

STATEMENT OF INVESTMENT PRINCIPLES

The Link Logistics Retirement Benefits Scheme

Contents

1. Introduction.....	3
2. Default Fund Statement of Investment Principles.....	4
3. Investment Responsibilities.....	5
4. Investment Strategy.....	6
5. Additional Considerations.....	7
6. Risks.....	8
7. Fund Managers.....	9
8. Compliance.....	9

1. Introduction

This document has been produced by the Trustees of The Link Logistics Retirement Benefits 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 as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015/879.

The aims, policies and objectives of the Statement of Investment Principles ensure that the assets in the Scheme's Default Fund are invested in the best interests of the members.

The Scheme is fully insured with all assets invested in 'defined contribution' ("DC") funds. In addition to their DC fund entitlement, some Scheme members are also entitled to a Guaranteed Minimum Pension underpin. The Trustees' investment powers, including as applicable to the Default Arrangement, are set out in the Scheme's Trust Deed and Rules. This Statement is consistent with those powers.

The Scheme is paid up and is not used as a Qualifying Scheme for the purposes of auto-enrolment compliance.

2. Default Fund Statement of Investment Principles

This Statement sets down the principles governing decisions about investments of the Scheme funds and supersedes any previous Statements prepared by the Trustees.

In preparing this Statement, the Trustees have:

- Consulted with the principal employer, although responsibility for maintaining this Statement and setting investment policy rests solely with the Trustees.
- Obtained and considered the written advice of a person who is reasonably believed by the Trustees to have appropriate knowledge and experience of financial matters and investment management.

All deferred members are invested in the default fund which is the Royal London Crest Secure Fund. This is similar to a with profits fund but with a lower exposure to the stock market. Bonuses are declared annually and are added to the fund's value from time to time. The rate of bonus added will reflect the performance of the fund's assets, after allowance for expenses and a smoothing adjustment. The smoothing adjustment results in the annual declared bonus rate being more stable than the actual returns on the underlying assets. No Terminal Bonus applies to this fund.

The Trustees will review this Statement at least once every three years. If there are any significant changes in any of the areas covered by this Statement, the Trustees 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 principal employer.

3. Investment Responsibilities

3.1 Trustee Responsibilities

Under the legal documentation governing the Scheme, the power of investment is vested in the Trustees. Therefore, the Trustees are responsible for setting the investment strategy. In doing so, the Trustees consider 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 manager
- Assessment of the investment risks applicable to the Default Fund

3.2 Objectives

The aims and objectives of the default strategy are intended to ensure that assets are invested in the best interests of members of the Scheme. The Trustees' primary objective is to decide on an investment strategy which:

- is appropriate to members of the Scheme, taking account of the demographics of the membership.
- will deliver long term returns in real terms.

3.3 Investment Management

The Default Fund is managed by Royal London. They are authorised by the Prudential Regulation Authority, regulated by the Financial Conduct Authority and the Prudential Regulation Authority and their pension and investment products are covered by the Financial Services Compensation Scheme.

Royal London are responsible for the Fund's stock selection, asset allocation and the exercise of any voting rights.

3.4 Wholly Insured Scheme

The reasons for the scheme being a wholly insured scheme are to ensure the members benefit fully from the valuable guarantees of the GMP underpin and to provide appropriate and proportionate operating efficiencies and administration.

4. Investment Strategy

4.1 Investment Strategy

The Trustees consider that continued investment in the Royal London Crest Secure Fund remains suitable for the membership of the Scheme. This conclusion has been reached based on the following:

- The Fund aims to maximise long term returns for members.
- The smoothing adjustments provide a level of stability in the annual growth of the members' funds.
- Past performance demonstrates acceptable returns, particularly given the levels of volatility in both equity and bond markets.
- Any member who wishes to take further control of their fund can access a full transfer value (subject to any Market Value Reductions applicable).
- The Royal London packaged product provides a value for money solution with access to their pensions, administration and investment expertise.
- Royal London are a financially strong, stable and well-capitalised business.

4.2 Realisation of Investments

The Default Fund investments can generally be readily realised when necessary. Market Value Reductions can be applied on transfers from the fund to ensure that the transfer value accurately reflects the underlying value of the member's benefits in the Fund.

5. Additional Considerations

5.1 Financially Material Considerations

As the Scheme invests in a pooled fund, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the Fund invests. However, the Trustees do expect the investment manager to take account of financially material considerations.

The investment manager is responsible for the exercise of any rights (including voting rights) attached to the Scheme's investments.

The Directors of The Royal London Mutual Insurance Society Limited are responsible for setting the Fund's overall investment strategy, including the asset allocation and range of permitted asset classes which the fund may invest in. The Principles and Practices of Financial Management ("PPFM") outlines high level statements of the standards Royal London will follow in the management of the Fund.

In addition, the investment managers review companies in which they invest and use collaborative engagement when there is an opportunity to improve or change the way a company is run or is behaving. For example, they may encourage the adoption of more environmentally friendly policies or advocate for improvements to be made to a company's corporate governance.

When considering the suitability of an investment, the Trustees have a fiduciary responsibility to act in the best interests of the Scheme members, although they have neither sought, nor taken into account, the members' views on matters including (but not limited to) ethical issues and social and environmental impact. The Trustees will keep this policy under review going forward.

The Trustees accept that the Default Fund is subject to the investment manager's own policy on socially responsible investment. Having reviewed the PPFM and assessed Royal London's approach to integrating environmental, social and governance within their investments, the Trustees are satisfied that this corresponds with their responsibilities to the Scheme members.

5.2 Non-Financially Material Considerations

The Trustees have not considered non-financially material matters in the investment process.

5.3 Stewardship

The Trustees' 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 Trustees' behalf, having regard to the best financial interests of the members.

Where this primary consideration is not prejudiced, the investment manager should take account, where it believes appropriate, of social, environment and ethical factors in the exercise of such rights. The Trustees will continue to monitor going forward.

The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code. The investment manager has a published corporate governance policy.

6. Risks

The Trustees are aware and seek to take account of a number of risks in relation to the Default Fund's investments. The key potential risks identified are as follows:

6.1 Concentration Risk

This is managed through the diversification of the Default Fund's holdings across a range of different asset classes and underlying securities.

6.2 Covenant Risk

This is assessed as the ability and willingness of the Principal Employer to continue to make good any current or future deficit in respect of members who are entitled to a Guaranteed Minimum Pension from the Scheme. This is managed by assessing the interaction between the Scheme and the employer's business, as measured by several factors including the creditworthiness of the Principal Employer and the size of the liability.

6.3 Liquidity Risk

The risk is managed by the investor manager having a suitable amount of readily realisable investments and by holding a certain level of cash type assets. The

Default Fund invests in assets that are generally invested in quoted markets and are as readily realisable.

6.4 Market Risk

Most of the underlying financial assets in the Default Fund are transacted on a regulated market. Markets provide transparency, liquidity, efficiency and regulation to ensure investors achieve a fair price for their assets

6.5 Currency Risk

The Default Fund may gain exposure to overseas currencies by investing in non-sterling assets or via currency investment. The investment manager is responsible for mitigating this risk, where appropriate.

7. Fund Managers

The Trustees do not directly appoint, and have no control over, the CREST Secure investment fund's investment managers. As a result, the underlying investment manager is not under any obligation to follow the Trustees' investment policies, as set out in this statement of investment principles, and the Trustees are unable to comply with regulation 2(3)(d) of the Occupational Pension Schemes (Investment) Regulations 2005.

8. Compliance

The Trustees confirm that they have consulted with the Principal Employer regarding their investment strategy. Copies of this Statement and any subsequent amendments will be uploaded to a publicly available website.

The Trustees will review this Statement at least every three years. This will include a review of the suitability of the existing investment strategy on an ongoing basis.

SIGNED ON BEHALF OF THE TRUSTEES OF THE SCHEME	
NAME	<i>Suzanne Coubie</i>
POSITION	<i>Trustee</i>
DATE	<i>12/9/23</i>