

# **Edmundson Electrical Limited Pension Scheme**

## **Investment Policy Implementation Document – April 2026**

### **(replaces November 2024)**

#### **1. Introduction**

The Statement of Investment Principles (“SIP”) of the Edmundson Electrical Limited Pension Scheme (the “Scheme”), dated April 2026 sets out the guiding principles upon which the Scheme’s investment decisions are based. The purpose of this Investment Policy Implementation Document is to provide details of the specific investments in place alongside other information relevant to the management of the investments.

Investment policy can be considered in two parts; (1) the strategic management, the setting of which is one of the fundamental responsibilities of the Trustee Directors (the “Trustees”) and (2) the day-to-day management of the assets, which has been delegated to professional investment managers.

#### **2. Strategic Management**

The Trustees have agreed to invest 100% of the Scheme’s assets in risk reduction assets (gilts, cash and high-quality corporate bonds) with a liability hedge target of 100% of liabilities measured on a “gilts flat” basis. Actual hedge ratios may vary from target due to market/liability movements and will be reviewed periodically.

#### **3. Day-to-Day Management of the Assets**

The Scheme’s assets are split between those relating to the main Scheme and those relating to Additional Voluntary Contributions (“AVCs”).

The Trustees have agreed to delegate the day-to-day management of the main Scheme’s assets to three investment managers:

- Royal London Asset Management (“RLAM”) – Buy and Maintain Credit
- Insight Investment Management (“Insight”) – Gilts and Cash
- Patria Capital Partners LLP (“Patria”) – Private Equity

Investments in the Private Equity manager no longer form a part of the Scheme’s investment strategy and are in the process of run-off and are expected to be formally liquidated in the next year. These investments represent less than 0.1% of the portfolio.

Investment is via the managers’ pooled funds (including bespoke pooled funds) and is subject to agreements between the managers and the Trustees as well as the governing documents for each fund.

The Trustees have adopted the following target allocation for investment of the Scheme’s assets (at current growth asset levels).

<b>Asset Class</b>	<b>Manager</b>	<b>Target %</b>
Buy and Maintain Credit	RLAM	30.0
Gilts and cash	Insight	70.0
<b>Total</b>		<b>100.0</b>

The Trustees will monitor the actual allocation to asset classes/managers on a regular basis and will consider what action to take should the actual allocation deviate significantly from the structure set out above. Individual mandates are detailed below.

### ***RLAM***

RLAM manage a “buy & maintain” fund. They do not manage the fund against a formal market benchmark. The stated aim of the fund is “To provide excess income (relative to equivalent UK Government Bonds) over the life of the Fund” with a spread objective at outset being a yield that is 1.25% in excess of gilts yields subject to market conditions. The Trustees monitor performance against a comparable “market” benchmark such as the Markit iBoxx Sterling Non-Gilts Index and anticipate a return in excess of this over the medium term. The fund is subject to investment guidelines agreed by the Trustees.

### ***Insight***

Insight manage a portion of the Scheme’s assets in pooled gilts and cash vehicles. The allocations to these vehicles is determined by Insight based on liability data provided by Mercer from time to time. Allocations over time are allowed to drift in line with relative market movements and will be reviewed periodically by the Investment Consultant and the Trustees. Insight do not provide any ongoing monitoring of the Scheme’s hedge ratios. The objectives for each Fund are set out in the table below.

<b>Fund</b>	<b>Objective</b>
Fully Funded Fixed Interest Gilts	to match the change in value of a reference portfolio of liabilities with respect to changes in interest rates
Fully Funded Index-Linked Gilts	to match the change in value of a reference portfolio of liabilities with respect to changes in interest rates and inflation expectations
Liquidity fund/Liquidity fund plus	to provide stability of capital and income through investment in short term fixed income and variable rate securities.

### ***Private Equity***

The Scheme has private equity investments in the following vehicles:

<b>Manager</b>	<b>Vehicle</b>	<b>Type</b>
Patria	ESP 2006	Fund of Funds (Europe)
Patria	ESP 2008	Fund of Funds (Europe)

### ***Other Assets***

The Trustees hold money arising from Additional Voluntary Contributions. The Scheme currently has two AVC providers, ReAssure Limited and Utmost Life & Pension Limited. The Scheme also holds a small number of Individual Pension Plans held with ReAssure Limited and Utmost Life & Pension Limited and Prudential.

## **4. Contribution/Disinvestment Policy**

The Scheme is cashflow negative. Disinvestments should be made broadly consistent with the overall strategy and after taking into account income available from the Scheme’s investments.

