

ROM GROUP PENSION AND LIFE
ASSURANCE SCHEME
STATEMENT OF INVESTMENT
PRINCIPLES

SEPTEMBER 2025

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1 INTRODUCTION

This Statement of Investment Principles (“the Statement”) has been prepared by the Trustees of the ROM Group Pension and Life Assurance Scheme (“the Scheme”) in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Scheme and the activities undertaken by the Trustees to ensure the effective implementation of these principles. It replaces the Statement dated November 2024.

In preparing the Statement, the Trustees have:

- Obtained and considered written advice from a suitably qualified individual, employed by their investment consultants, Mercer Limited (“Mercer”), whom it believes to have a degree of knowledge and experience that is appropriate for the management of its investments; and
- Consulted with the Sponsoring Employer, although it affirms that no aspect of its strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

The advice and the consultation process considered the suitability of the Trustees’ investment policy for the Scheme.

The Trustees previously reviewed this Statement formally at least every three years to coincide with the triennial Actuarial Valuation or other actuarial advice relating to the statutory funding requirements. However, as the Scheme’s assets are now engaged in a Bulk Purchase Annuity (“BPA”) the review may be less frequent.

Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Sponsoring Employer.

2 INVESTMENT OBJECTIVES

The Trustees' primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In order for the Trustees to ensure that they can meet their obligations to the beneficiaries both in the short and the long term without recourse to the Sponsoring Employer, the Trustees have entered into a Bulk Purchase Annuity ("BPA") issued by Just Retirement Limited ("Just").

Just is an insurance company authorised and regulated by the Prudential Regulation Authority. The policy has not been structured with an expected return in mind, but instead aims to exactly match the Scheme's benefit obligations.

3 INVESTMENT RESPONSIBILITIES

3.1 TRUSTEES' DUTIES AND RESPONSIBILITIES

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives. They carry out their duties and fulfil their responsibilities as a single body.

The duties and responsibilities of the Trustees include, but are not limited to, the following tasks and activities:

- The regular approval of the content of the Statement
- The appointment and review of the Investment Adviser
- The appointment and review of the Investment Platform Provider
- The choice of appropriate managers/funds to implement the agreed investment strategy
- The assessment and review of the performance of each underlying investment manager
- The assessment of the risks assumed by the Scheme at total scheme level and underlying manager by manager
- The approval and review of the asset allocation benchmark for the Scheme
- The compliance of the investment arrangements with the principles set out in the Statement

In fulfilling these duties, the Trustees will consult with the sponsoring employer and seek professional advice when appropriate. However, as the Scheme's assets are now engaged in a BPA, some of the above matters may not be relevant.

3.2 INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

The Trustees have appointed Mercer as the Investment Adviser to the Scheme. Mercer provides advice as and when the Trustees require it, as well as raising any investment-related issues, which it believes the Trustees should be aware of. Matters on which Mercer expects to provide advice to the Trustees include the following:

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Advising on funds and investment managers that are suitable to meet the Trustee's objectives when requested
- Setting cashflow management (investment and divestment) and rebalancing policies

However, as the Scheme's assets are now engaged in a BPA, some of the above matters may not be relevant.

The Trustees may seek advice from Mercer with regard to both strategic and tactical investment decisions; however, they recognise that they retain the responsibility for all such decisions, including those that concern investments and disinvestments relating to cashflows. Mercer may be proactive in advising the Trustees regarding tactical investment decisions; however, there is no responsibility placed on Mercer to be proactive in all circumstances.

Mercer charges a fixed fee for the services as specified within the Investment Consultancy Services Agreement ("ICA"). Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

Mercer does not receive commission or any other payments in respect of the Scheme that might affect the impartiality of their advice.

The Trustees are satisfied that this is the most appropriate adviser remuneration structure for the Scheme.

Mercer is authorised and regulated by the Financial Conduct Authority (“FCA”).

3.3 INVESTMENT MANAGERS’ DUTIES AND RESPONSIBILITIES

The Trustees, after considering appropriate investment advice, have entered into a BPA with Just. Just have underwritten the Scheme’s liabilities, and will therefore invest in such a manner to ensure that the liabilities will be paid when they fall due.

The Trustees paid an initial premium to Just in July 2025. There are no ongoing fees in respect of the policy, although there may be an additional premium to pay once the data cleanse has been completed.

