

Statement of Investment Principles

For the Panasonic UK Pension Plan

Effective from: September 2024



1. Introduction

This Statement of Investment Principles ("SIP") has been produced by the Trustees of the Panasonic UK Pension Plan.

It sets out our policies on various matters governing investment decisions for the Panasonic UK Pension Plan ("the Plan"), which is a hybrid Defined Benefit Pension Scheme that is primarily Defined Benefit with a small amount of Defined Contribution Pension Scheme assets. This SIP also covers the Additional Voluntary Contribution arrangements ("AVCs").

This SIP replaces the previous SIP dated March 2023.

This SIP has been prepared after obtaining and considering written advice from LCP, our investment adviser, whom we believe to be suitably qualified and experienced to provide such advice. The advice considered the suitability of investments including the need for diversification given the circumstances of the Plan and the principles contained in this SIP.

We have consulted with the relevant employer in producing this SIP.

We will review this SIP from time to time and will amend it as appropriate. Reviews will take place without delay after any significant change in investment policy (or in the demographic profile of the members invested in the DC default investment option) and at least once every three years.

This SIP contains the information required by legislation, and also considers the Pension Regulator's guidance on investments.

We have produced a separate SIP addendum document, which details further background and other matters relevant to the Plan's investments, but which are not required to be included in the SIP.

2. Investment objectives for the DB and DC Sections

The primary objective for the **DB Section** is to ensure that the benefit payments are met as they fall due.

In addition to this primary objective, the Trustees also aim to maintain the Plan's funding position (ie the value of its assets relative to the assessed value of its liabilities) at an appropriate level. The Trustees are aware that there are various measures of funding and have given due weight to those considered most relevant to the Plan. The Trustees have considered the funding requirements detailed in the Occupational Pensions Scheme (Scheme Funding) Regulations 2005.

The DC section of the Plan relates to a legacy arrangement. The aims and objectives of the Trustees in relation to the DC and AVC default arrangements are as follows:

- Aim for long-term, real growth while members are far from their target retirement date;
- Gradually reduce the risk taken in the investment strategy as members become close to their target retirement date; and
- Have an asset allocation at the target retirement date that is appropriate and consistent with how most members are expected to take their retirement savings.

All policies relating to the **DC default option** are covered in this SIP, rather than in a separate SIP, so all policies on the Plan's investments are in one document.

Our investment objective for the AVCs is to make available a suitable range of investment options to meet members' risk / return objectives.

3. Investment strategy

With input from our advisers and in consultation with the employer, we reviewed the investment strategy for the DB and DC Sections in March 2024 and August 2021 respectively, considering the objectives described in Section 2.

The investment strategy (excluding pensioner buy-in policies) for the **DB Section** is shown in the following table. The Plan has a portion of its assets invested in pensioner buy-in policies.

Asset class	Strategic allocation
Diversified growth funds	5%
Listed infrastructure	5%
Total Growth Portfolio	10%
Total Defensive Portfolio	90%
(comprising liability driven investments, corporate bonds and liquidity fund)	
Target interest rate and inflation hedging ratio (as % of a very low risk basis, similar to what an insurance company might charge)	100%

Our policy is to target the maximum expected return level subject to ensuring the level of investment risk is appropriate to reflect the Plan's circumstances. We believe that the strategy above meets this objective.

There is no formal rebalancing policy. We monitor the asset allocation above from time to time. This includes the composition of the Defensive Portfolio, whose components will be sized, and will expect to vary over time, by balancing the desire to achieve a reasonable expected return from the various different asset classes, against the liquidity needed to support the leverage within the LDI funds. If material deviations from the strategic allocation occur, we will consider with our advisers whether it is appropriate to rebalance the assets.

The Trustees also hold two bulk annuity policies that were purchased in May 2013 and March 2018 within the DB Section. Each of these policies matches the liabilities of a subset of the pensions in payment.

For the **DC Section**, the Trustees have selected Phoenix Life Limited as the Plan's DC section provider. The default arrangement with Phoenix Life is the Phoenix Life With-Profits Fund. In this fund, the manager invests in a range of asset

classes but provides investors with a smoothed return and a minimum guaranteed annuity rate at retirement.

The default option was designed to be in the best interests of the majority of the members.

We have also selected ReAssure and Utmost Life and Pensions as the Plan's money purchase AVC providers. Both ReAssure and Utmost have lifestyle strategies as the default arrangements (ie they automatically combine investments in proportions that vary according to the time to retirement age). The defaults initially invest to target a high expected return and then gradually switch to investments with a lower expected return and risk as members get close to retirement.

