

APPENDIX C

**THE CHURCH OF IRELAND
CLERGY PENSIONS TRUSTEE DAC**

**REPORT ON THE CLERGY PENSIONS FUND
FOR THE
YEAR ENDED 31 DECEMBER 2025**

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THE TRUSTEE AND ITS ADVISORS

Trustee	The Church of Ireland Clergy Pensions Trustee Designated Activity Company
Registered Office	Church of Ireland House, Church Avenue, Rathmines, Dublin 6 Tel 01-4978422 Email <pensiontrustee@rcbcoi.org> Web <www.churchofireland.org/about/clergy-pensions> Company Registered in Ireland No 492302 The Representative Church Body is the sole member of the Company.
Trustee Directors	<i>Nominated by the RB Executive Committee</i> Ven Barry Forde Mr Alan Hood Dr Andrew Smith <i>Nominated by the Church of Ireland Pensions Board</i> Ms Alison Burnside* Mr Adrian Robinson (Chair)
Company Secretary	Mr David Ritchie, Chief Officer and Secretary, Representative Church Body
Fund Management and Advisory	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6 Lane Clark & Peacock Ireland Ltd, Office 2, Grand Canal Wharf, South Dock Road, Dublin 4, D04 H583
Investment Managers	The Representative Church Body (<i>address as above</i>) Irish Life Investment Managers, Beresford Court, Dublin 1
Investment Custodians	RCB – Northern Trust, Canary Wharf, London E14 5NT ILIM – Citibank, 1 North Wall Quay, Dublin 1
Scheme Actuary	Mr Liam Quigley, Mercer, Charlotte House, Charlemont Street, Dublin 2
Consulting Actuaries	Mercer Actuarial Services, Charlotte House, Charlemont Street, Dublin 2
Auditors	PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, Spencer Dock, Dublin 1
Solicitor	Mr Mark McWha, Senior Solicitor, Representative Church Body
Bankers	Bank of Ireland, College Green, Dublin 2 Bank of Ireland, Talbot Street, Dublin 1
Sponsor	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6
Registered Administrator	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6
Risk Management Key Function Holder	Mercer Ireland Ltd, Charlotte House, Charlemont Street, Dublin 2, D02 NV26
Internal Audit Key Function Holder	Forvis Mazars, Block 3 Harcourt Centre, Harcourt Road, Dublin 2, D02 A339
Enquiries	The Company Secretary, Church of Ireland Clergy Pensions Trustee DAC, Church of Ireland House, Church Avenue, Rathmines, Dublin 6

The Clergy Pensions Fund is Pensions Authority Scheme no PB1667.

* appointed September 2025 in place of Mr Robert Neill (resigned September 2025)

INTRODUCTION

The Trustee presents its annual report on the operation of the Clergy Pensions Fund for the year ended 31 December 2025. The report covers the main areas of Fund activity including financial statements, actuarial and investment management, and also looks at developments during the year. The content of this report conforms to the Occupational Pensions Schemes (Disclosure of Information) Regulations, 2006 prescribed by the Minister for Social Protection under the Pensions Act 1990.

OPERATIONAL REPORT

2025 Actuarial position of the Scheme

The solvency of the Scheme is monitored by the Scheme Actuary and a full actuarial valuation is carried out every three years. This compares the value of the assets in the Fund with the actuarially computed value of the liabilities to pay pension and other benefits into the future. The most recent triennial valuation was as at 30 September 2024. This was the first actuarial valuation since the end of the Funding Proposal which concluded on 31 December 2023 having met its objective of restoring the solvency of the Scheme. The 2024 triennial valuation confirmed that the Scheme satisfied the Funding Standard and Funding Standard Reserve at the 2024 valuation date.

During 2025, a rise in the level of interest rates caused a reduction both in the market value of the Fund's assets and in the actuarial value of the Scheme's pension liabilities, with the net result that the actuarial funding position of the Scheme improved during the year. The next formal Actuarial Valuation of the Scheme will be in 2027.

2025 Financial position of the Fund

The annual financial statements of the Fund, starting on page 74, summarise the transactions during the year and net assets of the Fund at the year end only. They do not take account of liabilities to pay pensions and other benefits in the future.

During the year there was a decrease in Fund assets of €8.81m with a closing value of €207.97m, having met benefit payments of €8.25m together with administrative and other costs of €0.37m.

Contributions to the Fund in the year were €0.66m, being the total value of diocesan pension levies.

The investment return for the year, including income and realised and unrealised investment losses, totalled -€0.85m net of investment management expenses. The return on the Fund's assets in the year was 0.0% against a benchmark return of 3.7%. The Trustee agreed revised investment performance benchmarks to take effect from the first quarter of 2026, reflecting the outcome of a review of strategy and a de-risking of the investment portfolio. During 2025, in light of the improved funding position and following advice from investment advisors Lane Clark & Peacock, the Trustee took the decision to de-risk the Fund's investment portfolio to 85% defensive assets and 15% growth assets. The aim of this de-risking is to protect the ability of the Fund to deliver future benefits. This is achieved by investing the majority of the Fund's assets in inflation-linked bonds, ensuring that the value of the Fund's assets will in future move in line with its liabilities and protecting the Fund against interest rate and inflation sensitivity.

During 2025, discretionary increases to pensions in payment and increases to Pensionable Stipend were agreed to take effect on 1 January 2026. The Standing Committee of General Synod, on the recommendation of the Trustee and the RCB, agreed to reduce the Clergy Pensions Fund solvency levy collected from parishes and dioceses from 3% to 0.8% of Minimum Approved Stipend in 2026.

The contingent secured loan for €20m provided by the RCB (as Sponsor) during 2022 remains in place with an end date of 2028. The original purpose of the loan was to enable the Trustee to pursue a growth strategy to maximise future benefits.

Copies of the Actuarial Funding Certificate and Funding Standard Reserve Certificate as submitted to the Pensions Authority following the most recent triennial valuation are included as Annex 2 to this report (page 93).

A copy of the Actuary's Annual Statement as at 31 December 2025 is included as Annex 3 (page 96).

Administrative duties

The Trustee is pleased to report that the Fund has been administered in accordance with regulatory requirements during the year. Various duties in relation to the operation of the Fund were carried out during 2025 by the RCB Pension Administration Department, the Church of Ireland Pensions Board and the RB Investment Committee. The Trustee wishes to thank each of these for their assistance and support in its management of the Fund.

Membership

Details on the membership of the Fund are reported by the Church of Ireland Pensions Board in Annex 1 to this report (see page 90). The Fund was closed to new members and to future accruals of pensionable service on 31 May 2013.

Pensions in payment

In accordance with the Rules of the scheme, annual discretionary increases to pensions in payment are permitted, such as the Trustee on the advice of the Actuary and with the approval of the RCB may determine.

It was agreed during 2025 that the following rates of discretionary increase be applied with effect from 1 January 2026:

Pensions payable in Sterling	5% inclusive of any increases required by law
Pensions payable in Euro	4%

The General Synod in 2025 agreed legislation, brought by the RCB on the recommendation of the Trustee, to amend the Trust Deed and Rules (Chapter XIV of the *Constitution*) to ensure that members of the Clergy Pensions Fund who reached Normal Retirement Age before 1 January 2024 who were in not in receipt of pension benefits from the Fund on 1 January 2024 are not in a less beneficial position when they receive a late retirement pension from the Fund because they remained in service in the Church of Ireland after reaching Normal Retirement Age.

Pensionable Stipend

Pensionable Stipend is used to calculate the value of pension benefits payable. In accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland*, levels of Pensionable Stipend for Northern Ireland and the Republic of Ireland are fixed annually by the Standing Committee of General Synod on the recommendation of the Representative Church Body (RCB) and the Trustee.