There is no performance related fee associated with the buy-in policy.

Just is authorised and regulated by the PRA, and regulated by the FCA; further, the company adheres to Solvency II Capital Requirements regulation.

The primary responsibility of Just is to ensure that the correct amount as specified under the BPA is paid to the Scheme.

As the assets do not have any appointed investment managers, the Trustees do not currently need to consider how manager appointments are aligned with investment strategy, how managers are incentivised to consider long-term financial and non-financial performance, how managers are evaluated and remunerated, portfolio turnover costs, or manager turnover.

3.4 SCHEME ACTUARY’S DUTIES AND RESPONSIBILITIES

The Scheme Actuary’s responsibilities include the following:

- Assessing the funding position of the Scheme and advising on the appropriate response to any shortfall
- Performing the triennial (or more frequent, as required) valuations and advising on the appropriate contribution levels

4 INVESTMENT STRATEGY

4.1 SETTING INVESTMENT STRATEGY

The Trustees have determined their investment strategy, a bulk annuity, after considering their own appetite for risk, the views of the Sponsoring Employer on investment strategy, the Sponsoring Employer's appetite for risk, and the strength of the Sponsoring Employer's covenant. The Trustees have also received written advice from their Investment Adviser. Under the contract, Just will provide payments to the Scheme in line with the benefits promised under the BPA agreement.

The rationale for this approach is to secure the DB benefits of the Scheme and ensure that all benefits will be met whilst removing the risk of any shortfall in benefits, which could occur if the Sponsoring Employer ever became insolvent or was no longer able to support the Scheme. It also protects the Scheme from potential placement into the Pension Protection Fund (removing the risk of capped benefits). In doing so, it provided a more exact match for inflation and interest rate risks compared to the Scheme's previous investment strategy. Further, other material risks (e.g. longevity risk) are mitigated.

Currently the BPA is a 'Buy-In', which means that it remains a Scheme investment and Just have taken responsibility for paying the benefits as specified in the BPA agreement. The Trustees are undertaking a data cleansing stage, to ensure the Trustees and Just are confident that all liabilities have been correctly addressed. After the data cleansing process has been completed, the individual policies will be assigned to the Scheme's members and the responsibility for paying the pensions will be fully transferred to Just.

The BPA is non-surrenderable and is therefore a long term commitment which will not be changed in future.

4.2 TYPES OF INVESTMENTS TO BE HELD

The Trustees are permitted to invest across a wide range of asset classes, including, but not limited to the BPA.

As previously mentioned, Just are responsible for paying the Scheme's liabilities as set out within the BPA agreement. Just solely determines the underlying asset allocation backing the BPA. The Trustees are not explicitly responsible for overseeing the underlying asset allocation.

4.3 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustees understand that they must aim to consider all factors that have the ability to impact the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, Environmental, Social and Governance ("ESG") factors.

The Trustees recognise that ESG factors, including climate change, can influence the long term investment risk and return outcomes of the Scheme's portfolio and in normal circumstances it would be in members' and the Scheme's best interests that these factors are taken into account within the investment process and that ESG risks are identified and managed appropriately.

However, as the Trustees have entered into a BPA with an insurer, the Trustees are satisfied that it is appropriate not to embed ESG considerations into the Scheme's investment strategy.

4.4 NON-FINANCIAL CONSIDERATIONS

The Trustees only consider factors that are expected to have a financial impact on the Scheme's investments. Non-financial considerations, such as ethical views, are not implemented in the current investment strategy.

4.5 STEWARDSHIP

As the Scheme's assets are invested through a Just buy-in policy, the Trustees have no voting rights, and very limited, if any, ability to influence the approach taken by Just.

The Trustees' policy is therefore to invest with a provider where responsible investment is embedded in its approach, including monitoring and engaging with investee companies and exercising voting rights appropriately.

Information on Just's approaches to responsible investment, voting and engagement with the investee companies is available at the following website:

<https://www.justgroupplc.co.uk/sustainability/esg-investors>

The Trustees are satisfied that responsible investment is embedded appropriately in the approach of Just to investment; including monitoring and engaging with investee companies and exercising voting rights appropriately.

