

Schenker Limited Pension Fund
Statement of Investment Principles ("SIP") – May 2026

Purpose of this Statement

This SIP has been prepared by the Trustee of the Schenker Limited Pension Fund (the "Fund"). This statement sets out the principles governing the Trustee's decisions to invest the assets of the Fund for the Defined Benefit ("DB") section.

The Fund's investment objectives and strategy were derived from the Trustee Investment Beliefs, set out in Appendix A. The beliefs have been taken into account at all stages of planning, implementation and monitoring of the investment strategy.

The Trustee has also taken the Myners' Principles into consideration when making decisions about the Fund's investment arrangements.

Details on the Fund investment arrangements are set out in the Investment Implementation Document ("IID").

Governance

The Trustee of the Fund make all major strategic decisions including, but not limited to, the Fund's asset allocation and the appointment and termination of investment managers.

When making such decisions, and when appropriate, the Trustee takes proper written advice. The Trustee's investment advisers, Isio Group Limited, are qualified by their ability in and practical experience of financial matters, and have the appropriate knowledge and experience. The investment adviser's remuneration may be a fixed fee or based on time worked, as negotiated by the Trustee in the interests of obtaining best value for the Fund.

The Trustee wishes to encourage best practice in terms of activism. The Trustee accepts that by using pooled investment vehicles the day-to-day application of voting rights will be carried out by the investment managers. Consequently, the Trustee expect the Fund's Investment managers to adopt a voting policy that is in accordance with best industry practice.

Investment objectives

To guide it in its strategic management of the assets and control of the various risks to which the Fund is exposed, the Trustee has adopted the following investment objectives:

- To maintain a portfolio of assets of appropriate liquidity which will generate income and capital growth to meet benefits which the Fund provides;
- to limit the risk of the assets failing to meet the liabilities, both over the long term and on a shorter-term basis as required by prevailing legislation;
- to reduce volatility in the funding level of the Fund as measured by the benefits that may be secured for members in the event of the Fund winding up or entering an assessment period for the Pension Protection Fund ('PPF'); and

- to achieve a return reflecting the Fund investment objective of c.0.8% per annum above the return on 10-year UK Government bonds, which is consistent with the long-term assumptions made by the Fund Actuary in determining the funding of the Fund.

Investment strategy

The Fund's investment strategy was derived following careful consideration of the nature and duration of the Fund's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of contributions required to fund the Fund, and also the strength of the sponsoring company's covenant. The Trustee has considered the merits of a range of asset classes, including various "alternative assets".

The Trustee recognises that the investment strategy is subject to risk, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is monitored by regularly assessing the funding position and the characteristics of the assets and liabilities. The risk is managed by investing in assets which are expected to perform in excess of the liabilities over the long term, and also by investing in a suitably diversified portfolio of assets with the aim of minimising (as far as possible) volatility relative to the liabilities.

The Trustee has also considered a number of other risks set out in Appendix B.

The assets of the Fund consist of investments which are traded on regulated markets.

Investment management arrangements

The Trustee has appointed two investment managers via Mobius Life ("Mobius" or "the Platform Provider") to manage the assets of the Fund as listed in the IID. The investment managers are regulated under the Financial Services and Markets Act 2000.

All decisions about the day-to-day management of the assets have been delegated to the investment managers via a written agreement. The delegation includes decisions about:

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

The Trustee has taken the investment managers' policies into account when selecting and monitoring managers. The Trustee also takes into account the performance targets the investment managers are evaluated on. The investment managers are expected to exercise their powers of investment with a view to giving effect to the principles contained within this statement, so far as reasonably practicable.

The investment managers' and the Platform Provider's remuneration is based upon a percentage value of the assets under management.

As the Fund's assets are invested in pooled vehicles, the custody of the holdings is arranged by the investment manager. The custodian provides safekeeping for the assets, and performs all associated administrative duties such as collection of dividends.

Investment Manager Monitoring and Engagement

The Trustee monitors and engages with the Fund's investment managers and other stakeholders on a variety of issues. Below is a summary of the areas covered and how the Trustee seeks to engage on these matters with investment managers.

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Performance, Strategy and Risk	The Trustee receives a quarterly performance report which details information on the underlying investments' performance, strategy and overall risks, which are considered at the relevant Trustee meeting.	- There are significant changes made to the investment strategy. - The risk levels within the assets managed by the investment managers have increased to a level above and beyond the Trustee's expectations. - Consistent underperformance vs the performance objective, taking account of the period over which this objective applies.
Environmental, Social, Corporate Governance factors and the exercising of rights	- The Trustee receives information from their investment advisers on the investment managers' approaches to engagement. - The Trustee will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters at least annually.	- The manager has not acted in accordance with their policies and frameworks. - The managers' policies are not in line with the Trustee's policies in this area.

Through the engagement described above, the Trustee works with the investment managers to improve their alignment with the above policies. Where sufficient improvement is not observed, the Trustee will review the relevant investment manager's appointment and will consider terminating the arrangement.

Employer-related investments

The policy of the 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 Fund 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 Fund's total value. The Trustee will monitor this on an annual basis to ensure compliance.

Direct investments

Direct investments, as defined by the Pensions Act 1995, are products purchased without delegation to an investment manager through a written contract. When selecting and reviewing any direct investments, the Trustee will obtain appropriate written advice from their investment advisers.