The Standing Committee agreed in September 2025, on the recommendation of the RCB and the Trustee, that Pensionable Stipend levels with effect from 1 January 2026 should be increased to £35,060 (2025: £33,390) per annum in Northern Ireland and €43,937 (2025: €42,247) per annum in the Republic of Ireland.

Statutory increases in UK pensions for service post April 1997

Under UK pensions legislation statutory increases must be applied to a pension which relates to service completed in that jurisdiction for the period (i) 6 April 1997 to 5 April 2005 or normal retirement age, if earlier, by the annualised rate of inflation up to a maximum of 5% and (ii) 6 April 2005 to date of retirement, whether that be on or before normal retirement age, by the annualised rate of inflation up to a maximum of 2.5%.

As the discretionary increase of 5% is greater than both UK annualised rate of inflation and the maximum increases required by law this is the increase that was applied on 1 January 2026.

There is no similar pensions legislation in the Republic of Ireland.

Deferred pensions

Deferred pensions are revalued in accordance with the relevant statutory provisions.

Early retirement

With effect from 1 January 2025, the restriction on early retirements that was imposed as part of the Funding Proposal measures was removed, as agreed by the Trustee during 2024.

Additional Voluntary Contributions (AVC) Schemes

As previously reported, the General Synod in 2024 approved the closure and winding up of the Clergy Pensions Fund AVC Schemes in the Republic of Ireland and Northern Ireland following a recommendation from the Trustee and the RCB, who had determined that it was no longer in the interests of Fund members to administer the AVC Schemes as stand-alone schemes.

The final remaining members of the AVC Schemes retired or transferred out of the Schemes during 2025. The wind-up of the Republic of Ireland Scheme was completed with effect from 17 January 2025 and the wind-up of the Northern Ireland Scheme was completed with effect from 15 April 2025.

A report on the AVC Fund for 2025 is contained in the report from the Church of Ireland Pensions Board, set out in Annex 1 to this report (see page 91).

CONSTITUTION AND GOVERNANCE OF THE FUND

The Clergy Pensions Fund is a defined benefit scheme and is established under Chapter XIV of the *Constitution of the Church of Ireland* as amended from time to time by the General Synod.

The Fund has been approved by the Revenue Commissioners as a retirement benefits scheme under Part 30, Chapter I of the Taxes Consolidation Act, 1997, and is treated as an ‘exempt approved scheme’ for the purposes of that Act. In addition, the Fund has been approved by the Board of the Inland Revenue of the United Kingdom as a retirement benefits scheme for the purposes of Chapter I, Part XIV, Income and Corporation Taxes Act 1988 and is treated as an ‘exempt approved scheme’ for the purposes of Section 592 of that Act in relation to its provision of pension benefits to those members of the clergy who are living in Northern Ireland.

The Trustee

The Church of Ireland Clergy Pensions Trustee Designated Activity Company is the sole Trustee of the Church of Ireland Clergy Pensions Fund and is responsible for the stewardship of the Fund assets in accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland* (the Trust Deed and Rules of the Fund).

The powers and duties of the Trustee are set out in section 22(1) of Chapter XIV. In accordance with the provisions of Chapter XIV certain duties have been delegated by the Trustee to the Representative Church Body, the Church of Ireland Pensions Board and the RB Investment Committee. The Trustee places on record its gratitude for these three bodies, noting in particular the administrative support and diligence of the staff of the Representative Body. The Statement of the Trustee’s Responsibilities in relation to the financial statements is set out on page 77.

The Trustee Directors are appointed by the Representative Church Body, in accordance with the Articles of the company, on the nomination of the Church of Ireland Pensions Board and the Executive Committee of the Representative Church Body.

The Trustee Directors and the persons charged with the administration of the scheme have access to guidelines, guidance notes and codes of practice issued by the Pensions Authority in accordance with section 10 of the Pensions Act.

The Trustee Directors have completed appropriate training for their duties and responsibilities. Costs in respect of Trustee Director training during the year were charged to the Fund.

Management and administration of the Fund

The Representative Church Body was appointed by the Trustee as the Registered Administrator for the Fund. The duties of a registered administrator include preparing the Trustee Annual Report and Accounts, which should include at least the specific information set out in the regulations to the Pensions Act, and providing annual benefit statements to members. In addition to this, the RCB provides administration relating to investments, benefits and accounting controls.

The Church of Ireland Pensions Board also carries out certain duties relating to the administration of the Fund as delegated to the Board by the Trustee in accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland*. A report from the Board is included in Annex 1 to this report (page 89).

Actuarial advice is provided by Mercer Actuarial Services, Dublin.

The Trustee, in conjunction with the RCB in-house investment team, takes overall responsibility for investment strategy in furtherance of the investment objectives for the Fund, using Irish Life Investment Managers (ILIM) for the management of a proportion of the Fund (84% at year end 2025 compared to 85% at the end of 2024). Investment management is undertaken by investment managers in accordance with a formal fund management agreement. The Trustee has an agreement with Lane Clark & Peacock for the provision of investment advisory services to the Clergy Pensions Fund. The costs in relation to administration, administrative actuarial advice and investment management are charged to the Fund.

The Trustee has appointed Mercer as Risk Management Key Function Holder, and Forvis Mazars as Internal Audit Key Function Holder.

During the year ended 31 December 2025 Northern Trust was the custodian of most of the funds managed by the RCB for the Fund, and Citibank was the custodian of the unit-linked funds held by Irish Life Investment Managers (ILIM) for the Fund. In addition to the records maintained by the custodians, ILIM maintains its own records of securities, and these securities are held beneficially in the name of Irish Life Assurance plc on behalf of the Trustee of the Fund.

Statement of Risk

Under law, the Trustee is required to describe the condition of the Scheme and the risks associated with the Scheme and disclose these to members.

The Trustee's Statement of Risk can be found in Annex 4 to this report (page 97). The Trustee has revised the Statement of Risk to reflect the review of investment strategy and de-risking carried out during 2025.

Investment policy

The overall investment objective of the Trustee is to ensure that the benefits of the Scheme continue to be affordable and that ultimately the level of benefits set out in the Trust Deed and Rules can be paid.

The overall investment strategy aims to achieve a sufficient rate of return to pay benefits without undue volatility. The Fund aims to maintain an appropriate mix of assets to minimise the impact of inflation and interest rate risk with due regard to the scheme liabilities. The Trustee has agreed an asset allocation of 85% de-risked assets and 15% growth assets. De-risked assets are holdings in liability matching asset classes and generally comprise [inflation linked bonds](#), fixed income sovereign bonds, high grade corporate fixed interest bonds and cash. Growth assets are represented by all other asset classes.

Over the long term, a core objective is to ensure that the Scheme continues to meet the Funding Standard requirements on an ongoing basis.

The investment policy for the management of the assets of the Fund is set out in a Statement of Investment Policy Principles (SIPP). A revised SIPP, reflecting the outcome of the 2025 strategy review and de-risking, has been agreed by the Trustee and can be found at Annex 5 (page 99). The investment objectives and strategy are reviewed on an ongoing basis in consultation with the investment advisors and with the advice of the Actuary.

The majority of the fixed income and equity assets of the Clergy Pensions Fund are managed by Irish Life Investment Managers via a bespoke bond portfolio and pooled global equity fund (SFDR article 8). The balance of the Fund is managed by the RCB's in-house investment team and comprises predominantly legacy alternative assets and property for additional diversification.

Internal Dispute Resolution

Under Irish pensions legislation all pension schemes are required to have an Internal Dispute Resolution (IDR) Procedure. Disputes arising in connection with the administration of a pension scheme may not be brought to the Pensions Ombudsman unless they have, in the first instance, been processed through that scheme's IDR Procedure.

