Statement of Investment Principles

Laurel Pub Pension Scheme
December 2025

1. Introduction

This Statement of Investment Principles (the “SIP”) sets out the policy of Laurel Pension Trustee Company Limited (the “Trustee”), on various matters governing decisions about the investments of the Laurel Pub Pension Scheme (the “Scheme”). This SIP replaces the previous SIP dated 16 April 2025.

This SIP is designed to meet the requirements of Section 35 of the Pensions Act 1995, (as amended by the Pensions Act 2004 (the “Act”)) and the Occupational Pension Schemes (Investment) Regulations 2005 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (“the Regulations”) and subsequent legislation. This SIP is also in compliance with the Government's voluntary code of conduct for Institutional Investment in the UK ('the Myners Principles') and TPR's Investment Guidance for defined benefit pension schemes.

This SIP has been prepared after obtaining and considering written professional advice from the Trustee's Professional Advisers, namely its investment adviser and fiduciary manager, Van Lanschot Kempen Investment Management (UK) Limited ("VLK IM"), the Scheme actuary, Willis Towers Watson (“WTW”) and its risk transfer adviser, Isio.

In preparing this SIP the Trustee has consulted the principal employer, Bay Restaurant Group Limited (the “Employer”), to ascertain whether there are any material issues which the Trustee should consider in determining the Scheme’s investment arrangements. The Trustee seeks to maintain a good working relationship with the Employer and will discuss any proposed changes to the SIP with the Employer. However, the fiduciary obligation of the Trustee is to the Scheme’s members.

2. Investment Governance

The Trustee is responsible for setting the general investment policy, acting on expert advice. The Trustee agreed a transaction with Utmost Life and Pensions (“Utmost”) in September 2025 under which Utmost has assumed liability to pay the Scheme’s benefits as set out in a bulk annuity contract. The contract therefore is intended to provide an exact match to the Scheme’s experience.

The Scheme also has some residual assets and has delegated the day-to-day investment of these assets to VLK IM under a fiduciary management contract. The Professional Advisers and investment managers provide the skill and expertise necessary to advise on and manage the investment of the Scheme. The Trustee believes them to be suitably qualified and experienced to provide such advice.

The Trustee confirms that this SIP reflects the investment strategy it has implemented for the Scheme. The Trustee acknowledges that it is its responsibility, with guidance from its advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

3. Suitability

It is the responsibility of the Trustee to maintain investments (consistent with the SIP) with due regard to the Scheme's liabilities.

The Trustee has taken advice from the Professional Advisers to ensure that the proposed investment strategy, and the assets held by the Scheme, are suitable given the investment objectives, legislative requirements, regulatory guidance, statutory funding requirements and any specifications in the trust deed and rules governing the Scheme.

4. Investment Policy

The overall objective of the Trustee is to invest the Scheme's assets in the best interests of the members and beneficiaries.

In order to achieve this, in September 2025, the Trustee agreed a transaction (the "buy-in" contract) with Utmost under the terms of which , Utmost is committed to paying the retirement benefits due to all members and their dependents that were included in the contract. The buy-in contract therefore is intended to provide an exact match to the Scheme's experience.

Given the Trustee no longer requires investment returns to meet the vast majority of the Scheme's liabilities, the Trustee's objective is no longer framed with reference to a liability-related objective. The Scheme's remaining assets (mainly cash and the residual illiquid assets) are managed by its investment adviser and fiduciary manager, VLK IM, on a care and maintenance basis.

5. The Trustee's Policy on Financially Material Considerations and Non-financial Matters

In setting and implementing the Scheme's investment strategy, the Trustee does not explicitly take into account the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as non-financial factors).

The majority of the Scheme's assets are held in a buy-in contract with Utmost. Given the nature of the buy-in contract, the Trustee believes it has a limited scope to influence the ongoing stewardship and corporate governance activities of the insurer and, as a result, it will not actively seek to monitor its activities and policies in this area.

For the remaining legacy illiquid assets, where possible and without prejudice to the Trustee's legal obligations, the Trustee delegates full discretion to its investment adviser and fiduciary manager, VLK IM, around the evaluation of ESG.

6. Stewardship

The Trustee recognises its responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attached to investments, protect and enhance the long-term value of investments.

The Trustee does not monitor or engage directly with issuers of debt or equity. The majority of the Scheme's assets are held in a buy-in contract with Utmost. Given the nature of the buy-in contract, the Trustee believes it has a limited scope to influence the ongoing stewardship. As a result, the Trustee will not actively seek to monitor its activities and policies in this area.