4. Considerations in setting the investment arrangements

When deciding how to invest the Plan's assets, it is our policy to consider a range of asset classes, taking account of the expected returns and risks associated with those asset classes, as well as our beliefs about investment markets and which factors are most likely to impact investment outcomes.

The primary ways that we manage investment risk is via diversification, ensuring we receive professional written advice prior to making any material investment decision, and our ongoing monitoring and oversight of the investments.

For the DB Section investment risk is measured using "Value at Risk". For the DC Section investment risk is measured as standard deviation.

Further details of specific risks (for example equity risk, credit risk and currency risk) and how we measure and manage those risks is set out in Part 2 of the SIP addendum.

In setting the strategy for the **DB Section** it is our policy to consider:

- our investment objectives, including the target return required to meet these
- the circumstances of the Plan, including the profile of the benefit cash flows (and the ability to meet these in the near to medium term), the funding level, and the strength of the employer covenant
- the requirements of the relevant regulations
- the Plan's cash flow requirements to meet benefit payments in the near to medium term

- the best interests of all members and beneficiaries
- the need for appropriate diversification between different asset classes to manage investment risk, and ensure that both the overall level of investment risk and the balance of individual asset risks are appropriate
- the expected return on the investments incorporated in the strategy
- any other considerations which we consider financially material over the time horizon that the Trustees consider is needed for the funding of future benefits by the investments of the Plan
- our investment beliefs about how investment markets work and which factors are most likely to impact investment outcomes.

In determining the investment arrangements for the **DC Section including the default option** and for the AVCs it is our policy to consider:

- the overall best interests of members and beneficiaries
- the profile of the membership and what this is likely to mean for the choices members might make upon reaching retirement
- the need for appropriate diversification to manage investment risk within the **default option** made available to DC members, and ensure that both the overall level of investment risk and the balance of individual asset risks are appropriate
- the need for appropriate diversification between and, where appropriate, within the investment options offered to members.

Our policy regarding **investments in illiquid assets in the DC default arrangement**, is set out below. Illiquid assets means assets that can't be easily or quickly be sold or exchanged for cash, and where assets are invested in a collective investment scheme this includes any such assets held by the collective investment scheme.

The default is a pooled with-profits fund, that may include an allocation to illiquid assets if the manager chooses to do so. The fund attributes different asset mixes to different groups of policyholders. As at 31 December 2022, the exposure to the illiquid assets of property (including commercial property shares) constituted around 3% of the allocation for members targeting retirement in 2023, linearly increasing up to around 8% of the allocation for members targeting retirement in 2033. Members invested in the default have exposure to illiquid assets via the with-profits fund regardless of age.

Our policy is for the with-profits fund manager to have discretion to invest in illiquid assets within the default because our assessment is that, when compared to many other asset classes, illiquid assets offer members a potentially greater level of diversification and hence better risk management in the overall asset allocation. We also believe that long-term net risk-adjusted investment returns of the default may be improved by investing in illiquid assets. We intend to consider the illiquid assets exposure further with the support of our investment advisers when we next review the default strategy.

We also consider any other factors which we believe to be financially material over the applicable time horizons to the funding of the DB, DC and AVC benefits, including environmental, social and governance ("ESG") factors and the risks and opportunities relating to climate change. Our key investment beliefs, which influenced the setting of the investment arrangements, are as follows:

- asset allocation is the primary driver of long-term returns
- costs may have a significant impact on long-term performance and therefore obtaining value for money from the investments is important
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find, and therefore passive management is usually better value
- risk-taking is necessary to achieve return, but not all risks are rewarded. Equity, credit, and illiquidity are the primary rewarded risks. Risks that do not have an expected reward should generally be avoided, hedged, or diversified
- ESG factors should be considered when making investment decisions, and managers may be able to improve risk-adjusted returns by doing this
- climate change is a financially material systemic issue that presents risks and opportunities for the Plan over the short, medium and long term
- long-term environmental, social and economic sustainability is one factor that trustees should consider when making investment decisions
- responsible investment in well governed companies and engaging as long-term owners can reduce risk over time and may positively impact Plan returns
- costs have a significant impact on long-term performance and therefore obtaining value for money from the investments is important.