The trustees of every occupational pension scheme are required to establish internal procedures for resolution of disputes and to set out certain steps which must be included in those procedures. The Trustee has put in place such an IDR Procedure, which was last updated in 2022 and is reviewed annually. The Procedure is available at www.churchofireland.org/about/clergy-pensions or from the Pensions Administration Manager.

Member information

An Explanatory Booklet, designed to give a broad outline of the Fund and the benefits provided, is available to any member on request from the Pensions Administration Manager.

Benefit Statements as at 31 May are issued annually to all Fund members.

Further information

Queries about the Fund generally, or about individual members' entitlements should be directed to The Pensions Administration Manager, Church of Ireland House, Church Avenue, Rathmines, Dublin 6 (email <pensions@rcbcoi.org>).

Copies of Chapter XIV of the *Constitution of the Church of Ireland*, which constitutes the Trust Deed and Rules, can be obtained at <www.churchofireland.org/about/clergy-pensions> or from the Pensions Administration Manager.

Financial statements

The financial statements of the Clergy Pensions Fund are set out in the following pages.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

FINANCIAL STATEMENTS – PAGE 1

YEAR ENDED 31 DECEMBER 2025

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
FINANCIAL STATEMENTS 2025

PAGE 2

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THE CHURCH OF IRELAND CLERGY PENSIONS FUND
TRUSTEE AND ADVISORS AND OTHER INFORMATION

PAGE 3

Trustee

The Church of Ireland Clergy Pensions Trustee DAC
Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1

Sponsor

The Representative Church Body
Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Actuaries

Mercer Actuarial Services
Charlotte House
Charlemont Street
Dublin 2

Investment Managers

The Representative Church Body
Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Irish Life Investment Managers
Beresford Court
Dublin 1

Solicitors

Mr Mark McWha
Senior Solicitor
The Representative Church Body

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

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The financial statements are the responsibility of the Trustee. Irish pensions legislation requires the Trustee to make available for each scheme year the annual report of the scheme, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK), including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, of the financial transactions for the scheme year and the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the scheme year and include a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice - Financial Reports of Pension Schemes (revised December 2014) (SORP), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustee must ensure that in the preparation of the scheme financial statements:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made; and
- the SORP is followed, or particulars of any material departures are disclosed and explained.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable are received by the Trustee in accordance with the timetable set out in section 58A of the Act where applicable to the contributions and otherwise within 30 days of the end of the scheme year; and
- contributions payable are paid in accordance with the rules of the Fund.

During the year such procedures were always applied on a timely basis and contributions have been paid in accordance with the rules.

The Trustee is responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an Annual Report to be prepared for the scheme containing the information specified in Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006. It is also responsible for safeguarding the assets of the pension scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Independent auditors' report to the trustee of Church of Ireland Clergy Pension Fund

Report on the audit of the financial statements

Opinion

In our opinion, Church of Ireland Clergy Pension Fund's financial statements:

- give a true and fair view of the financial transactions of the scheme during the year ended 31 December 2025 and of the amount and disposition of the assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law).

We have audited the financial statements, which comprise:

- the statement of net assets available for benefits as at 31 December 2025;
- the fund account for the year then ended;
- the accounting policies; and
- the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the scheme's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the scheme's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the financial statements and our auditors' report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's set out on page 4, the trustee is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The trustee is also responsible for ensuring that contributions are made to the scheme in accordance with the scheme's rules.

In preparing the financial statements, the trustee is responsible for assessing the scheme's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to wind up the scheme or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the trustee as a body in accordance with section 56 of the Pensions Act 1990, as amended and for no other purpose. We do not, in giving these

opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Occupational Pension Schemes (Disclosure of Information) Regulations, 2006

In our opinion:

- The financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 which is applicable and material to the scheme;
- the contributions payable to the scheme during the year ended 31 December 2025 have been received by the trustee within thirty days of the end of the scheme year; and
- such contributions have been paid in accordance with the rules of the scheme.



PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
10 March 2026

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
ACCOUNTING POLICIES

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The significant accounting policies adopted by the Trustee are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK), including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, the Occupational Pension Schemes (Disclosure of Information) Regulations (2006), and the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pensions Schemes (Revised December 2014).

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the trustees to exercise judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below in note (ii).

The format and certain wording of the financial statements have been presented so that, in the opinion of the Trustee, they reflect most appropriately the nature of the Trust’s business as an investment fund.

(ii) Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Trustee make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Valuation of investments

The valuation of investments, which includes unquoted investments, is based on an independent valuation of the investments, based on the underlying assets values in the financial statements of the quoted and unquoted investment entity. There is a level of estimation involved in these valuations. The Trustee review the individual valuations applied which includes considering subsequent performance of the investments and takes account of advice provided by external investment advisors.

(iii) Investments

A proportion of the invested assets is managed by Irish Life Investment Managers and is held in unitised funds. This fund tracks a range of published equity and bond indices. The value of the units at the year end reflects the relative performance of these indices and the value of the relevant underlying stocks. The balance of funds are managed by the Representative Church Body. The split of the invested assets is shown in Note 7 to these financial statements.

(iv) Investment Income

The invested assets managed by Irish Life Investment Managers are held in unitised funds. The income is attributed to the funds as it arises and is not separately reported. Income from directly held assets under Representative Church Body management is paid to the Fund and accounted for in the period.

(v) Going concern

The financial statements have been prepared on a going concern basis which is considered appropriate by the Trustee.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
ACCOUNTING POLICIES CONTINUED

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(vi) Financial Risk

The Trustee is responsible for managing financial risk arising in connection with the invested assets of the Fund. This responsibility is discharged through the diversification of the investment portfolio across sectors and geographies and focus on established stocks quoted on published exchanges.

(vii) Foreign Currencies

Balances and transactions denominated in foreign currencies have been translated into euro at the rate of exchange ruling at the year end (2025 €1 = £0.8717; 2024 €1 = £0.8275).

(viii) Benefits

The pension benefits are secured by investments held in the Church of Ireland Clergy Pensions Fund which is administered in accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland* as amended from time to time by the General Synod. Benefits are accounted for in the year in which they fall due. Liabilities to pay pensions and other benefits in the future are not accrued.

(ix) Contributions

Contributions represent a levy on dioceses in accordance with section 36 of Chapter XIV of the *Constitution of the Church of Ireland*.

The levy was imposed from 1 June 2013 and represented 3% of Minimum Approved Stipend.

(x) Transfers to and from other Schemes

Transfer values represent the capital sums either receivable in respect of members from other pension schemes of previous employers, or payable to the pension schemes of new employers for members who have left the Scheme. They are accounted for on a cash basis or, where the Trustee has agreed to accept the liability in advance of receipt of funds, on an accruals basis from the date of the agreement.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND**FINANCIAL STATEMENTS****FUND ACCOUNT****PAGE 10**

	Notes	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
CONTRIBUTIONS AND OTHER RECEIPTS			
Contributions	3	658	663
		658	663
BENEFITS AND OTHER PAYMENTS			
Benefits paid	4	8,249	7,986
Administrative expenses	6	371	319
		8,620	8,305
NET WITHDRAWALS		(7,962)	(7,642)
RETURNS ON INVESTMENTS			
Investment Income	5	579	807
Realised and unrealised investment (losses)/gains		(1,225)	16,848
Currency (loss) / gain		(77)	78
Investment management and professional expenses		(128)	(125)
NET RETURNS ON INVESTMENTS		(851)	17,608
NET (DECREASE) / INCREASE IN FUND IN THE YEAR		(8,813)	9,966
BALANCE 1 JANUARY		216,783	206,817
BALANCE 31 DECEMBER		207,970	216,783

