



Statement of Investment Principles

September 2025

M U PENSION TRUSTEES LIMITED

ODDFELLOWS HOUSE, 184-186 DEANS GATE, MANCHESTER M3 3WB
TEL: 0161 832 9361

M. U. PENSION TRUSTEES LIMITED

ODDFELLOWS HOUSE, 184-186 DEANSGATE, MANCHESTER M3 3WB
TEL: 0161 832 9361 FAX: 0161 214 4646

M U PENSION SCHEME STATEMENT OF INVESTMENT PRINCIPLES

Introduction

1. The Pensions Act 1995 (as updated by the Pensions Act 2004) requires the Trustee to prepare a statement of the principles governing investment decisions for the purpose of the Scheme. This document fulfils that requirement.
2. In preparing this Statement, the Trustee has obtained advice and the Trustee will similarly obtain such advice as appropriate whenever they intend to review or revise the Statement in future.
3. In preparing this Statement, the Trustee has consulted the Society and will do so whenever the Trustee intends to review or revise the Statement. Responsibility for maintaining the Statement and deciding investment policy rests solely with the Trustee.
4. The Trustee will review this Statement on such occasion as may appear to them to be appropriate. Such a review will be carried out at least every three years and will normally coincide with actuarial valuations of the Scheme. A review will be carried out without delay following any significant change in investment policy.
5. In order to assist them in their investment responsibilities, the Trustee has delegated a number of tasks to an Investment Sub Committee. This committee's role is advisory only and its terms of reference are set out in the Trustee's procedures manual.

Financial Services and Markets Act 2000

6. In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for selection of specific investments to an appointed investment manager. The investment manager shall provide the skill and expertise necessary to manage the investments of the Scheme competently.

Myner's Code

7. The Trustee has reviewed their compliance with the Myner's Code and have adopted the Code as they feel is appropriate for the Scheme. Where applicable, the Trustee has incorporated Myner's recommendations regarding the content of this Statement.

Professional advisors

8. The Trustee has considered the Myners principle of separate competition for actuarial and investment contracts but believe that the current arrangement (using a single advisory firm for both actuarial and strategic investment advice) has certain advantages for the Scheme. The Trustees will continue with the current arrangement until it ceases to be appropriate.

The Trustees will set benchmarks, allocations and strategic objectives for its investment consultants, these will be reviewed annually by the Trustees to ensure that all metrics remain up to date and appropriate.

Investment objectives

9. The investment objectives of the Scheme are:
- the acquisition of suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with contributions from members and the Society, the cost of current and future benefits which the Scheme provides as set out in the Trust Deed and Rules
 - to limit the risk of the assets failing to meet the liabilities over the long term
 - to minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the above objectives.

Trustee considerations of financially and non-financially material matters

10. The Trustee seeks to take account of financially material considerations in the selection retention and realisation of investments when setting out the investment strategy for the nominated Investment Manager. In conjunction with the nominated investment advisor the Trustee considers the long term capital market assumptions. The key considerations include the makeup of the Scheme's liability and member profile and long-term capital market assumptions regarding expected volatility and expected return.

The Trustee does not take into account members' views on non-financial matters for the selection, retention and realisation of investments.

Asset allocation

11. As a result of an Investment Review in June 2025, the Trustee decided that the overall allocations of assets should be at 25% Return-Seeking (Equity, Property and Alternatives) and 75% Liability-Matching (UK Gilts and UK Corporate Bonds). The target long-term strategic asset allocation is set out in the table below:

	Target Range	Ranges	Benchmark Index
	(%)	(%)	
Equities	25.0		
UK equities	12.5	7.5 - 17.5	FTSE All Share
Global equities	12.5	7.5 - 17.5	MSCI AC World Index (ex UK)
Fixed Interest	75.0		
UK Gilts & UK Corporate Bonds	75.0	65.0 – 85.0	FTSE UK Gilts 10 - 15 years
Property	0.0	0.0 - 10.0	
Cash	0.0	0.0 – 10.0	
Total	100.0		

Fixed Interest can be split into:

UK Gilts

UK Corporate Bonds

as deemed appropriate by the Investment Managers.

Duration for Fixed Interest should be within the 12–16-year range

12. The Trustee considers that this policy represents suitable investment classes, is appropriately diversified and provides a reasonable expectation of meeting the above objectives. Alternative asset classes such as private equity have been considered but the Trustee feels that they are inappropriate for the Scheme at the current time.

13. The Trustee, in conjunction with the Administrator, will hold sufficient cash to meet likely expenditure on benefits and expenses from time to time. The Trustee will also hold sufficient assets in liquid investments to meet unexpected cash-flow requirements in the majority of foreseeable circumstances.

Expected rates of return and risk

14. In determining the Scheme-specific asset allocation, the Trustee has had regard to a strategic review carried out by WTW as at 31 March 2020 and the Trustee's agreed strategy to reach 20% return-seeking and 80% liability-matching assets by 2035. Based on the asset allocation and market conditions at the latest triennial actuarial valuation date (31 March 2024), the Scheme's assets are expected to have an average best-estimate return of around 5.95% pa, with a total Value at Risk of around £3m (i.e. there is a 1-in-20 chance of the Scheme's funding surplus deteriorating by this amount, or more, over one year relative to the expected position).

The Trustee intends to carry out further strategic reviews periodically in future, to examine and quantify the implications of different investment policies and to identify an appropriate asset allocation given the Scheme's particular liabilities.

