

Barron McCann Limited 2014 Pension Scheme

Statement of Investment Principles

September 2025

1 Introduction

This Statement sets out the principles governing decisions relating to the investment of the assets of the Barron McCann Limited 2014 Pension Scheme ('the Scheme').

The Scheme is a defined benefit arrangement set up under trust and registered with HM Revenue and Customs (HMRC). The Scheme is subject to the Statutory Funding Objective (SFO) introduced by the Pensions Act 2004, i.e. that it should have sufficient and appropriate assets to cover its Technical Provisions, as calculated in accordance with the Trustee's Statement of Funding Principles.

This Statement has been prepared in line with the following legislation and regulations:

- Section 35 of the Pensions Act 1995
- Section 244 of the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005
- The Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification) Regulations 2018
- The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019

A copy of this Statement will be made available to Scheme members on request to the Trustee or online. In preparing this Statement the Sponsoring Employer has been consulted.

2 Investment Decision Making

The investment of the Scheme's assets is the responsibility of the Trustee of the Scheme ('the Trustee'). The Trustee's investment powers are set out in the Rules of the Barron McCann Limited 2014 Pension Scheme. The powers granted to the Trustee are wide and this Statement is consistent with those powers.

The Trustee has obtained and considered professional advice on the content of this Statement from Broadstone Corporate Benefits Limited (Broadstone), its appointed investment adviser. Broadstone is authorised and regulated by the Financial Conduct Authority / Institute and Faculty of Actuaries. Broadstone has confirmed to the Trustee that it has the appropriate knowledge and experience to give the advice required under legislation. Broadstone is remunerated a fee for its advice and its appointment is reviewed from time to time by the Trustee.

The Trustee has also consulted the Principal Employer, Barron McCann Limited, when setting its investment objectives and strategy, and in the preparation of this Statement.

Responsibility for maintaining the Statement and determining the Scheme's investment strategy rests solely with the Trustee. The Trustee will obtain such advice as it considers appropriate and necessary whenever it intends to review or revise this Statement.

3 Investment Objectives

The investment objectives and strategy are set with reference to the strength of the Principal Employer's willingness and ability to support the Scheme, the liability profile of the Scheme, and the current Actuarial Valuation basis. The Trustee has determined that it is reasonable to take a long-term view in determining its investment objectives and strategy.

The Trustee has also agreed that the funding position, measured on a Low Dependency funding basis is the assessment of plan funding that is of most importance to the Trustee, the Principal Employer and members, as it determines the Scheme's funding requirements and members' long-term benefit security.

The Trustee's other investment objectives are as follows:

- to acquire suitable assets such that these, together with new contributions from the employer, are expected to be sufficient to meet the cost of current and future benefits as they fall due
- to limit the risk of assets failing to meet the liabilities over the long term
- to minimise the long term costs of the Scheme by maximising the return on the assets, whilst having regard to the objectives above
- to achieve a positive real return over the long-term
- to manage the volatility of returns, in order to control the risk of volatility in the employer's contributions
- to pay due regard to the sponsoring employer's preferred investment strategy coupled to the Trustee's perception of the employer's ability to fund higher contributions should the returns achieved from the agreed investment strategy require additional cash injections

The Trustee sets the investment objectives in the expectation that the Scheme is continuing as a closed scheme for the long term. If the Trustee becomes aware of circumstances which lessen the certainty of this the Trustee will take steps to adjust the investment strategy as appropriate at the time.

Where future opportunities arise, the Trustee will consider steps to further reduce the volatility of the Scheme's funding position relative to its liabilities calculated under the Low Dependency basis.

The Trustee will also have regard to the Principal Employer's views on the potential costs and risks associated with the investment objectives set and their implementation through the practical strategy.

4 Setting the Investment Strategy

Details of the investment strategy are set out in the Appendix to this Statement.

