

P&B Metal Components Limited Section of the Pensions Master Plan

Statement of Investment Principles

as required by the Pensions Act 1995 and the Pension Act 2004

January 2026

The Section Trustee confirms that the following matters have been taken into account when preparing this Statement of Investment Principles:

The Section Trustee has considered written advice from the Investment Advisor prior to the preparation of this Statement and has consulted P&B Metal Components Limited, the Principal Employer, before agreeing this Statement and the investment strategy outlined in this document.

All day to day investment management decisions have been delegated to the Investment Manager, where the Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Section Trustee has full regard to its investment powers under the Trust Deed and Rules and the suitability of types of investments, the need to diversify, the custodianship of assets and any self-investment.

The Investment Managers will prepare regular reports on their activities and the Section Trustee will meet with representatives of the Investment Managers as required.

This Statement of Investment Principles will be reviewed at least every three years, or whenever changes to the principles or strategy are necessary. Any changes to this Statement will be undertaken having taken advice, as appropriate, and following consultation with the Principal Employer.

1. General

This statement sets out the principles governing decisions about the investment of the assets of the P&B Metal Components Limited Section of the Pensions Master Plan (the “Section”). It has been prepared on behalf of the Section Trustee (the “Section Trustee”) to comply with section 35 of the Pensions Act 1995 (the “Act”) as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005.

The Section Trustee reviews the Section’s investment strategy every three years, following each formal actuarial valuation of the Section (or more frequently should the circumstances of the Section change in a material way).

2. Consulted Parties

As required under the Act, the Section Trustee has consulted a suitably qualified person by obtaining written advice from Isio Group Limited (“Isio” or the “Investment Advisor”) on the suitability of the investments, the need for diversification and the principles contained in this Statement. Isio is authorised and regulated by the Financial Conduct Authority (“FCA”).

The Section Trustee, in preparing this Statement, has also consulted P&B Metal Components Limited, the Principal Employer (the “Company”); in particular on the Section Trustee’s objectives and investment strategy.

3. Investment Powers

The Section Trustee recognises that the assets must be invested in the best interests of members and beneficiaries and, in the case of a potential conflict of interest, in the sole interest of members and beneficiaries. The Section Trustee has overall responsibility for the prudent management of the Section’s assets. The strategic management of the Section’s assets is fundamentally the responsibility of the Section Trustee, acting on advice from Isio, and is driven by its investment objectives as set out in Point 4 below.

The remaining elements of policy are part of the day-to-day management of the assets that is delegated to Legal and General Investment Management (“L&G”), Aegon Asset Management (“Aegon”) and Partners Group (collectively the “Investment Managers”). The Investment Managers are authorised and regulated by the Financial Conduct Authority.

4. Investment Objectives

The Section Trustee’s primary objectives for setting the investment strategy of the Section are set out below:

- “funding objective” – for the Section to be fully funded on a low risk basis, taking account of the strength of the Company covenant;
- “stability objective” – to have regard for the Company’s ability to meet its contribution payments and to have regard for the volatility of funding; and
- “hedging objective” – for the assets to hedge a portion of the interest rate and inflation risk associated with the Section’s liabilities on a Technical Provisions basis.

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- “return objective” – to achieve a return of around 1.5% per annum above the return on a liability matching portfolio of UK Government bonds.

The investment arrangements outlined in Point 7 below have been designed with these considerations in mind.

5. Choosing investments

The Section Trustee recognises that the investment strategy should reflect the characteristics of the Section’s liabilities, specifically:

- Firstly, the actuarial calculation of the Section’s liabilities uses a discount rate linked to gilt yields. Therefore, investments in gilts of a similar profile (“matching assets”) would result in asset and liability values moving in a comparable pattern; and
- Secondly, a proportion of the Section’s liabilities are increased annually for inflation. These individual liabilities have a direct link to inflation i.e. they are “real” liabilities as opposed to “nominal” liabilities.

