Hilton UK Pension Plan

2026 Member Newsletter

From your Trustees

Welcome

We're pleased to share this year's newsletter with you.

Mapping the Plan's finances

Following our latest three-yearly funding review and annual update, we're happy to report that the Hilton UK Pension Plan (the Plan) is in surplus. Broadly speaking, this means there is more than enough money to cover members' benefits both now and in the future. We've included a breakdown of the figures, along with the latest summary of our Report and Accounts, on page 6.

We appreciate that the financial updates contain a lot of technical and regulatory information that we are required to include, but we hope they provide reassurance about the Plan's financial position and how it is managed.

The latest news

We've included a round-up of the latest news from the Plan and the wider pensions world, with links to trusted sources if you would like to read more. You'll find this on pages 8 and 9. We hope this helps you stay up-to-date about information related to your pension.

What to expect at retirement

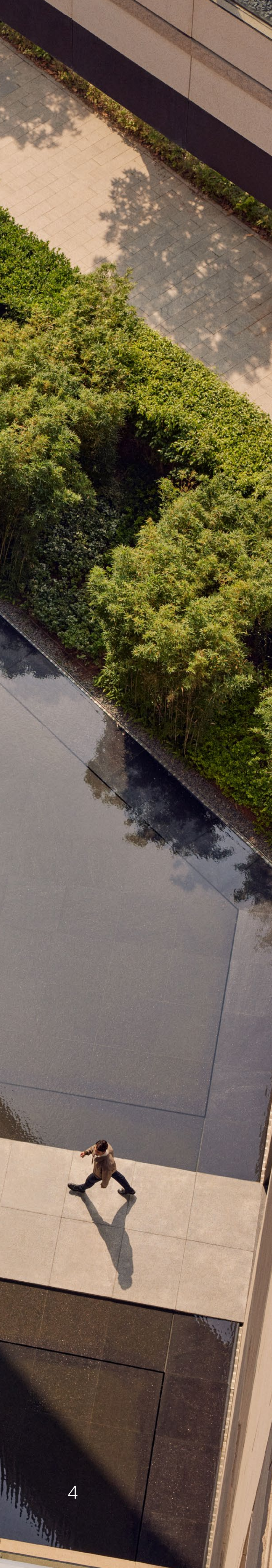
If you're a deferred member approaching your Normal Retirement Age, take a look at the article on page 10. It explains what happens when you take your benefits, including the steps involved and how long things typically take. Knowing what to expect means fewer surprises, so you can focus on the decisions that matter most.

We hope you enjoy the read.

Steve Standefer

Chair of the Trustee Board

Contents



Mapping the Plan's finances

A snapshot of the Plan's funding position

This is your yearly update on the financial health of the Plan.

We aim to show you:

- the value of the Plan (its **assets**);
- an estimate of how much money the Plan is due to pay out to its members (its **liabilities**);
- the difference between the two (a **shortfall or surplus**);
- how close the Plan is to meeting its commitments (the **funding level**); and,
- how this has changed over time.

We have provided this so you can get an idea of whether there's enough money in the Plan to pay our members – both now and in the future. This financial snapshot was put together by the Trustee Board, along with the Plan's actuary, Lisa Whitby FIA of XPS Group.

	31 December 2023	31 December 2024	31 December 2025
Assets	£238.7 million	£223.9 million	£229.5 million
Liabilities	£264.4 million	£229.1 million	£229.0 million
(Shortfall) / Surplus	(£25.8 million)	(£5.2 million)	£0.5 million
Funding level	90%	98%	100%

Please note the figures have been rounded.

A full valuation is carried out once every three years with annual checks in between. The last full valuation was as at 31 December 2024 and the next full valuation is due as of 31 December 2027.

The Plan's funding level increased in both 2024 and 2025

The Plan's funding position improved between 31 December 2023 and 31 December 2024 and improved again between 31 December 2024 and 31 December 2025.

During 2024, the difference between the value of the Plan, compared to how much it is estimated it will need to pay to members, decreased from £25.8m to £5.2m.

This improvement was primarily due to contributions paid in line with the Recovery Plan, and returns on the Plan's return seeking assets being higher than expected.

During 2025, the difference between the value of the Plan, compared to how much it is estimated it will need to pay, changed from a shortfall of £5.2m to a surplus of £0.5m. This improvement was mainly due to contributions paid in line with the Recovery Plan, and a slight rise in gilt yields over the year to 31 December 2025, which reduced the estimated cost of providing the Plan's benefits.

However, this improvement was partially offset by returns on the Plan's assets being slightly lower than expected.

What changes now there is a surplus?