5. Implementation of the investment arrangements

Before investing in any manner, we obtain and consider proper written advice from our investment adviser as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

We have signed agreements with the investment managers, and platform providers in respect of the DC Section and AVC arrangements setting out the terms on which the portfolios are to be managed.

Details of the investment managers are set out in the separate SIP addendum.

We have limited influence over managers' investment practices because all the Plan's assets are held in pooled funds, but we encourage our managers to improve their practices within the parameters of the fund they are managing.

Our view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines, and restrictions of their fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement, and portfolio turnover.

It is our responsibility to ensure that the managers' investment approaches are consistent with our policies before any new appointment, and to monitor and to consider terminating any arrangements that appear to be investing contrary to those policies. We expect investment managers to make decisions based on assessments of the longer term performance of debt/equity issuers, and to engage with issuers to improve their performance (or where this is not appropriate to explain why). We assess this when selecting and monitoring managers.

We evaluate investment manager performance over both shorter and longer term periods as available. If a manager is not meeting its performance objectives, we will consider alternative arrangements.

Our policy is to evaluate each of our investment managers by considering performance, the role it plays in helping to meet our overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

We recognise that portfolio turnover and associated transaction costs are a necessary part of investment management. Since the impact of these costs is reflected in performance figures used in our assessment of the investment

managers, we do not explicitly monitor portfolio turnover. We expect our investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Plan's investment mandates.

6. Realisation of investments

For the DB Section, we take income and/or instruct disinvestments as required for benefit payments and other outgoings. Our preference is for investments that are readily realisable. In general, our policy is to use cash flows to rebalance the assets towards the strategic asset allocation, and also receive income from some of the portfolios where appropriate.

7. Financially material considerations and non-financial matters

We consider how to address environmental, social, governance ("ESG") considerations (including but not limited to climate change) in the selection, retention, and realisation of investments, given the Plan and members time horizon. We influence the Plan's approach to ESG and other financially material factors through our investment strategy and manager selection decisions. We expect all our investment managers to take account of financially material factors (including climate change and other ESG factors) within the parameters of the mandates they are set. We seek to appoint managers that have the skills and processes to do this, and periodically review how the managers are taking account of these issues in practice.

All the Plan's assets (excluding the pensioner buy-in policies) are invested in pooled funds. We have limited influence over managers' investment practices where assets are held in pooled funds, but we encourage our managers to improve their ESG practices within the parameters of their funds.

Within each asset class, we considered investment options that give increased weight to ESG factors.

We do not consider any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention, and realisation of investments.

8. Voting and engagement

We recognise our responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee

companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments.

We have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG factors.

We do not monitor or engage directly with issuers or other holders of debt or equity, but we do engage with current and prospective investment managers on matters including ESG and stewardship. We expect the investment managers to exercise ownership rights and undertake monitoring and engagement in line with their policies on stewardship, considering the long-term financial interests of the beneficiaries. We expect the managers to communicate their policies on stewardship to us from time to time, and provide us with reporting on the results of their engagement and voting activities regularly and at least once a year.

We seek to appoint managers that have strong stewardship policies and processes, reflecting the principles of the UK Stewardship Code 2020 issued by the Financial Reporting Council, and from time to time we review how these are implemented in practice.

Addendum to the Statement of Investment Principles

For the Panasonic UK Pension Plan

Effective from: September 2024

This addendum to the Statement of Investment Principles (“SIP”) for the Panasonic UK Pension Plan (the “Plan”) has been produced by the Trustees of the Plan. It sets out a description of various matters which are not required to be included in the SIP, but which are relevant to the Plan’s investment arrangements.



Part 1:

Investment governance, responsibilities, decision-making and fees

We have decided on the following division of responsibilities and decision making for the Plan. This division is based upon our understanding of the various legal requirements placed upon us and our view that the division of responsibility allows for efficient operation and governance of the Plan overall. Our investment powers are set out within the Plan's governing documentation.