Therefore, it is considered that the best “matching assets” for the liabilities are a mixture of nominal and index-linked gilts of appropriate durations to match the Section’s liabilities. Such a portfolio of assets could be considered a “minimum risk” Liability Driven Investment (LDI) portfolio. In addition to using physical bonds, the Section could use interest rate and inflation swaps, along with gilt/index-linked gilt repurchase agreements (‘repo’) and total return swaps to gain leveraged exposure to interest rate and inflation.

The Section Trustee feels that it is appropriate to deviate from a “minimum risk” portfolio and invest some of the Section’s assets in equities, corporate bonds, asset-backed securities and private markets in an effort to improve the ongoing Technical Provisions and Solvency funding positions and to reduce the reliance on the Company’s contributions to fund liabilities. However, both the Section Trustee and the Company recognise that holding such assets could bring increased volatility of sponsor contribution requirements in anticipation of lower contributions and reduced costs in the long term. The Section Trustee works with the Scheme Actuary and the Investment Advisor to decide what degree of deviation away from a “minimum risk” portfolio is appropriate at each triennial actuarial valuation, or more frequently if required. The Section Trustee expects that over the long term, the investment strategy will deliver a return that meets the return assumptions used by the Scheme Actuary in the Actuarial Valuation.

Finally, when choosing investments, the Section Trustee has considered risks including Environmental, Social and Governance factors, which they believe to be financially material to the Section’s investments over the period needed to fund its liabilities.

6. Investment Managers

The Section Trustee, with guidance from its Investment Advisor, has chosen Legal and General Investment Management (“L&G”), Aegon Asset Management and Partners Group to be the Section’s Investment Managers. L&G, Aegon and Partners Group are authorised and regulated by the Financial Conduct Authority. Note that the investment in the Aegon ABS Fund is accessed through the L&G platform alongside direct investments with L&G.

The fee arrangements agreed with the Investment Managers are summarised in Point 16 of this document. These fees are based on assets under management and are not subject to any performance

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conditions. The Investment Managers may pay commissions to third parties on trades they undertake in the management of the assets. The Section Trustee reviews the fees charged and cost incurred by its Investment Managers on a regular basis as part of its monitoring framework to ensure fees/costs remain reasonable in the context of the Section's size and complexity.

The Section Trustee also reviews additional Investment Manager costs and charges (including portfolio turnover costs) on a regular basis, and on the selection of any mandate, to ensure that they are appropriate and competitive for the service being provided. The Section Trustee monitors portfolio turnover in the context of what the Section Trustee believes to be reasonable given the nature of each mandate. By also monitoring performance and associated costs, the Investment Managers are incentivised to consider the impact of portfolio turnover on investment performance.

Where the Section Trustee invests in passively managed funds, these funds replicate benchmark indices and therefore require assets to be bought and sold when the constituents of the underlying index change. To avoid being a forced buyer/seller of stocks and to reduce transaction costs when the index changes, investment managers give themselves some flexibility on exactly when to buy and sell and what proportions of each asset in the index to hold, to minimise transaction costs.

The Section Trustee believes that along with the Investment Managers' stewardship policies, which are detailed in Point 12 of this document, the objectives of the funds are aligned with the medium- and long-term views of the Section Trustee.

If the Section Trustee believes that the Section's Investment Managers are no longer acting in accordance with the Section Trustee's policies regarding ESG and engagement with investee organisations, to assess and improve their medium- to long-term financial and non-financial performance, the Section Trustee will take the following steps:

- engage with the Investment Managers in the first instance, in an attempt to influence their policies on ESG and stewardship; and
- if necessary, look to appoint a replacement investment manager or managers which are more closely aligned with the Section Trustee's policies and views.

The remuneration of the Investment Managers is not directly linked to performance, given the absence of performance related fees, or to ESG practices. However, the Section Trustee will review and replace the Investment Manager if medium and long term net of fees investment performance and ESG practices are not in line with the Section Trustee's expectations and views.