Signed on behalf of the Trustee: *AM Robinson**A Hood*Date: *10 March 2026*

THE CHURCH OF IRELAND CLERGY PENSIONS FUND**FINANCIAL STATEMENTS****STATEMENT OF NET ASSETS****PAGE 11**

	Notes	31 December 2025 €'000	31 December 2024 €'000
INVESTMENT ASSETS	7	205,295	216,080
CURRENT ASSETS			
Debtors		2,675	703
CURRENT LIABILITIES			
Creditors		-	-
NET CURRENT ASSETS		2,675	703
NET ASSETS	11	207,970	216,783

Signed on behalf of the Trustee: *AM Robinson*

A Hood

Date: *10 March 2026*

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NOTES TO THE FINANCIAL STATEMENTS

PAGE 12

1 FUND STATUS

The Clergy Pensions Fund, which is a defined benefit scheme, is established under Chapter XIV of the *Constitution of the Church of Ireland* as amended from time to time by the General Synod. The Fund has been approved by the Revenue Commissioners as a retirement benefits scheme under Part 30, Chapter I of the Taxes Consolidation Act, 1997, and is treated as an 'exempt approved scheme' for the purposes of that Act. In addition, the Fund has been approved by the Board of the Inland Revenue of the United Kingdom as a retirement benefits scheme for the purposes of Chapter I, Part XIV, Income and Corporation Taxes Act 1988 and is treated as an 'exempt approved scheme' for the purposes of Section 592 of that Act in relation to its provision of pension benefits to those members of the clergy who are living in Northern Ireland.

The Fund closed to new entrants and to future accruals as at 31 May 2013. A Funding Proposal to bring the Fund back to full solvency was submitted to and accepted by the Pensions Authority in 2013. The Funding Proposal included revenue to be raised through the introduction of a levy of 13% of Minimum Approved Stipend, to be collected through the dioceses. The Funding Proposal concluded on 31 December 2023 and the levy reduced to 3% from 1 January 2024.

The most recent valuation of the Scheme was carried out as at 30 September 2024. Based on that valuation the Scheme satisfied the minimum funding standard laid down in Section 44 of the Pensions Act, 1990. The next valuation is due to be completed as at 30 September 2027.

2 FORMAT OF THE FINANCIAL STATEMENTS

The financial statements summarise the transactions and net assets of the Fund. They do not take account of liabilities to pay pensions and other benefits expected to become payable in the future. The actuarial position of the overall scheme, which takes account of such obligations, is dealt within the appendix titled "The Church of Ireland Clergy Pensions Trustee DAC – report on the Clergy Pensions Fund" in the annual Book of Reports presented to the General Synod, along with the actuarial funding certificate and the actuary's annual certificate.

3 CONTRIBUTIONS

	2025 €'000	2024 €'000
Diocesan levies	652	660
Representative Church Body	-	-
Sundry	6	3
Total	<u>658</u>	<u>663</u>

The value of Northern Ireland contributions in sterling is £0.3m (2024: £0.3m) and was translated to euro at the year end rate of 0.8717 (2024: 0.8275). The value of Republic of Ireland contributions is €0.3m (2024: €0.3m).

4 BENEFITS PAID

	2025 €'000	2024 €'000
Pensions to retired bishops and clergy	5,830	5,682
Pensions to surviving spouses and orphans	2,030	2,062
Commutation of pensions	304	242
Death Benefits	85	-
Total	<u>8,249</u>	<u>7,986</u>

The cost of Northern Ireland benefits in sterling is £4.1m (2024: £3.7m). This cost excludes administration charges.

The cost of Republic of Ireland benefits in euro is €3.3m (2024: €3.5m). This cost excludes administration charges.

5 ANALYSIS OF INVESTMENT INCOME

	2025 €'000	2024 €'000
Investment income	186	246
Interest	393	560
Miscellaneous trust income	-	1
Securities Lending	-	-
Total	<u>579</u>	<u>807</u>

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
PAGE 13

The investment income above relates to the income paid to the Clergy Pensions Fund by investments managed by the Representative Church Body (RCB). The balance of the funds is held in a unitised fund passively managed by Irish Life Investment Managers (ILIM). The income on these funds is reinvested in the fund and is not separately reported.

6 ADMINISTRATIVE EXPENSES

	2025 €'000	2024 €'000
RCB Recharges	153	151
Actuarial Costs	98	50
Investment Advisor	62	48
Risk Management	25	17
Internal Audit fees	5	9
Administrator Review	-	18
Audit fees	18	15
Trustee Insurance	10	10
Sundry	-	1
Total	371	319

Investment management fees are borne by the Fund.

7 INVESTMENT ASSETS

	2025		2024	
	Market Value €'000	% of Fund	Market Value €'000	% of Fund
ILIM managed				
Equities				
Europe ex UK	17	0.1%	26,578	12.3%
UK	35	0.1%	28,399	13.1%
World	11,186	5.4%	30,330	14.0%
Bonds				
UK bespoke	89,057	43.4%	48,282	22.3%
European bespoke	66,204	32.2%	11,882	5.5%
European > 10yr	-	0.0%	33,236	15.4%
New World Indexed Euro Corp	5,327	2.5%	5,224	2.4%
	171,826	83.7%	183,931	85.0%
RCB in-house managed				
Property	4,379	2.1%	4,305	2.0%
Bonds and Bond Substitutes	-	0.0%	27	0.1%
Other	10,372	5.1%	11,885	5.5%
Cash on deposit	18,718	9.1%	15,932	7.4%
	33,469	16.3%	32,149	15.0%
	205,295	100.0%	216,080	100.0%

Cash on deposit included in the above schedule pertains to un-invested cash held by The Representative Church Body for future investments. This is separate from Cash due from The Representative Church Body on the Statement of Net Assets.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
PAGE 14**8 CONTINGENT LIABILITIES**

As stated in the accounting policies on page 9 of the Financial Statements, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis, in the opinion of the Trustee the scheme had no contingent liabilities at 31 December 2025.

9 CONTINGENT ASSET

In 2022, the Representative Body provided a contingent asset for up to €20m to support the solvency of the Clergy Pensions Fund ("the Fund"). The contingent asset would be available to the Fund under certain circumstances, and has allowed the Trustee of the Fund to maximise the return on risk assets for the Fund during the year. The Clergy Pensions Fund exited the funding proposal on 31 December 2023. The contingent asset is available to the Fund until 31 December 2028.

10 RELATED PARTY TRANSACTIONS

(a) The Trustee of the Fund is as set out on page 3 of the Financial Statements. The Trustee does not receive and is not due any remuneration from the Fund in connection with its responsibilities as Trustee.

(b) The Representative Church Body acts as the Sponsor and Registered Administrator for the Clergy Pensions Fund.

Contributions to the scheme are made in accordance with funding arrangements agreed with the Actuary from time to time. The Registered Administrator of the scheme is remunerated on a fee basis.

11 NET ASSETS

	2025 €'000	2024 €'000
REPUBLIC OF IRELAND		
Contributions	314	303
Net benefits and other payments	(4,198)	(3,781)
Net transfer between sub divisions	276	(63)
Net withdrawals	(3,608)	(3,541)
Net returns on investments	(348)	8,630
Balance 1 January	105,934	100,845
Balance 31 December	101,978	105,934
NORTHERN IRELAND		
Contributions	344	359
Net benefits and other payments	(4,421)	(4,524)
Net transfer between sub divisions	(276)	63
Net withdrawals	(4,353)	(4,102)
Net returns on investments	(503)	8,979
Balance 1 January	110,849	105,972
Balance 31 December	105,993	110,849
CONSOLIDATED FUND		
Contributions	658	663
Net benefits and other payments	(8,620)	(8,305)
Net withdrawals	(7,962)	(7,642)
Net returns on investments	(851)	17,608
Balance 1 January	216,783	206,817
Balance 31 December	207,970	216,783

THE CHURCH OF IRELAND CLERGY PENSIONS FUND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

PAGE 15

12 POST BALANCE SHEET EVENTS

The Trustee notes the escalation of activities in the Middle East area which occurred on the 28th February 2026, and while it does not envisage that they will have any direct impact on the Clergy Pension Fund, there is a risk that investment markets may be impacted in the short to medium term and it will continue to monitor investments closely in this regard.

13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee on 10 March 2026.

ANNEX 1

REPORT OF THE CHURCH OF IRELAND PENSIONS BOARD TO THE CHURCH OF IRELAND CLERGY PENSIONS TRUSTEE DAC

Members/Meetings of the Board

There were six meetings of the Board in 2025.

Elected by the House of Bishops

The Rt Rev Andrew Forster (3)

Elected by the General Synod

Mr Michael Johnston (6)

Mr Robbie Syme (3)

Very Rev Ruth West (4)

Elected by the Representative Church Body

Rev Canon Henry Gilmore (4)

Mrs Judith Peters (6)

Mrs Heather Pope (5)

Chairperson – Mrs Judith Peters

Vice-Chairperson – Very Rev Ruth West

Honorary Secretary – Mrs Heather Pope

Pensions Administration Manager – Ms Vicki Hastie

Grants Committee

Mrs Judith Peters

Mrs Heather Pope

Very Rev Ruth West

Office: Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Tel no (+3531) 4978422
Fax no (+3531) 4978821
Email <pensions@rcbcoi.org>

1. INTRODUCTION

Under section 22(3) of Chapter XIV of the *Constitution of the Church of Ireland* the Trustee has delegated to the Church of Ireland Pensions Board (“the Board”) certain of the duties as set out in section 22(1) of the said Chapter including those relating to membership, contributions and benefits. This report summarises statistical data in relation to those matters.

The Report of the Church of Ireland Pensions Board on other funds administered by it, as delegated by the Representative Church Body (RCB), is found in Appendix D to the Report of the RCB (*Church of Ireland General Synod Reports 2026*, page 104).

2. MEMBERSHIP OF THE BOARD

The Board consists of seven members who are elected triennially in accordance with Section 25 of Chapter XIV of the *Constitution*.

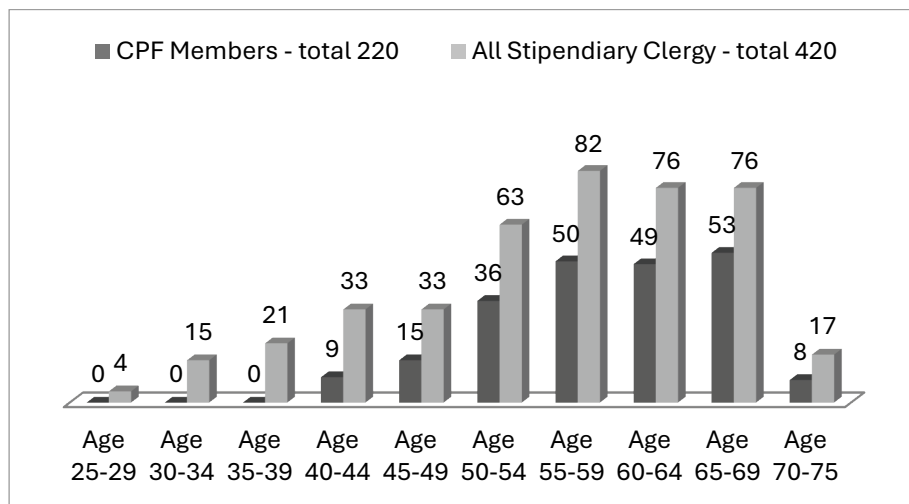
3. MEMBERSHIP OF THE FUND

The table below shows the movement during the year across the various membership categories. The accompanying graph shows the age profile of the active members.

	Active members	Deferred members	Pensioners	Spouses on pension
At 1 January 2025	234	110	323	147
Leavers with deferred benefits	(2)	2		
Leavers taking benefits elsewhere				
Deaths before retirement		(1)		
New pension arising from PAO				
Retirements on pension	(12)	(11)	23	
Returned to active service				
Deaths on pension			(13)	(8)
New spouses' pensions				11
At 31 December 2025	220	100	333	150

In addition there were five child dependency allowances in payment at 31 December 2025 (5 at 31 December 2024).

Age distribution of stipendiary clergy



4. RETIREMENT AGE

The revised Normal Retirement Age (NRA) from 1 June 2013 (for contributing members of the Fund as at 31 May 2013) is set out the table below:

Date of birth	Normal Retirement Age	Number of members in each retirement age category at 31 December 2025
31 May 1949 and before	65	0
1 June 1949 to 31 May 1954	66	4
1 June 1954 to 31 May 1959	67	27
1 June 1959 and after	68	189

Members who joined/re-joined the Fund on or after 1 January 2009 have an NRA of not less than 67.

Under statutory pension regulations Deferred Members will retain the NRA applicable at their date of leaving the service of the Church of Ireland.

5. PENSIONS IN PAYMENT

The annualised pensions etc in payment at 1 January 2026 are:

	€	and	£
Clergy	2,664,560	and	2,941,643
Surviving spouses and orphans	868,088	and	1,121,296
	<u>3,532,648</u>	and	<u>4,062,939</u>

The total annualised pensions in payment translated to euro at the year-end exchange rate of 0.8717 are €8,193,585.

6. CONTRIBUTIONS

In accordance with Section 37 of Chapter XIV of the *Constitution of the Church of Ireland* contributions may be made to the Fund from the Representative Body as deemed appropriate. The Fund exited the Funding Proposal, which had been in place since 2013, on 31st December 2023. No contribution from central funds has been made since that date.

7. LUMP SUM BENEFITS

Under the provisions of the Fund a cash lump sum is payable in a number of eventualities. During 2025, lump sums totalling €136,885 and £219,725 became payable in respect of 14 members as follows:

Paid on retirement (8); deferred pension (5); died within five years following retirement (1).

8. EXTERNAL CONTACTS FOR INFORMATION AND SUPPORT

The Board has compiled a guide towards external sources of information to assist chaplains who support retired clergy and surviving spouses. A copy of the guide is available on request from the Pensions Administration Manager (email <pensions@rcbcoi.org>).

9. ADDITIONAL PERSONAL CONTRIBUTIONS (APCs)

With the closure of the Clergy Pensions Fund to future accruals on 31 May 2013, the additional service which members were purchasing to give them up to a maximum of 40 years' service at normal retirement age was recalculated to reflect the service purchased to 31 May 2013.

There remain 42 members in active service who purchased additional service to 31 May 2013.

10. ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

A resolution adopted by the General Synod on 11th May 2024 approved the closure of the Church of Ireland Voluntary Contributions Scheme to further contributions from members of the Clergy Pensions Fund (the Fund) and authorised the Trustee to transfer all monies held in the AVC Schemes for members of the Fund to the appointed pension providers for the Clergy Defined Contribution Pension Schemes.

Standard Life were the provider of the AVC facility. Contributions were invested with them in the "Managed Pension Fund", the "With Profits Pension Fund", the "Euro Global Liquidity Fund" or the "Pension Fixed Interest Fund", as appropriate, of the Tower Pension Series for those contributors who resided in the Republic of Ireland or the Castle Pension Series for those contributors who resided in Northern Ireland.

The Trustee gave notice to Standard Life of their intention to wind up with effect from 30th June 2024.

(i) Active Membership of the AVC Fund as at 31 December 2025

At the end of 2025 there were no members remaining in the Standard Life AVC Schemes.

