

MCL Group Limited Pension and Assurance Scheme

Investment Implementation Document (“IID”)

This Investment Implementation Document (“IID”) covers the MCL Group Limited Pension and Assurance 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”) dated 18 August 2020.

For clarity, any amendment to this IID constitutes a variance of the Scheme’s SIP (as referred to within clause 8.1) c) of the Framework Agreement dated 30 March 2013).

Investment strategy

The Scheme’s current investment strategy is invested according to the following broad asset allocation:

Asset Class	Proportion (%)	Expected Return (relative to fixed interest gilts) %
Diversified Growth Fund (‘DGF’)	45%	3.5% p.a.
Liability Driven Investment (‘LDI’)	55%	0.0% p.a.
Total	100%	1.5% p.a.

(1) 10 year assumptions as at 30 June 2019 relative to Bank of England 10 Year Gilts (net of management fees).

The expected returns shown in the above table represent long-term expectations of asset classes as a whole. Short-term returns in some asset classes may exhibit considerable variability.

Investment structure and mandates

The Trustee has invested in pooled funds managed by the following investment managers. All the investment managers are regulated under the Financial Services and Markets Act 2000.

Investment Manager	Proportion %
Legal & General Investment management (‘LGIM’)	100.0%
TOTAL	100.0%

Mandate target returns, objectives and fees

Diversified Growth Fund (‘DGF’)

Fund	Benchmark	Objective	Fees
LGIM Diversified Fund	3 month LIBOR	3 month LIBOR + 3.5% p.a.	0.275% p.a. (annual management charge)

Liability Driven Investment ('LDI')

Fund	Benchmark/Objective	Fees
Invested in a blend of: <ul style="list-style-type: none"> - LGIM Matching Core Fixed Short - LGIM Matching Core Fixed Long - LGIM Matching Core Real Short - LGIM Matching Core Real Long 	To follow a Scheme specific liability benchmark, determined by investing in a mix of LGIM's Matching Core LDI funds	0.18% p.a. (annual management charge) Expenses capped at 0.05% p.a.
LGIM Sterling Liquidity Fund <i>(To be used for the Scheme's collateral needs as required)</i>	7 day LIBID	- 0.125% p.a. on the first £5m investment; plus - 0.1% p.a. on the next £5m; plus - 0.075% p.a. on the next £20m; plus - 0.05% p.a. on the balance above £30m.

Adopted by the Trustee of the MCL Group Pension and Assurance Scheme on 12 October 2020.