The Section Trustee believes that these steps will incentivise the Investment Managers to align their actions with the Section Trustee's policies and also for them to act responsibly.

The Section Trustee, with guidance from its Investment Advisor, has chosen to invest in open-ended pooled funds. For these funds, the Section Trustee's policy is to enter arrangements with no fixed end date. However, the Section Trustee will seek to enter arrangements where it has the power to terminate these in line with the liquidity of the underlying assets and as agreed in the mandate. The Section's open-ended investments are mainly daily or weekly dealt. The investment in the Partners Group Generations Fund is in an open-ended, monthly-dealt fund. The Section Trustee will determine whether to terminate such arrangements on an ongoing basis through its regular monitoring of the Investment Managers' performance against agreed objectives. The Section Trustee may also elect to terminate the arrangements with the Investment Managers when performing ongoing reviews of the suitability of the Section's asset allocation.

7. Investment Guidelines

In December 2024 the Section Trustee implemented the following investment strategy:

Asset Class	Fund	%
Global Equities	L&G All-World Equity Index Fund (GBP hedged)	7.5
Corporate Bonds	L&G Buy and Maintain Credit Fund	15.0
Private Markets	Partners Group Generations Fund	7.5
Asset-Backed Securities ('ABS')	Aegon European ABS Fund	20.0
Liability Driven Investments ('LDI')	Matching Core Leveraged LDI fund range	50.0
Cash	L&G Sterling Liquidity Fund	
Total		100.0

There is a small strategic asset allocation to cash to support the Section's LDI Portfolio if additional capital is required by the leveraged funds. This allocation can also be used to manage the cashflow requirements of the Section.

The Section Trustee will manage the strategic asset allocation to within a tolerance of +/- 5% to provide flexibility and to avoid unnecessary, frequent rebalancing activity.

The Section's allocation to private markets is via the Partners Group Generations Fund. If the allocation to this fund becomes overweight due to significant market movements in other assets classes, e.g. the LDI fund range, the Section Trustee along with its Investment Advisor will consider the optimal time to rebalance the allocation.

The objective of the LDI allocation is to hedge a proportion of the interest rate risk and inflation risk associated with the Section's liabilities on a Technical Provisions basis, through the allocation to a range of L&G funds. To achieve this, the assets invested in these LDI funds may vary from the benchmark allocation over time. The allocation to the Buy and Maintain Credit Fund is designed to provide interest rate hedging of the Section's liabilities at a yield in excess of equivalent gilts. Global equities, asset-backed securities and a diversified private markets fund are included in the strategic asset allocation to provide additional expected returns in excess of gilts.

The Section Trustee is satisfied that the spread of assets by type, as detailed above, provides adequate diversification to the portfolio.

8. Leverage and collateral management

The Section Trustee will adhere to all relevant regulatory guidance and requirements in relation to leverage and collateral management within the Section's liability hedging (LDI) and credit portfolio.

The Section Trustee has a stated collateral management policy. The Trustee has agreed a process for meeting collateral calls should these be made by the Section's LDI investment manager. The Section Trustee will review and stress test this policy on a regular basis.

Further details on this can be found in Appendix A.

9. Performance Benchmarks

The Section Trustee compares the performance of the Funds to the benchmarks as detailed below:

Fund	Benchmark Index
Buy and Maintain Credit Fund	None provided by L&G, so iBoxx Sterling Non-Gilt Index used as a comparator.
All-World Equity Index Fund (GBP hedged)	FTSE All-World Index (less withholding tax where applicable) – GBP hedged
Generations Fund	Custom Benchmark
European ABS Fund	Bloomberg Barclays Capital Euro ABS Fixed and Floating Index (Hedged to GBP)
Matching Core Leveraged LDI fund range	Custom Benchmark
Sterling Liquidity Fund	Sterling Overnight Index Average

The L&G Buy and Maintain Credit Fund aims to produce a positive return from capital growth and income, by investing in predominantly fixed but also floating rate securities and holding these for the long term. Due to the nature of the fund, there is no explicit performance benchmark. For performance monitoring purposes, the iBoxx Sterling Non-Gilt Index is used as a comparator.

