The Steamship Mutual Trust

Annual Report and Accounts 2026

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Directors of the Corporate Trustee

The Steamship Mutual Underwriting Association Trustees (Bermuda) Limited

A L Marchisotto (Chair)	Moran Holdings Inc
J G Conyers	
S Mehta	
R Thompson	

Secretary of the Corporate Trustee

Susie Tindall	Carey Olsen Services Bermuda Limited

Manager of the Corporate Trustee

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Report of the Corporate Trustee

The Steamship Mutual Underwriting Association Trustees (Bermuda) Limited ("Corporate Trustee") has pleasure in presenting its Report and Audited Accounts of The Steamship Mutual Trust ("Trust") for the year ended 20 February 2026.

Principal activities

The Trust's principal activity during the year was the reinsurance of Protection and Indemnity ("P&I") and Freight, Demurrage and Defence ("FD&D") risks. At the beginning of the financial year, the Corporate Trustee extended its current year reinsurance contract, entered into on behalf of the Trust, with The Steamship Mutual Underwriting Association (Bermuda) Limited ("Steamship Bermuda"), to cover the period from 20 February 2025 to 20 February 2026.

Accounts

Free reserves as at 20 February 2026 increased by US$45.1m to US$338.8m reflecting the surplus for the financial year. Total investments of the Trust at the balance sheet date amounted to US$1,064m, an increase of US$21m (2%) on the previous year.

Investment performance

The Trust recorded an investment gain of 7.8% for the year. This excludes a currency gain of US$4.4m that has been allocated to the Technical Account.

Subsequent events

The conflict in the Middle East has had minimal impact on the Trust's underwriting, claims, investments and operations, and all sanctions are being adhered to as always.

Risk management and asset allocation

The investment strategy aims to deliver appropriate risk-adjusted returns within risk appetite.

The asset allocation within the investment portfolio remained broadly consistent during the year with the majority of assets invested in high quality diversified fixed income, with an increased amount invested in alternatives. Consideration is given to the amount of claims liabilities to ensure these are suitably matched with cash, highly rated government bonds and corporate bonds. These matching assets are also used to provide collateral for the reinsurance obligations of the Trust to Steamship Mutual Underwriting Association Limited ("Steamship London") and Steamship Mutual Underwriting Association (Europe) Limited ("Steamship Europe").

The Corporate Trustee continues to consult regularly with the Board of Steamship Bermuda, whose Members are the ultimate insureds and beneficiaries of the Trust. The Steamship Bermuda Board receives regular updates on the utilisation of the agreed risk budget, investment performance and asset allocation.

Claims

During the year the Corporate Trustee reviewed the development of prior year claims and the terms of its inward reinsurance contracts.

Trustee's responsibilities statement

The Corporate Trustee has prepared financial statements in accordance with European Commission Insurance Accounts Directive (91/674/EEC) as adopted in the United Kingdom through Section 396 of the Companies Act 2006 and Schedule 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and United Kingdom accounting principles applicable to insurers.

In preparing those financial statements the Corporate Trustee is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Corporate Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust. It is responsible for the system of internal control, for safeguarding the assets of the Trust and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

External auditor

A resolution to reappoint BDO LLP as the Trust's external auditor will be considered at the forthcoming AGM.

A L Marchisotto
Chair

The Steamship Mutual Underwriting Association Trustees (Bermuda) Limited

24 May 2026

Income and Expenditure Account

for the year ended 20 February 2026

Technical Account	Note	2026 US$000	2025 US$000
Earned premium, net of reinsurance	3	**293,631**	**229,100**
Allocated investment return transferred from the non-technical account		**4,352**	**(2,502)**
Claims incurred			
Gross claims paid	4	**279,616**	**236,751**
Change in the provision for gross claims	4	**42,582**	**33,841**
Claims incurred		**322,198**	**270,592**
Net operating expenses	5	**61**	**70**
Balance on the technical account for general business		**(24,276)**	**(44,064)**

Non-Technical Account			
Balance on the technical account for general business		**(24,276)**	(44,064)
Investment income	6	**55,027**	87,831
Unrealised gains/(losses)	7	**29,586**	(15,639)
Allocated investment return transferred to the technical account		**(4,352)**	2,502
Investment management expenses		**(10,883)**	(2,754)
Surplus for the financial year		**45,102**	27,876

The results for both years are in respect of continuing operations.

