

# The Pension and Life Assurance Plan of Griffiths & Armour

**Statement of Investment Principles**

February 2026

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## 1 Introduction

This Statement sets out the principles governing decisions relating to the investment of the assets of the Pension and Life Assurance Plan of Griffiths & Armour (the Plan).

The Plan 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 Plan members on request to the Trustee or online.

## 2 Investment Decision Making

The investment of the Plan's assets is the responsibility of the Trustee. The Trustee's investment powers are set out in Clause 4.2 of the Plan's Trust Deed and Rules, dated 29 April 1982, as amended. The powers granted to the Trustee under this Clause 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 Aon Investments Limited ('AIL'), its appointed investment adviser. AIL is authorised and regulated by the Financial Conduct Authority (FCA). AIL has confirmed to the Trustee that it has the appropriate knowledge and experience to give the advice required under legislation. AIL is remunerated a fee for its advice and its appointment will be reviewed from time to time by the Trustee.

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

Responsibility for maintaining the Statement and determining the Plan'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

In determining its investment objectives and strategy, the Trustee has considered the strength of its Sponsoring Employer, in their willingness and ability to support the Plan. It 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 solvency funding basis is the assessment of scheme funding that is of most importance to the Trustee, the Sponsoring Employer and members, as it determines the Plan's ultimate funding requirements and members' long-term benefit security.

The Trustee's investment objectives are as follows:

- To ensure that the assets are of a nature to enable the Trustee to meet the Plan's benefits as they fall due.
- To invest the Plan's assets in an appropriately diverse and liquid range of investments.
- To invest in a way that is consistent with the Plan's funding objectives, i.e. to invest so that the investment return assumptions used to determine the Trustee's funding plan have a reasonable chance of being achieved in practice.
- To reduce the risk of deterioration in the funding position of the Plan through following a relatively low risk investment strategy relative to the solvency liabilities. The Trustee would expect to implement such an approach via high hedging ratios against liability-related risks, and a relatively low exposure to absolute levels of return volatility compared to changes in the estimated solvency liabilities.

The Trustee will also have regard to the Sponsoring Employer's views on the potential costs and risks associated with the investment objectives set and its 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	
<b>Selection of Investments</b>	<p>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.</p> <p>These asset classes may be held within multi-asset funds, whereby the mix between the asset classes held is managed by the Investment Manager.</p> <p>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.</p> <p>The Trustee may also:</p> <ul style="list-style-type: none"> <li>• 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 Plan's investments.</li> <li>• Hold insurance policies such as deferred or immediate annuities which provide income to the Plan, matching part or all of the future liabilities due from it.</li> <li>• Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Plan.</li> </ul>
<b>Target Asset Allocation</b>	<p>The Trustee will set a Target Asset Allocation from time to time, determined with the intention of meeting its investment objectives.</p> <p>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 Sponsoring Employer's covenant, the nature of the Plan's liabilities, or relevant regulations governing pension scheme investment.</p> <p>The Trustee has agreed the range of funds to be used in the investment strategy, taking into account the nature of the Plan'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 Plan matures</p>
<b>Delegation to Investment Managers</b>	<p>The Trustee will delegate the day-to-day management of the Plan's assets to AIL, a professional Investment Manager and will not be involved in the buying or selling of investments.</p> <p>The Trustee has taken advice from AIL regarding its suitability in this capacity and recognises that there exists a potential conflict of interest in AIL giving this advice. The Trustee have sought details of AIL's conflict management policy and procedures and is satisfied that such potential conflict is appropriately managed and that AIL has the necessary skills and competence to exercise the powers delegated to it.</p>
<b>Maintaining the Target Asset Allocation and Target Hedging Ratios</b>	<p>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 adviser, AIL, and will consider switching assets between funds should the allocation move significantly away from the Target Asset Allocation or Target Hedging Ratios.</p>

## Policy

<b>Employer Related Investments</b>	The Trustee's policy is not to directly hold any employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005. However, the Plan may on occasion hold a very small percentage of its assets in employer-related investments via pooled fund investments, at the discretion of the underlying asset manager.
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## 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 Manager with the assistance of its administrators, Broadstone Consultant & Actuaries Limited, as necessary, to meet the Plan's cashflow requirements.

New money will be invested (or disinvestments required for cash flow purposes) to maintain the Target Asset Allocation, as far as reasonably possible.

## 6 Expected Returns

The Trustee's objective is for the Plan's assets to produce a return of 1.5% p.a. above the change in the value of its liabilities over the long term.

Over the long-term, the Trustee's expectations are to achieve this through the combined returns of the asset classes it makes use of:

Asset Class	Objective
Equities	To drive the portfolio's returns through generating a return in line with the return on comparable equity indices.
<b>Liquid Diversifiers</b>	To protect the portfolio in times of market stress, through reducing the impact of equity market drawdowns.
Fixed Income	To provide further diversification, generate a return and a provide a source of collateral.
Cash	To generate a return in line with the return on comparable money market funds and to assist with the cashflow management of the Plan.
Liability Driven Investments (LDI)	To change in value in line with the sensitivity of the Plan's liabilities to changes in interest rates and inflation expectations.
Synthetic Credit	To change in value in line with the sensitivity of bulk annuity pricing to changes in credit spreads.

