Maritz Pension Plan

Statement of Investment Principles

April 2024

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1 Introduction

This Statement sets out the principles governing decisions relating to the investment of the assets of the Maritz Pension Plan (the “Scheme”).

The Scheme 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 Trustees’ 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 Scheme members on request to the Trustees or online.

2 Investment Decision Making

The investment of the Scheme’s assets is the responsibility of the Trustees. The Trustees’ investment powers are set out in Section 14 of the Trust Deed and Rules. The powers granted to the Trustees under this Section are wide and this Statement is consistent with those powers.

The Trustees have obtained and considered professional advice on the content of this Statement from Broadstone Corporate Benefits Limited (“Broadstone”), their appointed investment adviser. Broadstone is authorised and regulated by the Financial Conduct Authority. Broadstone has confirmed to the Trustees that it has the appropriate knowledge and experience to give the advice required under legislation. Broadstone is remunerated a fee for its advice and its appointment is reviewed from time to time by the Trustees.

The Trustees have also consulted the statutory employers when setting their investment objectives and strategy, and in the preparation of this Statement.

Responsibility for maintaining the Statement and determining the Scheme’s investment strategy rests solely with the Trustees. The Trustees will obtain such advice as they consider appropriate and necessary whenever they intend to review or revise this Statement.

3 Investment Objectives

In determining their investment objectives and strategy, the Trustees have considered the strength of the sponsoring employer’s willingness and ability to support the Scheme. They have determined that it is reasonable to take a long-term view in determining their investment objectives and strategy.

The Trustees have also agreed that the funding position measured on a Solvency basis is the assessment of scheme funding that is of most importance to the Trustees, the sponsoring employer and members, taking account of the desire of the Trustees and Sponsor to secure the Scheme’s liabilities via a bulk annuity policy in the very near future.

The Trustees’ investment objectives are as follows:

- To enable the obligations to the beneficiaries of the Scheme to be met
- To invest the assets in the best interests of members and beneficiaries or in the case of a potential conflict of interest, in the sole interest of members and beneficiaries
- To invest the assets in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme

Where future opportunities arise, the Trustees will consider steps to further reduce the volatility of the Scheme’s funding position relative to its liabilities calculated on a Solvency basis.

4 Setting the Investment Strategy

Details of the investment strategy are set out in the Appendix to this Statement.

The Trustees' policies in setting the investment strategy are set out below:

Policy	
Selection of Investments	The Trustees may select investments from a wide range of asset classes from time to time, including government bonds and corporate bonds. 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. The Trustees may also: • 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 Scheme's investments. • Hold insurance policies such as deferred or immediate annuities which provide income to the Scheme, matching part or all of the future liabilities due from it. • Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Scheme.
Target Asset Allocation	The Trustees will set a Target Asset Allocation from time to time, determined with the intention of meeting their investment objectives. 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 Trustees' view of the Employer's covenant, the nature of the Scheme's liabilities or relevant regulations governing pension scheme investment. The Trustees have agreed the range of funds to be used in the investment strategy, taking into account the maturity of the Scheme's liabilities, and to ensure the range is sufficiently robust to allow easy adjustment between the funds as the Trustees' risk appetite changes and the Scheme matures
Delegation to Investment Managers	The Trustees will delegate the day-to-day management of the Scheme's assets to professional investment managers and will not be involved in the buying or selling of investments.
Maintaining the Target Asset Allocation and Target Hedging Ratios	The Trustees have responsibility for maintaining the overall balance of the asset allocation relative to the Target Asset Allocation and Target Hedging Ratios. The Trustees monitor the asset allocation on a regular basis with the assistance of their adviser, Broadstone, and will consider switching assets between funds should the allocation move significantly away from the Target Asset Allocation or Target Hedging Ratios. Maintaining the Target Hedge Ratios will take precedence over maintaining the Target Asset Allocation.
Employer Related Investments	The Trustee's policy is not to hold any employer related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005.

