Investment Policy Implementation Document for the Norcros Security Plan

1. Introduction

This Investment Policy Implementation Document ("IPID") for the Norcros Security Plan (the "Plan") sets out details of the Plan's Defined Benefit ("DB") Section and Defined Contribution ("DC") Section investment arrangements, based on the principles set out in its Statement of Investment Principles ("SIP") datedMay 2026.

The IPID should be read in conjunction with the SIP.

The IPID has been prepared by the Trustee of the Plan, and the Trustee is responsible for ensuring it reflects the current investment arrangements.

2. The DB Section

Investment strategy

The Plan's investment strategy, as described in the SIP, along with the investment managers appointed to implement the strategy are set out below.

The actual asset allocation is expected to deviate from the strategic allocation as a result of market movements and the return of capital from the private and high quality credit portfolios. The Plan's actual vs strategic asset allocation is monitored on a quarterly basis and the Trustee's investment adviser will advise in the event that rebalancing is deemed appropriate. In general, the cashflow requirements of the Plan will also be used to rebalance the asset allocation.

Asset class	Strategic allocation	Investment managers
UK equities	0%*	Columbia Threadneedle
Global equities	10%	Fundsmith
High yield debt	5%	Royal London
Private credit	10%	Arcmont
Corporate bonds	6%	Royal London
High quality credit	42%	Insight, Columbia Threadneedle, Royal London, and M&G
Bespoke LDI	27%	Columbia Threadneedle
Total	**100%**	

* UK equities will be accessed synthetically within the Bespoke LDI Fund, with a target exposure of 12% of total Plan assets.

Details of the investment managers, their objectives, investment guidelines and custody arrangements (for the Plan's segregated mandate) are set out in the following Sections.

Fundsmith Investment Services Limited (“Fundsmith”)

The Plan invests in global equities through a pooled fund called the Fundsmith Equity Fund. The objective of this fund is to achieve long term growth (over 5 years) in value. The fund is priced daily. The fund is open ended and is unlisted.

Royal London Asset Management Limited (“Royal London”)

The Plan invests in high yield debt through a pooled fund called the Sterling Extra Yield Bond Fund. The objective of this fund is to achieve a high level of income, and a gross redemption yield of 1.25 times the gross redemption yield of the FTSE Actuaries British Government 15 Year Index. The fund is priced daily. The fund is open ended and is unlisted.

The Plan invests in corporate bonds through a pooled fund called the UK Long Corporate Bond Fund. The objective of this fund is to outperform the return of the Markit iBoxx GBP Non Gilts 15+ Index by 0.5% pa, after the deduction of fees, over rolling three year periods. The fund is priced daily. The fund is open ended and is unlisted.

The Plan invests in short dated credit through a pooled fund called the Short Duration Credit Fund. The objective of this fund is to achieve a total return (both capital appreciation and income) over 3-5 years by predominanly investing in short-duration sterling-denominated bonds. The fund’s performance target is to outperform, net of fees, the ICE Bank of America Merril Lynch Sterling Non-Gilt (1-5 Years) Total Return (GBP Unhedged) Index over rolling 5-year periods. The fund is priced daily. The fund is open ended and is unlisted. The fund has been included within the CT LDI bespoke fund, giving CT automatic access to these assets for collateral management purposes.

Arcmont Asset Management (“Arcmont”)

The Trustee has selected Arcmont to manage the Plan’s private credit allocation using the Senior Loan Fund II. The objective of this fund is to achieve a net of all fees return of 6-7.5% pa in Sterling terms. The fund is valued quarterly. The fund is closed ended and unlisted.

Insight Investment Management (“Insight”) - Asset backed securities (“ABS”)

The Plan invests in ABS rated AA (on average) through a pooled fund called the High Grade ABS Fund. The objective of the fund is to generate positive returns in excess of 1 Month SONIA, before the deduction of fees. Informally, the fund aims to deliver a return of 2% pa above 1 Month SONIA, before the deduction of fees. The fund is priced daily. The fund is open ended and unlisted. The Insight High Grade ABS fund has been included within the CT LDI bespoke fund, giving CT automatic access to these assets for collateral management purposes.

The Plan invests in ABS rated BBB (on average) through a pooled fund called the Secured Finance II Fund. The objective of this fund is to deliver a return of 3% pa above three-month SONIA, before the deduction of fees, taxes and charges, over rolling three-year periods. The fund is priced monthly. The fund is open ended and is unlisted.

The Plan invests in ABS rated A+ (on average) through a pooled fund called the Global ABS Fund. The objective of this fund is to produce returns from income and capital appreciation and the fund uses 1 Month SONIA as a reference benchmark. The fund is priced daily. The fund is open ended and unlisted. The fund has been included within the CT LDI bespoke fund, giving CT automatic access to these assets for collateral management purposes.

M&G Investments ("M&G") – Absolute return bonds ("ARB")

The Plan's ARB allocation is invested through the M&G Total Return Credit Investment Fund, an open-ended, unlisted pooled vehicle. The fund is priced daily. The investment objective of the Fund is to achieve a total return of the benchmark plus 3-5% per annum gross of fees over a rolling five-year period. For the sterling-hedged share class, the benchmark is 1-month SONIA.

Columbia Threadneedle ("CT") – Short Duration Credit

The Plan invests in a bespoke Short Duration Credit portfolio managed by CT. This portfolio can also be used as collateral if required by the LDI portfolio.

The objective of the short duration credit portfolio is to provide a total return commensurate with investment in low duration non-government bonds and other similar assets. It aims to achieve this objective through a diversified global portfolio with currency exposure hedged back to sterling.

Columbia Threadneedle ("CT") – LDI

The Plan invests in an LDI portfolio managed by CT, with the assets invested in a bespoke fund where the Trustee is the sole investor. The bespoke fund has the flexibility to provide:

- a partial hedge against interest rate and inflation risks inherent in the Plan's liabilities, by using a number of hedging assets, and a bespoke LDI benchmark unique to the Plan's cashflow profile;
- exposure to credit default swap indices;
- exposure to derivatives to partially protect against the risk of the Scheme's UK and global equity mandates falling in value; and
- exposure to derivatives that give a payoff similar to the total returns of the FTSE 100 index.

The bespoke fund also offers the flexibility for the Trustee to introduce other derivatives, such as those referencing other equity indices. This flexibility can be used by the Trustee to introduce alternative equity protection strategies. As set out in the SIP, the use of these strategies will be dependent on market conditions and the level of investment return required to achieve the Trustee's objectives.

The CT bespoke fund is daily dealt. It is open ended and is unlisted.

Assets held within the CT bespoke fund can be invested into the CT Sterling Liquidity Fund (at CT's discretion). The objective of the Sterling Liquidity Fund is to maintain high levels of liquidity and generate a return in line with money market rates. The fund is priced daily. The fund is open ended and is unlisted.

The CT bespoke fund also provides the flexibility to invest in third-party funds. Through this functionality, the Trustee has the flexibility to transition its existing investments in third-party funds (where directly held) into the CT bespoke fund.

Where third-party funds are held via the CT bespoke fund, CT has the ability to invest surplus assets into these third-party funds, or disinvest assets as required to top-up the collateral pool; where this is used, the Trustee has set explicit limits for CT to undertake these actions, based on the leveraged duration within the CT bespoke fund.

The Insight High Grade ABS Fund, Insight Global ABS Fund and the RLAM Short Duration Credit Fund have been included within the bespoke fund, giving CT automatic access to these assets for collateral management purposes.

3. The DC Section

The Trustee makes available a range of self-select funds and a default option. Details of these are set out below. The relevant members are provided with clear information on the investment options and their characteristics that will allow the members to make an informed choice.

The fund options are provided to members via an investment only platform with Legal & General. The funds are priced daily. The funds are open ended and are unlisted.

Self-select fund options

The Trustee makes available the following funds.

Fund	Benchmark	Target
Norcros Diversified	FTSE Developed World Index (50% GBP hedged)	To provide a long-term expected rate of return broadly similar to that of a developed market equity fund, as represendt by the benchmark
Norcros Defensive	Composite benchmark	To achieve long term capital appreciation through investment primarily in bonds issued by the UK government or by companies
Norcros Cash	Sterling Overnight Index Average (SONIA)	To offer access to liquidity whilst providing capital stability. Aims to provide a competitive return relative to SONIA
Norcros Global Equity	30% FTSE All-Share Index 70% FTSE All World (ex UK) Index (75% of the overseas assets, excluding emerging markets, are currency hedged to sterling.	To track the benchmark
Norcros Property	MSCI / AREF UK Quarterly All Balanced Property Fund Index	To outperform the benchmark
Norcros Climate Change Aware	Solactive L&G ESG Global Markets Index (less withholding tax)	To track the benchmark

Fund	Benchmark	Target
Norcros Annuity Pre-Retirement	FTSE Annuities Index	To provide diversified exposure to assets that reflect the broad characteristics of investments underlying a typical traditional level annuity product
Norcros Islamic	S&P Global 1200 Shariah Select Index	To track the benchmark

4. The default strategy

For members that do not make an active choice regarding the investment of their contributions the Trustee has set the default option to be a lifestyle strategy.

This strategy is designed to be suitable for members looking to access their savings flexibly when they withdraw benefits.

Up until 7 years before a member's target retirement age (or normal retirement date, if a member does not select a target date), the default arrangement invests in the Norcros Diversified Fund. This Fund invests in equities, bonds, and alternative assets such as property and commodities.

Over the 7 years prior to a member's target retirement age (or normal retirement date, if a member does not select a target date), the default arrangement automatically and gradually switches from the Norcros Diversified Fund to a portfolio made up of 37.5% in the Norcros Diversified Fund, 37.5% in the Norcros Defensive Fund and 25% in the Norcros Cash Fund.

The Trustee reviews the default strategy on a triennial basis.

5. Additional Voluntary Contributions

The Trustee has previously provided facilities for members who wished to enhance their retirement benefits through Additional Voluntary Contributions (AVCs). The investment choice available for these AVCs is now the same as for the Plan's DC Section, but there are some legacy Utmost (previously Equitable Life) holdings as well. The Trustee believes that these AVC arrangements were appropriate facilities for this purpose, but notes that the choice of funds used for AVCs rested entirely with the members.

IPID signed for and on behalf of the Trustee of the Plan:

Signed: ______________________________