## 7 Risks

The Trustee has considered various risks the Plan faces, including market risk, interest rate risk, inflation risk, default risk, concentration risk, manager risk and currency risk, and consider 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 Sponsoring Employer's covenant.

The Target Asset Allocation has been determined with due regard to the characteristics of the Plan's solvency liabilities.

The calculation of the Plan's solvency 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 solvency 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 Plan'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 Plan's solvency liabilities.

To reduce the risk of concentration within the portfolio, the Trustee will monitor the overall mix of asset classes and securities in the investment strategy with its investment adviser, AIL.

The Trustee considers the Plan's strategy to be well diversified.

The Trustee will monitor the investment, covenant and funding risks faced by the Plan with the assistance of its investment advisers 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 Manager carries 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 Plan's assets held with the Investment Manager is performed by custodians appointed by them.

The Trustee has considered the security of the Plan's holdings with the Investment Manager, allowing for its status as a reputable regulated firm, and consider the associated protection offered to be reasonable and appropriate.

## 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 Plan 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	
<b>Financially Material Considerations</b>	<p>The Trustee recognises that Environmental, Social and Governance (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 Plan 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 Plan's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets.</p> <p>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.</p> <p>Regarding the specific risk to the performance of the Plan's investments associated with the impact of climate change, the Trustee takes the view that this falls within its general approach to ESG issues. The Trustee regards the potential impact of climate change on the Plan'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 Plan's funding position than other risks. The Trustee will continue to monitor market developments in this area with its investment adviser.</p>
<b>Non-Financially Material Considerations</b>	<p>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.</p>
<b>Engagement and Voting Rights</b>	<p>The Trustee's voting and engagement policy is to use its investments to improve the Environmental, Social and Governance 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, are in the members' best interests. The Trustee will aim to monitor the actions taken by the Investment Manager on its behalf and if there are significant differences from the policy detailed above, it will escalate its concerns which could ultimately lead to disinvesting its assets from the Investment Manager.</p>

## Policy

<b>Capital Structure of Underlying Companies</b>	Responsibility for monitoring the capital structure of investee companies is delegated to the Investment Manager. The Trustee expects the extent to which the Investment Manager monitors capital structure to be appropriate to the nature of the mandate.
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The Trustee aims to annually review the stewardship activity of its asset managers to ensure the Plan's stewardship policy is being appropriately implemented in practice. The Trustee receives annual reports on stewardship activity carried out by AIL. These reports include detailed voting and engagement information from underlying asset managers.

The Trustee has delegated all voting and engagement activities to the Plan's Investment Manager, AIL, and in turn to the underlying asset managers selected by AIL. The Trustee accepts responsibility for how the managers steward assets on its behalf, including the casting of votes in line with each managers' individual voting policies. The Trustee reviews manager voting and engagement activities on an annual basis from AIL to ensure they are in line with the Trustee expectations and in the members' best interests.

Where possible, the transparency for voting should include voting actions and rationale with relevance to the Plan, in particular where:

- Votes were cast against management;
- Votes against management generally were significant;
- Votes were abstained; and
- Voting differed from the voting policy of the Trustee

The Trustee's views on how ESG issues are taken account within the Adept Strategy "Fruition" Funds is set out as follows. These funds consist of a mix of equities, fixed income, alternative investments, and Liability Driven Investment (LDI) assets (including cash).

With respect to the equities and fixed income investments, the Trustee expects the underlying asset managers to take financially material ESG factors into account, given the active management style of some of the underlying funds and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustee also expects the underlying asset managers to engage with investee companies, where possible, although it appreciates that fixed income assets do not typically attract voting rights.

## 10 Conflicts of Interest

The Trustee maintains a separate conflicts of interest policy and a 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 the Investment Manager. However, the arrangements will be reviewed in conjunction with any review of the investment strategy.

## 12 Incentivisation of Investment Manager

The Investment Manager is 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 Manager to align the approach they adopt for a particular fund with the Trustee's policies and objectives. Instead, the Investment Manager is selected so that, in aggregate, the risk-adjusted returns produced are expected to meet the Trustee's objectives.

Neither does the Trustee directly incentivise the Investment Manager 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 its 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 Plan.

## 13 Portfolio Turnover Costs

The Trustee expects the Investment Manager to change underlying holdings only to an extent required to meet its 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 Manager provides information on portfolio turnover and associated costs to the Trustee so that this can be monitored, as appropriate.

## 14 Monitoring

The Trustee employs AIL to assist them in monitoring the performance of the Plan's investment strategy and underlying asset managers. The Trustee also receives quarterly reports from AIL and will meet with its representatives periodically to review its investment performance and processes as necessary.