L&G's objective for the passive All-World Equity Index Fund is to achieve the performance of the relevant benchmark within an appropriate tolerance range. Partners Group aim to achieve a net internal rate of return of 8-12% p.a. in the Generations Fund. Aegon's objective for the European ABS Fund is to achieve the performance of the relevant benchmark within an appropriate tolerance range.

10. Realising investments and rebalancing

In general, the Investment Managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments.

All of the funds are daily or weekly dealt, with the exception of the Partners Group Generations Fund, meaning that investors can subscribe or redeem their investment on any specified day or weekly dealing day.

The Partners Group Generations Fund is monthly dealt, meaning that investors can subscribe or redeem their investment on a monthly dealing day.

However, the Partners Group Generations Fund has gating provisions in place, limiting withdrawals over given periods.

The present limits which apply to total redemptions from the Partners Group Generations Fund are:

- The total number of shares to be redeemed on that Dealing Day would result in more than 7.5% of the Generations Fund's NAV being redeemed within the prior 3 month period; and

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- The total number of shares to be redeemed on that Dealing Day would result in more than 20% of the Generations Fund's NAV being redeemed within the prior 12 month period.

Should total redemption requests exceed these limits, redemptions will be applied on a 'first come, first serve' basis. Where these limits have been met, the request will be carried forward to the next dealing day and dealt in priority to all other later redemption requests.

The aim of the Generations Fund's liquidity management policy is two-fold:

1. to ensure that there is sufficient liquidity to meet the Generations Fund's liquidity needs and satisfy withdrawal requests, up to the Generations Fund's limit of 20% of NAV per 12 month period; and
2. to maintain the target level of investment in private markets, normally a challenge for investors in traditional closed-ended private market fund investments.

The Trustee will consider requesting specific advice from the Investment Advisor before undertaking any rebalancing.

The Section Trustee will typically realise investments for cashflow purposes and to rebalance the Section's asset allocation back to its target strategy.

As the Section is currently cashflow negative, there is generally a need to realise fund investments for cashflow purposes. Where possible, income distributions received from the Section's assets are to be used as the primary source of cashflows. Additionally, the Section Trustee will disinvest (or invest) assets in order to hold an appropriate short-term cash reserve to fulfil its liquidity objective.

The Section Trustee will consider requesting specific advice from its Investment Advisor before undertaking any rebalancing. When rebalancing using cashflows or to move back towards the strategic benchmark, the LDI funds will generally not be rebalanced as this would alter the level of hedging that the Section is exposed to. The level of investment in the LDI portfolio will be considered as part of larger strategic reviews of the Section's investment strategy.

11. Risks

In determining its investment policy, the Section Trustee has considered the following risks:

- *funding and asset and liability mismatch risk* – the risk of a significant difference in the sensitivity of asset and liability values to changes in financial and demographic factors. In particular, the risk that a fall in the level of interest rates or a rise in the level of inflation expectations could result in the value of the Section's liabilities to increase to a greater extent than the Section's assets increase. The Section Trustee addresses this through the asset allocation strategy, including the fact that the matching assets are spread across different maturities, and through regular actuarial and investment reviews;
- *underperformance risk* – the failure by the investment vehicles in which the Section Trustee invests the Section's assets, to achieve the rate of investment return assumed by the Section Trustee. This is addressed through monitoring the performance of the Investment Managers and taking necessary action when this is not satisfactory;
- *risk of inadequate diversification or inappropriate investment* – the failure to spread investment risk through diversification of assets. The Section Trustee addresses this by investing in a diversified portfolio of assets thereby avoiding concentration of assets in one