1. Trustees

Our responsibilities include:

- setting the investment strategy, in consultation with the employer
- developing a mutual understanding of investment and risk issues with the employer
- setting investment policies, including those relating to financially material factors and the exercise of rights and engagement activities in respect of the investments
- putting effective governance arrangements in place and documenting these arrangements in a suitable form
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change)
- formulating a policy on taking account of non-financial matters in the selection, retention and realisation of investments
- reviewing the investment policy as part of any review of the investment strategy
- setting the policy for rebalancing between asset classes
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act
- communicating with members as appropriate on investment matters, such as the Trustees' assessment of its effectiveness as a decision-

making body, the policies regarding responsible ownership and how such responsibilities have been discharged

- putting effective governance arrangements in place and documenting these arrangements in a suitable form
- consulting with the employer when reviewing the SIP
- monitoring, reviewing, and replacing investment managers, investment advisers, actuary, and other service providers
- monitoring the exercise of investment powers that we have delegated to the investment managers and monitoring compliance with Section 36 of the Pensions Act 1995 (as amended)
- communicating with members as appropriate on investment matters, such as our assessment of our effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged
- reviewing the SIP and modifying it as necessary.

2. Investment managers

The investment managers' responsibilities include:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation
- taking account of financially material considerations (including climate change and other ESG considerations) as appropriate when managing the portfolios of assets
- exercising rights (including voting rights) attaching to investments and undertaking engagement activities in respect of investments
- providing regular information concerning the management and performance of their respective portfolios
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

The custodians of the portfolios are responsible for safe keeping of the assets and facilitating all transactions within the portfolios.

3. Investment adviser

The investment adviser's responsibilities include:

- for the DB Section, advising on how material changes within the Plan's benefits, membership, and funding position may affect the manner in which the assets should be invested
- advising on the selection, and review, of the investment managers, incorporating its assessment of the nature and effectiveness of the managers' approaches to financially material considerations (including climate change and other ESG considerations)
- assisting us with reviews of this SIP.

4. Fee structures

The provision of investment management and advisory services to the Plan results in a range of charges to be met, directly or indirectly, by deduction from the Plan's assets. We have agreed terms with the Plan's actuarial and investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The investment managers receive fees calculated by reference to the market value of assets under management.

The fee structure used in each case has been selected with regard to existing custom and practice, and our view as to the most appropriate arrangements for the Plan, and we keep the fee structures under review.

5. Performance assessment

We are satisfied that there are adequate resources to support our investment responsibilities, and that we have sufficient expertise to carry out our role effectively. It is our policy to assess the performance of the Plan's investments, investment providers and professional advisers from time to time. We will also periodically assess the effectiveness of our decision-making and investment governance processes and will decide how this may then be reported to members.

6. Working with the sponsoring employer

When reviewing matters regarding the Plan's investment arrangements, such as the SIP, we seek to give due consideration to the employer's perspective. Whilst

the requirement to consult does not mean that we need to reach agreement with the employer, we believe that better outcomes will generally be achieved if we work with the employer collaboratively.

7. AVC providers

The AVC providers will be responsible for providing access to a range of funds managed by various investment managers.

Part 2:

Policy towards risk

1. Risk capacity and appetite

Risk capacity is the maximum level of risk that we consider to be appropriate to take in the investment strategy. Risk appetite is how much risk we believe is appropriate to take to meet the investment objectives. Taking more risk is expected to mean that those objectives can be achieved more quickly, but it also means that there is a greater likelihood that the objectives are missed, in the absence of remedial action.

When assessing risk and reviewing the investment strategy, we consider:

- the strength of the employer covenant and how this may change over time
- the views of the sponsoring employer
- the agreed journey plan and employer contributions
- the Plan's long-term and shorter-term funding targets
- the Plan's liability profile, its interest rate and inflation sensitivities, and the extent to which these are hedged
- the Plan's cash flow and target return requirements
- the level of expected return and expected level of risk (as measured by Value at Risk ("VaR")), now and as the strategy evolves.

For the Plan's current investment strategy, as at 31 March 2024, the 1 year 95% Value at Risk was estimated to be £9.7m. This means that there is estimated to be a 1 in 20 chance that the Plan's funding position (on a technical provisions basis) will worsen by £9.7m or more, compared to the expected position, over a one year period. When deciding on the current investment strategy, we believed this level of risk to be appropriate given the Plan's objectives.

2. Approach to managing and monitoring risks

There are different types of investment risk that are important to manage, and we monitor these on a regular basis. These include, but are not limited to:

Risk of inadequate returns

For the DB Section, a key objective is that the assets produce a sufficient long-term return in excess of the liabilities, and we have set an appropriate target return for the assets accordingly. There is a risk that the return experienced is not sufficient. This risk has been considered in setting the investment strategy.

In the DC Section (including the AVC arrangements), as members' benefits are dependent on the investment returns achieved, it is important that investment options are available which can be expected to produce adequate real returns over the longer term. Accordingly, equity-based funds, which are expected to provide positive returns above inflation over the long term, have been made available to members and feature in the growth phases of the default strategies.

Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type (eg corporate bonds), could materially adversely affect the Plan's assets. We believe that the Plan's DB assets are adequately diversified between different asset classes and within each asset class. This was a key consideration when determining the Plan's investment arrangements.

Equity risk

We believe that equity risk is a rewarded investment risk, over the long term. We consider exposure to equity risk in the context of the Plan's overall investment strategy and believe that the level of exposure to this risk is appropriate.

Credit risk

The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled funds is mitigated by the underlying assets of the pooled funds being ring-fenced from the investment managers, the regulatory environments in which the pooled fund managers operate and diversification of the Plan's investments across several pooled funds. The Trustees, with the help of their

advisers, carry out due diligence checks prior to the appointment of any new investment manager or fund, and monitor for changes to the operating environment of the existing pooled funds.

The Plan is also exposed to direct credit risk with the annuity contracts with Pension Insurance Corporation (“PIC”) if PIC were to default. This risk is mitigated by the UK regulatory environment in which PIC operates whereby PIC is required to make a reserve for each policy by holding prescribed amounts (and to hold those amounts in prescribed asset classes). This is consistent with regulations in force throughout the UK insurance industry.

Currency risk

Whilst the majority of the currency exposure of the Plan’s assets is to Sterling, the Plan is subject to currency risk because some of the Plan’s investments are held in overseas markets. We consider the overseas currency exposure in the context of the overall investment strategy, and believe that it diversifies the strategy and is appropriate.

The Plan’s asset which is exposed to currency risk is the pooled diversified growth fund which invests in non-Sterling investments.

The exposure to foreign currencies within the diversified growth pooled fund will vary over time as the manager changes the underlying investments, but is not expected to be a material driver of returns over the longer term. Decisions about the exposure to foreign currencies within the fund are at the discretion of the appointed fund manager.

Interest rate and inflation risk

The DB Section’s assets are subject to interest rate and inflation risk because some of the Plan’s assets are held in bond funds and Liability Driven Investment (“LDI”) funds. However, the interest rate and inflation exposure of the Plan’s assets provides protection (hedges) part of the corresponding risks associated with the Plan’s liabilities. Given that this should reduce the volatility of the funding level, we believe that it is appropriate to manage exposures to these risks in this manner.

Investment manager risk

This is the risk that an investment manager fails to meet its investment objectives. Prior to appointing an investment manager, we receive written professional advice, and we will typically undertake a manager selection exercise. We monitor the investments regularly against their objectives and receive ongoing professional investment advice as to their suitability.

Climate-related risks

Climate change is a source of risk, which could be financially material over both the short and longer term. This risk relates to the transition to a low carbon economy, and the physical risks associated with climate change (eg extreme weather). We seek to appoint investment managers who will manage this risk appropriately, and from time to time review how this risk is being managed in practice.

Other environmental, social and governance (ESG) risks

ESG factors are sources of risk, which could be financially material over both the short and longer term. These include risks relating to unsustainable or socially harmful business practices, and unsound corporate governance. We seek to appoint investment managers who will manage these risks appropriately, and from time to time review how these risks are being managed in practice.

Illiquidity/marketability risk

For the DB Section, this is the risk that the Plan is unable to realise assets to meet benefit cash flows as they fall due, or that the Plan will become a forced seller of assets in order to meet benefit payments. We are aware of the Plan’s cash flow requirements and believe that this risk is managed by maintaining an appropriate degree of liquidity across the Plan’s investments and by investing in income generating assets, where appropriate.

Counterparty risk

This is the risk that one party to a contract (such as a derivative instrument) causes a financial loss to the other party by failing to discharge a contractual obligation. This risk applies for those contracts that are traded directly between parties, rather than traded on a central exchange.

In particular, Insight makes use within its LDI funds of derivative and gilt repos contracts and these funds are used to match efficiently a portion of the Plan’s liabilities. Insight manages counterparty risk within its pooled funds through careful initial selection and ongoing monitoring of trading counterparties, counterparty diversification and a robust process of daily collateralisation of each contract, to ensure that counterparty risk is limited, as far as possible, to one day’s market movements.