The Trustee will periodically monitor the Investment Manager's performance against its performance objectives.

The appropriateness of the Investment Manager's remuneration will be assessed relative to market costs for similar strategies, the skill and resources required to manage the strategy, and the success or otherwise the Investment 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 Manager remains appropriate to continue to manage the Plan's investments.

## **15 Review of Statement**

The Trustee will review this Statement at least every three years and immediately following any significant change in the Plan's investment strategy or a significant change in the regulations that govern pension scheme investment.

Chris Halewood, Client Director, Vidett Trustee Services Limited

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For and on behalf of the Pension and Life Assurance Plan of Griffiths & Armour

Date: 12<sup>th</sup> February 2026

## Appendix A Investment Strategy Implementation Summary

### A.1 Target Asset Allocation

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

Fund	Target Asset Allocation
Adept Strategy 20 Fund - fixed liabilities + 2% p.a.	18%
Adept Strategy 21 Fund - real liabilities + 2% p.a.	32%
Adept Strategy 22 Fund - fixed liabilities + 1% p.a.	18%
Adept Strategy 23 Fund - real liabilities + 1% p.a.	32%
<b>Total</b>	<b>100%</b>

The Trustee also holds a portfolio of annuities that provide cashflows expected to match future benefit outgo in respect of specific pensioner liabilities.

### A.2 Investment Manager

The Trustee first subscribed to AIL's Adept Funds in September 2025. The Investment Manager undertakes day-to-day investment management of the Plan's assets.

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

### A.3 Strategies and Fund Objectives

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

Fund	Investment Objective
Adept Strategy 20 ("Fruition Fund") - fixed liabilities + 2% p.a.	<p>Aims to outperform (net of fees) it's LDI based benchmark by 2% per annum over a market cycle through investing in a combination of return-seeking assets and liability hedging assets.</p> <p>The return-seeking assets are invested in a well-diversified strategy to provide the excess return required to meet the target return.</p> <p>The underlying LDI component is designed to hedge the interest rate risk of a pension scheme with fully fixed (non-inflation linked) benefits with a typical duration and cashflow profile.</p>

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Adept Strategy 21 ("Fruition Fund") - real liabilities + 2% p.a.

Aims to outperform (net of fees) it's LDI based benchmark by 2% per annum over a market cycle through investing in a combination of return-seeking assets and liability hedging assets.

The return-seeking assets are invested in a well-diversified strategy to provide the excess return required to meet the target return.

The underlying LDI component is designed to hedge the interest rate risk of a pension scheme with real (inflation linked) benefits with a typical duration and cashflow profile.

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Adept Strategy 22 ("Fruition Fund") - fixed liabilities + 1% p.a.

Aims to outperform (net of fees) it's LDI based benchmark by 1% per annum over a market cycle through investing in a combination of return-seeking assets and liability hedging assets.

The return-seeking assets provide the excess return to meet the target return. They are invested in a well-diversified strategy that generates consistent returns from a diverse mix of asset classes, including equities, fixed income and alternative investments. The inclusion of Credit Default Swaps (CDS) allows the fund to better reflect movements in insurer pricing.

The underlying LDI component is designed to hedge the interest rate risk of a pension scheme with fully fixed (non-inflation linked) benefits with a typical duration and cashflow profile.

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Adept Strategy 23 ("Fruition Fund") - real liabilities + 1% p.a.

Aims to outperform (net of fees) it's LDI based benchmark by 1% per annum over a market cycle through investing in a combination of return-seeking assets and liability hedging assets.

The return-seeking assets provide the excess return to meet the target return. They are invested in a well-diversified strategy that generates consistent returns from a diverse mix of asset classes, including equities, fixed income and alternative investments. The inclusion of Credit Default Swaps (CDS) allows the fund to better reflect movements in insurer pricing.

The underlying LDI component is designed to hedge the interest rate risk of a pension scheme with real (inflation linked) benefits with a typical duration and cashflow profile.

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The allocation to these funds may be reviewed and amended by the Trustee from time to time to maintain the target hedging levels.

#### A.4 Target Hedging Ratios

The target hedging ratios against the interest rate risk and inflation risk associated with the Plan are summarised below as a percentage of assets:

	Target Hedging Ratio
Interest rates risk	100%
Inflation risk	100%

#### A.5 Investment Management Charges

The annual management charges for each of the funds used, at the date of this Statement, are given below.

These are subject to a minimum overall fee of £65k per annum.

Fund	Annual Management Charge
Adept Strategy 20 Fund - fixed liabilities + 2% p.a.	0.25% p.a.
Adept Strategy 21 Fund - real liabilities + 2% p.a.	0.25% p.a.
Adept Strategy 22 Fund - fixed liabilities + 1% p.a.	0.25% p.a.
Adept Strategy 23 Fund - real liabilities + 1% p.a.	0.25% p.a.