(ii) AVC Fund Statement of Contributions

	2025 €'000	2024 €'000
Contributions received	-	1
Less paid on retirement or death	(14)	(50)
Less transfers to Clergy DC Scheme	(9)	(134)
Realised Gain on retirement and transfers to the Clergy DC Scheme	-	-
	<u>(23)</u>	<u>(183)</u>
Balance 1 January	24	207
Currency Translation Adjustment	1	-
Balance 31 December	<u>2</u>	<u>24</u>

Notes

1. A resolution adopted by the General Synod on 12 May 2012 transferred the role of trustee from the Representative Body to the Church of Ireland Clergy Pensions Trustee Limited (now DAC).
2. Under the Scheme members were permitted to make voluntary contributions which were invested with the Standard Life Assurance Company to provide additional benefits within the overall limits allowed by the Revenue authorities. The balance at the year end represents amounts due to The Representative Church Body which have been held as floats in bank accounts. These accounts were closed post year end.
3. AVCs were unaffected by the closure of the Clergy Pensions Fund to future accruals in 2013 and contributions to the scheme continued to be possible until June 2024.
4. An accountant's report has not been provided for these financial statements as the balance of circa €2,000 is included within the scope of the Representative Church Body's audit.
5. Sterling balances and transactions have been translated to Euro at the rate of exchange ruling at 31 December 2025 €1 = £0.8717 (2024 €1 = £0.8275).

ANNEX 2

ACTUARIAL FUNDING CERTIFICATE



An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BD

Article 4

ACTUARIAL FUNDING CERTIFICATE

THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42(1) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: The Church of Ireland Clergy Pensions Fund

SCHEME COMMENCEMENT DATE: 01/01/1976

SCHEME REFERENCE NO.: PB1667

EFFECTIVE DATE: 30/09/2024

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 30/09/2021

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €218,254,000.00, would have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €136,467,000.00, and

(2) €0.00 of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act.

I, therefore, certify that as at the effective date of this certificate the scheme satisfies the funding standard provided for in section 44(1) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature:  **Date:** 18/02/2025

Name: Mr Liam Quigley **Qualification:** FSAI

Name of Actuary's Employer/Firm: Mercer (Ireland) Limited **Scheme Actuary Certificate No.** P044

Submission Details

Submission Number: SR3735491 **Submitted Electronically on:** 18/02/2025

Submitted by: Liam Quigley

FUNDING STANDARD RESERVE CERTIFICATE



An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BE

Article 4

FUNDING STANDARD RESERVE CERTIFICATE

THIS CERTIFICATE HAS BEEN PREPARED PURSUANT TO SECTION 42(1A) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: The Church of Ireland Clergy Pensions Fund

SCHEME COMMENCEMENT DATE: 01/01/1976

SCHEME REFERENCE NO.: PB1667

EFFECTIVE DATE: 30/09/2024

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 30/09/2021

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the funding standard liabilities (as defined in the Act) of the scheme amount to €136,467,000.00,

(2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (DC resources)), calculated for the purposes of section 44(1) of the Act amount to €218,254,000.00,

(3) €110,218,000.00, of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,

(4) the amount provided for in section 44(2)(a) of the Act (Applicable Percentage x ((1) minus (3))) is €2,625,000.00,

(5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is -€330,000.00,

(6) the aggregate of (4) and (5) above amounts to €2,295,000.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €81,787,000.00, of which, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act, €0.00 comprises contingent assets and €0.00 of such contingent assets comprise an unsecured undertaking.

I therefore certify that as at the effective date of the funding standard reserve certificate, the scheme does hold sufficient additional resources to satisfy the funding standard reserve as provided in section 44(2) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature:		Date:	<u>18/02/2025</u>
Name:	<u>Mr Liam Quigley</u>	Qualification:	<u>FSAI</u>
Name of Actuary's Employer/Firm	<u>Mercer (Ireland) Limited</u>	Scheme Actuary Certificate No.	<u>P044</u>

Submission Details

Submission Number:	SR3735492	Submitted Electronically on:	18/02/2025
Submitted by:	Liam Quigley		

ANNEX 3

ACTUARY'S ANNUAL STATEMENT

MERCER
A MARSH BUSINESS

Church of Ireland Pension Fund Annual Statement

Year ended 31 December 2025

Pensions Authority reference number: PB1667

Actuary's Statement

The last Actuarial Funding Certificate was prepared with an effective date of 30 September 2024. This certificate confirmed that the Plan satisfied the Funding Standard set out in Section 44 of the Pensions Act, 1990 at that effective date. The last Funding Standard Reserve Certificate, prepared on the same effective date, confirmed that the Plan held sufficient additional assets to satisfy the Funding Standard Reserve also set out in Section 44 of the Pensions Act, 1990 at that effective date.

I have undertaken a review of the financial condition of the Scheme as at 31 December 2025. Based on that review, I am reasonably satisfied that the Scheme would have satisfied the Funding Standard and the Funding Standard Reserve at that effective date.



Liam Quigley

Fellow of the Society of Actuaries in Ireland

Certificate number: P044

Date: 19 March 2026

Mercer (Ireland) Limited, trading as Mercer, is regulated by the Central Bank of Ireland.

Registered Office: Charlotte House, Charlemont Street, Dublin 2. Registered in Ireland No. 28158.
Directors: Sheila Duignan, John Mercer, Mary O'Malley, Patrick Healy and Cara Ryan.

ANNEX 4

STATEMENT OF RISK IN RELATION TO THE CHURCH OF IRELAND CLERGY PENSIONS FUND (THE “FUND”)

Under the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2022, the Trustee is required to describe the condition of the Scheme and the risks associated with the Scheme and disclose these to members.

The Trustee has appointed a Risk Management Key Function Holder (KFH) to support the Trustee in implementing and monitoring risk within the Scheme. The Risk Management Framework and the Risk KFH support the Trustee in its assessment and management of risk.

As part of the framework the Trustee has developed a Risk Register which identifies the key risks of the Scheme, and the directive and preventative controls in place to reduce or mitigate these risks.

The Trustee has carried out a review of the Scheme’s risk profile bearing in mind the Scheme’s objectives, risk appetite as well as the regulatory / resource and other constraints within which it operates. The Trustee’s current views of the risks faced by the Scheme, in particular Trustee appetite and the level of residual risk are summarised in the Risk Register.

Some of the risk categories within the Scheme include:

- Governance and Strategic Risks - An effective governance framework is important for the Trustee in order to manage the risks arising from conflicts of interest in particular, and inappropriate or ineffectual decision making in general.
- Operational Risks - An effective administration function and procedures are key for efficient and effective pension provision, so members’ benefits, contributions and investments are processed in a timely and accurate manner, and their records are kept accurate and up to date. This risk family also includes risks relating to the security and robustness of the Scheme’s operations and financial controls as well as exposure to data breaches and fraud.
- Investment Implementation Risks - Investment implementation is a subset of the investment related risks that focus on the more operational aspects of the Scheme’s assets and investments.
- Market and Economic Risks - Market and Economic risks are a subset of the investment related risks that focus on the more strategic investment risks, the interaction between assets and liabilities as well as the risk of being exposed to the market and economy.
- Funding and Covenant Risks - Funding and Covenant risks consider the approach taken by the scheme to determine the required level of assets and contributions needed to fund benefit payments and maintain solvency. This risk category also considers the covenant risk and in particular the potential reliance on the sponsor and the risks around receiving that support when needed.
- Pension Benefit Risks - Pension benefit risks are those risks that are impacted directly by or can impact directly upon the benefits paid to members, including risks of incorrect understanding of the benefits set out in the Trust Deed and Rules / legislation, and risks that affect the amount or timing of benefit payments such as inflation, longevity and member options.
- Emerging Risks - The Trustee monitors emerging risks through updates from its advisors and Risk Management Key Function Holder, and industry news, as appropriate.

