Amalgamated Metal Corporation Pension Scheme

Statement of Investment Principles

September 2026

1 Introduction

This Statement sets out the principles governing decisions relating to the investment of the assets of the Amalgamated Metal Corporation Pension Scheme (the 'Scheme') and has been prepared by AMC DBT Limited (the 'Trustee') in its capacity as Trustee of the Scheme.

The Scheme is a defined benefit arrangement set up under trust and registered with HM Revenue and Customs (HMRC). The Scheme is subject to the Statutory Funding Objective (SFO) introduced by the Pensions Act 2004, i.e., that it should have sufficient and appropriate assets to cover its Technical Provisions, as calculated in accordance with the Trustee's Statement of Funding Principles.

This Statement has been prepared to comply with the following legislation and regulations:

- Section 35 of the Pensions Act 1995,
- Section 244 of the Pensions Act 2004,
- The Occupational Pension Schemes (Investment) Regulations 2005,
- The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, and
- The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

A copy of this Statement will be made available to Scheme members on request to the Trustee, and it will be published on a publicly available website.

2 Investment Decision Making

The investment of the Scheme's assets is the responsibility of the Trustee. The Trustee's investment powers are set out in Rule 4.05 of the Trust Deed and Rules dated 30 March 2006, as amended. The powers granted to the Trustee under this Rule are wide and this Statement is consistent with those powers.

The Trustee has obtained and considered professional advice on the content of this Statement from Broadstone Corporate Benefits Limited ('Broadstone', the 'Investment Consultant'), its appointed investment adviser. Broadstone is authorised and regulated by the Financial Conduct Authority. Broadstone has confirmed to the Trustee that it has the appropriate knowledge and experience to give the advice required under legislation. Broadstone is remunerated a fee for its advice and its appointment is reviewed from time to time by the Trustee.

The Trustee has also consulted the Principal Company, Amalgamated Metal Corporation PLC, when setting its investment objectives and strategy, and in the preparation of this Statement.

Responsibility for maintaining the Statement and determining the Scheme's investment strategy rests solely with the Trustee. The Trustee will obtain such advice as it considers appropriate and necessary whenever it intends to review or revise this Statement.

3 Investment Objectives

In determining its investment objectives and strategy, the Trustee has considered the strength of the Principal Company's willingness and ability to support the Scheme. It has determined that it is reasonable to take a long-term view in determining its investment objectives and strategy.

The Trustee has agreed that the funding position measured under the SFO funding basis is the assessment of scheme funding that is of most importance to the Trustee, the Principal Company, and the members, as it determines the Scheme's funding requirements and members' long-term benefit security.

The Trustee's investment objectives are as follows:

- To provide appropriate security for all beneficiaries,
- To achieve long-term growth in the assets, taking into account contributions from the Principal Company, sufficient to provide the benefits from the Scheme, and
- To achieve an appropriate balance between risk and return with regards to the cost of the Scheme and the security of the benefits.

The Trustee will also have regard to the Principal Company's views on the potential costs and risks associated with the investment objectives set and their implementation through the practical strategy.

4 Setting the Investment Strategy

The Trustee has translated its objectives into a suitable strategic asset allocation for the Scheme. This strategic asset allocation is reviewed by the Trustee periodically and, in the event that circumstances arise which prejudice the suitability of the benchmark allocation, appropriately revised in consultation with the Investment Consultant.

The Trustee has appointed a range of Investment Managers to undertake the day-to-day investment management of the Scheme's assets backing defined benefits. The Trustee's strategic asset allocation and the investment vehicles used within the allocation are set out in the **Appendix**.

The Scheme also holds defined contribution Additional Voluntary Contributions ('AVCs') separately from the assets backing defined benefits, via investments held with a range of AVC Providers. Details of the AVC arrangements are set out in the **Appendix**.

The Trustee's policies in setting the investment strategy are set out below:

Policy	
Selection of Investments	The Scheme may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index-linked bonds, cash and pooled investment vehicles considered appropriate for tax-exempt approved occupational pension schemes. The Trustee may also invest in derivatives to meet risk reduction objectives as defined in the 2012 deed of amendment and as advised by the Investment Consultant. The Trustee considers all of the stated classes of investment to be suitable to the circumstances of the Scheme.

Policy	
Balance of Investments	The Trustee will set a Target Asset Allocation from time to time, determined with the intention of meeting its investment objectives. The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed in light of any changes to the Trustee's view of the Principal Company's covenant, the Scheme's funding position, the nature of the Scheme's liabilities or relevant regulations governing pension scheme investment. The Trustee has agreed the range of funds to be used in the investment strategy, taking into account the maturity and profile of the Scheme's liabilities, and to ensure the range is sufficiently robust to allow easy adjustment between the funds as the Trustee's risk appetite changes and the Scheme matures.
Delegation to Investment Managers and AVC Providers	The Trustee will delegate the day-to-day management of the Scheme's assets to professional investment managers and AVC providers and will not be involved in the buying or selling of underlying investments.
Maintaining the Asset Allocation	The Trustee regularly reviews the balance of the Scheme's investments in conjunction with its adviser, Broadstone, and will make any necessary transfers of holdings to maintain the allocation within a reasonable range of its targets, taking account of the reasons for and extent of any deviation including market conditions, together with the costs associated with rebalancing the portfolio.
Employer Related Investments	The Scheme does not hold any investment in the Principal Company or in any other entity affiliated with the Principal Company. The Trustee is not aware of any potential for indirect investment in the Principal Company or any connected company by virtue of the investments currently held by the Scheme.

Given the size and nature of the Scheme, the Trustee has decided to invest on a pooled fund basis. Any such investment is affected through a direct agreement with an Investment Manager and/or through an insurance contract. Regarding the diversification of the Scheme's investments:

- Subject to their respective benchmarks and asset allocation guidelines (shown in the **Appendix**) the Investment Managers are given full discretion over the choice of securities and are expected to maintain diversified portfolios where appropriate.
- The Trustee is satisfied that the investments selected are consistent with its investment objectives, particularly in relation to diversification, risk, expected return, and liquidity.
- The Trustee is satisfied that the range of pooled vehicles in which the Scheme's assets are invested provides adequate diversification.

5 Realisation and Rebalancing of Assets

In the event of an unexpected need to realise all or part of the assets of the portfolio, the Trustee requires the Investment Managers to be able to realise the Scheme's investments in a reasonable timescale by reference to the market conditions at the time the disposal is required, and subject to the best interests of the Scheme. The majority of assets are not expected to take an undue time to liquidate.

Within the current investment arrangements, the liquidity of the assets differs depending on the fund, with dealing frequency ranging from daily to monthly. Regular income distributions are received automatically from some of the pooled funds held, paid into the Trustee's bank account, to help support the Scheme's cashflow requirements. The Trustee will also make disinvestments from the Investment Managers as appropriate, with the assistance of its adviser, Broadstone, as required, to meet the Scheme's cashflow requirements.

6 Expected Returns

The Trustee expects the Scheme's assets to produce a return in excess of the growth in the value of its Technical Provisions liabilities, which it expects to be sufficient to meet its objectives over the long-term.

Over the long-term, the Trustee's expectations are to achieve the following rates of return from the asset classes underlying the Target Asset Allocation it currently makes use of:

Asset Class	Expected Returns
Equities and Property	In excess of UK price inflation, as measured by the Retail Prices Index (RPI), and in excess of the yield available on long-dated gilts.
Secured finance	In line with the market yields available on investment grade asset-backed securities and in excess of the return on short-term money market instruments.
Corporate bonds	In excess of the yield available on a portfolio of fixed interest gilts, to compensate for the additional risk associated with investing in a diversified portfolio of corporate bonds.
Government bonds	In line with the market yields available on the relevant underlying government bonds, assuming that those investments are held to redemption.
Cash	Broadly in line with rates of interest available on short-term money market instruments.

7 Risks

The Trustee has considered various risks the Scheme faces, including market risk, interest rate risk, inflation risk, default risk, concentration risk, manager risk and currency risk, and considers that the Target Asset Allocation strikes a reasonable balance between risk mitigation and seeking an appropriate level of return, taking account of the strength of the Principal Company's covenant.

The current asset allocation has been determined with due regard to the characteristics of the Scheme's SFO liabilities. The calculation of the Scheme's SFO liabilities uses assumptions for future investment returns and price inflation expectations that are based upon market values of financial securities such as fixed interest and index-linked government bonds. This means that the liabilities are sensitive to changes in the price of these assets as market conditions vary and can have a volatile value.

The Trustee accepts that its investment strategy may result in volatility in the Scheme's funding position. Furthermore, the Trustee also accepts that there is a risk that the assets will not achieve the rates of investment return assumed in the calculation of the Scheme's liabilities.

To reduce the risk of concentration within the portfolio, the Trustee will monitor the overall mix of asset classes and bonds in the investment strategy with its Investment Consultant.

The Trustee invests in a wide range of asset classes through the funds and strategies it uses and considers the Scheme's strategy to be well-diversified.

The Trustee will monitor the investment, covenant and funding risks faced by the Scheme with the assistance of its investment advisers and the Scheme Actuary at least every three years. The Trustee will consider the appropriateness of implementing additional risk mitigation strategies as part of such reviews.

In addition, the Trustee will review wider operational risks as part of maintaining its risk register.

8 Security of Assets

The day-to-day activities that the Investment Managers carry out for the Trustee are subject to regular internal reviews and external audits by independent auditors to ensure that operating procedures and risk controls remain appropriate.

Safekeeping of the Scheme's assets held with the Investment Managers is performed by custodians appointed by them.

The Trustee has considered the security of the Scheme's holdings with the Investment Managers, allowing for their status as reputable regulated firms, and consider the associated protection offered to be reasonable and appropriate.

9 Responsible Investment & Stewardship

The Trustee believes that in order to protect and enhance the value of the investments, during the period over which the benefits are paid, it must act as a responsible asset owner.

The Trustee has a fiduciary duty to consider its approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. In exercising this duty, the Trustee monitors the investments through regular assessment of performance supplemented, as appropriate, by engagement and/or voting through its investment managers.

The Scheme is comprised of a diverse membership, expected to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. The Trustee therefore does not explicitly seek to reflect any specific views through the implementation of the investment strategy, both financial and non-financial.

The Trustee's policies in respect of responsible investment are set out below.

Policy	
Financially Material Considerations	The Trustee recognises that Environmental, Social and Governance (ESG) issues can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustee delegates responsibility for day-to-day decisions on the selection of investments to the Investment Managers. The Trustee has an expectation that the Investment Managers will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets. The Trustee does not currently impose any specific restrictions on the Investment Managers regarding ESG issues but will review this position from time to time. The Trustee receives information on request from the Investment Managers on their approaches to selecting investments and engaging with issuers with reference to ESG issues. With regard to the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustee takes the view that this falls within their general approach to ESG issues. The Trustee regards the potential impact of climate change on the Scheme's assets as a longer-term risk and likely to be less material in the context of the short to medium term development of the Scheme's funding position than other risks. The Trustee will continue to monitor market developments in this area with its investment adviser.

Policy	
Non-Financially Material Considerations	The Trustee considers that the financial interests of the Scheme members are its priority when choosing investments. The Trustee believes that these interests will be best served by investing in companies which follow appropriate ESG policies because, in the absence of such policies, the medium to long term success of such companies may be compromised. The Trustee has decided not to canvas the opinions of members on such matters but will consider representations made to it.
Engagement and Voting Rights	The Trustee delegates responsibility for engaging and monitoring investee companies to the Investment Managers, and it expects the Investment Managers to use their discretion to maximise financial returns over the long term. The Trustee delegates responsibility for the exercising of rights (including voting rights) attaching to investments to the Investment Managers and expects the managers to exercise those rights. The Investment Managers are expected to provide regular reports for the Trustee detailing their voting activity.
Capital Structure of Underlying Companies	Responsibility for monitoring the capital structure of investee companies is delegated to the Investment Managers. The Trustee expects the extent to which the Investment Managers monitor capital structure to be appropriate to the nature of the mandate.

The Trustee's views on how ESG issues are taken account of in each asset class used are set out below:

Asset Class	Management Style	ESG Views
Equities	Passive	The Trustee acknowledges that the Investment Manager must invest in-line with specified index and, therefore, may not be able to disinvest from a particular security if it has concerns relating to ESG. The Trustee does expect the Investment Manager to take into account ESG considerations by engaging with companies that form the index, and by exercising voting rights on these companies.
Property, Secured finance, and Corporate bonds	Active	The Trustee expects the Investment Managers to take financially material ESG factors into account, given the active management style of the funds and the ability of the managers to use their discretion to generate higher risk-adjusted returns. The Trustee also expects its Investment Managers to engage with investee companies, where possible, although it appreciates that any fixed income assets within the portfolios do not typically attract voting rights.
Government bonds	Passive	The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in these asset classes because of the nature of the securities.
Cash	Active	

10 Conflicts of Interest

The Trustee maintains a separate conflicts of interest policy and conflicts register.

Subject to reasonable levels of materiality, these documents record any actual or potential conflicts of interest in relation to investee companies or the Investment Managers, whilst also setting out a process for their management.

11 Duration of Investment Arrangements

The Trustee does not in general enter into fixed long-term agreements with its Investment Managers and instead retains the ability to change investment managers should the performance and processes of an Investment Manager deviate from the Trustee's policies from time to time. However, the Trustee expects its manager appointments to have a relatively long duration, subject to the manager adhering to its stated policies, and the continued positive assessment of a manager's ability to meet its performance objective.

12 Incentivisation of Investment Managers

The Trustee has delegated the day-to-day management of the Scheme's assets to Investment Managers. The Scheme's assets are invested in pooled funds, which have their own policies and objectives and charge a fee, agreed with each Investment Manager, for their services. Such fees incentivise the Investment Managers to adhere to their stated policies and objectives.

The Trustee, in consultation with its Investment Consultant, appoints its Investment Managers and chooses the specific pooled funds to use in order to meet specific Scheme policies. The Trustee expects its Investment Managers to make decisions based on assessments about the financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the performance of the Scheme's investment strategy) over an appropriate time horizon.

The Trustee invests with Investment Managers which operate ESG policies that the Trustee considers to be in line with good practice and appropriately monitored. The Trustee has decided not to canvas the opinion of members on such matters but will consider representations made to it.

13 Portfolio Turnover Costs

The Trustee expects turnover costs of the Investment Managers to be appropriate and reflective of the style adopted by the Investment Manager, the asset class invested in, and prevailing market conditions.

The Trustee does not explicitly monitor turnover, or set target turnover levels or ranges. The Trustee believes that the Investment Managers should follow their stated approach with a focus on risk and net return, rather than on turnover. Furthermore, the Trustee does not consider turnover to be a determinative factor in the suitability of a particular investment given that the funds in which the Scheme invests are subject to individual, bespoke mandates and there is the potential for markets to change significantly over a short period of time.

14 Monitoring

The Trustee expects its Investment Managers to invest the assets within their portfolios in a manner that is consistent with the guidelines and constraints set out in their appointment documentation. The Trustee reviews the Investment Managers periodically, in conjunction with its Investment Consultant. These reviews incorporate monitoring and benchmarking of performance and fees. Reviews of performance focus on longer-term performance (to the extent that is relevant), e.g., looking at performance over five-year periods.

If the Trustee determines that the Investment Manager is no longer managing the assets in line with its policies, it will make its concerns known to the Investment Manager and may ultimately disinvest the Scheme's assets from them.

The Trustee pays its Investment Managers a management fee, which is a fixed percentage of assets under management. Some Investment Managers may also receive a performance incentive fee or a fixed investment management administration fee.

Prior to agreeing a fee structure, the Trustee, in consultation with its Investment Consultant, considers the appropriateness of this structure, both in terms of the fee level compared with other similar products and in terms of the degree to which it will incentivise the Investment Manager. In general, the Trustee is wary of Investment Managers who charge additional performance-based fees.

Details of the fees payable for the funds the Scheme currently invests in are set out in the **Appendix**.

Review of AVC Arrangements

The Trustee reviews the suitability of the AVC arrangements periodically, taking into account the advice of the Investment Consultant and the Scheme's legal advisers as necessary. Relevant factors that the Trustee consider when deciding on the ongoing suitability of the AVC Arrangements include:

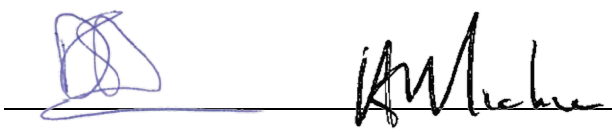
- The value invested in the relevant AVC arrangements (including the relative value of such investments when compared to the defined benefit benefits accruing for the relevant member(s) under the Scheme).
- The age profile and expected retirement date of the relevant member(s) and whether the AVC arrangements are invested appropriately from a risk and liquidity perspective, given the expected time until realisation of the AVCs.
- The performance of the funds in which the AVCs are invested over a relevant period.
- The fees charged by the managers of the AVC arrangements and any costs associated with the transfer of AVCs from an existing fund or fund manager to an alternative arrangement.
- The scope and frequency of information available to relevant members regarding the value of their AVCs and how they are invested through the AVC Arrangements.
- The Trustee's expectations as to how relevant members are likely to use their AVCs when they are able to do so.

Taking the above factors into account, the Trustee considers the current AVC arrangements (detailed in the **Appendix**) to be a proportionate way of managing the AVCs of relevant members. This assessment is periodically reviewed and relevant members will be contacted if the Trustee considers that a change in the AVC arrangements is appropriate.

15 Review of Statement

The Trustee will review this Statement at least every three years, or if there is a significant change in the Scheme's investment strategy or a significant change in the regulations that govern pension scheme investment.

The Trustee will also monitor as appropriate at formal meetings with the Investment Managers, Investment Consultant, and Scheme Actuary that the various reviews mentioned within this Statement are carried out.



On behalf of the Trustee of the Amalgamated Metal Corporation Pension Scheme

Date: 24 September 2026

Appendix A Investment Strategy Implementation Summary

A.1 Target Asset Allocation

The broad Target Asset Allocation for the Scheme's assets is as follows:

Asset Class	Target Asset Allocation
Global equities	12%
Floating rate credit	8%
Fixed interest short and medium duration credit	23%
Fixed interest long duration credit	32%
Inflation-linked credit	23%
Cash	2%
Total	**100%**

It is acknowledged that the Scheme's asset allocation may not be aligned with the Target Asset Allocation due to market movements. If significant deviations are identified, the reasons for this will be discussed by the Trustee and (if required) action taken to rebalance the Scheme's asset allocation.

Within the Trustee's target allocation, investments are delineated between 'Growth' and 'Protection' assets. The Growth allocation is comprised of the Global equities assets and one holding within the Floating rate credit allocation.

The Trustee broadly aims for the sum of the Protection assets to cover the Scheme's estimated Technical Provisions liabilities, whilst the Growth assets aim to generate returns to continue to improve the Scheme's funding position. In addition, various holdings underlying the Target Asset Allocation are set to regularly distribute income to the Trustee's bank account to help support cashflow requirements in a cost-efficient manner.

To achieve exposure to the broad asset classes used within the Target Asset Allocation, the Trustee invests in a range of pooled investment vehicles with a range of Investment Managers.