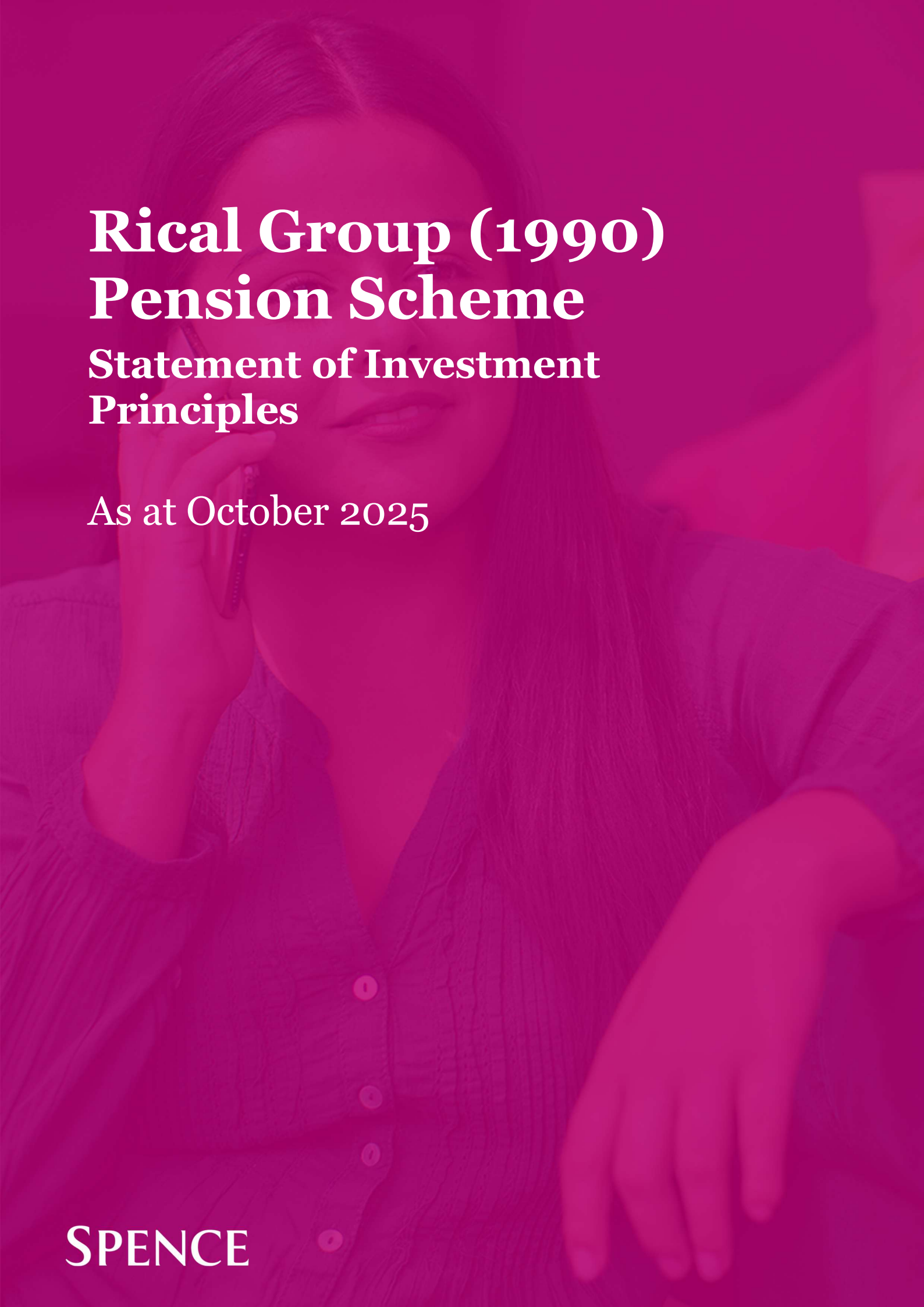




Rical Group (1990) Pension Scheme

Statement of Investment Principles

As at October 2025

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Executive Summary

This Statement of Investment Principles ("the Statement") has been prepared by the Trustee of the Rical Group (1990) Pension Scheme ("the Scheme").

It has been prepared to comply with Section 35 of the Pensions Act 1995 as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005 and as amended by subsequent regulations.

For the purposes of the report, the insolvent sponsor Rical Limited is referred to as the 'Sponsor'.



