Conduct Authority's financial services register www.register.fca.org.uk

- get impartial advice – MoneyHelper provides free, independent information and guidance www.moneyhelper.org.uk

Member online portal

The best way to contact the Scheme Administrator is by using the member Online Portal at www.portal.hartlinkonline.co.uk/commonwealthwargraves

If you haven't already done so, registering for your account is quick and simple. If you click on the above link you will be provided with a Portal Registration Guide to help you through the process.

Once you have registered, you will have immediate access to important information relating to your pension. The 'Contact Us' function will allow you to raise any queries that aren't already answered within the site, and you will be able to receive responses and important scheme communications via the secure member mailbox set up on your behalf.

In addition to this you will be able to update your personal details should your circumstances change.

FURTHER INFORMATION

If you have any questions about the Scheme, or would like any more information, please contact the Scheme Administrator:

Commonwealth War Graves
Commission Superannuation Scheme
Capita Pension Solutions
PO Box 555
Darlington, DL1 9YT

Tel: **+44 (0) 333 222 0085**
Online Portall: <https://portal.hartlinkonline.co.uk/commonwealthwargraves>

Jamie Guille in the HR Service Centre at the Commission runs the Commission's side of pension administration and can be contacted as follows:

Jamie Guille, Reward Supervisor
Commonwealth War Graves
Commission, 2 Marlow Road,
Maidenhead, Berkshire
SL6 7DX

Tel: **+44 (0) 1628 507131**
Email: jamie.guille@cwgc.org

You can also contact Emma Colligan, the Scheme's Secretary, at:

Capita Pension Solutions
Hartshead House
2 Cutlers Gate
Sheffield S4 7TL

Tel: **+44 (0) 20 3535 6772**
Email: emma.colligan@capita.com

If you are unable to resolve a problem with the Scheme through these normal channels, you may wish to pursue a complaint through the Scheme's formal dispute resolution procedure. A copy of the procedure is available on request from the Secretary.

KEEPING US INFORMED

It's really important that you keep your personal details up to date whenever your circumstances change. Please therefore contact the Scheme Administrator whenever you:

- change your address or, if you are in regular receipt of a pension, you change your bank account details
- wish to change your death benefit nomination
- want information about the Scheme or your benefits