Bodycote UK Pension Scheme

Investment Implementation Document ("IID")

This Investment Implementation Document ("IID") covers the Bodycote UK Pension Scheme (the "Scheme") and details the policy of the Trustee relating to the implementation of the Scheme's investment arrangements, based on the Principles set out in the Scheme's Statement of Investment Principles ("SIP").

Investment strategy

In December 2025, the vast majority of the Scheme's assets were transferred to Pension Insurance Corporation ("PIC") as part of a full Scheme buy-in. This has effectively removed all the investment risk (and longevity risk) from the Scheme and has enhanced the security of members' benefits. A small amount of residual assets is being retained alongside the buy-in policy. This includes cash being held in the Trustee Bank Account and an Asset Backed Securities mandate, but also a residual illiquid holding of c.4% of total Scheme assets (Permira Direct Lending mandate) from the legacy investment strategy that will run on until fully distributed.

The Trustee invests the remaining residual liquid assets of the Scheme with the aim of ensuring an appropriate balance between:

- Generating at least a return commensurate with investing in Cash, until full Scheme wind-up; and
- Capital preservation.

As cash is returned from the Direct Lending mandate, it will be reinvested in line with the above aims.

Investment structure and mandates

The Trustee has appointed an insurer and various investment managers ('the providers') to manage the assets of the Scheme – their mandates are listed below. All the investment managers are regulated under the Financial Services and Markets Act 2000.

Investment Managers	**Asset Class**
Permira	Direct Lending
Legal & General Investment Management Limited ("L&G")	Asset Backed Securities
Pension Insurance Corporation ("PIC")	Buy-in

The Scheme's small Direct Lending Fund is still returning capital as the Fund unwinds. As such payments are received, they are used for administrative purposes where appropriate and/or reinvested as per Trustee agreement.

Mandate target returns, objectives and fees

Permira Credit Solutions II - Direct Lending

Benchmark	Objective	Fees*
n/a	IRR of 6-8% (net of fees)	n/a

The Fund aims to make primary investments by lending capital to small/mid-market private European companies with positive growth prospects that are unable or do not wish to access the public debt markets. The Fund attempts to identify attractive return opportunities whilst managing risk in order to maximise capital protection. The Trustee assesses the performance of Permira by considering their absolute return relative to the Fund’s objective, which is to achieve an Internal Rate of Return of 6-8% net of fees over the period of the Fund.
*The Fund has been in formal liquidation since 28 July 2025 and Permira has stopped charging management fees as the portfolio won’t be actively managed during the liquidation phase.

L&G Lower Risk ABS Fund – Lower Risk Asset Backed Securities

Benchmark	Objective	Fees
Secured Overnight Financing Rate (SOFR) Index	SONIA + 1% p.a.	0.125% on invested capital

The Fund invests in a diversified pool of debt assets, such as corporate loans, mortgages and consumer debt. The Fund is primarily held for LDI collateral purposes, prioritising downside protection, liquidity and stable returns. The portfolio focuses entirely on US securitised credit, with a strong focus on AAA rated holdings. The Fund’s objective is SONIA (cash) + 1% p.a., with lower credit risk than alternative credit funds such as Absolute Return Bond funds. The Fund is considered a lower risk ABS fund.

PIC – Buy-in

In December 2025, the vast majority of the Scheme’s assets were transferred to PIC as part of a full Scheme buy-in.

Signed: Bodycote Pension Trustees Limited on behalf of the Bodycote UK Pension Scheme

Date: December 2025