Introduction

This Statement sets out the principles governing decisions about investments for the Scheme and supersedes the previous Statement prepared by the Trustee of the Scheme ("the Trustee").

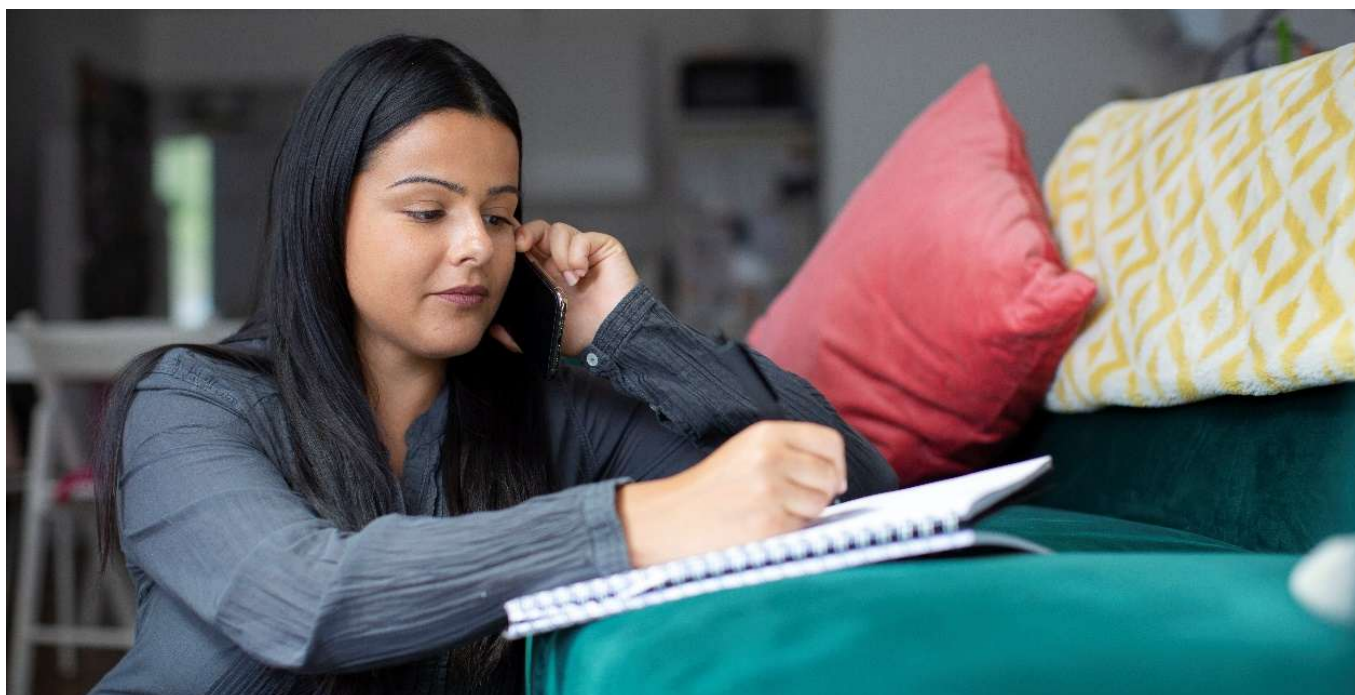
In preparing this Statement, the Trustee has:

1. Consulted with the PPF, although responsibility for maintaining this Statement and setting investment policy rests solely with the Trustee.
2. Obtained and considered written professional advice and recommendations from Spence who are the Trustee's appointed investment consultant. Spence is authorised and regulated by the Financial Conduct Authority ("FCA"). It has confirmed to the Trustee that it has the appropriate knowledge and experience to give the advice required by the Pensions Acts.

The Scheme has entered a PPF assessment period and might transfer to the PPF. Whilst in an assessment period the Trustee retains responsibility for the day to day management of the Scheme. The strategy of the Scheme is expected to be stable whilst the Scheme is in an assessment period, up until the point the Scheme transfers to the PPF.

If there are any significant changes in any of the areas covered by this Statement, the Trustee will review it without further delay. Any changes made will be based on written advice from a suitably qualified individual and will follow on from consultation with the PPF.

The Trustee's investment powers are set out in Rule 51 of the Trust Deed and Rules and subsequent amending deeds. This Statement is consistent with those powers.