Collateral adequacy risk

The LDI manager may call for additional cash to be paid to the LDI portfolio to support a given level of leverage. Collateral adequacy risk is the risk that we are not able to post additional cash to the LDI fund within the required timeframe when requested. A potential consequence of this risk is that the Plan’s interest rate and inflation hedging could be reduced and that the Plan’s funding level could suffer subsequently as a result. To manage this risk, our objective is that the Plan has a

sufficient allocation to cash and other highly liquid assets that could be used to meet LDI collateral calls.

Other non-investment risks

We recognise that there are other non-investment risks faced by the Plan. We take these into consideration as far as practical in setting the investment arrangements.

Examples for the DB Section include:

- longevity risk (risk that members live, on average, longer than expected); and
- sponsor covenant risk (risk that, for whatever reason, the sponsoring employer is unable to support the Plan as anticipated).

Both investment and non-investment risks can lead to the funding position materially worsening. We regularly review progress against the funding target.

Part 3:

Investment manager arrangements

Details of the investment managers are set out below.

Defined Benefit Section

Legal & General Assurance (Pensions Management) Limited – Listed Infrastructure

The Plan invests in listed infrastructure via the L&G Infrastructure Equity MFG Fund.

- The objective of this portfolio is to produce a return broadly in line with the Magellan Financial Group (“MFGAM”) Core Infrastructure Index.
- The fund is structured as a unit-linked life insurance policy and is a weekly dealing, open ended fund.

Schroders Investment Management Limited – Diversified Growth Fund

The Plan invests in the Schroder Life Diversified Growth Fund.

- The objective of this portfolio is to produce a return of cash + 4.5% pa gross of fees.
- The fund is structured as a unit-linked life fund and is a daily dealing, open ended fund.

Insight Investment Management Limited – Shorter Dated Credit

The Plan invests in shorter dated credit via the Insight Short Dated Buy and Maintain Bond Fund and Sterling Liquidity Fund.

- The objective of this portfolio is to seek to generate a return for investors by investing primarily in a portfolio of short dated debt securities.
- The fund is structured as an open ended investment company and is a daily dealing, open ended fund.

Insight Investment Management Limited – Longer Dated Credit

The Plan invests in longer dated credit via the Insight Buy and Maintain Fund.

- The objective of this portfolio is to seek to generate a return for investors by investing primarily in a portfolio of debt securities.

- The fund is structured as an open ended investment company and is a weekly dealing, open ended fund.

Insight Investment Management Limited – Liability Driven Investment

The Plan invests in liability driven investments (“LDI”) via the Insight Enhanced Selection Shorter Real, Shorter Nominal, Longer Real and Longer Nominal LDI funds.

- The objective of these funds are to provide nominal and real returns reflecting a typical liability profile with dynamic instrument selection between gilts and swaps on a partially-funded basis.
- The funds are structured as Irish ICAVs and are daily dealing, open ended funds.
- Insight will consider rebalancing these funds when the leverage goes outside of certain ranges around their targets.
- The Plan has a ‘Custody Lite’ arrangement with Northern Trust where Insight has the discretion to move around assets within the LDI, Sterling Liquidity Fund and Short-Dated Buy and Maintain Bonds mandates whenever an LDI leveraging event occurs.

Pensioner buy-in policies - Pension Insurance Corporation (“PIC”)

The Trustees have invested in two separate bulk annuity policies (the first policy commenced in May 2013 and the second in March 2018) with PIC each covering a subset of the pensions in payments. The objective of each policy is to match the Plan’s benefit payments relating to those specific members’ pensions covered by each policy.

Defined Contribution Section

For the DC Section, the Trustees have selected Phoenix Life Limited as the Plan's DC section provider. The default arrangement with Phoenix Life is the Phoenix Life With-Profits Fund. In this fund, the manager invests in a range of asset classes but provides investors with a smoothed return and a minimum guaranteed value at retirement.

Additional Voluntary Contributions

ReAssure and Utmost Life & Pensions are the providers of AVC arrangements in the Plan. The options available to members are as follows.

ReAssure funds available

- L&G Global Equity (70:30) Index fund
- L&G Over 5 Year Index-Linked Gilts Index fund
- L&G Over 15 Year Gilts Index fund
- L&G Cash fund

Fund name

Utmost Multi-Asset Cautious fund

Utmost Multi-Asset Moderate fund

Utmost Money Market fund

Utmost Sterling Corporate Bond fund

Utmost Managed fund

Utmost UK Equity fund

Utmost UK FTSE All Share Tracker fund

Utmost European Equity fund

Utmost US Equity fund

Utmost Asia Pacific Equity fund

Utmost UK Government Bond fund