If the Trustees are specifically invited to vote on a matter relating to corporate policy, they would exercise their right in accordance with what they believe to be the best interests of the majority of the Scheme's membership.

5 RISK

Under the Pensions Act 2004, the Trustees are required to state their policy regarding the ways in which risks are to be measured and managed. These are set out below.

Solvency Risk and Mismatching Risk

- These are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
- These have been managed by adopting a BPA.

Manager Risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.
- This has been managed by adopting a BPA to remove the risk of investment managers underperforming.

Liquidity Risk

- This is monitored according to the level of cash flows required by the Scheme over a specified period.
- This has been managed by adopting a BPA to pay the Scheme's pensions as they fall due.

Political Risk

- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- This has been managed by adopting a BPA.

Environmental Risk

- This risk that improper, or inadequate, consideration of environmental factors could lead to adverse investment performance and / or reputational damage to the Scheme.
- The day to day management of environmental risk is the responsibility of the companies in which the Scheme's annuity provider has invested. The Trustees will rely on Just to ensure that these companies have sufficient procedures and processes in place in order to mitigate this risk as far as is reasonably possible.

Social Risk

- This is the risk that social factors are not properly considered within the investment decision making process. Social risks can arise both within and external to a company, e.g. internal factors could include workplace health & safety whilst external factors may include a company's impact on the area surrounding their place of business.
- The day to day management of social risk is also the responsibility of the companies in which the Scheme's annuity provider invest. The Trustees will rely on Just to ensure that these companies have sufficient procedures and processes in place in order to mitigate these risks as far as is reasonably possible.

Corporate Governance Risk

- This is assessed by reviewing the Scheme's investment managers' policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the annuity provider, who will exercise this right in accordance with their published corporate governance policies.

Sponsor Risk

- This is assessed as the level of ability and degree of willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit.

- The Trustees have removed this risk by entering into a BPA.

Legislative Risk

- This is the risk that legislative changes will require action from the Trustees so as to comply with any such changes in legislation.
- The Trustees acknowledge that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Credit Risk

- This is the risk that is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Scheme is exposed to direct credit risk in respect of the BPA with Just, in the event of Just failing. In order to manage this risk, the Trustees have carried out appropriate due diligence when selecting Just and the Trustees note that there are considerable protections through the regulatory regime that apply to insurance companies.

Market Risk

- This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following three types of risk (*note that all of these risks have been mitigated by the BPA*):

Currency Risk

- This is the risk that occurs when the price of one currency moves relative to another (reference) currency, negatively impacting the overall return of an investment.
- The Trustees have removed this risk by entering into a BPA.

Interest Rate Risk

- This is the risk that an investments' value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.
- The Trustees have removed this risk by entering into a BPA.

Other Price Risk

- This is the risk that principally arises in relation to return seeking assets, such as equities.
- The Trustees have removed this risk by entering into a BPA.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1 INVESTMENT ADVISER

The Trustees continually assess and review the performance of its adviser in a qualitative way, and undertake a formal review annually. In doing so, the Trustees consider the objectives they set for the investment adviser, which they review on an ongoing basis and at least every three years.

6.2 INVESTMENT MANAGERS

As the Scheme has entered into a BPA, there is no investment performance to monitor in relation to the Scheme's assets.

6.3 PORTFOLIO TURNOVER COSTS

As the Scheme has entered into a BPA, the Trustees do not monitor turnover costs, or define or monitor an appropriate turnover range for the Scheme.

7 CODE OF BEST PRACTICE

The Trustees note that in March 2017, the Pensions Regulator released the following guidance: 'Investment Guidance for Defined Benefit Pension Schemes'.

The Trustees have worked with their investment adviser to ensure that the Scheme has complied with the guidance as far as is appropriate to the Scheme's circumstances. Now that the Scheme's liabilities have been secured through a BPA with Just, the Trustees note that much of the guidance is no longer relevant.

8 COMPLIANCE

The Scheme's Statement of Investment Principles is published on a publicly available web page, and along with the annual report and accounts is available to members on request.

A copy of the Scheme's current Statement is also supplied to the Sponsoring Employer, the Scheme's investment managers, the Scheme's auditors and the Scheme Actuary.

This Statement of Investment Principles supersedes all others.

Approved by the Trustees on 30 September 2025