The Trustee's policies in setting the investment strategy are set out below:

Policy	
Selection of Investments	The Trustee may select investments from a wide range of asset classes from time to time, including, but not restricted to UK equities, overseas equities, government bonds, corporate bonds, commercial property and alternative asset classes, such as hedge funds, private equity and infrastructure. The investments selected will generally be traded on regulated markets and, where this is not the case, any such investments will be kept to a prudent level. The Trustee may also: • Invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of the Scheme's investments. • Hold insurance policies such as deferred or immediate annuities which provide income to the Scheme, matching part or all of the future liabilities due from it. • Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Scheme.
Balance of Investments	The Trustee will set a Target Asset Allocation from time to time, determined with the intention of meeting its investment objectives. The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed in light of any changes to the Trustee's view of the Principal Employer's covenant, the nature of the Scheme's liabilities or relevant regulations governing pension plan investment. The Trustee has agreed the range of funds to be used in the investment strategy, taking into account the maturity of the Scheme's liabilities, and to ensure the range is sufficiently robust to allow easy adjustment between the funds as the Trustee's risk appetite changes and the Scheme matures.
Delegation to Investment Managers	The Trustee will delegate the day-to-day management of the Scheme's assets to professional investment managers and will not be involved in the buying or selling of investments.
Maintaining the Target Asset Allocation and Target Hedging Ratios	The Trustee has responsibility for maintaining the overall balance of the asset allocation relative to the Target Asset Allocation and Target Hedging Ratios. The Trustee monitors the asset allocation on a regular basis with the assistance of its consultant, Broadstone, and will consider switching assets between funds should the allocation move significantly away from the Target Asset Allocation or Target Hedging Ratios.
Employer Related Investments	The Trustee's policy is not to hold any employer related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005.

The Trustee has decided to invest in pooled funds because:

- the Scheme is not large enough to justify direct investment in equities or bonds on a cost-effective basis;
- pooled funds allow the Scheme to invest in a wider range of assets which serves to reduce risk; and
- pooled funds provide a more liquid form of investment than certain types of direct investment.

5 Realisation and Rebalancing of Assets

The assets are held in a combination of pooled funds and are fully and readily realisable.

The Trustee makes disinvestments from the Investment Managers with the assistance of their administrators, Broadstone, as necessary, to meet the Scheme's cashflow requirements.

In general, new money will be invested (or disinvestments required for cash flow purposes) to bring the asset allocation back to the Target Asset Allocation, as far as possible. However, the Trustee will consider advice from Broadstone as needed to confirm whether this remains appropriate.

Liability Driven Investment (LDI) Cashflow and Rebalancing Processes

The Trustee notes that the value of assets invested in the LDI funds will move significantly in response to changing liability values and that buying or selling of LDI funds would change the level of liability hedging exposure provided by the assets.

The Trustee notes that the LDI manager may require additional assets from time to time in order to support the operation of the LDI fund ('capital calls'). Alternatively, the LDI manager may release funds back for investment elsewhere where they are not required to provide the representative level of hedging exposure the funds desire ('distributions').

The Trustee has established an automatic process for the management of capital calls and distributions internally within the LDI manager. If the LDI funds call for additional capital for deleveraging, required assets will first be taken from the L&G US Securitised Fund.

If the LDI funds distribute excess capital, it will automatically be invested in the L&G US Securitised Fund in the first instance. The Trustee, with the assistance of Broadstone, will then consider whether those monies should be re-invested elsewhere.

6 Expected Returns

The Trustee's objective is for the Scheme's assets to produce a return in excess of the growth in the value of its liabilities calculated on a Low Dependency basis. The Trustee expects the assets to produce a return in excess of the long-term growth in the value of the liabilities.

Over the long-term, the Trustee's expectations are to achieve the following rates of return from the asset classes they make use of:

Asset Class	Expected Returns
Multi Asset Credit	In line with the market yields available on the relevant underlying securities and in excess of the return on short term money market instruments.
Secured Finance	In line with the market yields available on the relevant underlying securities and in excess of the return on corporate bonds of the same credit rating.
Corporate bonds	In line with the market yields available on the relevant underlying securities and in excess of the return on corresponding fixed interest gilts.
Government Bonds	In line with the yield available on a comparable portfolio of UK gilts or index-linked gilts.