The previous recovery plan was successfully concluded as at 31 December 2025 and in March 2026, we agreed with the Company that no further contributions are required at the current time.

What happens if the Company isn't able to support the Plan?

As part of our annual reporting to you, we're required to tell you what could happen if the Company isn't able to keep paying into the Plan. To be clear, we're not saying that this is happening or is planned – we're just making you aware of what could happen if Hilton were no longer able to support the Plan.

If the Company isn't able to support the Plan - one of three things could happen:

1. The Plan would continue but would rely less on the Company. If this happened, pensions would still be paid to members, but we would review our investment and funding strategies and operating budget.
2. The Plan could 'wind up' – that is, it would take steps to close. If a pension plan winds up, we must secure members' benefits by buying an insurance policy. If the Plan had wound up on 31 December 2024, it would have cost the Trustee Board £243.8m to secure this insurance policy. As the Plan's investments at the same date were valued at £224.0m, the Company would have had to make up the difference.
3. The Pension Protection Fund (PPF) could step in. This is a UK organisation which may become involved if a company goes out of business and doesn't have the money to pay the benefits promised. You can find out more about how they aim to protect member benefits at **www.ppf.co.uk**

What's the current situation?

There were no significant events over the year to 31 December 2025 that would indicate an issue with the Plan or Hilton's ability to fund it. The Company has not taken any payments out of the Plan in that time. The Pensions Regulator (TPR) has not become involved to change the way that benefits build up, how valuations are calculated, or the way the funding shortfall is met.

There's also an agreement in place between the Company and the Trustee Board, which aims to make the Plan self-sufficient (and so less reliant on the Company for financial support) by 31 December 2034. Under that agreement, while the Company could be required to pay extra contributions to meet the 2034 target, there is the possibility for a five-year extension if it's needed.

Summary of our reports and accounts

This summary of the Plan's finances shows you the money coming in and the payments made during the past year. This shows that the total value of the Plan increased over the year from £223,993,917 as at 31 December 2024 to £230,579,312 as at 31 December 2025.

These figures are based on the Trustee's Report and Accounts as at 31 December 2025.

	Value of the Plan on 31 December 2024	**£223,993,917**
	Payments received	
	Contributions from the Company	£7,314,116
	Other income	£54,310
+	**Total received**	**£7,368,426**
	Payments made	
	Benefits paid to members and payments in respect of leavers	£10,790,966
	Administration expenses	£1,072,491
–	**Total payments**	**£11,863,457**
+	**Net return on investments**	**£11,080,426**
=	**Value of the Plan on 31 December 2025**	**£230,579,312**

Our members

2024		2025	
133	Employed Deferred Members	121	Employed Deferred Members
1,606	Former employees waiting to draw their pension	1,538	Former employees waiting to draw their pension
1,488	Pensioners, including spouses and dependants	1,517	Pensioners, including spouses and dependants

The investments in the Plan

Over the 12-month period to the end of 2025, the gap between the Plan's liabilities (what it expects to pay out) and its assets reduced and as a result the funding position improved. This was partly driven by the liabilities being broadly unchanged over the year because of movements in interest rates and inflation (which are used to help value the liabilities).

Strategic asset allocation: where we aim to invest

Benchmark

Benchmark	
10%	**Asset backed securities (ABS)** Income-generating assets e.g. loans backed by mortgage and credit card receivables.
12.5%	**Infrastructure equity** Ownership in essential physical assets e.g. transport networks and energy systems.
12.5%	**Infrastructure debt** Loans made to fund infrastructure projects.
15%	**Direct lending** Loans given directly to companies.
15%	**Property** Investments in buildings or land.
35%	**Liability driven investments (LDI) and cash** Protects against movements in long-term pension liabilities, mitigating risks like interest rate volatility.

Responsible investing: a note on ESG

We continue to recognise the importance of Environmental, Social and Governance (ESG) factors within the investments we oversee. During the course of the last year, in the Report and Accounts, we gave details on the investment managers' engagement activity in the Implementation Statement. You can find this on the Plan website under the Resources tab: **www.hiltonukpensions.co.uk/resources**. Or simply scan the QR code.

A quick tour of the news

Updates from the Plan

Pension increases for 2026

Pension increases apply if you **are receiving a pension from the Plan**.

The level of increase depends on which parts of the pension (pension elements) were built up before retirement, as different elements may be subject to different increase rates in line with the Plan's Trust Deed and Rules.

If you receive a pension from the Plan, we wrote and told you about this in March this year. The increase took effect from April 2026. Your letter included a personalised breakdown showing each part of the pension, the increase applied, and the updated pension amount.