The Scheme has been funded by contributions paid by the Sponsor and members. Actuarial advice was obtained when setting those contributions. However, there is no guarantee that the Scheme will have sufficient funds to pay the benefits promised. It is therefore not impossible that the benefits payable under the Scheme might have to be reduced. If the Scheme is wound up and there is a deficit, the Sponsor may not be under an obligation to fund the deficit or, even if the Sponsor is under such an obligation, they may not be in a position to fund the deficit. In accordance with Section 20 of Chapter XIV of the *Constitution of the Church of Ireland* it would require a decision to be taken at the General Synod for the Fund to be wound up.

If the Scheme were to wind up and the assets were insufficient to meet benefits due, the law specifies that pensioners have first call on the assets of the Scheme before benefits can be paid to those who have yet to reach normal retirement age. The priority order governing the wind up of a defined benefit Scheme will be followed in such a case.

Apart from the potential for regulatory or legislative change, which is outside the control of the Trustee, the Trustee is satisfied that it is taking all reasonable steps to protect the members from the effects of these risks, including:

- Having a risk management framework which incorporates the KFH risk function as a central element.
- Professional investment managers have been appointed to manage the Scheme's investments; the Scheme holds a range of diversified assets and there is regular monitoring of how these investments are performing.
- An actuarial valuation of the Scheme is carried out at least every three years to assess the financial condition of the Scheme and determine the rate of contributions likely to be required to meet the future liabilities of the Scheme. In addition, an annual review of the solvency position is carried out of the Scheme on the assumption that it is wound up. If the Scheme is found to be insolvent, the Trustee and the Sponsor are required to complete a funding proposal for submission to the Pensions Authority with the objective of returning the Scheme to solvency.
- The Trustee has access to experienced professional advisers and administrators to assist with the proper running of the Scheme.

ANNEX 5

CHURCH OF IRELAND CLERGY PENSIONS FUND (“the Scheme”)

STATEMENT OF INVESTMENT POLICY PRINCIPLES

Introduction

The purpose of this Statement of Investment Policy Principles (‘SIPP’) is to outline the policies and guidelines that have been determined by The Church of Ireland Clergy Pensions Trustee DAC (‘the Trustee’) to govern the management of the Scheme’s assets. It provides an overview of the Trustee’s investment objectives, investment policies, risk measurement and risk management processes.

This document has been provided to Lane Clark & Peacock as the Scheme’s Investment Advisor and has been used to develop detailed guidelines for the investment of the Scheme’s assets by the selected investment managers, which are separately documented.

Investment Objectives

The overall investment objective of the Trustee is to ensure that the benefits of the Scheme continue to be affordable and that the level of benefits set out in the Trust Deed and Rules can be paid. The investment strategy for the Scheme is reviewed regularly with the assistance of the Scheme’s Investment Advisor. In addition, the Scheme’s Actuary conducts an actuarial review every three years.

The Scheme is a Defined Benefit (‘DB’) scheme which has been closed to accrual of service since 2013. The scheme is mature and relies primarily on its portfolio of investment assets to meet pension payments as they fall due.

The overall investment strategy aims to achieve an acceptable risk-adjusted return by maintaining an appropriate ratio of De-risked to Growth Assets in the investment portfolio, consistent with the Trustee’s Risk Management Policy and the Risk Appetite Statement for Investments. De-risked Assets are holdings in liability matching asset classes and generally can comprise inflation-linked bonds, fixed income sovereign bonds, high grade corporate fixed interest bonds and cash. Growth Assets are represented by all other asset classes.

The minimum funding objective is to ensure that the Scheme continues to meet the Funding Standard and Funding Standard Reserve requirements on an ongoing basis. A triennial actuarial valuation is completed by the Scheme’s actuary to assess the Scheme performance against the Funding Standard and the Funding Standard Reserve. The latest triennial valuation was completed as at 30 September 2024.

Summary of Actuarial Valuation

The Scheme Actuary has provided the Trustee with the Scheme’s triennial actuarial valuation as at 30 September 2024. The valuation showed scheme solvency of 111%, having included provision for the Scheme to increase Pensionable Stipend and pensions-in-payment to the target level of Minimum Approved Stipend and to provide for future inflation based on the Consumer Price Index. The investment value at the valuation date was €218m with accrued liabilities of €196m, based on a discount rate of 3.2%. The conclusion of the actuarial valuation was that the reported solvency provided the Trustee with scope to further de-risk the scheme and to provide above inflation pension increases.

Considering the funding position shown in the actuarial valuation, in 2025 the Trustee moved to de-risk the Scheme’s investments significantly. While the current objective is to operate the Scheme on a prudent ‘run-off’ basis, the Trustee expects to consider the potential for a buy-in or buy-out transaction in the next 1–2 years, subject to market conditions, affordability and Trustee/Sponsor objectives at the relevant time.

Formulating Investment Policy

The Trustee has responsibility for setting and monitoring the investment strategy of the Scheme.

Investment Advisors

The roles of In-House Investment Advisor, Investment Advisor and the RCB Investment Committee are as set out in the Statement of Investment Governance (SIG) for The Church of Ireland Clergy Pensions Fund.

Environmental, Social and Governance Considerations

The majority of investments are in inflation-linked bonds which are outside of the RCB's ESG Investment Policy Statement, however for direct investments the Investment Manager monitors the Fund against the RCB's ESG Investment Policy Statement and reports any non-compliance to the Trustee.

In relation to quoted investments, the Trustee's current implementation approach is to use funds and mandates that meet the requirements of SFDR Article 8.

The Trustee considers ESG factors as financially material investment risks and opportunities and considers them as part of the selection, appointment and ongoing monitoring of investment managers and mandates. Where relevant and practicable, the Trustee also expects investment managers to have appropriate ESG integration, screening (where applicable), engagement and voting policies, and to report to the Trustee on these matters.

The Trustee recognises that the Scheme's investments include both matching assets and risk assets and that the extent to which ESG factors can be reflected may differ by asset class and mandate. The Trustee will apply ESG expectations in a proportionate manner, consistent with the Scheme's investment objectives and risk management framework.

The Trustee's investment advisors report on ESG considerations to the Trustee. The Trustee recognises that ESG policies and classifications may evolve and will keep the approach under review.

Sponsor

In setting the investment policy, the Trustee recognises that the Sponsor's continued financial support of the Scheme is of utmost importance in serving the best interests of members. Therefore the principles outlined in this Statement are not shaped by the objectives of the Trustee in isolation, but also in collaboration with the Sponsor. The SIPP is communicated to the Sponsor for information.

Stewardship and Shareholder Rights Directive (SRD II)

The Trustee supports effective stewardship of invested assets. In relation to quoted equities, the Trustee's shareholder engagement and voting approach is implemented primarily through the appointed investment managers. The Trustee expects investment managers to monitor investee companies on relevant matters (including strategy, financial and non-financial performance and risk, capital structure, and ESG matters), to engage where appropriate, and to exercise voting rights in a manner consistent with the relevant mandate objectives.

The Trustee receives periodic reporting on stewardship (including engagement and voting activity where available) as part of the Scheme's regular investment reporting and will keep this approach under review, including having regard to applicable requirements under the Shareholder Rights Directive.

Risk Measurement

The key investment risk is that the Scheme's funding level may deteriorate as a result of the investment strategy which would in turn increase the costs of funding and may threaten the viability of possible future discretionary pension increases or even the future sustainability of the Scheme.