Asset Class	Expected Returns
LDI	In line with the sensitivity of the self-sufficiency liabilities to changes in interest rates and inflation expectations, allowing for the target level of hedging specified by the Trustee from time to time.
Cash	Broadly in line with rates of interest available on short-term money market instruments.

7 Risks

The Trustee has considered various risks the Scheme faces, including market risk, interest rate risk, inflation risk, credit/default risk, concentration risk, manager risk, currency risk and Environmental, Social and Governance (ESG) risks, and considers that the Target Asset Allocation strikes a reasonable balance between risk mitigation and seeking an appropriate level of return, taking account of the strength of the Principal Employer's covenant.

The Target Asset Allocation has been determined with due regard to the characteristics of the Scheme's Low Dependency liabilities.

The calculation of the Scheme's Low Dependency liabilities uses assumptions for future investment returns and price inflation expectations that are based upon market values of financial securities such as fixed interest and index-linked government bonds. This means that the Low Dependency liabilities are sensitive to changes in the price of these assets as market conditions vary and can have a volatile value.

The Trustee accepts that its investment strategy may result in volatility in the Scheme's funding position. Furthermore, the Trustee also accepts that there is a risk that the assets will not achieve the rates of investment return assumed in the calculation of the Scheme's Low Dependency liabilities.

To reduce the risk of concentration within the portfolio, the Trustee will monitor the overall mix of asset classes and stocks in the investment strategy with its investment consultant, Broadstone.

The Trustee invests in a wide range of asset classes through the funds and strategies it uses and considers the Scheme's strategy to be well diversified.

The Trustee will monitor the investment, covenant and funding risks faced by the Scheme with the assistance of its investment consultant and the Scheme Actuary at least every three years. The Trustee will consider the appropriateness of implementing additional risk mitigation strategies as part of such reviews.

In addition, the Trustee will review wider operational risks as part of maintaining its risk register.

8 Security of Assets

The day-to-day activities that the Investment Managers carry out for the Trustee are subject to regular internal reviews and external audits by independent auditors to ensure that operating procedures and risk controls remain appropriate.

Safe-keeping of the Scheme's assets held with the Investment Managers is performed by custodians appointed by them.

The Trustee has considered the security of the Scheme's holdings with the Investment Managers, allowing for its status as a reputable regulated firm, and considers the associated protection offered to be reasonable and appropriate. Broadstone has considered this as part of its investment strategy review and advised the Trustee accordingly.

9 Responsible Investment & Stewardship

The Trustee believes that in order to protect and enhance the value of the investments, during the period over which the benefits are paid, it must act as a responsible asset owner.

The Scheme is also comprised of a diverse membership, expected to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. The Trustee therefore does not explicitly seek to reflect any specific views through the implementation of the investment strategy, both financial and non-financial.

The Trustee's policies in respect of responsible investment are set out below:

Policy	
Financially Material Considerations	The Trustee recognises that ESG issues can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustee delegates day-to-day decisions on the selection of investments to the Investment Manager. The Trustee has an expectation that the Investment Manager will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets. The Trustee does not currently impose any specific restrictions on the Investment Manager with regard to ESG issues but will review this position from time to time. The Trustee receives information on request from the Investment Manager on its approach to selecting investments and engaging with issuers with reference to ESG issues. With regard to the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustee takes the view that this falls within their general approach to ESG issues. The Trustee regards the potential impact of climate change on the Scheme's assets as a longer term risk and likely to be less material in the context of the short to medium term development of the Scheme's funding position than other risks. The Trustee will continue to monitor market developments in this area with their investment adviser.
Non-Financially Material Considerations	Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustee believes these should not drive investment decisions. The Trustee expects the Investment Manager, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment.

Policy

Engagement and Voting Rights

The Trustee does not have the necessary skills to vote or engage individually with the companies in which they invest through their fund managers. It also recognises that by investing via pooled funds it is unable to directly influence the underlying securities in which its fund managers invest.