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particular stock or sector, as well as periodic reviews of the investment strategy to ensure it remains appropriate;

- *sponsor risk* – the possibility of failure of the Section’s sponsoring employer. The Section Trustee and its investment adviser considered this risk when assessing the appropriate level of investment risk to have within the investment strategy and consulted with the employer as to the suitability of the proposed strategy. The Section Trustee seeks to maximise overall investment returns subject to an acceptable level of risk and, as far as possible, is mindful of the impact of any volatility on the rate of sponsor contributions;
- *liquidity risk* – the risk of a shortfall of liquid assets relative to the Section’s immediate cashflow liabilities. The Section Trustee is required to meet ongoing pension and lump sum benefits and, therefore, address this risk by investing an appropriate amount in assets that distribute regular income and are realisable at relatively short notice;
- *credit and market risks* – the credit risk on the Section’s investment vehicles with investment managers. The investment manager credit risk is mitigated by the fact that the underlying assets are ring-fenced from the investment manager and the regulatory environment in which the investment managers operate. Regarding market risks, the Section Trustee accepts a degree of each of these risks in the expectation of being rewarded by excess returns. The Section Trustee minimises the extent of credit and market risks, subject to expected return requirements and the affordability of the Sponsor.;
- *leverage and collateral adequacy risk* - The Section's liability driven investments are leveraged, which means that the Section’s exposure to interest rates and inflation expectations exceeds the value invested in these funds. These funds may incur transaction costs associated with re-balancing the level of collateral held within the funds. There is a risk that the Section will be required to pay additional collateral into these funds in order to maintain the level of interest rate and inflation hedging. Should such an event arise then the Section Trustee has instructed the capital is called in line with the framework set out in the collateral management policy in Appendix A;
- *counterparty risk* - within the Section’s pooled fund investments, derivatives may also be used for liability hedging, efficient portfolio management, and to hedge overseas exposure. The resulting counterparty risk is managed by the Investment Manager through the use of a range of counterparties and the collateralisation of the derivatives within the pooled funds;
- *environmental, social and governance (ESG) factors* – the Section Trustee acknowledges that ESG factors, including climate change, can have a financially material impact on the future returns on its investments and the Section Trustee’s actions to mitigate these is detailed in the following section.
- *non-financial risks* – the Section Trustee has not taken these into account when deciding the choice of the Section’s investments.

The Section Trustee will monitor these risks from time to time, particularly those deemed to have high likelihood or significant adverse impact, and will look to introduce further control measures as appropriate to contain the overall level and distribution of risks to within acceptable limits.

12. Environmental, social and governance (ESG) policies and stewardship

The Investment Managers are responsible for managing the Section's investments in accordance with the management agreements in place with the Section Trustee. The Section Trustee has delegated the responsibility for the exercise of all rights (including voting rights) attaching to the investments to the Investment Managers.

The Section Trustee is responsible for setting the Section's investment strategy and implementing that strategy through appointing investment managers and selecting investment funds. When setting investment strategy and selecting investments, the Section Trustee's first priority is the financial interests of its members. The Section Trustee regularly reviews the return objectives, risk characteristics, investment approach and investment guidelines of the Section's current investment mandates. The Section Trustee is satisfied that the existing mandates fulfil the needs of its target investment strategy and by extension, that the Section's Investment Managers are managing the Section's assets in a manner which is consistent with members' financial interests.

The Section Trustee acknowledges that certain ESG factors, including climate change, are financially material and may therefore influence the risk and return characteristics of the Section's investments and the likelihood that the Section's objectives will be achieved.