There are no recognised gains or losses in either year other than the transactions reported in the above income and expenditure account.

The accompanying notes to these accounts form an integral part of this income and expenditure account.

Balance Sheet

as at 20 February 2026

Assets	Note	2026 US$000	2025 US$000
Investments			
Other financial investments	8	**1,063,643**	1,042,667
Prepayments and accrued income			
Accrued interest		**6,514**	5,927
Total assets		**1,070,157**	1,048,594
Liabilities			
Capital and reserves			
Free reserves	13	**338,808**	293,706
Technical provisions			
Claims outstanding	4	**695,034**	652,452
Creditors			
Creditors arising out of reinsurance operations	10	**25,852**	98,387
Other creditors	9	**10,463**	4,049
Total liabilities		**1,070,157**	1,048,594

The accompanying notes to these accounts form an integral part of this balance sheet.

These financial statements were approved by the Corporate Trustee on 24 May 2026.

The Steamship Mutual Underwriting Association
Trustees (Bermuda) Limited

Cash Flow Statement

for the year ended 20 February 2026

Cash flows from operating activities	2026 US$000	2025 US$000
Operating surplus before taxation after interest	**45,102**	27,876
Increase in general insurance technical provisions	**42,582**	33,841
Unrealised (gains)/losses on investments	**(29,586)**	15,639
(Increase)/decrease in debtors	**(587)**	88
(Decrease)/increase in creditors	**(66,121)**	88,635
	(53,712)	138,203
Net cash (outflow)/inflow from operating activities	**(8,610)**	166,079
Cash flows from investment activities		
Net sale/(purchase) of bonds and loans	**29,868**	(49,564)
Net sale/(purchase) of equities	**6,310**	(28,926)
Net purchase of alternative investments	**(16,042)**	(63,963)
Increase in money market instruments and cash accounts	**(11,526)**	(23,626)
Cash generated by/(used in) investing activities	**8,610**	(166,079)
Movement in opening and closing cash and cash equivalents		
Net cash inflow for the year	**–**	–
Cash and cash equivalents at 20 February 2025	**–**	–
Cash and cash equivalents at 20 February 2026	**–**	–

Notes on the Accounts

1. Constitution

The Trust was created by a settlement under Bermudian law. The Corporate Trustee is The Steamship Mutual Underwriting Association Trustees (Bermuda) Limited, a company incorporated under the laws of Bermuda and registered as an insurer under the Bermuda Insurance Act 1978, enabling the Trust to undertake reinsurance business.

2. Significant accounting policies

(a) Accounting convention

The accounts have been prepared in accordance with the European Commission Insurance Accounts Directive (91/674/EEC) as adopted in the United Kingdom through Section 396 of the Companies Act 2006 and Schedule 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and applicable United Kingdom Financial Reporting Standards ("FRS") 102 and 103. The financial statements are prepared under the historical cost convention, as modified for fair valuation of financial assets at fair value through profit and loss.

(b) Going concern assessment

At year end, the solvency ratio of the Trust was comfortably above the threshold set by the Bermuda Monetary Authority. Based on the above, the Trustees believe that the Trust is taking all necessary measures to maintain its viability and the development of its business in the current economic environment. Based on the projections of the Trust, it is expected that the Trust will maintain compliance with its regulatory capital requirements for the period of the going concern assessment.

(c) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key accounting estimate is the calculation of claims outstanding which is described in further detail under note 15.

(d) Premium written

Premium comprises the total premium receivable for the whole period of cover provided under the reinsurance contracts with Steamship Bermuda.