Stronger governance, greater protection

New requirements from The Pensions Regulator (TPR) are helping pension schemes strengthen how they are run, with a greater focus on risk management, cyber security and long-term planning.

Under the new Effective System of Governance (ESOG) requirements, plans like ours must now carry out a formal 'Own Risk Assessment'. This helps us evaluate how our governance is working in practice and review how effectively risks are identified and managed.

While much of this reflects good practice we already follow, we will be formalising this further and continuing to build on the strong governance already in place. We'll keep you updated on our progress.

Find out more at **www.thepensionsregulator.gov.uk** by searching for 'own risk assessment' or scan the QR code

Updates from the wider world of pensions

Pension age increases

The **State Pension age** is gradually increasing to 67 between 2026 and 2028. Some pension schemes are also increasing their **Normal Pension Age** (the age you can usually take your pension without it being reduced for early payment) in line with this, although this depends on each scheme's rules.

It's worth checking:

- your Normal Pension Age with all your pension providers
- your State Pension age at **www.gov.uk/state-pension-age**

Pensions Dashboards

Last year, we told you about online dashboards which will allow members to securely view all their unclaimed pensions in one place. The Plan has now connected to the Pensions Dashboards.

We are still waiting for the government to confirm when these will go live. Once available, we encourage you to log in and view your personalised dashboard – you may discover a pension you had lost track of.

Find out more at **pensionsdashboardsprogramme.org.uk** or scan the QR code.

We've also updated our privacy policy in line with Pensions Dashboards. You can find it on our Plan website at **www.hiltonukpensions.co.uk/resources**

Revisiting the Inheritance Tax rules

We wanted to remind you about the government's plans to include some unused pensions in Inheritance Tax (IHT) calculations from April 2027. This won't apply to most Plan benefits, but could include a lump sum paid to your beneficiaries (if you die within five years of taking your pension), as well as any unspent Defined Contribution (DC) pensions outside the Plan.

Usually, there's no IHT to pay if your estate is below the £325,000 threshold. If you think this might affect you, you may want to speak to a financial adviser.

Where to visit next

- General guidance on IHT: **MoneyHelper.org.uk**
- Up-to-date IHT rates and rules: **gov.uk/inheritance-tax**
- Find a financial adviser: **vouchedfor.co.uk**

Last year's articles contain more detail on the Pensions Dashboards and the IHT rules. You can find the edition online at: **www.hiltonukpensions.co.uk**

What to expect at retirement

This article is for deferred members who haven't yet taken their pension benefits. If you're approaching your Normal Retirement Age, it explains what to expect when you're ready to take your benefits.

1. Getting your retirement quote

Around six months before you reach your Normal Retirement Age (NRA), you'll get a letter from the Plan administrator, Hymans Robertson, asking whether you would like a retirement quote.

If you'd like one, simply get in touch with them. Asking for a retirement quotation doesn't mean you have to take your benefits. It simply gives you a personalised illustration showing what you could receive and the retirement options available to you.

If you're not ready to take your benefits, that's fine. If you don't contact Hymans Robertson, they'll assume you're not planning to retire yet and everything will continue as normal.

2. Completing the forms

When you receive your retirement quote, you'll also receive a set of forms to complete for when you decide to take your benefits. These include forms with your bank details and declarations on your chosen options.

To go ahead with your retirement, you'll need to fill in and return these forms to Hymans Robertson.

3. Confirming your identity

Before your benefits can be paid, you'll also need to confirm your identity. This is a standard security step that helps protect your pension and ensures payments go to the right person.

For most members, it's a quick online process using a smartphone or tablet. You'll be sent a secure link with instructions on how to use this option.

If you'd prefer not to use the online service, or don't have access to a suitable device, contact Hymans Robertson. They'll arrange another way for you to confirm your identity.

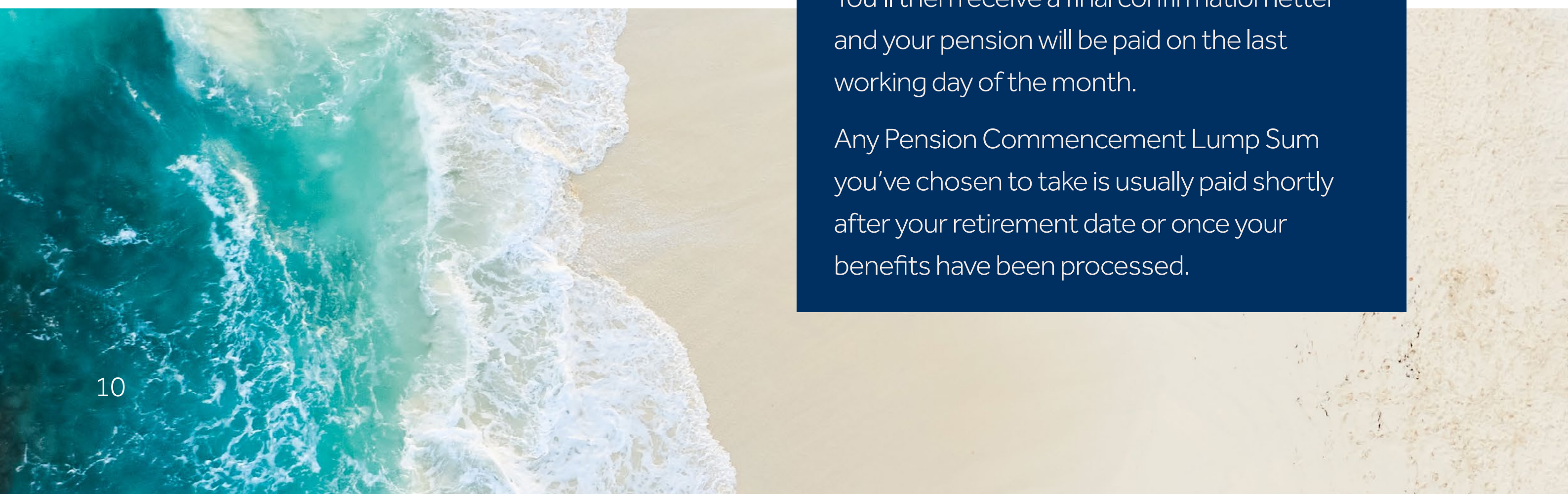
You may also be asked for copies of your birth certificate and, if applicable, your marriage or civil partnership certificate. These help keep your records accurate and up to date.

Getting your benefits paid

Once Hymans Robertson has everything they need, they'll start processing your retirement benefits. This usually takes around five to nine working days.

You'll then receive a final confirmation letter and your pension will be paid on the last working day of the month.

Any Pension Commencement Lump Sum you've chosen to take is usually paid shortly after your retirement date or once your benefits have been processed.



Staying alert to new scam tactics

Fraudsters continually adapt their methods to catch people out, often using current events and new technology to appear more convincing. We want to help keep you one step ahead by sharing the latest trends and giving you guidance on how to protect yourself.

Using Artificial Intelligence (AI) in messages and calls

Scammers are using AI to make emails, messages and even phone calls look and sound convincing. Even if something appears genuine, like contact from a trusted organisation or loved one, it may still be a scam.

Ask yourself:

- are you being asked for personal, financial or login details, or for money?
- are you being urged to act quickly to avoid a fine, secure your account, or take advantage of an amazing offer?

If you've answered yes to either question, it may be a scam. Do not respond and contact the organisation or person separately using contact details from a trusted source, like this newsletter.

Identity fraud warning signs

The Pensions Regulator has warned about identity fraud, where scammers:

- use personal information to impersonate members.
- hack into their online accounts.

Protect yourself:

- use strong, unique passwords across all your accounts.
- don't share your personal information unless you know who you're dealing with.
- be suspicious of unexpected, urgent contact asking for your details.

Who to contact

- Contact your bank immediately if you think someone may have access to your bank account.
- Contact Hymans Robertson if you believe someone is attempting to access your pension account.
- Report suspected fraud to **Report Fraud** (formerly Action Fraud) at **reportfraud.police.uk**

This government campaign aims to give people the tools and knowledge they need to stay ahead of the fraudsters. Visit the website at **stopthinkfraud.campaign.gov.uk**

How to find out more

The best place to start is the Plan's website:

www.hiltonukpensions.co.uk

Once you're online, you can:

- Register or log in to your online account (PRISM)
- Manage your pension anytime
- Read helpful guides, updates and newsletters

Want to register? Simply visit the website to sign up.

Still employed by Hilton? You can now sign up for online access too.

Got a smartphone? Scan the QR code to go straight to the website.

Want more detail?

You can find the following documents on the Plan website under 'Resources', or request them from Hymans Robertson:

- **Statement of Investment Principles (SIP):** outlines the Trustee's investment strategy.
- **Implementation Statement**: outlines how the policies in the SIP have been met.
- **Privacy Notice:** contains information on the personal information about you the Plan collects, what we do with this information, the lawful basis on which it is processed and the rights you have.

Got a question about your benefits?

The Plan's administration team at Hymans Robertson is here to help.

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