The Section Trustee recognises the importance of ESG factors on long term investment performance and both immediate and future downside risks. The Section Trustee has set an appropriate monitoring framework to ensure the Section's Investment Managers are regularly reviewed. This is to promote greater transparency in understanding the reasons behind performance trends and key risk exposures, and also engagement activity and compliance with the Section Trustee's stated ESG policy. Regular monitoring, with specific reference to ESG factors should incentivise the Section's Investment Managers to assess and improve the medium to long-term performance of investee companies, both financial and non-financial. To confirm, no consideration has been given to non-financial considerations, nor has the Section's membership been consulted on such issues.

The Section Trustee also recognises the importance of regular monitoring of the Investment Managers' performance, remuneration and compliance against its ESG policy to ensure that the Section's assets are being managed appropriately. The Section Trustee believes that regular monitoring ensures that key risks to longer term performance, including those relating to ESG factors, are quickly identified and concerns communicated with the relevant investment manager.

In addition to performance measures, the Section Trustee will review the engagement activity of the Investment Managers to ensure that active engagement is taking place where possible to influence positive change in relation to ESG factors within investee companies. The Section Trustee also monitors the voting activity of the Investment Managers to ensure votes are being used and are aligned to its views on ESG.

As part of the selection, retention and realisation of the Section's investments, the Section Trustee, in consultation with its Investment Advisor, has reviewed the ESG and stewardship policies of the Investment Managers and is comfortable that these policies are consistent with its views. In particular, the Section Trustee notes the following:

- The Investment Managers have clear views on ESG factors and stewardship which are clearly articulated in formal policies on these issues.

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- The Section’s investments include those which are passively managed where L&G is restricted in the choice of underlying assets to invest in. As such, stewardship is of primary importance in ensuring that financially material ESG factors are given appropriate consideration.
- The Section Trustee’s policy in relation to any rights (including voting rights) attaching to its investments is to exercise those rights to protect the value of the Section’s interests in the investments, having regard to appropriate advice. The Section Trustee expects the Investment Managers to engage with investee companies (and other relevant persons including, but not limited to, investment managers, issuers/other holders of debt and equity and other stakeholders) on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Section Trustee’s investments. The Section Trustee believes that such engagement will protect and enhance the long-term value of its investments.
- The Investment Managers regularly publish results of how its stewardship policies are enacted in practice and the Section Trustee expects the Investment Managers to provide regular updates on how it exercises voting rights and actively engages with the companies in which it invests, including how often it votes against company proposals. The Section Trustee will review this on a regular basis in line with its monitoring policy mentioned above.
- Regarding the Section’s LDI assets, the nature of these assets dictate that the ESG factors are less likely to be financially material. The Section Trustee does however have confidence that L&G has adequate governance practices in place to capture key regulatory developments which might influence the future management/ performance of these assets.

The Section Trustee will keep its investments under review, and should they feel that the Investment Managers do not act in accordance with its views on ESG, the Section Trustee will take the following steps:

- Engage with the Investment Managers in the first instance, in an attempt to influence their policies on ESG and stewardship; and
- If necessary, look to appoint a replacement investment manager or managers that are more closely aligned with the Section Trustee’s policies and views.

These statements are made noting that a portion of the Section’s assets are invested in pooled funds and as such, the Section Trustee is restricted in its ability to directly influence the Investment Managers on the ESG policies and practices of the companies in which the pooled funds invest.

13. Governance

The Section Trustee of the Section is responsible for the investment of the Section’s assets. The Section Trustee takes some decisions and delegate others. When deciding which decisions to take itself and which to delegate, the Section Trustee has taken into account whether the Section Trustee has the appropriate training and expert advice in order to take an informed decision. The Section Trustee has established the following decision-making structure:

<p>Section Trustee</p> <ul style="list-style-type: none">• Select and monitor planned asset allocation strategy;• Select and monitor investment advisors and investment managers;• Select and monitor any direct investments;• Responsible for all aspects of the investments of the Section’s assets, including ESG considerations and implementation.
<p>Investment Advisor</p> <ul style="list-style-type: none">• Advises on this statement;• Advises the Section Trustee on areas of strategy, manager selection, ESG and implementation as required;• Provides required training when engaged on a separate basis by the Section Trustee.
<p>Investment Managers</p> <ul style="list-style-type: none">• Operate in line with the agreement with the Section Trustee, which the Section Trustee believes is consistent with the terms of the SIP;• Manage in accordance with the agreements, including decisions around the selection and retention of underlying investments;• Are responsible for the stewardship of underlying investments.

