

The Mabey Pension Scheme

Statement of Investment Principles

September 2023

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Appendix 1: The Trustee’s Investment Strategy

Appendix 2: Fund Details

1. Definitions

AVCs	Additional Voluntary Contributions
ESG	Environmental, Social and Governance
Investment Adviser	<p>The Trustee is advised on investment matters by First Actuarial LLP.</p> <p>First Actuarial LLP is regulated by the Institute and Faculty of Actuaries and is qualified to provide the required advice through knowledge and practical experience of financial matters relating to pension schemes.</p>
Legislation	<p>This statement has been drafted to comply with relevant legislation.</p> <p>In particular, consideration has been given to:</p> <ul style="list-style-type: none">• the Pensions Act 1995;• the Occupational Pensions (Investment) Regulations 2005;• the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018; and• the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.
Scheme	The Mabey Pension Scheme
Trustee	The Trustee of the Scheme

2. Introduction

This statement is made in accordance with the requirements of legislation. The main body of the document sets out the principles and policies that govern investments made by the Trustee.

Throughout the statement, wording in blue represents actions that will be taken by the Trustee in the implementation and monitoring of the Scheme's investment arrangements.

Investment advice

The Trustee received and considered written investment advice from the Investment Adviser to help with the preparation of this statement.

The Trustee will obtain and consider written advice from the Investment Adviser when reviewing the Scheme's investment strategy or when considering the suitability of potential investments. The Trustee expects that such advice will be consistent with any guidance issued by The Pensions Regulator.

Legal advice

The Trustee will seek legal advice relating to investment matters whenever deemed necessary.

Consultation with the sponsoring employer

In preparing this statement, the Trustee consulted with the sponsoring employer.

The Trustee will consult with the sponsoring employer before making any changes to the Scheme's investment strategy.

Conflicts of interest

The Trustee is satisfied that the Scheme's investment strategy meets its responsibility to invest the assets in the best interests of the members and beneficiaries and, in the case of a potential conflict of interest, in the sole interest of the members and beneficiaries.

3. Investment Beliefs

The investment beliefs stated below have been developed by the Trustee and are reflected in the Scheme's investment strategy.

Basic investment principles

The Trustee has wholly invested the Scheme's assets in a buy-in insurance policy provided by Just Retirement Limited (Just). This is a policy that in effect cannot be surrendered by either the Trustee or Just and is expected to reimburse the Scheme for benefits paid to members as and when those benefits fall due. The Trustee may also hold cash in the Trustee's bank account – particularly if it is to be used to make payments due in the short-term.

Financially material considerations and the appropriate time horizon

The Trustee believes that the potential impact of any financially material considerations that may affect the Scheme's investments should be assessed over an appropriate time horizon for the objectives of the Scheme.

ESG

The Scheme's assets are invested entirely in a buy-in insurance policy. With this in mind, the Trustee does not consider ESG risks to be a material concern. The Trustee also notes that there are no voting rights attached to the Scheme's investments.

Members' views (non-financial matters)

Legislation defines non-financial matters as meaning the views of the members and beneficiaries including (but not limited to) ESG matters and the present and future quality of life of the members and beneficiaries of the Scheme.

The Trustee believes that its duty to members and beneficiaries will be best served by ensuring that all benefits can be paid as they fall due. This has been secured as far as possible by the purchase of the buy-in insurance policy.

The Trustee has considered whether to take members' views into account when determining a suitable investment strategy and in the selection, retention and realisation of investments. However, the Trustee has determined that it would not be practical to do so. In particular, the Trustee concluded that it is likely that members and beneficiaries would hold a broad range of views which would be difficult to accommodate.

4. Investment Objectives and Investment Strategy

The Trustee's primary investment objectives are:

- to ensure that members' benefits are paid as and when they fall due. This is covered by the investment in the buy-in insurance policy.
- to ensure assets are available to meet the Scheme's expenses. This can be covered by cash held in the Trustee Bank Account.

In terms of expected returns:

- this is not relevant for the buy-in insurance policy, which provides a stream of cashflows to the Scheme (which the Scheme will then use to pay member benefits).
- the Trustee Bank Account is currently not paying interest.

In determining the structure of the Scheme's investments, the Trustee will take advice from the Investment Advisor. In doing so, consideration will be given to all matters which are believed to be financially material.

5. Additional Voluntary Contributions

AVCs

AVCs are held separately from the Scheme's other investments and the AVCs are used to secure benefits on a money purchase basis for members at retirement. The Scheme's AVC arrangements are held with Clerical Medical Investment Group Limited and Utmost Life and Pensions Limited. From time to time the Trustee reviews the AVC arrangements to ensure they remain appropriate for members' needs.

[The Trustee will review the ongoing suitability of the AVC arrangements on a periodic basis.](#)

6. Risks

The principal investment risks identified by the Trustee are listed below together with an explanation of how they are mitigated.

Solvency and employer covenant risk

The risk that the Scheme's assets fall short of the amount required to pay all benefits and expenses as they fall due and that insufficient assets could be recoverable from the Employer to meet the shortfall.

Mitigation

This risk is deemed to be very low since all benefits are already insured under a buy-in policy with additional assets held in cash should this be required.

Interest rate risk and inflation risk

The risk that movements in interest rates/expectations for future inflation will adversely impact the value of the Scheme's investments.

Mitigation

This risk is deemed to be minimal since the liabilities have been fully insured using the buy-in insurance policy.

Liquidity Risk

The risk that assets cannot be realised for cash when required.

Mitigation

The Scheme's need for liquidity is expected to be modest, given that the buy-in insurance policy reimburses the Scheme for benefits paid to members as and when those benefits fall due. In respect of any additional liquidity requirement, the cash held is very liquid meaning that liquidity risk is deemed to be minimal.

6. Risks (continued)

Risk of Insurance Provider Default

The risk that the provider of the buy-in insurance policy will default due to insolvency or otherwise be unable to meet benefit payments.

Mitigation

The profile of the insurance provider was reviewed before the insurance policy was purchased. It was noted that the insurance provider retained sufficient reserves in line with industry legislation to be able to meet benefit payments comfortably.

7. Future Amendments

The Trustee will review this statement at least every three years and without delay after any significant change in circumstances or investment strategy.

The Trustee will consult with the sponsoring employer before amending this statement.

The Trustee will obtain and consider written advice from the Investment Adviser before amending this statement.

The principles set out in this Statement have been agreed by the Trustee:

Approved by Alison Bostock - Director Zedra Governance Ltd Date: 27.9.2023

For and on behalf of the Trustee of the Mabey Pension Scheme.