The Trustees have decided to invest in pooled funds because:

- the Scheme is not large enough to justify direct investment in equities or bonds on a cost-effective basis;
- pooled funds allow the Scheme to invest in a wider range of assets which serves to reduce risk; and
- pooled funds provide a more liquid form of investment than certain types of direct investment.

5 Realisation and Rebalancing of Assets

The assets are held in a combination of pooled funds and are fully and readily realisable.

The Trustees make disinvestments from the Investment Manager with the assistance of their administrators, Broadstone, as necessary, to meet the Scheme's cashflow requirements.

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

6 Expected Returns

The Trustees' objective is for the Scheme's assets to produce a return in excess of the growth in the value of its Technical Provisions. The Trustees expect the assets to produce a return in excess of the long-term growth in the value of the Scheme's liabilities.

Over the long-term, the Trustees' expectations are to achieve the following rates of return from the asset classes they make use of:

Asset Class	Expected Returns
Corporate bonds	To achieve a long-term return in excess of the yield available on a comparable portfolio of UK gilts to compensate for the additional risk associated with investing in a diversified portfolio of corporate bonds.
Government bonds	To achieve a long-term return in line with the yield available on a comparable portfolio of UK gilts or index-linked gilts.

7 Risks

The Trustees have considered various risks the Scheme 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 Trustees' belief that the Maritz Group can and will continue to fund the Scheme. This view is supported by a guarantee from Maritz Holdings Inc.

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

The calculation of the Scheme'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 Technical Provisions are sensitive to changes in the price of these assets as market conditions vary and can have a volatile value.

The Trustees accept that their investment strategy may result in volatility in the Scheme's funding position. Furthermore, the Trustees also accept that there is a risk that the assets will not achieve the rates of investment return assumed in the calculation of the Scheme's Solvency liabilities.

To reduce the risk of concentration within the portfolio, the Trustees will monitor the overall mix of asset classes in the investment strategy with their investment adviser, Broadstone.

The Trustees will monitor the investment, covenant and funding risks faced by the Scheme with the assistance of their investment advisers and the Scheme Actuary at least every three years. The Trustees will consider the appropriateness of implementing additional risk mitigation strategies as part of such reviews.

In addition, the Trustees will review wider operational risks as part of maintaining their risk register.

8 Security of Assets

The day-to-day activities that the Investment Manager carries out for the Trustees 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 Scheme's assets held with the Investment Manager is performed by custodians appointed by them.

The Trustees have considered the security of the Scheme'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 Trustees believe that in order to protect and enhance the value of the investments, during the period over which the benefits are paid, they must act as a responsible asset owner.

The Scheme 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 Trustees therefore do not explicitly seek to reflect any specific views through the implementation of the investment strategy, both financial and non-financial.

The Trustees' policies in respect of responsible investment are set out below:

Policy	
Financially Material Considerations	The Trustees recognise 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 Scheme invests. The Trustees believe that ESG factors (including climate change risks) can potentially have a material positive or negative financial impact on the Scheme. The Trustees delegate day-to-day decisions on the selection of investments to the Investment Manager. The Trustees have an expectation that the Investment Manager will consider ESG issues in selecting investments, or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets. The Trustees do 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 Trustees receive information on request from the Investment Manager on its approach to selecting investments and engaging with issuers with reference to ESG issues. With regard to the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Scheme'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 Scheme's funding position than other risks. The Trustees will continue to monitor market developments in this area with their investment adviser.
Non-Financially Material Considerations	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 Trustees believe these should not drive investment decisions. The Trustees 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.