When deciding whether or not to allocate money to any new direct investments, the Section Trustee will obtain written advice from the Investment Advisor and consider whether future decisions about those investments should be delegated to the fund manager. The written advice will consider the suitability of the investments, the need for diversification and the principles contained in this statement. Isio has been appointed to provide investment advisory services including the provision of this advice.

The Section Trustee recognises that, where the Section is invested in pooled funds, there is limited scope to influence the controls and restrictions used in the management of the underlying assets and acknowledge that derivatives may be used by the manager within the funds.

The Section Trustee has delegated all day-to-day decisions about the investments that fall within the mandate to the Investment Manager through a written contract. These duties include:

- Selection, retention and realisation of investments including taking into account all financially material considerations in making these decisions;
- Undertaking engagement activities with investee companies and other stakeholders, where appropriate;
- The exercise of rights (including voting rights) attaching to the investments.

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The Section Trustee expects the Investment Manager to manage the assets delegated to them under the terms of their contract and to give effect to the principles in this statement so far as is reasonably practicable.

14. Employer-related investments

The policy of the Section Trustee is not to hold any employer-related investments as defined in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 except where the Section invests in collective investment schemes that may hold employer-related investments. In this case, the total exposure to employer-related investments will not exceed 5% of the Section's total asset value. The Section Trustee will monitor this on an ongoing basis to ensure compliance.

15. Custodian

The investments in pooled pension funds are a share (measured in units) of larger pools of investments managed by the Investment Manager. The custodianship arrangements are those operated by the Investment Manager for all clients investing in the relevant pooled funds.

16. Fees

The Investment Manager levies the following annual management charges. In addition, the Section Trustee will monitor transaction costs incurred by the Investment Manager.

Fund	Annual Management Charge (p.a.)
All-World Equity Fund – GBP currency hedged	0.085% of assets
Buy and Maintain Credit Fund	0.12% of assets
Partners Group Generations Fund	1.89% of assets
Aegon European ABS Fund	0.29% of assets ¹
Liability Driven Investment fund range	0.12% of assets
Sterling Liquidity Fund	0.075% of assets

1. Total Expense Ratio (TER) allowing for Administration Services is 0.34% p.a.

Nicholas Chadha

For and behalf of the Trustee of the P&B Metal Components Limited Section of the Pensions Master Plan.

January 2026

Appendix A

Collateral Management Policy

At the time of writing, the Section Trustee is targeting a level of collateral over and above that within the Section’s LDI funds that is sufficient to withstand a 3% rise in rates.

The Trustee will review their collateral management policy no less frequently than annually, or as soon as possible in the event of significant market movements.

The Section has a collateral waterfall system in place. All of the below assets are held with the same manager as the LDI mandate - or managed as part of the same platform. This reflects the lower governance burden on the Trustee.

Manager	Asset Class	Dealing frequency	Notice period	Settlement period
LDI Manager	LDI	Weekly frequency	T-2	T+2
LDI Manager	Buy & Maintain Credit	Weekly frequency	T-2	T+2
LDI Manager	Equity	Weekly frequency	T-2	T+2
Non-LDI Manager	Asset-Backed Securities	Daily frequency	T-1	T+2
LDI Manager	Cash	Daily frequency	T	T

Note that the Partners Group Generations Fund does not form part of the Section’s collateral waterfall due to its monthly dealing dates and gating periods. Under extreme market conditions, consideration may be given to liquidating this holding to provide additional support to the LDI mandate.