(e) Claims and related expenses

Full provision is made for the estimated cost of claims notified by Steamship London, Steamship Europe and Steamship Bermuda, but not settled by the balance sheet date. A provision for claims incurred but not reported is established on a statistical basis having regard to past experience as to the frequency and average cost of claims reported after previous balance sheet dates.

(f) Foreign currencies

The functional currency is US dollars. Assets and liabilities including investments and bank balances have been converted to US dollars at the exchange rate at the balance sheet date. Income and expenditure items including foreign exchange transactions are converted to US dollars at the exchange rate at the date of the transaction. All exchange differences are included in the income and expenditure account.

The exchange rates on the balance sheet date and used for the purpose of preparing the accounts were as follows:

		2026	2025
Euro	€	**0.850**	0.959
UK sterling	£	**0.743**	0.794
Brazilian real	R$	**5.216**	5.697

Notes on the Accounts

(continued)

2. Accounting policies continued

(g) Other financial investments

Investments, unless otherwise stated, have been valued as at the end of the reporting period and at fair value through profit or loss. Investment income consists of interest, dividends and realised gains and losses on fair value through profit or loss assets. Unrealised gains and losses reflect the movement in the fair value of investments compared to their cost. Fair value is calculated using the bid price at the close of business on the last working day of the financial year.

The allocated investment return transferred from the non-technical account to the technical account is comprised of all realised and unrealised exchange differences arising on foreign currency investments held to hedge technical provisions in the same currencies.

3. Reinsurance contracts

The Corporate Trustee, on behalf of the Trust, entered into a reinsurance contract with related party Steamship Bermuda under which, in return for a percentage of written premium, Steamship Bermuda is covered for 100% of its underlying insurance liabilities net of external reinsurance arrangements for the 2015/16 and subsequent policy years.

For the financial year to 20 February 2026 premium received from Steamship Bermuda was US$293.6m (2025: US$229.1m). Claims paid to Steamship Bermuda during the financial year were US$276.3m (2025: US$231.3m). Gross outstanding claims in relation to the contract with Steamship Bermuda as at 20 February 2026 were US$657.4m (2025: US$616.3m).

The Corporate Trustee, on behalf of the Trust, entered into a reinsurance contract with related party Steamship London which covers 100% of Steamship London's underlying insurance liabilities net of external reinsurance arrangements up to and including the 2014/15 policy year including those transferred to related party Steamship Europe by means of a Part VII transfer on 20 December 2020.

For the financial year to 20 February 2026 premium received from Steamship London was US$nil (2025: US$nil). Claims paid to Steamship London during the financial year were US$2.9m (2025: US$5.0m). Gross outstanding claims in relation to the contract with Steamship London as at 20 February 2026 were US$30.4m (2025: US$28.5m).

For the financial year to 20 February 2026 claims paid to Steamship Europe were US$0.4m (2025: US$0.4m). Gross outstanding claims in relation to the contract with Steamship Europe as at 20 February 2026 were US$7.2m (2025: US$7.6m).

4. Change in the net provision for claims

	2026 US$000	2025 US$000
Net outstanding claims		
Provision brought forward	**652,452**	618,611
Claims paid in the year	**(279,616)**	(236,751)
Changes to reserves	**322,198**	270,592
Provision carried forward	**695,034**	652,452
Total net outstanding claims	**695,034**	652,452

There was a favourable movement in the prior year net claims provision of US$6.6m during the year (2025: favourable US$24.5m).

The final estimates for known outstanding claims are based on the estimates and judgement of the Managers of Steamship London and Steamship Europe based on current information. Provision is also made for claims incurred but not reported ("IBNR") at the balance sheet date using detailed statistical analysis having regard to past experience as to the frequency and average cost of claims reported after previous balance sheet dates.