Investment Objectives

The Scheme has entered the assessment period for the Pension Protection Fund (“PPF”) as the Sponsor has become insolvent. The Trustee's overall investment policy is guided by the following objectives:

- 1.** The Trustee’s primary investment objective for the Scheme is to ensure that sufficiently liquid assets are available to meet all liabilities as and when they fall due.
- 2.** The Scheme is in a PPF assessment period and will align itself with the PPF’s long term objectives and ensure that the risk to members is minimised following the insolvency of the Sponsor. This objective might alter if the Scheme becomes overfunded on a PPF basis and so the investment strategy might be revised.

Investment Responsibilities

The Trustee

Under the legal documentation governing the Scheme, the power of investment is vested in the Trustee. Therefore, the Trustee is responsible for setting the investment objectives and determining the strategy to achieve those objectives. It sets the overall investment target and then monitor the performance of its investment managers against the target. In doing so the Trustee considers the advice of its professional advisers, who it considers to be suitably qualified and experienced for this role.

Its duties and responsibilities include but are not limited to:

- ✓ Regular approval of this Statement and monitoring compliance with this Statement
- ✓ Appointment, removal (where applicable) and review of its investment managers or investment adviser and their performance relative to relevant benchmarks
- ✓ Assessment of the investment risks run by the Scheme
- ✓ Monitoring and review of the asset allocation

Investment Adviser's Duties and Responsibilities

The Trustee has appointed Spence as its investment consultant. Spence provides advice when the Trustee requires it and/or when Spence feels it suitable to do so. Areas on which it can provide advice are as follows:

- ✓ Setting investment objectives
- ✓ Determining strategic asset allocation
- ✓ Determining suitable funds and investment managers
- ✓ Managing cashflow

It should be noted that the Trustee retains responsibility for all decisions.

Any services provided by Spence are remunerated on a time cost basis or a pre-agreed fee basis.

Spence does not receive any commission or any other payments in respect of the Scheme for investment services that will affect the impartiality of its advice. Any manager discounts (net of any platform fee) received through the use of the investment platform are passed in full to the Scheme.

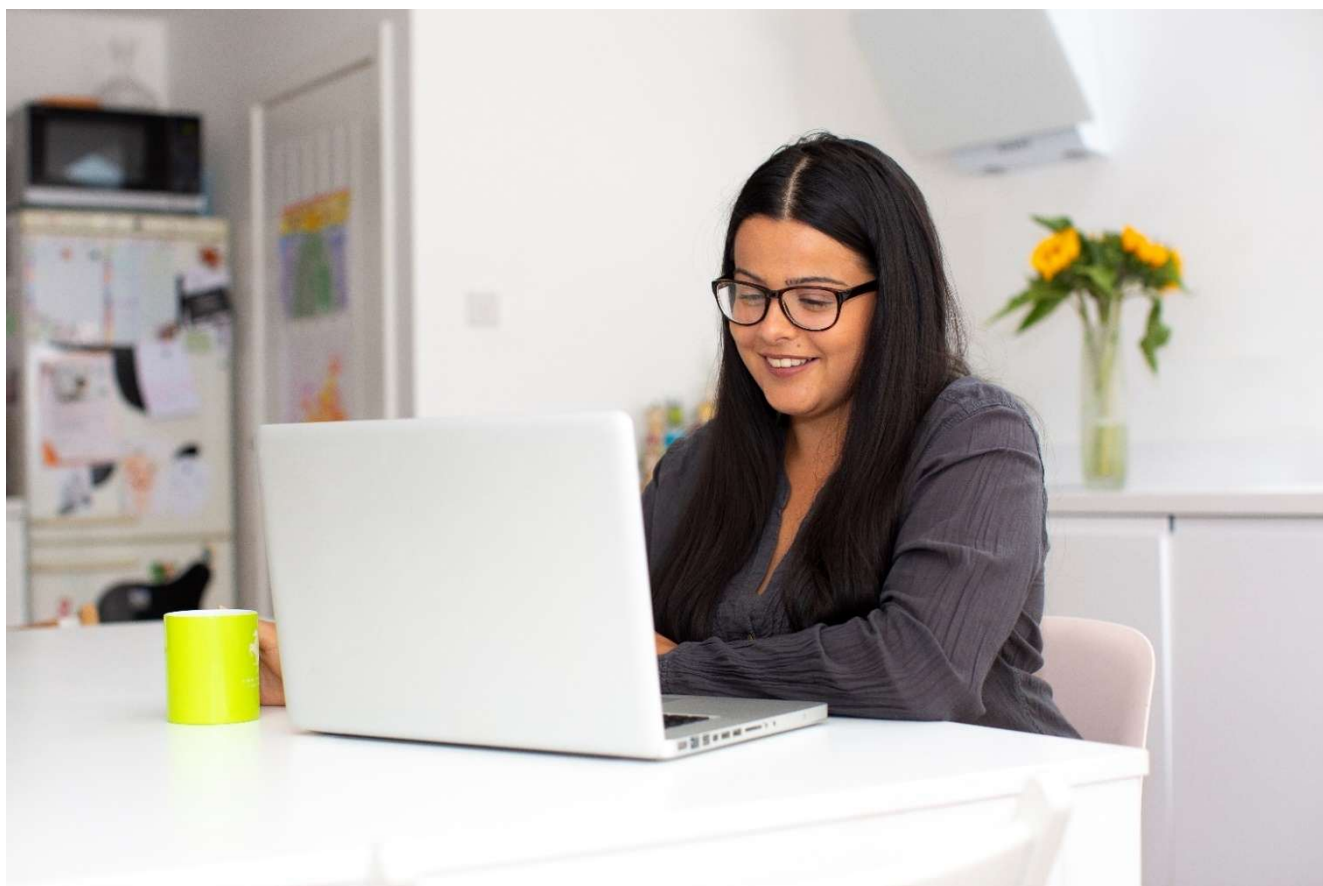
The Trustee is satisfied that this is a suitable adviser compensation structure.