Investment management relationship

15. The Trustee takes all investment decisions except where they have delegated the day-to-day investment management of the Scheme's assets to the Investment Manager which is regulated by the Financial Conduct Authority. The Investment Manager have been given a copy of this Statement of Investment Principles. The terms of the delegation are set out in the Investment Manager Agreement and associated documents dated May 2017 (as amended from time to time). This Agreement and associated documents including Terms of Business includes such matters as investment objectives, the procedures for instructions, custody of the assets, voting, fees and charges.
16. The Investment Manager is aware of the asset allocation benchmark and the need to add value when diverging from this benchmark in its day-to-day management of the assets. The Investment Manager is also aware of the need for appropriate and suitably diversified investments which recognise the nature of pension scheme liabilities. The Investment Manager must exercise the investment powers delegated to it in such a manner as to give effect to this Statement so far as is reasonably practicable.

Investment Manager monitoring

17. To align the objectives of the Investment Manager with the long-term strategy of the Scheme the Trustee provides detailed information around the objectives and permitted activities to the Investment Manager.
18. In order to ensure adherence to the agreed investment objectives the Trustee meets with the nominated Investment Manager on a quarterly basis. As part of the regular evaluation the Trustee reviews the performance of the Schemes assets against market standard benchmarks and internal performance measurement objectives.

During the regular review process, the Investment Manager is required to report any deviation from the agreed investment mandate and/or and key performance indicators, together with their recommended resolution strategy.

19. The investment risk management framework provides controls around short, medium and long-term assessments of the Investment Manager and the underlying scheme investments. This framework allows the Trustee to hold the Investment Manager(s) accountable for the decisions they make whilst providing them sufficient room to operate in a discretionary manner.

20. In order to foster a focus on medium to long term investing the Trustee's performance objective for the Investment Manager are to outperform the return on the benchmark described in paragraph 10 above by 0.75% per annum over a rolling three year period (with the benchmark return based on performance in line with the appropriate indices). Furthermore, the Investment Manager will endeavour to ensure that their return is never more than 2.5% below the composite benchmark return in any calendar year.

Investment restrictions

21. Investment restrictions and limitations are covered by the terms on which the investment manager is employed.

Socially Responsible Investment

22. The Trustee has delegated the selection, retention and realisation of investments to the Investment Manager. (See section 15).
23. The Trustee does not have a formal investment policy in relation to Environmental, Social and Governance ("ESG"). The Trustees leave these decisions to the discretion of the Investment Manager and a copy of the current policy is available on request.

Shareholder engagement

24. The Trustees have considered the Institutional Shareholders' Committee code and their policy is to adopt the code and delegate responsibility for implementation to the Investment Manager.

The Trustee considers the Investment Managers existing shareholder engagement policy to be appropriate for the current objectives of the Scheme. Should the Trustees wish to pursue a specific shareholder engagement policy in regards to a specific company, industry or broad governance item this will be communicated to the Investment Manager.

In order to monitor the shareholder engagement actions of the Investment Manager the Trustee requires the annual disclosure of their shareholder engagement activities.

Soft commission

25. The Investment Manager does not enter into soft commission arrangements with brokers in relation to the Scheme's assets.

Additional Voluntary Contributions

26. With effect from 6 April 2006, the Scheme no longer provides a facility for members to pay AVCs to enhance their benefits at retirement other than for those already contributing as at that date. Those AVCs already in place are invested separately from the main assets currently with the Legal and General Assurance Society which transferred to ReAssure in the latter part of 2020.

Risks

27. The Trustee has considered the variety of risks to which the Scheme is exposed in determining an appropriate investment strategy and objectives having regard to advice from the investment consultant and the Scheme Actuary. The risks considered include:
- a. Solvency risk and mismatching risk which are addressed through the choice of the strategic asset allocation benchmark and through ongoing regular actuarial valuations.
 - b. Manager risk. This is monitored on a quarterly basis by considering a quarterly report produced by the Investment Manager.

- c. Sponsor risk is the level of ability and willingness of the sponsor to support the continuation of the Scheme. It is measured by a number of factors, including the creditworthiness of the proposer, the size of the pension liability relative to the sponsor's earnings and the size of the deficit in the pension scheme. It is managed by monitoring the impact the Scheme has on the sponsor's business.
- d. Liquidity risk is measured by the level of cashflow required by the Scheme over a specified period. It is managed by the Scheme's Administrator who assesses the level of cash held in order to limit the impact of the cash flow requirements on the investment policy.
- e. Potential risk is measured by the level of concentration of any one market leading to the risk of an adverse influence on investments arising from political intervention. It is managed by regular reviews of the actual investments through assessment of the levels of diversification within the existing policy. The risk of an adverse influence on investments from political intervention by the diversification of the assets across many countries.
- f. Currency risk is measured by the level of concentration of assets in a market denominated in a foreign currency, leading to the risk of an adverse influence on the Scheme's investments arising from exchange rate movements is reduced by the diversification of foreign denominated assets across many currencies.

The Trustee continues to manage and monitor these risks.

Formal Investment Manager review

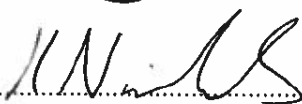
28. The Trustee has a formal review process, this includes the appraisal of the Investment Manager against agreed objectives and benchmarks, a review of alternative providers and fee rates, and a consideration of the managers investment process. This review will lead to either the reappointment of the Investment Manager, or the open tendering of the investment manager position.

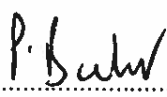
As part of the ongoing review the Trustee reviews the agreed fee schedule against market peers to ensure the Schemes members are obtaining value for money.

Duration of the investment management arrangement

29. The Trustee has an open-ended contractual relationship with the designated Investment Manager that provides the rights to end the investment management relationship at any time and without notice.

Signed:  (Company Secretary)

.....  (Trustee)

.....  (Trustee)

Date: 18 September 2025