Policy	
Engagement and Voting Rights	The Trustees' voting and engagement policy is to use their 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 Trustees believe that having this policy, and aiming to improve how companies behave in the medium and long term, are in the members' best interests. The Trustees periodically obtain and review the relevant ESG and Stewardship policy documents for each pooled investment fund in which it has invested. When relevant, the Trustees will challenge the investment manager on their policies. Should the Trustees be dissatisfied with the response, they will take the approach that is believed to be in the best interest of the Scheme's beneficiaries, which could involve further engagement with the investment manager or disinvesting in favour of a more appropriate investment fund. This creates an incentive for the investment manager to ensure that they are aware of, and as far as possible, meet the Trustees' expectations with regard to ESG and Stewardship policy.
Capital Structure of Underlying Companies	Responsibility for monitoring the capital structure of investee companies is delegated to the Investment Manager. The Trustees expect the extent to which the Investment Manager monitors capital structure to be appropriate to the nature of the mandate.

The voting policies of BlackRock Investment Management (UK) Ltd ("BlackRock"), as the Investment Manager, can be found at the following website:

https://www.blackrock.com/corporate/insights/investment-stewardship

The Trustees' views on how ESG issues are taken account of in each asset class used is set out below:

Asset Class	Active/Passive Managed	ESG Views
Corporate Bonds	Active	The Trustees expect the Investment Managers to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use their discretion to generate higher risk-adjusted returns. The Trustees also expect the Investment Managers to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Government Bonds	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

The Trustees will review the stewardship policies of any new investment managers appointed, as well as assessing the stewardship and engagement activity of the current Investment Manager on an ongoing basis.

10 Conflicts of Interest

The Trustees maintain 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 Trustees are long-term investors and have not set an explicit target to review the duration of their arrangement with the investment manager. However, the arrangements will be reviewed in conjunction with any review of the investment strategy.

12 Incentivisation of Investment Managers

The Investment Manager is primarily remunerated by ad valorem fees.

The Trustees do not directly incentivise the Investment Manager to align the approach they adopt for a particular fund with the Trustees' policies and objectives. Instead, the Investment Manager is selected so that, in aggregate, the risk-adjusted returns produced are expected to meet the Trustees' objectives.

Neither do the Trustees 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 their performance. The Trustees expect such assessment of performance and engagement to be undertaken as appropriate and necessary to meet the investment objectives of the funds used by the Scheme.

13 Portfolio Turnover Costs

The Trustees expect the Investment Manager to change underlying holdings only to an extent required to meet their investment objectives. The reasonableness of such turnover will vary by fund and change according to market conditions.

The Trustees therefore do not set a specific portfolio turnover target for their strategy or the underlying funds.

14 Monitoring

The Trustees employ Broadstone to assist them in monitoring the performance of the Scheme's investment strategy and Investment Manager.

The Trustees receive quarterly reports from the Investment Manager and meet with its representatives periodically to review their investment performance and processes.

The Investment Manager will supply the Trustees with sufficient information each quarter to enable them to monitor financial and non-financial performance. The Trustees and Broadstone will monitor the Investment Manager's performance against their 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 a manager has had in meeting its objectives, both financial and non-financial.

The Trustees will consider on a regular basis whether or not the Investment Manager remains appropriate to continue to manage the Scheme's investments.

15 Review of Statement

The Trustees will review this Statement if there is a significant change in the Scheme's investment strategy or a significant change in the regulations that govern pension scheme investment.

For and on behalf of Maritz Pension Plan

Date:

Appendix A Investment Strategy Implementation Summary

A.1 Target Asset Allocation

The Target Asset Allocation as at 30 June 2023 for the Scheme's assets is as follows:

Asset Class	Target Asset Allocation
Corporate bonds	26%
Government Bonds	71%
Cash	3%
Total	100%

The balance between the gilt funds, index-linked gilt funds and corporate bond funds will vary over time. The target is indicative only and the underlying objective for these assets will be to maintain the target hedging levels, which protect against changes in long-term interest rates and inflation expectations.

A.2 Investment Manager

The Trustees have delegated day-to-day investment decisions to a professional fund manager, BlackRock.

The Trustees have a signed agreement with the fund manager dated 11 June 1993. This has subsequently been amended by a number of side letters.