The Trustee has therefore considered the following as part of its investment risk analysis:

- **Scenario analysis:** The Trustee has considered projected outcomes for a number of different investment strategies.
- **Hedge ratios:** The Trustee monitors the extent to which the Scheme's matching portfolio is aligned to the Scheme's liabilities. The Trustee has restructured the Scheme's assets with the aim of hedging the majority of equity risk, interest rate risk and inflation risk (as measured on an agreed basis). The detailed measurement bases and methodologies may be refined from time to time, with advice from the Investment Advisor and Actuary.
- **Duration of the liabilities:** The duration of the liabilities and the extent and duration of bond investment are key components of volatility.
- **Currency:** The currency denomination of the Scheme's liabilities are considered by the Trustee in determining the currency split of the investment portfolio.

- **Contribution impact:** The Trustee and the Sponsor consider whether contributions would be required to achieve a range of pension outcomes.
- **Quantitative risk assessment:** The Trustee measures and monitors risk using a range of methods, including Value at Risk ('VaR'). VaR and other metrics are reported on by the Investment Advisor as part of its quarterly reporting.
- **Qualitative risk assessment:** The Trustee has consulted with the Investment Advisor and the Sponsor as part of the investment strategy review process and in relation to the selection of fund managers and direct investments.

The Trustee regularly reviews the investment strategy and the risks including considering ESG compliance.

Investment Policy and Asset Allocation

The Trustee, with the assistance of its advisers, has devised and adopted an asset allocation framework which takes into consideration:

- The required level of return consistent with the tolerance for risk.
- The requirement to satisfy the Funding Standard and associated risk reserve requirements on an ongoing basis.
- A de-risking objective over the long term as the Scheme matures.

The current strategic asset allocation for the Scheme is as follows:

Asset class	Current Allocation (%)	Medium term target Allocation (%)	Long term target Allocation (%)
Matching/De-risked assets	85.0%	85.0%	100.0%
Risk assets	15.0%	15.0%	0.0%
Total	100.0%	100.0%	100.0%

The table shows the current, medium and long term allocations within which the Trustee believes that the investment objectives can be achieved. The long term allocation describes the split that the Trustee aims to move toward, over the long term, as the Scheme matures further and as Scheme finances and investment conditions permit.

The current composition of the strategic allocation (at the effective date of this SIPP) is summarised below:

Portfolio	Current composition (indicative)
Matching/De-risked assets (current target 85%)	Primarily index-linked government bonds (Europe/Euro and UK/Sterling, reflecting the euro and Sterling liability profile) and cash (up to 10% of total Scheme assets). High grade corporate fixed interest bonds may also be held within De-risked assets, consistent with the Scheme's overall de-risking objective.
Risk assets (current target 15%)	Global equities (c.5%), Alternatives (c.5%), Property (c.2%) and Corporate Bonds (c.3%). The Trustee recognises that Alternatives and Property may be less liquid than other asset classes; liquidity is monitored in the context of expected benefit cashflows and potential future insurer transaction readiness.

Currency allocation

The Scheme's liabilities are denominated in both Sterling and Euro as the Scheme members are based in both Northern Ireland and the Republic of Ireland. The assets are managed on a basis that recognises the underlying currency denomination and split of the Scheme's liabilities whilst ensuring the portfolios have adequate diversification in place.

The Trustee monitors currency exposure as part of its regular investment reporting. The Trustee may, from time to time, set limits and/or tolerance ranges for currency exposures (including unhedged foreign currency exposure) to be applied by investment managers. Any such limits will be documented in Investment Management Agreements and/or other agreed documentation and compliance will be monitored.

Rebalancing

The Trustee recognises that, even though the Scheme's investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. The Trustee intends to avoid ad-hoc revisions to its philosophy and policies in reaction to either speculation or short-term market fluctuations.

Rebalancing is considered as part of the quarterly investment review by the Trustee.

Risk Management

The Trustee ensures that it understands the performance, risk and other characteristics of all asset classes and funds that the Scheme invests in. Investment guidelines and targets are agreed with external managers to ensure that the assets:

- Are invested in a manner designed to ensure the security, quality and liquidity of the assets as a whole is appropriate having regard to the nature and duration of the expected liabilities of the Scheme.
- Are predominantly invested in regulated markets.
- Are properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings and so as to avoid accumulations of risk in the portfolio as a whole.
- Include use of derivative instruments only in so far as they contribute to a reduction in investment risks or facilitate efficient portfolio management.

Performance is reviewed by the Trustee at regular intervals based on reports independently collected and calculated by the Investment Advisors. The Fund's performance is also reviewed by the Trustee relative to the long-term required return and benchmark.

Benchmarks and target returns

The Trustee monitors performance relative to appropriate benchmarks for each mandate and/or asset class. In particular:

- **Matching/De-risked assets:** the benchmark is a composite based primarily on euro and UK inflation-linked government bond indices and an appropriate cash benchmark (e.g., Euribor 3 month) reflecting the Scheme's cash holding.
- **Equities:** the equity allocation is benchmarked against the MSCI World Index (or successor index as agreed by the Trustee).
- **Other risk assets:** Corporate Bonds, Property and Alternatives are benchmarked against appropriate market indices and/or manager targets, as agreed with the Trustee.

In assessing the matching portfolio, the Trustee recognises that the gross investment return of the matching assets is generally less important than the extent to which movements in the matching assets offset movements in the liabilities and the net impact on the Scheme's funding position. The Trustee therefore considers measures such as hedge ratios and the funding impact of interest rate and inflation movements when monitoring the matching portfolio.

For risk assets, the Trustee's objective is to achieve a positive real return over the medium to long term, consistent with the 'Cautious/Open' Risk Appetite level set by the Trustee. As part of this review, the Trustee has set a target return for the risk asset portfolio of CPI + 3.0% per annum (net of fees) over rolling 5-year periods. This target will be reviewed from time to time.

The Trustee also receives from the Investment Advisor a quarterly assessment of performance, together with an analysis of the factors affecting performance, relative to the Fund's benchmarks.

Risk controls

The Trustee uses a number of measures to control and reduce the risks associated with making investments including the following:

- **Diversification:** The Trustee aims to invest in a range of asset classes in order to achieve the required real long-term return while limiting the volatility of returns. Where practical, investments are spread geographically, across industry sectors and individual stocks.
- **Manager restrictions:** The Trustee has an Investment Management Agreement (IMA) or other agreed documentation in place with external investment managers. Compliance with agreements with external investment managers is monitored.
- **Risk versus the liabilities:** The Trustee has adopted an investment strategy that it believes is capable of achieving the long-term target return while being mindful of the Minimum Funding Standard requirements. However, future returns are uncertain, and the long-term risk is that the value of the assets may not increase sufficiently over time to allow the Trustee to provide all of the intended benefits. The Trustee reviews this risk by monitoring the performance of the assets and the liabilities in the Triennial Actuarial Valuations, funding updates and Interim Valuations from time to time.
- **Custody:** The Trustee ensures the separation of responsibility for the safe-keeping or custody of the Fund's financial assets from its investment managers and the protection of the financial rights attaching to those assets by the employment of an independent global custodian.

The Trustee measures and monitors risk in the portfolio on a regular basis. Investments are regularly considered as part of Trustee meetings. In addition, the Trustee formally reviews the Scheme's investment strategy in conjunction with actuarial valuations of the Scheme or following any significant change to the Scheme.

The Trustee ensures that the investment of the Scheme's assets adheres to the requirements of the Occupational Pension Schemes (Investment) Regulations 2006.

Review

The assumptions underlying the risk assessment had an effective date of 30 September 2024. Actual experience will differ from the assumptions (perhaps significantly) and consequently, the Trustee will regularly review the investment strategy.

The success of the current strategy will be reviewed on at least an annual basis, with a formal investment strategy review being carried out every 3 years or following any significant change in the circumstances of the Scheme.

Effective date of this Statement: 24 February 2026