January 2026

The Malcolm Group Staff Pension Scheme

Statement of Investment Principles ("SIP")

Purpose of this Statement

This SIP has been prepared by the Trustees of The Malcolm Group Staff Pension Scheme (the "Scheme"). This statement sets out the principles governing the Trustees' decisions to invest the assets of the Scheme.

The Trustees have consulted with the principal employer of the Scheme, Malcolm of Brookfield (Holdings) Limited (the "Company"), prior to finalising this Statement and have taken the Company's comments into account as appropriate.

1. Governance

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

When making such decisions, and when appropriate, the Trustees take proper written advice. The Trustees' investment adviser, Isio Group Limited ("Isio"), are qualified by their ability in, and practical experience, of financial matters, and have the appropriate knowledge and experience.

Isio's remuneration may be a fixed fee or based on time worked, as negotiated by the Trustees in the interests of obtaining best value for the Scheme.

The Trustees review Isio's performance at least on an annual basis against a set of objectives, as specified and agreed by the Trustees. These objectives are shared with Isio, and the Trustees' views and comments are fed back to Isio as part of each formal review process.

2. Investment objectives

The Trustees invest the assets of the Scheme with the aim of ensuring that all members' current and future benefits can be paid. The Scheme's funding position will be reviewed on an ongoing basis to assess the position relative to the funding target and whether the investment arrangements remain appropriate to the Scheme's circumstances. The Scheme's funding target is specified in the Statement of Funding Principles.

The Trustees' investment objective is to achieve a level of return above the return on a liability matching portfolio of UK Government bonds. The level of return the Trustees are currently targeting is specified in **Appendix A**.

In addition to the objective set out above, the Trustees look to:

i) Maximise investment returns at an acceptable level of risk, as determined by the Trustees' risk appetite in the context of the Scheme's funding position and the strength of the Sponsoring Company's covenant; and

ii) Ensure due regard is paid to the interests of the Company, in the size and incidence of contribution payments.

3. Investment strategy

The Scheme's investment strategy was derived following careful consideration of the factors set out in **Appendix B** and the Trustees' investment objectives. The objectives have been taken into account at all stages of planning, implementation and monitoring of the investment strategy.

Details on the Scheme's investment arrangements are set out in Appendix A.

The Trustees take a holistic approach to considering and managing risks when formulating the Scheme's investment strategy.

The considerations include the nature and duration of the Scheme's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of Company contributions required to fund the Scheme, and also the strength of the Company's covenant. The Trustees considered the merits of a range of asset classes.

The Trustees recognise that the investment strategy is subject to risks, 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. This 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 assets of the Scheme consist of pooled investments which are traded on regulated markets.

4. Investment Management Arrangements

The Trustees have appointed a number of investment managers to manage the Scheme's assets as listed in **Appendix A**. 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;
- Undertaking engagement activities with investee companies and other stakeholders, where appropriate.

The Trustees take investment managers' policies into account when selecting and monitoring managers. The Trustees also take into account the performance objectives the investment managers are evaluated on.

The investment managers are expected to exercise powers of investment delegated to them, with a view to following the principles contained within this statement, so far as is reasonably practicable.

As the Scheme's assets are invested in pooled vehicles, the custody of the holdings is arranged by the investment manager.

5. Liability hedging, leverage and collateral management

The Trustees have appointed Insight Investment Management ("Insight") to manage a liability hedging strategy, which aims to manage the Scheme's interest rate and inflation risk via a Liability Driven Investment ("LDI") mandate.

The Trustees adhere to all relevant regulatory guidance and requirements in relation to leverage and collateral management within the Scheme's LDI hedging strategy.

The Trustees recognise the need to hold sufficient liquid (i.e. daily dealt) mandates to support the LDI mandate, acknowledging that from time to time Insight may call capital on short notice to maintain the Trustees' target level of liability hedging.

The Trustees have agreed a collateral framework. Assets held within the immediate collateral framework with Insight are shown in bold, reflecting the lower governance burden on the Trustees due to automated collateral management.

Tier	Manager	Asset Class	Dealing frequency
1	**LDI manager**	**Asset Backed Securities ("ABS")**	**Daily**
2	Non-LDI manager	Multi-Asset Credit	Daily
3	Non-LDI manager	ESG Equity	Weekly

The Trustees review this position on at least an annual basis to ensure there remains sufficient capital available for such purposes.

6. Investment Manager Monitoring and Engagement

The Trustees monitor and engage with the Scheme's investment managers and other stakeholders on a variety of issues. Below is a summary of the areas covered and how the Trustees seek 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 Trustees receive a quarterly performance report which details information on the underlying investments' performance, strategy, and overall risks, which are considered at the relevant Trustee meetings. • The Scheme's investment managers are invited periodically, in person, to present to the Trustees on their performance, strategy and risk exposures.	• 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 Trustees' expectations. • Underperformance vs the performance objective over the period that this objective applies.
Environmental, Social, Corporate Governance ("ESG") factors and the exercising of rights	• The investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues. • The Trustees receive information from their investment advisers on the investment managers' approaches to engagement.	• The manager has not acted in accordance with their policies and frameworks. • The manager's policies are not in line with the Trustees' policies in this area.