7. Fee Structures

The Trustee recognises that the provision of investment management, implementation and advisory services to the Scheme results in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets.

The Trustee has agreed Terms of Business, including fees, with the Scheme's Professional Advisers, under which charges are calculated on a fixed fee or "time-cost" basis as appropriate. In addition, the underlying investment managers of the residual funds remaining with VLK IM also levy fees based on a percentage of the value of the assets under their management.

The fee rates are believed to be consistent with the managers' general terms for institutional clients and are considered by the Trustee to be reasonable when compared with those of other similar providers.

The fee structure used in each case has been selected with regard to existing custom and practice, and the Trustee's view as to the most appropriate arrangements for the Scheme. However, the Trustee will consider revising any given structure if and when it is considered appropriate to do so.

8. Additional Voluntary Contributions (AVCs)

The Scheme provided a facility for members to pay Additional Voluntary Contributions ("AVCs") to enhance their benefits at retirement. Members' AVCs are invested through the Scottish Widows platform and have a wide range of unit linked funds available to choose from.

Some historic AVCs were also paid to Equitable Life and invested in the Equitable Life With Profits Fund. On 1 January 2020, following High Court approval and a policyholder vote, the business of Equitable Life was transferred to Utmost Life and Pensions. The AVCs that were previously held in the Equitable Life With Profits Fund were transferred initially to the Utmost Secure Cash Fund.

Over the second half of 2020, the Utmost Secure Cash Fund holding was closed down by Utmost. The Trustee decided that members' AVCs should be transitioned to the Utmost Money Market Fund unless members chose to make an investment choice of their own.

Following a review of the Scheme's AVC arrangements in 2024, the Trustee decided to close the Scheme's AVC policy with Utmost. As a result, the AVCs held in the Utmost Money Market Fund were transferred to the Scottish Widows Cash Fund. The members are able to select from any of the funds available through the Scottish Widows platform.

Because the Trustee, after receiving investment advice, chose to invest members' former With Profits AVCs initially in the Utmost Secure Cash Fund, then in the Utmost Money Market Fund and now in the Scottish Widows Cash Fund, in the event that members do not make their own investment choice, the Scottish Widows Cash Fund is classed as a 'Default' fund.

Prior to the Scottish Widows AVC policy, the relevant funds had previously been invested through the Invesco Pension Saver Platform, until this closed. The Trustee took investment advice and transferred the Invesco AVC holdings to Scottish Widows, undertaking a fund mapping exercise to transfer members' funds to those most closely matching from the range of funds (including a Lifestyle strategy) available through Scottish Widows. The Scottish Widows AVC funds have therefore become default arrangements because members' funds have been invested in them without the members' specific agreement.

The regulations require that the Statement of Investment Principles details the Trustee's approach to investing for these Additional Default Funds. This is set out in Appendix C.

9. SIP Compliance and Review

The Trustee will monitor compliance with this SIP annually. In particular, it will obtain confirmation from its Professional Advisers that they have complied with this SIP insofar as is reasonably practicable and that in exercising any discretion they have done so in accordance with Section 4 of the Occupational Pension Plan (Investment) Regulations 2005. The Trustee undertakes to advise the fiduciary manager and, where necessary, investment managers promptly and in writing of any change to this SIP.

The Trustee will review this SIP once every three years, and immediately after any significant change in investment policy. Any change to this SIP will only be made after having obtained and considered the written advice of Professional Advisers who the Trustee reasonably believes 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.

This SIP is adopted by the Trustee with effect from 12 December 2025.

Signed . Andrew Campbell

On behalf of BESTrustees Ltd

Name: Andrew Campbell

for and on behalf Laurel Pub Pension Trustee Company Limited, acting in its capacity as trustee of the Laurel Pub Pension Scheme.

Appendix A: Responsibilities

The Trustee

The principal responsibilities of the Trustee in relation to investments include but are not limited to:

- Determining an appropriate division of responsibilities.
- Appointing, monitoring and removing third party service providers, for example investment advisers such as the fiduciary manager.
- The level of delegation afforded to the investment adviser or any other adviser.
- Setting an investment policy consistent with relevant legislation, which consists of:
  - A strategic investment objective;
  - Agreeing an investment strategy designed to meet the investment objectives of the Scheme;
  - A strategy for hedging key risks (where appropriate);
  - Reviewing the suitability of the investment policy following the results of each actuarial or investment review, in consultation with investment advisers; and
  - Assessing the ongoing effectiveness of the investment advisers and the underlying investment managers.
- Consulting with the Principal Employer when reviewing investment issues.
- Monitoring compliance of the investment arrangements with this SIP on an ongoing basis.
- Advising the investment advisers of any changes to Scheme benefits and significant changes in membership.