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

A.3 Strategies and Funds

The Trustees use the following funds operated by the Investment Manager:

Asset Class	Funds
Corporate bonds	BIBF Corporate Bond Over 10 YRS Aquila Life Up to 5 YR Corporate Bond Index
Gilts and Index-Linked Gilts	Aquila Life Over 15YR UK Gilt Index Aquila Life All Stocks UK Gilt Index Aquila Life Over 5YR UK Index-Linked Gilts Aquila Life Up To 5YR Index-Linked Gilts

A.4 Target Hedging Ratios

The target hedging ratios against the interest rate risk and inflation risk associated with the Scheme's estimated Solvency liabilities are summarised below:

	Target Hedging Ratio
Long-term interest rates	100%
Long-term inflation expectations	100%

A.5 Fund Performance Benchmarks and Objectives

The corporate bond index fund and the gilt and index-linked gilt funds are index-tracking funds, meaning that their objective is to track the total return on a specified market index within an agreed margin over a specified timescale. The benchmark and tracking criterion for these funds are given below:

Fund	Benchmark	Performance Target
Aquila Life Over 15 Year UK Gilt Index	FTSE Actuaries UK Conventional Gilts over 15 Years Index	To provide a return on investment by closely tracking the performance of the Fund's benchmark index
Aquila Life All Stocks UK Gilt Index	FTSE Actuaries UK Conventional Gilts All Stocks Index	To provide a return on investment by closely tracking the performance of the Fund's benchmark index
Aquila Life Over 5 Year UK Index-Linked Gilts	FTSE Actuaries UK Index Linked Gilts over 5 Years Index	To provide a return on investment by closely tracking the performance of the Fund's benchmark index
Aquila Life Up To 5 Year Index-Linked Gilts	FTSE Actuaries UK Index Linked Gilts up to 5 Years Index	To provide a return on investment by closely tracking the performance of the Fund's benchmark index
Aquila Life Up To 5 Year Corporate Bond Index Fund	iBoxx Sterling Non-Gilts 1-5 Year Index	To provide a return on investment by closely tracking the performance of the Fund's benchmark index

The corporate bond fund used by the Trustees is actively managed, with an objective to outperform a specified market benchmark, as summarised below:

Fund	Benchmark	Performance Target
BIBF Corporate Bond Over 10 YRS	iBoxx Sterling Non-Gilts Over 10 Year Bond Index	To outperform the benchmark (gross of fees) over the long term (5 consecutive years).

A.6 Investment Management Charges

The annual management charges for each of the funds used, based on the assets under management at the date of this Statement, are given below:

<table>
<tr><th>Fund</th><th>Annual Management Charge</th></tr>
<tr><td>Aquila Life Over 15YR UK Gilt Index</td><td rowspan="4">On the first £15M, fee of 0.08% p.a.
On the next £85M, fee of 0.04% p.a.
Thereafter, fee of 0.03% p.a.</td></tr>
<tr><td>Aquila Life All Stocks UK Gilt Index</td></tr>
<tr><td>Aquila Life Over 5YR UK Index Linked Gilts</td></tr>
<tr><td>Aquila Life Up To 5YR Index Linked Gilts</td></tr>
<tr><td>BIBF Over 10YR Corporate Bond Fund</td><td>On the first £10M, fee of 0.35% p.a.
On the next £20M, fee of 0.20% p.a.
Thereafter, fee of 0.125% p.a.</td></tr>
<tr><td>Aquila Life Up to 5YR Corporate Bond Index Fund</td><td>On the first £15M, fee of 0.125% p.a.
On the next £85M, fee of 0.075% p.a.</td></tr>
</table>

A.7 Additional Voluntary Contributions (AVCs)

Members had the facility to pay Additional Voluntary Contributions when the Scheme was open to accrual. These are invested in insurance policies with Aviva and Equitable Life.