5. Net operating expenses

	2026 US$000	2025 US$000
Administrative expenses		
Auditor's remuneration	**61**	70
	61	70

Notes on the Accounts

(continued)

6. Investment income	2026 US$000	2025 US$000
Dividends and interest	**44,067**	44,863
Realised gains/(losses):		
Investments	**9,127**	44,221
Foreign exchange	**1,833**	(1,253)
	55,027	87,831

7. Unrealised gains/(losses)	2026 US$000	2025 US$000
Investments	**23,906**	(13,975)
Foreign exchange	**5,680**	(1,664)
	29,586	(15,639)

8. Other financial investments	2026 US$000	2025 US$000
Fair value or amortised cost		
Bonds and loans	**685,085**	689,171
Equities	**108,786**	108,813
Alternative investments	**219,140**	205,918
Money market instruments	**13,252**	22,838
Cash accounts	**37,293**	16,182
Derivative financial instruments	**87**	(255)
	1,063,643	1,042,667
Cost		
Bonds and loans	**673,320**	703,188
Equities	**89,889**	96,199
Alternative investments	**213,491**	197,449
Money market instruments	**13,252**	22,838
Cash accounts	**37,294**	16,182
	1,027,246	1,035,856

Fair value determination

The fair value of financial instruments has been estimated using the following fair value hierarchy:

Level 1 The unadjusted quoted price for an identical asset in an active market at the reporting date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. These are valued using a valuation framework which is modelled around current industry best practices and accounting standards.

Level 3 Market data is unavailable for the asset. To assist the investment managers in valuing level 3 investments, where market quotations are not readily available, independent valuation advisors are appointed and base their calculations on quantitative and qualitative information available. This information is provided by both investment managers and any market quotations obtained by independent pricing sources which are subsequently reviewed by an approved valuation committee.

Notes on the Accounts

(continued)

8. Other financial investments (continued)

The Trust's investment assets and liabilities (excluding cash accounts) have been fair valued using the above hierarchy categories as follows:

As at 20 February 2026

US$000

	Level 1	Level 2	Level 3	Total
Bonds and loans	685,085	–	–	**685,085**
Equities	108,786	–	–	**108,786**
Alternative investments	–	–	219,140	**219,140**
Money market instruments	13,252	–	–	**13,252**
Derivative financial instruments	–	87	–	**87**
	807,123	**87**	**219,140**	**1,026,350**

As at 20 February 2025

US$000

	Level 1	Level 2	Level 3	Total
Bonds and loans	689,171	–	–	689,171
Equities	108,813	–	–	108,813
Alternative investments	–	–	205,918	205,918
Money market instruments	22,838	–	–	22,838
Derivative financial instruments	–	(255)	–	(255)
	820,822	(255)	205,918	1,026,485

9. Other creditors

	2026 US$000	2025 US$000
Unsettled investment transactions	**10,069**	3,852
Other payables	**394**	197
	10,463	4,049

10. Creditors arising out of reinsurance operations

	2026 US$000	2025 US$000
Steamship London	**19**	1,787
Steamship Bermuda	**25,799**	96,595
Steamship Europe	**34**	5
	25,852	98,387

11. Taxation

Following the OECD's Global Minimum Tax rules, the Bermuda Government enacted the Corporate Income Tax Act (the "Act") on 27 December 2023. Although the Trust had previously received an undertaking from the Bermuda Government exempting it from tax on income, profit, capital or capital gains until 31 March 2035, the Act specifies that a 15% corporate income tax shall apply notwithstanding any such prior assurances.

The Act, effective from 1 January 2025, is applicable to Bermuda tax-resident entities and permanent establishments that are part of multinational enterprise ("MNE") groups with annual revenue of at least €750m. Accordingly, no provision for such taxes has been recorded by the Trust.

Notes on the Accounts

(continued)

12. Operational structure and transactions with related parties

The Trust was set up in Bermuda for the benefit of the members of Steamship Bermuda. The insurance transactions, through reinsurance contracts with Steamship Bermuda, Steamship London and Steamship Europe, are deemed to be between related parties. The aggregate of these transactions is disclosed in these financial statements.