However, portfolio managers are expected to engage and influence the companies in which they invest as well as exercise their right to vote.

The Trustee's voting and engagement policy is to use its investments to improve the ESG behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustee believes that having this policy and aiming to improve how companies behave in the medium and long term, will protect and enhance the value of its investments and is in the members' best interests. The Trustee will aim to monitor the actions taken by the Investment Managers on its behalf and if there are significant differences from the policy detailed above, they will escalate its concerns which could ultimately lead to disinvesting the Scheme's assets from the manager(s).

Capital Structure of Underlying Companies

Responsibility for monitoring the capital structure of investee companies is delegated to the Investment Managers. The Trustee expects the extent to which the Investment Managers monitor capital structure to be appropriate to the nature of the mandate.

The Trustee's views on how ESG issues are taken account of in each asset class used is set out below:

Asset Class	Active/Passive Managed	ESG Views
Risk controlled Multi Asset, Corporate Bonds, Secured Finance, Cash	Active	The Trustee expects the investment managers to take financially material ESG factors into account. Given the active management style of the funds and the ability of the managers to use their discretion to generate higher risk adjusted returns. The Trustee also expects its Investment Managers to engage with the underlying investee companies, where possible, although it appreciates that fixed income assets, including cash, within the portfolio, do not typically attract voting rights.
LDI	Active	The underlying assets of the LDI solution consist of government bond funds and derivative contracts, with no underlying investee companies as such. Therefore, the Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities. That said, the Trustee does expect the manager to apply ESG factors in determining the appropriate counterparties in derivative-based instruments.
Government Bonds	Passive	The objective of these funds is to track an index of government bonds with similar maturities. The funds have no underlying investee company. Therefore, the Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

The Trustee will review the stewardship policies of any new investment managers appointed, as well as assessing the stewardship and engagement activity of the current Investment Managers on an ongoing basis.

The Trustee's stewardship policies are complimented by expression of wishes sent to the Investment Managers/collective voting arrangements involving the Investment Managers.

10 Conflicts of Interest

The Trustee maintains a conflicts management plan and conflicts register.

Subject to reasonable levels of materiality, these documents record any actual or potential conflicts of interest in relation to investee companies or the Investment Manager, while also setting out a process for their management.

11 Duration of Investment Arrangements

The Trustee is a long-term investor and has not set an explicit target to review the duration of its arrangement with its investment managers. However, the arrangements will be reviewed in conjunction with any review of the investment strategy.

12 Incentivisation of Investment Managers

The Investment Managers are primarily remunerated based on an agreed fixed annual percentage of the asset value for each underlying fund.

The Trustee does not directly incentivise the Investment Managers to align the approach they adopt for a particular fund with the Trustee's policies and objectives. Instead, the Investment Managers are selected so that, in aggregate, the risk-adjusted returns produced are expected to meet the Trustee's objectives.

The Trustee also does not directly incentivise the Investment Managers to make decisions about the medium to long-term performance of an issuer of debt or equity, or to engage with those issues to improve their performance. The Trustee expects such assessment of performance and engagement to be undertaken as appropriate and necessary to meet the investment objectives of the funds used by the Scheme.

13 Portfolio Turnover Costs

The Trustee expects the Investment Managers to change underlying holdings only to an extent required to meet their investment objectives. The reasonableness of such turnover will vary by fund and change according to market conditions.

The Trustee therefore does not set a specific portfolio turnover target for its strategy or the underlying funds.

The Investment Managers provide information on portfolio turnover and associated costs to the Trustee so that this can be monitored, as appropriate.

14 Monitoring

The Trustee employs Broadstone to assist it in monitoring the performance of the Scheme's investment strategy and Investment Managers.

The Investment Managers provide the Trustee with sufficient information each quarter to enable it to monitor financial and non-financial performance. The Trustee and Broadstone will monitor the Investment Manager's performance against their performance objectives.

The appropriateness of the Investment Managers' remuneration will be assessed relative to market costs for similar strategies, the skill and resources required to manage the strategies, and the success or otherwise a manager has had in meeting its objectives, both financial and non-financial.

The Trustee will consider on a regular basis whether or not the Investment Managers remain appropriate to continue to manage the Scheme's investments.

15 Review of Statement

The Trustee will review this Statement at least triennially, or sooner if there is a significant change in the Scheme's investment strategy or a significant change in the regulations that govern pension scheme investment.

Signed:



For and on behalf of the Trustee of the Barron McCann Limited 2014 Pension Scheme

Date: 9th September 2025

Appendix A Investment Strategy Implementation Summary

A.1 Target Asset Allocation

The Target Asset Allocation for the Scheme's assets is as follows:

Asset Class	Target Asset Allocation
Risk-Controlled Multi-Asset Funds	18.5%
Secured Finance	15.0%
Corporate Bonds	20.0%
Government Bonds	26.1%
Liability Driven Investment	18.8%
Cash	1.6%
Total	100.0%

The balance between the asset classes will vary over time. The target is indicative only and the underlying objective for these assets will be to maintain the target hedging levels, which protect against changes in long-term interest rates and inflation expectations.

A.2 Investment Manager

The Trustee entered into a contract with Legal & General Asset Management (L&G) in February 2018 and with Royal London in April 2023. The Investment Managers undertake day-to-day investment management of the Scheme's assets.

The Investment Managers are authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000.

A.3 Strategies and Funds

The Trustee uses the following funds operated by the Investment Managers:

Asset Class	Funds
Risk-controlled multi-asset funds	Royal London Multi Asset Credit Fund
Secured Finance	L&G US Securitised Fund
Corporate Bonds	L&G Buy & Maintain Credit (Distribution) Fund
Government Bonds	L&G Over 15 Year Gilts Index Fund L&G Over 15 Year Index-Linked Gilts Fund
Liability Driven Investment	L&G Matching Core Funds
Cash	L&G Sterling Liquidity Fund

A.4 Target Hedging Ratios

The target hedging ratios against the interest and inflation rate risk associated with the Scheme's funded Low Dependency liabilities are summarised below:

	Target Hedging Ratio
Interest Rate Risk	100%
Inflation Rate Risk	100%

A.5 Fund Performance Benchmarks and Objectives

The L&G Matching Core Funds have an objective to provide a prescribed level of hedging against changes in the value of liabilities for a typical defined benefit pension scheme caused by interest rate and inflation risks. The practical method of implementing this level of hedging is delegated to the Investment Manager, with the expectation that the Investment Manager will choose the most cost-effective method.

The L&G Gilts Index Funds have an objective to replicate the performance of their benchmark indices within a 0.25% range for two years out of three.

The L&G US Securitised Fund and the L&G Buy & Maintain Credit Fund do not aim to track a specified market index.

The risk-controlled multi-asset fund used by the Trustee is actively managed, with an objective to outperform a specified market benchmark, as summarised below:

Fund	Benchmark	Performance Target
Royal London Multi Asset Credit Fund	SONIA	Outperform three-month SONIA by 4%-6% per annum, gross of fees, over rolling three-year periods.

A.6 Investment Management Charges

The annual management charges for each of the funds used, based on the assets under management at the date of this Statement, are given below:

Fund	Annual Management Charge
Royal London Multi Asset Credit Fund	0.35% p.a.*
L&G US Securitised Fund	0.25% p.a.
L&G Buy & Maintain Credit (Distribution) Fund	0.15% p.a.
L&G Gilts Index Funds	0.10% p.a.
L&G Matching Core Funds	0.24% p.a.
L&G Sterling Liquidity Fund	0.125% p.a.

*Discounted from 0.50% p.a. until further notice.

L&G also charge a flat fee of £1,500 per annum, which falls to £1,000 per annum should the asset value exceed £10 million.

A.7 Additional Voluntary Contributions (AVCs)

Members are not permitted to make AVCs to the Scheme.