Investment Managers' Duties and Responsibilities

The Trustee, after considering suitable advice, has appointed Legal & General Investment Management ('LGIM') to manage the assets of the Scheme via the Mobius Life Limited's ('Mobius') investment platform.

The underlying investment manager is detailed in the Appendix of this Statement. The underlying investment manager is authorised and regulated by the FCA and is responsible for stock selection, asset allocation (if managing a multi-asset portfolio) and the exercise of voting rights. The underlying manager is compensated by fund-based charges on the value of the Scheme's assets that it holds.

The Scheme's agreed asset allocation is defined in the Appendix.



Setting the Investment Strategy

The Trustee has determined its investment strategy after considering the Scheme's liability profile, its own appetite for risk, the PPF's long term strategic objective and guidance given on setting investment strategy for schemes entering the assessment period. It has also received written advice from its investment consultant.

Types of Investment

The Scheme's assets are invested on behalf of the Trustee by Mobius, through an investment platform, with an underlying investment manager.

The Trustee is permitted to invest across a wide range of asset classes, including but not limited to equities, bonds, cash, property and alternative asset classes. The use of derivatives is as permitted by the guidelines that apply to the pooled funds. The Trustee understands that some asset classes provide a better match to the liabilities than others.

As the Scheme is entering the PPF assessment period, the PPF guidance suggests that the Trustee should invest broadly in line with the PPF's Statement of investment Principles including minimising investment risk. The Trustee and its investment consultant have taken this guidance into consideration when setting the Scheme objectives and investment strategy.

Balance between different types of investment

The Scheme invests in assets that are expected to achieve the Scheme's objectives detailed previously. The allocation between the different asset classes is shown in the Appendix of this Statement.

The Trustee has considered the merits of both active and passive management for the different elements of the asset allocation and selected suitable types of management for each asset class. The current manager is shown in the Appendix.

From time-to-time the Scheme may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate any short-term cashflow requirements or any other unexpected events.

The Trustee may also hold insurance policies which are for the benefit of certain members to match part, or all, of their liabilities.

Expected Return on Investments

The Trustee has noted the long-run relationships that exist between the returns from different asset classes and has noted the different expected risk/return characteristics of the various asset classes.

The Trustee's chosen policy is to position the Scheme's assets in such a way that it conforms with the PPF's guidance and reduces the funding level volatility.

Realisation of Investments

The Scheme's assets are invested in pooled vehicles, which in turn invest in securities traded on recognised exchanges. The Scheme's investments can generally be readily realised, if necessary.

Financially Material Considerations

The Trustee has considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. Such matters are assessed for materiality and impact within a broader risk-management framework.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds.

The Scheme is invested in UK gilts and index-linked gilts so there is limited scope to take into account financially material considerations and socially responsible investment. However, the Trustee does expect its fund manager and investment adviser to take account of financially material considerations when carrying out their respective roles, where possible.