The related parties mentioned above have their own separate ownership structures. All Members of Steamship London and Steamship Europe are automatically Members of Steamship Bermuda, and by virtue are therefore beneficiaries of the Trust. The transactions between the Trust and these companies are described in note 3 and are disclosed as related party transactions.

The Corporate Trustee receives a fee for investment management costs and related expenses. For the financial year to 20 February 2026 this fee amounted to US$3.0m (2025: US$2.7m) of which US$0.1m (2025: US$0.1m) was outstanding at the balance sheet date.

Hamilton Investment Management Limited receives a service commission for investment management costs. For the financial year to 20 February 2026 this fee amounted to US$7.9m (2025: US$nil) of which US$0.3m (2025: US$nil) was outstanding at the balance sheet date.

13. Free reserves

	2026 US$000	2025 US$000
Free reserves brought forward	**293,706**	265,830
Surplus for the year	**45,102**	27,876
	338,808	293,706

14. Capital management

The Trust aims to maintain capital resources at a level which provides a comfortable margin above the requirement of the Bermuda Monetary Authority (BMA). Capital resources for regulatory purposes consist of free reserves on a regulatory economic basis. The BMA categorised the Corporate Trustee as a Class 3A insurer and the designated insurer of the Steamship group for regulatory purposes. The Trust was in compliance with the applicable regulatory capital requirements throughout the financial year.

15. Risk management

The Trust monitors and manages the risks relating to its operations through a risk management program comprising a series of policies, risk tolerances and regular stress and scenario testing. The Corporate Trustee regularly consults with the Board of the reinsured on the performance and risks inherent in the insurance business and on the appropriate level of risk to be taken in the investment portfolio. The principal risks faced by the Trust are insurance risk, market risk, liquidity risk, credit risk and operational risk.

Insurance risk

Insurance risk is comprised of two elements; premium risk and reserving risk. Premium risk refers to the risk that insurance premium received in the current policy year is insufficient to cover claims and other costs arising in that year. The Trust's premium risk is calculated on net premiums written and is in relation to its exposure to Steamship London, Steamship Europe and Steamship Bermuda claims, as described under note 3 on the accounts.

Reserving risk is the risk that, over the next year, existing technical provisions are insufficient to cover claims arising in previous policy years. The Trust is exposed to the uncertainty surrounding the timing, frequency and severity of claims under its reinsurance contracts (see note 3). Premium and reserving risk are calculated by reference to risk factors prescribed by the BMA which are then combined taking account of diversification effects.

The Trust ultimately relies on Steamship London and Steamship Europe which project claims liabilities using the Bornhuetter-Ferguson method for the most recent policy year reported and the development factor method for all other policy years. Reserves for both reported and unreported claims are calculated using detailed statistical analysis of the past experience as to frequency and average cost of claims having regard to variations in the nature of current business accepted and its underlying terms and conditions.

Inflation is one of many factors that are considered by claims handlers when setting an appropriate claims reserve prior to settling a claim. Steamship London and Steamship Europe use standard actuarial techniques which, amongst other things, incorporate inflation when calculating appropriate technical provisions. Together, these should accommodate potential increased costs arising from current levels of inflation.

Notes on the Accounts

(continued)

15. Risk management (continued)

Insurance risk (continued)

Steamship London and Steamship Europe aim to reduce reserving risk by setting claims reserves at a prudent level that will be sufficient to cover actual settlement costs. Actual experience will differ from the expected outcome, but this prudent basis is expected to result in there being releases of prior year claim reserves in most years. This prudence is expected to cover increased costs that might arise should inflation remain above the long-term average.

The sensitivity of the Trust's overall surplus to two factors, other assumptions being unchanged, is shown below.

	2026 US$000	2025 US$000
5% increase in claims incurred on current policy year		
Effect on Trust free reserves	**(15,634)**	(14,724)
Single claim in Steamship London or Steamship Europe of US$2.35 billion in current policy year (US$2 billion in prior policy year)		
Effect on Trust free reserves	**(12,470)**	(12,146)

The following table shows the development of claims over ten years. As the Trust has no outwards reinsurance, the table below represents both the gross and net of reinsurance basis.

