**Pfaudler Balfour Pension Plan**

**Implementation Statement**

## Scheme Governance

With reference to the scheme deeds section 3, general powers and duties of Trustees, the Trustees continue to review the suitability of the asset classes that the scheme funds are invested in and do all such other acts that they consider necessary to maintain the funds for the benefit of the members.

The Trustees have chosen to take advice, and an Investment Advisor was appointed to give advice on the asset allocation of the scheme. Rosalind Scott-Douglas, Investment Director, Broadstone, was commissioned for this advice. A recent spread of funds was refreshed based on this advice.

Custody:
The assets have been re-allocated as follows:

| Asset class / fund | Target allocation % |
|---|---|
| Baillie Gifford Sustainable Income Fund | 20% |
| Insight Fully Funded Gilts 2051-2060 | 11% |
| Insight Fully Funded Gilts 2061-2070 | 4% |
| Insight Fully Funded Index-Linked Gilts 2031-2040 | 10% |
| Insight Fully Funded Index-Linked Gilts 2041-2050 | 4% |
| Insight Fully Funded Index-Linked Gilts 2051-2060 | 6% |
| Insight Fully Funded Index-Linked Gilts 2061-2070 | 5% |
| Insight Maturing Buy & Maintain Corporate Bonds 2026-2030 | 3% |
| Insight Maturing Buy & Maintain Corporate Bonds 2031-2035 | 4% |
| Insight Maturing Buy & Maintain Corporate Bonds 2036-2040 | 12% |
| Insight Maturing Buy & Maintain Corporate Bonds 2041-2045 | 11% |
| Insight Maturing Buy & Maintain Corporate Bonds 2046-2050 | 10% |
| Total: | 100% |

The most recent actuarial valuation of the plan, carried out on 1 November 2025, shows an improved funding position with a surplus of £1,164K.

Baillie Gifford Sustainable Income Fund
We believe that retaining a 20% allocation to the Baillie Gifford Sustainable Income Fund for the purposes of generating income and medium-term outperformance above the liabilities is suitable for the Plan.

Insight Buy and Maintain Bond Funds
We believe that an allocation of 40% of Plan assets to the Insight Maturing Buy and Maintain Bond Funds is suitable for the Plan, as the funds are expected to provide a second source of income, and some modest outperformance above government bonds, whilst also providing a match to some of the interest rate sensitivities of the Plan's liabilities. We believe that Insight is an experienced and well-resourced manager with a strong track record in managing buy and maintain credit funds, that the Funds are suitability diversifies, and that there are processes in place for managing the credit risk associated with holding corporate bonds.

Insight Fully Funded Gilt Funds

We believe that an allocation of 40% of Plan assets to the Insight Fully Funded Gilt Funds is suitable for the Plan. Each of these funds invest in nominal or index-linked government bonds of a certain maturity band, and when used together, they can provide a relatively close match to the interest rate and inflation sensitivities of the Plan's liabilities. We believe that Insight is an experienced and well-resourced manager with a strong track record in managing gilt funds.

Investment Decisions:

The scheme investments were changed during the year and had the full support of all Trustee's. The investment performance and the suitability of our portfolio is under constant review and is currently considered to be correct for supporting the SIP.

Employer Covenant:

The employer covenant was reviewed in the first part of 2021 due to the selling of the group to new owners.