Management of Assets

The management of the Scheme assets is the responsibility of the Trustee, acting on expert advice. The Trustee agreed a transaction with Utmost in September 2025 under which Utmost has assumed liability to pay the Scheme's benefits as set out in a bulk annuity contract. The contract therefore is intended to provide an exact match to the Scheme's experience.

The Scheme also has some residual assets and has delegated the day-to-day investment of these assets to VLK IM under a fiduciary management contract.

Investment Managers

The investment managers will be responsible for, amongst other things:

- Ensuring that assets under their control (typically via pooled funds) are at all times managed against appropriate market benchmarks;
- When necessary, making changes to their portfolio to ensure that the range of investments used is optimal and in accordance with their stated strategy;
- Ensuring that at all times they act within their agreed investment guidelines and terms as defined in the fund prospectus (as amended); and
- Ensuring that all investment decisions are reported in a timely and accurate manner.

Legal Adviser

When considered necessary, the Trustee will seek legal advice in relation to investments including, but not limited to:

- Advice on agreements with respect to the appointment of Professional Advisers;
- Advice on the SIP and on other legal aspects of investment governance; and
- Advice on investment management agreements for managers appointed by the Trustee directly (though in most cases appointments are made by the fiduciary manager who obtains its own legal advice).

Scheme Actuary

The actuary's responsibilities in relation to investments include, but are not limited to:

- Performing the triennial (or more frequently as required) actuarial valuations and advising on the appropriate contribution levels and any recovery plan.

Appendix B: Risks

Given the nature of the buy-in contract (intended to match the Scheme's liabilities), the main remaining risk for the Scheme is the solvency of the insurer, Utmost. The Trustee assessed this prior to investing in the contract. The ongoing solvency and prudent management of the insurer is monitored within the regulatory regime for UK insurance companies. The residual assets are held in respect of any additional liabilities arising from GMP equalisation or the final data cleanse, potential discretionary benefits and/or a refund of surplus to the Employer. When deciding to invest the Scheme's assets, the Trustee considers a number of risks, including, but not limited to those set out below.

Strategic risk

This is the risk that the performance of the Scheme's assets and liabilities diverge in certain financial and economic conditions. These are mitigated by the buy-in contract.

Investment manager risk

The majority of the Scheme's assets are held in a buy-in contract with Utmost and there is no exposure to investment manager risk in relation to this contract. For the Scheme's residual assets, the risk is the failure by the fiduciary manager and/or its selection of underlying investment managers to achieve the investment outcomes assumed by the Trustee. The fiduciary manager (VLK IM) monitors the investment managers on a regular basis.

Active manager risk

The Trustee is aware that the use of active, rather than passive, management introduces additional risk. Where active management is adopted, the Trustee deems the risk to be acceptable in the context of the Scheme's overall investment risk profile.

Concentration risk

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Trustee's ability to meet its investment objectives. In relation to the buy-in contract, it is at Utmost's discretion how the underlying assets are invested and Utmost bears the risk in relation to the assets' performance. For the remaining assets, the main risk relates to the illiquid assets and the Trustee, with advice from the fiduciary manager, will reduce this risk as and when it is considered appropriate.

Currency risk

Whilst the majority of the currency exposure of the Scheme's assets is to Sterling, the Scheme is subject to currency risk because a proportion of the Scheme's investments may be held in overseas markets. The fiduciary manager, on behalf of the Trustee, considers the overseas currency exposure in the context of the overall investment strategy, and will reduce these risks as it deems appropriate.

Counterparty and derivative risk

The biggest risk is in relation to the buy-in contract with Utmost. In the event of Utmost becoming insolvent, the Scheme could suffer losses (but would still retain the liability to pay members' benefits). This risk is mitigated by the regulatory regime and capital requirements in place for UK insurers. The Trustee carried out due diligence on Utmost before purchasing the buy-in contract and will continue to monitor Utmost on an ongoing basis.

