

## **J Barbour & Sons Limited 2015 Pension Scheme**

### **Investment Implementation Document (“IID”) – December 2023**

This Investment Implementation Document (IID) covers the J Barbour & Sons Limited 2015 Pension Scheme (the Scheme) and details the policy of the Trustees relating to the implementation of the Scheme’s investment arrangements, based on the Principles set out in the Scheme’s Statement of Investment Principles (SIP).

#### **Investment strategy**

The Scheme’s current investment strategy is invested according to the following broad asset allocation:

<b>Asset Class</b>	<b>Proportion (%)</b>	<b>Expected Return (relative to fixed interest gilts) %</b>
Multi-Asset Credit	17.5	2.6
Liability Driven Investments	22.5	0.0
Index-Linked Gilts	10.0	0.0
Buy & Maintain Corporate Bonds	50.0	1.1
Total Scheme	100.0	1.0

10 year assumptions as at 30 September 2023 relative to Bank of England 10 Year Gilts (net of management fees). Expected return assumptions provided by Isio.

The expected returns shown in the table above represent long-term expectations of asset classes as a whole. Short-term returns in some asset classes may exhibit considerable variability.

#### **Investment structure and mandates**

The Trustees have appointed Mobius Life as the platform provider who in turn invests in the underlying pooled funds.

The Trustees are indirectly invested in pooled funds managed by Legal & General Investment Management (LGIM) and M&G Investments (M&G) through the aforementioned platform. All the investment managers and platform provider are regulated under the Financial Services and Markets Act 2000.

#### **Mandate target returns, objectives, and fees**

##### **Multi-Asset Credit – M&G – Total Return Credit Investment Fund**

M&G’s multi-asset credit mandate is to invest 17.5% of total Scheme assets in the fund outlined below:

<b>Fund</b>	<b>Objective</b>	<b>Fees* (%)</b>
Total Return Credit Investment Fund	M&G’s performance objective is to drive returns from credit positions.	0.40

\*An additional 0.05% additional platform charge is levied to access these funds on the Mobius platform. May not sum to total due to rounding.

Unlike other funds, M&G limits their emphasis on macroeconomic positioning. This is likely to result in the fund strategy being more exposed to movements in credit spreads.

M&G’s performance objective is to achieve cash +3.0% to 5.0% per annum (gross of fees) over a market cycle.

### Liability Driven Investments – LGIM

LGIM's Liability Driven Investing (LDI) mandate is to invest broadly 22.5% of total Scheme assets across the pooled funds outlined below:

Fund	Objective	Fees* (%)
Real Short Duration Fund	To reduce risk broadly by matching the sensitivity of a proportion of the Scheme's liabilities to inflation and interest rate risk changes.	0.21**
Real Long Duration Fund		
2030 Inflation Fund		
2035 Inflation Fund		

\*An additional 0.075% additional platform charge is levied to access these funds on the Mobius platform.

\*\* Rounded to 2 decimal places

The relative allocation of LGIM's Funds within the LDI portfolio will drift according to market movements.

The funds utilise leverage through derivative instruments. Leverage is based on economic exposure relative to the assets invested. Thus, it is possible to hedge a greater proportion of liabilities than physical assets. The degree of leverage and collateral management is closely monitored by LGIM.

M&G Total Return Credit Investment Fund will be used for additional liquidity and can be used if additional capital is required for the LDI mandate in the event of a recapitalisation capital call.

### Index-Linked Gilts – LGIM – Over 5 Year Index-Linked Gilts Index Fund

LGIM's Index-Linked Gilts mandate is to invest 10% of total Scheme assets in the fund outlined below:

Fund	Objective	Fees* (%)
Over 5 Year Index-Linked Gilts Index Fund	To provide investors with a return by tracking the performance of the Fund's benchmark. This forms a part of the Scheme's hedge against changes in interest rates and inflation.	0.04**

\*An additional 0.05% additional platform charge is levied to access this fund on the Mobius platform.

\*\* Rounded to 2 decimal places

### Buy & Maintain Corporate Bonds – LGIM – Buy & Maintain Credit Fund

LGIM's Buy & Maintain Corporate Bond mandate is to invest 50% of total Scheme assets in the fund outlined below:

Fund	Objective	Fees* (%)
Buy & Maintain Credit Fund	LGIM's performance objective is to provide investors with a combination of growth and income.	0.19

\*An additional 0.05% additional platform charge is levied to access this fund on the Mobius platform.