The Trustee will only invest with investment managers that are signatories for the United Nations supported Principles of Responsible Investment ('PRI') or other similarly recognised standards.

Non-Financially Material Considerations

The Trustee has not considered non-financially material matters in the in the selection, retention and realisation of investments.

Stewardship

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

The investment manager should engage with companies that take account of ESG factors in the exercise of such rights as the Trustee believes this will be beneficial to the financial interests of members over the long term.

The Trustee invests in gilts and index linked gilts, so there are no voting rights and there is limited scope to engage in the investments, however, it does encourage the fund manager to do so where possible.

The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and expects investment managers to adhere to this where appropriate for the investments they manage.

Investment Manager Arrangements

Incentives to align investment managers' investment strategies and decisions with the Trustee's policies

The Scheme invests in pooled funds and so the Trustee acknowledges that the funds' investment strategies and decisions cannot be tailored to the Trustee's policies. However, the Trustee sets its investment strategy and then selects the manager that best suits its strategy taking into account the fees being charged, which acts as the fund manager's incentive.

Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The Trustee invests passively solely in gilts and index linked gilts and believes that there is no scope to improve the financial performance of the UK Government.

How the method (and time horizon) of the evaluation of the fund managers' performance and the remuneration for asset management services are in line with the Trustee's policies

The Trustee will review quarterly reports from its investment manager, who reports performance on a net of fees basis compared to its benchmark.

The Trustee assesses the performance of the funds, where possible, over at least a 3-5 year period when selecting a manager and will always consider this when looking to select or terminate a manager together with other relevant factors other than performance after obtaining advice from the investment consultant.

The fund manager's remuneration is considered as part of the manager selection process and will only be looked at in greater detail if it increases.

The Trustee will only take action to replace the manager in extreme circumstances on receipt of advice from the investment consultant.

How the Trustee monitors portfolio turnover costs incurred by the fund managers, and how they define and monitor targeted portfolio turnover or turnover range

The Trustee does not monitor portfolio turnover costs incurred by the asset manager as it is not a financially material concern over the relevant (short-term) investment time horizon.

The duration of the arrangement with the fund managers

The Scheme is in a PPF assessment period and is only expected to hold the investments until it is transferred into the PPF or an insurance company, which is likely to be a relatively short time period.

Additional Voluntary Contributions ("AVCS") Arrangements

Some members obtain further benefits by paying AVCs to the Fund. The liabilities in respect of these AVCs are equal to the value of the investments bought by the contributions. Details of AVC providers and fund options are included in the Appendix. From time-to-time the Trustee reviews the choice of investments available to members to ensure that they remain appropriate to the members' needs.

Risks

The Trustee recognises that whilst increasing risk may increase potential returns over a long period, it also increases the risk of producing more short-term volatility in the Scheme's funding position. Following the commencement of the PPF assessment period for the Scheme, the Trustee's focus has had to change away from targeting longer term growth towards protecting against short-term volatility. The overall level of investment risk is significantly influenced by the guidelines issued by the PPF for asset allocation during a PPF assessment period. A policy on more detailed risk issues is determined by the Trustee having considered expert advice (that includes assessment of the cost of change) and feedback from the PPF.

The Trustee is aware and seeks to take account of a number of risks in relation to the Scheme's investments. Under the Pensions Act 1995 and the Occupational Pension Scheme (Investment) Regulations 2005, the Trustee is required to state its policy regarding the ways in which risks are to be measured and managed. The key risks and the policies are as follows:

Solvency and Mismatching Risk	The Sponsor is insolvent and so the investment strategy is set to minimise risk relative to the liabilities.
Concentration Risk	The Scheme is invested in gilts and index linked gilts so in normal markets this risk should be minimal.
Investment Manager Risk	This is assessed as the deviation of actual risk and return relative to that specified in the investment managers' objectives. It is measured by monitoring on a regular basis the actual deviation of returns relative to investment managers' agreed objectives and an assessment of factors supporting the managers' investment process.
Sponsor Risk	The Scheme is in a PPF assessment period and so this risk is no longer applicable.
Liquidity Risk	This is monitored according to the level of cashflows required by the Scheme over a specified time period. The Scheme's administrators will assess the cash requirements to limit the impact of cashflow requirements on the Scheme's investment policy. The risk is managed by having a suitable amount of readily realisable investments and by holding a certain level of cash type assets. The Scheme invests in assets that are invested in quoted markets and are as readily realisable as the Trustee feels suitable given the Scheme's cashflow position and the expected development of the liabilities.
Currency Risk	The Scheme's liabilities are denominated in sterling and so are all of its investments. Therefore, the Scheme is not exposed to currency risk.
Loss of Investment Risk	There is a risk of loss of investment by each investment manager and potentially the custodian. This includes losses beyond those caused by market movements e.g. losses caused by fraud. The Trustee understands the investment manager has ringfenced the funds and uses an independent custodian and believes this will minimise the risk of loss.
Environmental, Social and Governance (ESG) and Climate Change Risks	There is a risk that ESG issues and climate change are not considered as part of the investment process and so may expose the portfolio. This can lead to losses that may not have been factored into any assumptions. It should be noted that the long-term ESG considerations are less relevant as the Scheme is in PPF Assessment and may enter the PPF in the short term.

Compliance

The Trustee confirms that it has received and considered written advice from Spence on the establishment and implementation of its investment strategy.

The Trustee confirms that it has consulted with the PPF regarding its strategy.

The Trustee will monitor compliance with this Statement at least every three years or if any significant changes are made to the investment strategy.

NAME	Jonathan Hazlett
Signed:	
Trustee	
Signed on behalf of the Trustee of the Rical Group (1990) Pension Scheme	
Date of Signing:	22/10/2025



Appendix

Appendix

Strategic Asset Allocation

The Scheme has a strategic asset allocation as set out in the table below:

Asset Class	Fund	Allocation	Control Range
Fixed Interest Gilts	LGIM 5 to 15 Year Gilts Index Fund	56.0%	+/- 12.0%
Index-Linked Gilts	LGIM Under 15 Year Index-Linked Gilts Index Fund	30.0%	+/- 6.0%
	LGIM Over 15 Year Index-Linked Gilts Index Fund	14.0%	+/- 3.0%
Total		100%	

Rebalancing and Cashflow Management

The Trustee recognises that the asset allocation of investments will vary over time due to market movements. The Trustee seeks to keep the asset allocation in line with its benchmark but are cognisant of the costs of rebalancing.

Cash outflows will be met pro-rata based on the Strategic Asset Allocation. This means that 30% of the required disinvestment will be disinvested from the LGIM Under 15 Year Index-Linked Gilts Index Fund, 14% from the LGIM Over 15 Year Index-Linked Gilts Index Fund and 56% from the LGIM 5 to 15 Year Gilts Index Fund. Similarly, where cashflows in are received, the money will be invested in the same allocation as with disinvestments.

Investment Managers

The Trustee invests the assets of the Scheme through an insurance policy with Mobius. Mobius provides investment administration for the Scheme and so carries out the day to day management of the investment manager.

The table below shows the investment manager appointed to carry out the day to day management of the assets, as well as the funds that they manage, their benchmarks and relevant objectives.

Underlying Investment Manager	Fund	Benchmark	Objective
Legal & General Investment Management	5 to 15 Year Gilts Index Fund	FTSE Actuaries UK Conventional Gilts 5 to 15 Years Index	Track to within +/- 0.25% gross of fees for two years out of three
	Under 15 Year Index-Linked Gilts Index Fund	FTSE Actuaries UK Under 15 Years Index-Linked Gilts	Track to within +/- 0.25% gross of fees for two years out of three
	Over 15 Year Index-Linked Gilts Index Fund	FTSE Actuaries UK Over 15 Years Index-Linked Gilts	Track to within +/- 0.25% gross of fees for two years out of three

Utmost Life are appointed to manage the Scheme's AVCs.

Fees

The fee arrangements for the investment managers are summarised below:

Investment Manager	Fund	Annual Management Charge
Legal & General Investment Management	5 to 15 Year Gilts Index Fund	0.09% p.a.
	Under 15 Year Index-Linked Gilts Index Fund	0.09% p.a.
	Over 15 Year Index-Linked Gilts Index Fund	0.09% p.a.

The Annual Management Charge includes the Mobius Life Platform fee but excludes any additional expenses.

Mobius charge the Scheme a policy administration fee ('PAF'). Mobius Life have confirmed that the PAF is a monthly fee of £255 per calendar month starting from 1st November 2024. The fee is subject to annual inflationary increases and will be collected directly from the Scheme's assets quarterly in arrears.

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