Counterparty risk in relation to the Scheme's residual assets is reduced by investing them into pooled investment vehicles managed by competent investment managers with strong organisational and operational processes. In addition, and where securities are owned directly by the Scheme, the Trustee has appointed a Custodian, Northern Trust, to mitigate the risk of misappropriation of such assets. The Custodian ring fences these assets from its own assets and from those of its other clients.

Where derivatives are used by the Scheme, the Scheme will have additional risk with the counterparty to that derivative. These risks are managed through the use of collateral arrangements with each counterparty.

Interest rate and inflation risk

The Scheme's liabilities are exposed to interest and inflation risk and these risks are mitigated by the buy-in contract.

Liquidity risk

This is the risk that the Scheme is unable to realise assets to meet benefit cash flows as they fall due. Benefit payments are met by Utmost under the buy-in contract. In the short term the Trustee retains additional cash within the Scheme bank account and in liquidity funds arranged by VLK to meet any additional short term cashflow needs.

Environmental, social and governance risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Scheme's investments which could be financially material, over both the short and longer term. This can include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance.

Appendix C: Additional Default Funds

Making changes without member consent to AVCs or the money purchase funds results in the relevant funds being determined to be 'default' arrangements requiring additional disclosures. Following this principle, new default arrangements have been created which are as follows:

Investment Funds	Date of Change	Reason
Scottish Widows AVCs	July 2012	Closure of the Invesco Pension Saver Platform and requirement to transfer AVCs to an alternative provider
Scottish Widows Cash Fund	April 2025	Fund to which the proceeds from the Equitable Life With Profits fund were ultimately transferred (via the Utmost Secure Cash Fund which was phased out in December 2020 and the Utmost Life Money Market Fund which was used before the Scheme's Utmost AVC policy was closed in April 2025).

The aims of the Additional Default Funds:

- In selecting the Additional Default Funds, the Trustee has explicitly considered the trade-off between risk and expected returns.
- Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members.
- If members wish to, they can opt to move assets away from the Additional Default Funds and choose alternative investment funds at any time.
- Assets in the Additional Default Funds are invested in the best interests of members and beneficiaries, taking into account the objectives of the arrangements.
- Assets in the Additional Default Funds are invested in a manner which aims to ensure the security, quality, liquidity and appropriateness of a member's portfolio as a whole.
- Assets are invested in pooled funds which are daily dealing and readily realisable.

In respect of the Scottish Widows AVCs, the Trustee undertook a fund mapping exercise, based on investment advice, to transfer members' funds on the Invesco Pension Saver Platform to those most closely matching from the range of funds (including a Lifestyle strategy) available through Scottish Widows.

The Trustee's key policies in respect of these Additional Default Funds are summarised in the table overleaf:

Investment Funds	Fund Objective and Investments Held	Trustee Objective and Expected Risk and Return
Scottish Widows AVCs	A range of unit linked funds (including a Lifestyle strategy)	The Trustee objective for selecting the Scottish Widows funds was to move members' investments to funds which matched most closely the funds in which members were invested on the Invesco Pension Saver Platform. The Lifestyle strategy offers a pre-determined investment strategy which targets specific retirement objectives. The Lifestyle strategy initially invests in the Scottish Widows Consensus Fund with an objective to invest in growth assets. When the member is 5 years from their normal retirement age the fund gradually switches into the Scottish Widows UK Conventional Gilts Over 15 Years Index Fund and is fully invested in this fund at normal retirement age.
Scottish Widows Cash Fund	The main objective of the Scottish Widows Cash Fund is to preserve capital whilst aiming to provide a return in line with prevailing short term money market rates. The Cash Fund will predominantly be invested in short term deposits. The investment manager is responsible for determining the balance between the different kinds of investments.	The Trustee determined that the funds of these members which had received a 75% uplift in compensation for the removal of the investment guarantees in the Equitable With Profits Fund should be invested in low risk money market funds where capital preservation is the key objective rather than maximising investment return or providing protection against inflation. The Trustee notes that the Cash Fund is unlikely to keep pace with inflation. The Cash Fund has the lowest expected volatility of the funds available with Scottish Widows. The Trustee will review this periodically.

Trustee policies that are not explicitly mentioned in this Appendix are as outlined in the main SIP.

In line with regulatory requirements, the Trustee will continue to review its policies in respect of the Scheme's Additional Default Funds on a regular basis, and no less frequently than with each three yearly review of the SIP.

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