Compliance

This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005. Before preparing or subsequently revising this Statement, the Trustee consulted the sponsoring company and took appropriate written advice. The Statement is reviewed at least every three years, and without delay after any significant change in the investment arrangements.

Signed:

Signed:

Date:.....03/06/2026.....

Appendix A – Investment Beliefs

1. Investment strategy is the most important decision and should be based on clear objectives

Our long-term goal is to generate returns required to fund our members' current and future pensions.

Clear objectives are at the heart of our investment strategy. Risk tolerance, return requirements and timeframes are our central considerations.

Our strategy aims to achieve the objectives with a high degree of confidence across a range of possible economic scenarios.

2. There's more to robust portfolio construction than diversification alone

Excessive diversification can introduce inefficiency, cost and fail to protect our portfolio in a downturn.

Pay-off profile of assets: We tailor the expected payoff profile of the Fund's investments around our required objectives.

Excess liquidity of our Fund: We utilise excess liquidity in order to access any illiquidity premium (when illiquidity is rewarded), taking into consideration known cash flow requirements and the need for flexibility.

True diversification: We optimise true diversification of underlying risk drivers.

3. We aim to select the most appropriate opportunities in the market

A strategy that buys the right asset, at a fair price, will serve us better than buying the wrong asset at a cheap price.

We consider the most appropriate potential market opportunities to help us achieve our long-term objective.

4. A long-term mind-set can be used to enhance returns

As a long-term investor, we pursue incremental growth that rewards adherence to our strategic plan, rather pursuing short term opportunities rewarding speculation.

We will mitigate or manage risks that we are not rewarded for.

Returns are more predictable over a longer time period, as risk is diversified across different economic cycles.

5. Excessive costs will erode performance

An appealing investment opportunity can be wholly undermined by too high a cost base.

Passive management, where viable, is considered the default approach.

Active management is employed where value-add can be expected with confidence.

6. Good governance improves our decision making

We continuously strive to enhance our knowledge of the investment opportunities and risks facing our Fund.

We monitor the performance of our strategy and investment managers to improve our decision making.

7. Our investment process reflects our beliefs on responsibly investing.

We consider environmental, social and corporate governance factors when selecting, monitoring and engaging in the investments we make.

Appendix B – Risks, Financially Material Considerations and Non-Financial matters

A non-exhaustive list of risks that the Trustee has taken into consideration and sought to manage, where appropriate, is shown below.

The Trustee adopts an integrated risk management approach. The three key risks associated in this framework and how they are managed are:

Risks	Definition	Policy
Investment	The risk that the Fund's position deteriorates due to the assets underperforming.	• Selecting an investment objective that is achievable and is consistent with the Fund's funding basis and the sponsoring company's covenant strength. • Investing in a diversified portfolio of assets.
Funding	The extent to which there are insufficient Fund assets available to cover ongoing and future liability cash flows.	• Funding risk is considered as part of the investment strategy review and the actuarial valuation. • The Trustee will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Fund.	• When developing the Fund's investment and funding objectives, the Trustee considers strength of the covenant ensuring the level of risk the Fund is exposed to is at an appropriate level for the covenant to support.

The Fund is exposed to a number of underlying risks relating to its investment strategy, as summarised below.

Risk	Definition	Policy
Interest rates and inflation	The risk of mismatch between the value of the Fund assets and present value of liabilities from changes in interest rates and inflation expectations.	• To hedge c.100% liabilities on a Gilts +0.0% basis.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the	• To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer

	fair market value of the investment.	values), and to provide collateral to the LDI manager.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.
Credit	Default on payments due as part of a financial security contract.	- To diversify this risk by investing in a range of credit markets across different geographies and sectors. - To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Fund for the risk of default.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Fund's investments.	- To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria: 1. Responsible Investment ('RI') Policy/Framework 2. Implemented via Investment Process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI Signatory - The Trustee monitors the managers on an ongoing basis.
Currency	The potential for adverse currency movements to have an impact on the Fund's investments.	Hedge currency risk on assets, where it is appropriate to do so, and does not materially impact the views of the manager.
Non-financial	Any factor that is not expected to have a financial impact on the Fund's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.

Appendix C – Investment Management Arrangements

The Trustee has the following policies in relation to the investment management arrangements for the Fund:

How the investment managers are incentivised to align their investment strategy and decisions with the Trustee's policies.	As the Fund is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustee's policies. However, the Trustee invests in a portfolio of pooled funds that are aligned to the strategic objective.
How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.	- The Trustee reviews the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements. - The Trustee monitors the investment managers' engagement and voting activity on an annual basis as part of their ESG monitoring process. - The Trustee does not incentivise the investment managers to make decisions based on non-financial performance.
How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustee's policies.	- The Trustee reviews the performance of all of the Fund's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives. - The Trustee evaluates performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years.
The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	The Trustee does not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.
The duration of the Fund's arrangements with the investment managers.	- The duration of the arrangements is considered in the context of the type of fund the Fund invests in. - As all of the funds are open ended, the duration is flexible and the Trustee will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.

Voting Policy - How the Trustee expects investment managers to vote on their behalf.	• The Trustee has acknowledged responsibility for the voting policies that are implemented by the Fund's investment managers on their behalf.
Engagement Policy - How the Trustee will engage with investment managers, direct assets and others about 'relevant matters'.	• The Trustee has acknowledged responsibility for the engagement policies that are implemented by the Fund's investment managers on their behalf. • The Trustee, via their investment advisers, will engage with managers about 'relevant matters' at least annually.