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

The Trustees are aware of the importance of monitoring the investment managers' total costs and the impact these have on the value of the Scheme's assets. The Trustees also recognise there are other costs incurred by the investment managers that can increase the cost incurred by their investments.

Further details of the Trustees' investment management policies is set out in **Appendix C**.

7. Employer-related and Direct investments

The policy of the Trustees 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 Scheme 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 Scheme's total asset value.

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 Trustees 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.

The Trustees confirm the information contained within this document reflects the Investment Strategy they have implemented for the Scheme.

The Trustees acknowledge it is their responsibility, with guidance from the relevant Advisers, to ensure the Scheme's assets are invested in line with these Principles.

Signed for and on behalf of the Trustees of The Malcolm Group Staff Pension Scheme.

Signed: Charles Stewart **Signed: Gregor Law**

Print name: Charles Stewart **Print name: Gregor Law**

Date: 05/03/2026 **Date: 05/03/2026**

Appendix A – Investment arrangements

Strategic breakdown

Asset class	Strategic benchmark	Control range	Return p.a. (above Gilts)	Volatility p.a.
ESG Equity	12.0%	+ / - 5%	+4.0%	20.0%
Infrastructure Equity	10.0%	+ / - 10%	+4.2%	10.0%
Semi-Liquid Credit	17.5%	+ / - 5%	+3.5%	9.0%
Multi-Asset Credit	15.0%	+ / - 5%	+2.6%	6.5%
ABS	42.5%	+ / - 10%	+1.0%	2.5%
LDI [2]			-	13.1%
Cash / Liquidity	3.0%	+ / - 5%	-	2.0%
Overall [3]	**100.0%**	**n/a**	**+2.5%**	**6.8%**

Notes: Totals may not sum due to rounding. [1]LDI volatility based on Scheme's fixed/real liability split and volatility of Fixed Interest Gilts and index-linked Gilts respectively. [2]"Overall" portfolio return and volatility allows for asset class correlations and is based on strategic benchmark not actual asset allocation.

Source: Investment managers, Isio calculations

Manager performance objectives and fees

Fund	Performance objective (net of fees)
LGIM Future World Global Equity Index Fund	Solactive L&G ESG Global Markets Index
JPM Infrastructure Income Fund	8% - 12% p.a. IRR (net) plus cash yield of 5% - 7% p.a.
Apollo Multi Asset Credit Replacement Fund	SONIA (Cash) + 3.5% p.a.
M&G Total Return Credit Investment Fund	SONIA (Cash) + 2.5% p.a.
Insight Liquid ABS Holding Fund	SONIA (Cash) + 0.5% p.a.
Insight Enhanced LDI Funds	N/A – Benchmarked against the Scheme's liabilities
Average [4]	**N/A**

Notes: Weighted average fee excludes cash held in Trustee bank account. Where applicable, SONIA term within objective reflective of performance assessment period (e.g. Quarterly performance would be assessed against an objective basis of 3-month SONIA).

Source: Investment managers, Isio calculations

Appendix B – Risks, financially material considerations and non-financial matters

A non-exhaustive list of risks and financially material considerations that the Trustees have considered and sought to manage is shown below.

The Trustees adopt an integrated risk management approach. The three key risks associated within this framework and how they are managed are stated below:

Risks	Definition	Policy
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	• Selecting an investment objective that is achievable and is consistent with the Scheme'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 Scheme 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 Trustees 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 Scheme.	• When developing the Scheme's investment and funding objectives, the Trustees take account of the strength of the covenant ensuring the level of risk the Scheme is exposed to is at an appropriate level for the covenant to support.

The Scheme is exposed to a number of underlying risks relating to the Scheme's investment strategy, these are summarised below:

Risk	Definition	Policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge a fixed proportion, as agreed by the Trustees, of these risks on the Scheme's Technical Provisions basis via the LDI portfolio.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	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 values) and to provide collateral to the LDI manager.

Risk (cont.)	Definition	Policy
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 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 Scheme for the risk of default.
Environmental, Social and Governance ("ESG")	Exposure to ESG factors, including but not limited to climate change, which can impact the performance of the Scheme'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 Principles for Responsible Investment (UN PRI) Signatory The Trustees monitor the mangers on an ongoing basis.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Allow the Scheme's active managers who invest in overseas securities the flexibility to hedge overseas currency exposure to manage risk.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.

Appendix C - Investment management policies

How the investment managers are incentivised to align their investment strategy and decisions with the Trustees policies.	• As the Trustees invest the Scheme's assets in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustees' policies. However, the Trustees aim to invest in a portfolio of pooled funds that are aligned to their 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 Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements (the investment managers' performance objectives are set out in Appendix A). • The Trustees monitor the investment managers' engagement and voting activity as part of their ESG monitoring process. • The Trustees do 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 Trustees policies.	• The Trustees review the performance of the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives. • The Trustees evaluate 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 range of).	• The Trustees do 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 Scheme's arrangements with the investment managers	Duration is considered in the context of the type of fund the Scheme invests in: • For closed ended funds (or lock-in periods) the Trustees ensure the timeframe of the investment is in line with their objectives and Scheme's liquidity requirements. • For open ended funds, the duration is flexible and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.
Voting Policy - How the Trustees expect investment managers to vote on their behalf	• The Trustees have acknowledged responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf.