

# Belfast Telegraph Pension Scheme

## Statement of Investment Principles – December 2025

### Background

The Trustee of the Belfast Telegraph Pension Scheme ("the Scheme") has drawn up this Statement of Investment Principles ("the SIP") to comply with Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and regulations made under it). The Statement is intended to affirm the investment principles that govern decisions about the Scheme's investments and the Trustee believe that the investment policies and their implementation are in keeping with best practice, including the principles underlying the (Myners) Code of Best Practice for pension fund investment published in 2001 (as amended).

The Scheme operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries.

### Governance

The Scheme is governed by its trust deed and rules, which set out in detail the benefits and specify the Trustee's investment powers.

The Trustee makes the key strategic decisions relating to the Scheme's investments, and to support the objectives of the Scheme's investment strategy, it appointed Legal and General Assurance (Pensions Management) Limited ("Fiduciary Manager") as a Fiduciary Manager, giving the Fiduciary Manager discretion over the implementation and day-to-day management of the Scheme's investments. The Fiduciary Manager delegates its investment management powers to Legal & General ("L&G"). The Trustee has also appointed L&G to provide investment advisory services under an investment advisory agreement on or around the same date. The Trustee may terminate its agreements with the Fiduciary Manager and L&G in line with their terms and has terminated PMC's appointment as Fiduciary Manager on this Statement's effective date.

When making investment decisions, and when appropriate, the Trustee takes proper advice from L&G, in its role as investment advisor. L&G is qualified by its ability in, and practical experience of, financial matters and has the appropriate knowledge and experience to provide such advice. The Trustee reviews L&G's performance and the Scheme's risk profile on a quarterly basis. When deciding on the long-term investment strategy and in preparing this Statement, the Trustee has consulted with the Scheme's sponsor. The ultimate power and responsibility for deciding investment policy lies solely with the Trustee.

### Investment Objectives

The Trustee aims to pay members benefits in a sustainable and secure manner. The Trustee is required to invest the Scheme's assets in the best interest of the members. The Trustee's objective is to meet pension payments as they fall due, with a low level of risk.

### Investment Strategy and Management of the Assets

In December 2025, the Scheme was sufficiently well-funded that the Trustee was able to purchase a Bulk Purchase Annuity or 'buy-in' policy issued by Just. This policy covers all known members of the Scheme. Under the policy, Just is responsible for meeting all future cash obligations to pay benefits insured under the policy. Following a period of data verification, the intention will be to finalise the insured benefits to reflect as closely as possible insured members' full Scheme entitlements. The Trustee intends to hold the Bulk Purchase Annuity until the end of its term subject to the provisions of the Bulk Purchase Annuity.

The Bulk Purchase Annuity can be considered to be a closely matching asset of equal value to the DB Section's known liabilities in relation to the insured members. The value of the Bulk Purchase Annuity is therefore expected to move in line with the value of those liabilities over time. Just's fees for providing the Bulk Purchase Annuity and administering benefits in the future were embedded within the initial premium paid.

The holdings under the Trustee's PMC policy have been fully disinvested as part of the buy-in transaction, with the PMC policy now terminated.

The Trustee may hold a small amount of cash in the Trustee bank account for the purposes of prudent liquidity management and to pay any Scheme expenses that may arise. In the normal course of events, the Trustee does not expect to be able to obtain cash from the Bulk Purchase Annuity other than in respect of the member benefits insured with Just.

The safe custody of the underlying assets to which the Scheme is exposed is delegated to professional custodians via the Just and PMC issued insurance policies which the Trustee holds.

## Risks

The Trustee recognises a number of risks involved in investment of the assets of the Scheme and also understand that this does not constitute an exhaustive list of the risks the Scheme faces.

- The primary investment risk faced by the Scheme arises as a result of a potential mismatch between the Scheme's assets and its liabilities. This is therefore the Trustee's principal focus in setting investment strategy, which the Trustee believes is well-managed through the Bulk Purchase Annuity policy.
- The Scheme is exposed to counterparty risk associated with Just in respect of the Bulk Purchase Annuity policy. Before purchasing the policy the Trustee took advice from Mercer regarding Just's financial position and satisfied itself that this risk was sufficiently well-managed. Just operates as an insurance company in the UK, and is therefore regulated by the UK Prudential Regulation Authority.

## Realisation of Investments

In purchasing the Bulk Purchase Annuity, the Trustee has sought to ensure that the Scheme will be able to meet its cashflow requirements. On this basis, the Scheme is not expected to be required to realise investments other than in the limited circumstances described in above in 'Investment Strategy and Management of the Assets'.

## Responsible Investment and Corporate Governance

The Trustee believes its main duty is to protect the financial interests of the Scheme's members, and to this end the Trustee has elected to invest virtually all DB Section assets in a Bulk Purchase Annuity policy with Just. The Trustee cannot, however, directly influence the social, environmental and governance (including voting policy) of the assets that Just holds to back the policy.

## Fees and costs

As described above in 'Investment Strategy and Management of the Assets', Just's fees for providing the Bulk Purchase Annuity and administering benefits in the future were embedded within the initial premium paid.

Given the limited range of investments held by the Scheme, the Trustee does not expect the Scheme's assets to generate portfolio turnover costs.

### **Review of this Statement**

The Trustee will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustee reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

### **The Trustee of the Belfast Telegraph Pension Scheme**