The top half of the table shows how the estimates of total claims for each policy year develop over time. The lower half reconciles the cumulative claims to the amount appearing in the balance sheet.

Insurance claims – gross and net

Policy year US$000	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
End of reporting year	165,765	194,128	197,649	182,273	176,676	191,729	209,162	279,443	294,498	334,363
One year later	164,518	188,199	182,148	188,201	169,634	169,625	191,004	266,240	304,837	
Two years later	173,629	177,939	171,265	186,066	161,785	164,791	191,732	258,399		
Three years later	175,845	176,602	174,979	187,108	153,320	173,424	189,282			
Four years later	176,416	173,150	172,406	190,918	147,639	166,509				
Five years later	174,206	171,633	172,935	186,903	146,180					
Six years later	173,963	171,179	167,814	183,178						
Seven years later	171,532	177,622	166,667							
Eight years later	169,957	177,676								
Nine years later	167,356									
Current estimate of ultimate claims	167,356	177,676	166,667	183,178	146,180	166,509	189,282	258,399	304,837	334,363
Cumulative payments to date	160,813	159,540	154,904	172,194	129,470	127,694	138,540	156,569	164,841	75,063
Claims outstanding	**6,543**	**18,136**	**11,763**	**10,984**	**16,710**	**38,815**	**50,742**	**101,830**	**139,996**	**259,300**
Claims outstanding relating to last ten reporting years										**654,819**
Provision in respect of 2015/16 policy year and prior										**40,215**
Total gross and net claims outstanding										**695,034**

Credit risk

Credit risk is the risk that a counterparty owing money to The Trust may default causing a debt to be written off. The key area of exposure to credit risk for The Trust is in relation to its investments. The Board's Investment Policy and specific guidelines in investment mandates control the amount of credit risk taken and ensures that such credit risk is diversified thereby reducing any concentration of exposure.

Credit risk also arises on deposits held with banks. This is controlled by using a variety of banks and limiting exposure to each individual bank based on its credit rating and/or capital strength.

Notes on the Accounts

(continued)

15. Risk management (continued)

Credit risk (continued)

Equities and alternative investments, along with other debtors, have been included within Other assets in the table below with no credit rating.

The following table shows the aggregated credit risk exposure for those assets with external credit ratings.

As at 20 February 2026
US$000

	AAA	AA	A	BBB	BB and below	Not rated	Total
Bonds and loans	166,957	109,262	236,142	165,588	7,136	–	**685,085**
Money market instruments	13,252	–	–	–	–	–	**13,252**
Cash accounts	–	20,269	17,024	–	–	–	**37,293**
Derivative financial instruments	–	–	87	–	–	–	**87**
Accrued interest	844	655	2,666	2,080	99	170	**6,514**
Other assets	–	–	–	–	–	327,926	**327,926**
Total assets	**181,053**	**130,186**	**255,919**	**167,668**	**7,235**	**328,096**	**1,070,157**

As at 20 February 2025
US$000

	AAA	AA	A	BBB	BB and below	Not rated	Total
Bonds and loans	119,308	139,638	251,951	171,273	7,001	–	689,171
Money market instruments	22,838	–	–	–	–	–	22,838
Cash accounts	168	–	16,014	–	–	–	16,182
Derivative financial instruments	–	–	(255)	–	–	–	(255)
Accrued interest	819	601	2,419	1,908	101	79	5,927
Other assets	–	–	–	–	–	314,731	314,731
Total assets	143,133	140,239	270,129	173,181	7,102	314,810	1,048,594

Market risk

Market risk is the risk of financial loss as a consequence of movements in prices of equities and bonds, interest rates, foreign exchange rates and other price changes.

The Trust's exposure to changes in interest rates and market prices is concentrated in the investment portfolio. The risk appetite, asset allocation and tolerance ranges are set by the Board of the Corporate Trustee having consulted with the Boards of the reinsured entities. Compliance with Board policies are monitored and reported by the Managers assisted by the investment managers.

The Trust is exposed to currency risk in relation to claim liabilities in a number of non-US dollar currencies, predominantly UK sterling, euro, Brazilian real and Philippine peso. This exposure is managed by holding investments and derivative positions in each of these currencies.

Notes on the Accounts

(continued)

15. Risk management (continued)

Market risk (continued)

The following tables show the Trust's assets and liabilities by currency. The exposure to UK sterling, Brazilian real and Philippine peso through derivative positions was US$2.5m, US$2.8m and US$6.9m respectively at 20 February 2026 (2025: US$3.8m, US$4.0m and US$9.0m).

As at 20 February 2026
US$000

	US dollar	Euro	UK sterling	Brazilian real	Philippine peso	Other	Total
Assets	934,428	59,246	37,798	14	60	38,611	**1,070,157**
Liabilities	(634,602)	(41,471)	(26,982)	(3,035)	(4,443)	(20,816)	**(731,349)**
	299,826	**17,775**	**10,816**	**(3,021)**	**(4,383)**	**17,795**	**338,808**

As at 20 February 2025
US$000

	US dollar	Euro	UK sterling	Brazilian real	Philippine peso	Other	Total
Assets	948,847	45,256	28,309	–	–	26,182	1,048,594
Liabilities	(641,036)	(47,435)	(32,982)	(4,905)	(8,962)	(19,568)	(754,888)
	307,811	(2,179)	(4,673)	(4,905)	(8,962)	6,614	293,706

IBNR is classified as US dollar.

The Trust's interest rate risk is in relation to the fluctuation in the fair value of future cash flows of bonds due to changes in interest rates. The table below shows the change in fair value of bonds assuming a 200 basis points increase in interest rates:

	Effect on investment valuation US$000
As at 20 February 2026	(41,749)
As at 20 February 2025	(41,350)

The Trust's equity price risk is in relation to the fluctuation in the fair value of equities due to changes in market conditions. The table below shows the change in fair value of equities assuming a 35% decrease:

	Effect on investment valuation US$000
As at 20 February 2026	(38,075)
As at 20 February 2025	(38,085)

The table below shows the change in fair value of the investments assuming a 15% decrease in alternative investment pricing:

	Effect on investment valuation US$000
As at 20 February 2026	(32,871)
As at 20 February 2025	(30,888)

The above sensitivities assume that all other key market variables are held constant and that the percentage rate change is instantaneous, which is rarely the case.

Notes on the Accounts

(continued)

15. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Trust cannot meet its financial obligations as they fall due. The Trust maintains a high quality portfolio of cash, government and corporate bonds with an average maturity equivalent to the average expected settlement period of claim liabilities, albeit with some differences on some years. The Trust therefore has sufficient access to funds to cover reinsurance claims. In the absence of a material market event, investment grade assets and equities can be converted into cash in less than one month.

The following table shows the expected maturity/liquidity of the Trust's assets, based on the undiscounted contractual maturities of the assets. Other assets in the table below includes accrued interest and other debtors.

As at 20 February 2026
US$000

	0-1 years	1-2 years	2-5 years	Over 5 years	Total
Investments	418,116	46,537	179,020	419,970	**1,063,643**
Other assets	6,514	–	–	–	**6,514**
Total assets	**424,630**	**46,537**	**179,020**	**419,970**	**1,070,157**

As at 20 February 2025
US$000

	0-1 years	1-2 years	2-5 years	Over 5 years	Total
Investments	427,984	48,265	185,809	380,609	1,042,667
Other assets	5,927	–	–	–	5,927
Total assets	433,911	48,265	185,809	380,609	1,048,594

The following table shows the expected maturity profile of the Trust's undiscounted obligations with respect to its reinsurance contract liabilities and other liabilities.

As at 20 February 2026
US$000

	0-1 years	1-2 years	2-5 years	Over 5 years	Total
Claims outstanding	231,861	162,804	203,910	96,459	**695,034**
Creditors arising out of reinsurance operations	25,852	–	–	–	**25,852**
Other liabilities	10,463	–	–	–	**10,463**
Total liabilities excluding capital and reserves	**268,176**	**162,804**	**203,910**	**96,459**	**731,349**

As at 20 February 2025
US$000

	0-1 years	1-2 years	2-5 years	Over 5 years	Total
Claims outstanding	232,535	159,835	197,442	62,640	652,452
Creditors arising out of reinsurance operations	98,387	–	–	–	98,387
Other liabilities	4,049	–	–	–	4,049
Total liabilities excluding capital and reserves	334,971	159,835	197,442	62,640	754,888

Operational risk

Operational risk includes fraud, interruptions in service due to external or internal disruption and procedural or systems errors. The Corporate Trustee has identified its operational risks in a risk register and has in place appropriate controls to manage and mitigate such risks, consistent with good practice, regulatory guidance and legislation relating to human resources, financial crime, business continuity and information security. Appropriate controls are also in place to monitor the outsourcing of operations to the Managers and, through them, other service providers.

Notes on the Accounts

(continued)

16. Subsequent events

The Trust is closely monitoring developments in relation to the escalation of the conflict in the Middle East. The conflict has had minimal impact on the Trust's reinsurance, investments and operations.

Independent Auditor's Report

To the Corporate Trustee of The Steamship Mutual Trust

Opinion on the non-statutory financial statements

In our opinion, the non-statutory financial statements:

- give a true and fair view of the state of the Trust's affairs as at 20 February 2026 and of its surplus for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the non-statutory financial statements of The Steamship Mutual Trust ("the Trust") for the year ended 20 February 2026 which comprises the Income and Expenditure Account, Balance Sheet and Cash Flow Statement and notes 1-16 to the non-statutory financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard in the United Kingdom and Republic of Ireland and Financial Reporting Standard 103 Insurance Contracts (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the non-statutory 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 are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the non-statutory financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the non-statutory financial statements is appropriate.

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 Trust's ability to continue as a going concern for a period of at least twelve months from when the non-statutory financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the non-statutory financial statements and our auditor's report thereon. Our opinion on the non-statutory financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-statutory financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the non-statutory financial statements themselves. 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 in this regard.

Independent Auditor's Report

(continued)

Responsibilities of the Corporate Trustee

As explained more fully in the Trustees' responsibilities statement, the Directors of the Corporate Trustee ("the Directors") are responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the Directors are responsible for assessing the Trust'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 Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 (UK) 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 non-statutory financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Trust and the industry in which it operates;
- Discussion with management and those charged with governance, regarding the Trust's policies and procedures relating to compliance with laws and regulations;
- Obtaining an understanding of the Trust's policies and procedures regarding compliance with laws and regulations; and
- Our understanding of the legal and regulatory framework applicable to the Trust's operations.

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and the Bermuda Companies Act 1981.

The Trust is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the non-statutory financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Bermuda Monetary Authority (BMA).

Our procedures in respect of the above included:

- Agreement of the Trust's non-statutory financial statement disclosures to underlying supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and
- Review of correspondence with regulatory (BMA) and tax authorities for any instances of non-compliance with laws and regulations.

Independent Auditor's Report

(continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included

- Enquiry with management, Audit and Risk Committee and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Trust's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the non-statutory financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- In response to the risk of management override of controls – testing a sample of journal entries made throughout the year to supporting documentation and reviewing for evidence of management bias that might reasonably represent a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the non-statutory financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the non-statutory financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely for the exclusive use of the Directors and solely for the purpose of providing the Directors with and audit opinion on the non-statutory financial statements of the Trust that will be used as the basis of the non-statutory financial statements for the Trust. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander Barnes
For and on behalf of BDO LLP, Statutory Auditor
London, UK

24 May 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).