

Sea Containers 1990 Pension Scheme

Statement of Investment Principles

June 2025

Preface

Scheme background

This Statement of Investment Principles (the 'SIP') details the principles governing investment decisions for the Sea Containers 1990 Pension Scheme (the 'Scheme').

The Scheme operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries, and provides benefits calculated on a defined benefit (DB) basis. The Scheme is closed to new entrants. The Scheme is closed to future accrual.

The Trustees have secured most of the Scheme's defined benefit liabilities via a bulk annuity policy in the Trustees' name with Legal & General Assurance Society ("LGAS"). The Trustees intend to, ultimately, complete a full buyout of the Scheme's liabilities with LGAS followed by a formal wind-up of the Scheme.

Regulatory requirements and considerations

Under the Pensions Act 1995 (the 'Act') and subsequent legislation, principally the Occupational Pension Schemes (Investment) Regulations 2005 (the 'Investment Regulations'), the Trustees must secure that a written statement of the principles governing investment decisions is prepared and maintained for the Scheme.

This SIP also reflects the Myners principles for institutional investment decision-making, which require trustee boards to act in a transparent and responsible manner.

The Trustees are responsible for all aspects of the operation of the Scheme including this SIP.

In agreeing their investment strategy, the Trustees have had regard to:

- The requirements of the Act concerning suitability and diversification of investments and the Trustees will consider those requirements on any review of this SIP or any change in the investment policy.
- The requirement of the Investment Regulations: in particular that assets held to cover the Scheme's technical provisions must also be invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme.
- In respect of the additional voluntary contribution (AVC) arrangements provided on a money-purchase basis, the Trustees have taken into account the requirements and recommendations within the Pensions Regulator's code of practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits and regulatory guidance. Information on the Trustees' approach to investment matters within the AVC arrangements is included within this SIP.

Responsibilities and appointments

Only persons or organisations with the necessary skills, information and resources are actively involved in taking investment decisions affecting the Scheme. The Trustees draw on the expertise of external persons and organisations including the investment consultant, investment managers and the Scheme Actuary. Full details are set out in this SIP.

Consultation

In accordance with the Act, the Trustees have obtained and considered written advice from Gallagher (Administration & Investment) Limited (the investment consultant) prior to the preparation (or revision) of this SIP and have consulted SCXCT Limited ('the Sponsoring Employer'). However, it should be noted that neither the Trustees (nor any investment manager to whom they have delegated any discretion to make decisions about investments) shall require the consent of the Sponsoring Employer to exercise any investment power.

History and review

The Trustees will review this SIP at least every three years and without delay after each significant change in investment policy, taking note of any changes in the Scheme's liabilities. Once agreed, and after consultation with the Sponsoring Employer, a copy of this SIP will be given to the Scheme Actuary and will be made available to Scheme members on request.

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Statement of Investment Principles

Investment governance structure

All investment decisions are taken by the Trustee Board as a whole. The Trustee believes that collective responsibility is the appropriate structure, given the size of the board. The Trustees will undertake training where appropriate to ensure they have the necessary expertise to take the decisions required and to evaluate critically the advice received.

All investment decisions relating to the Scheme are under the control of the Trustee Board without constraint by the Sponsoring Employer. The Trustees will consult with the Sponsoring Employer when changing this SIP.

All day-to-day investment decisions are delegated to properly qualified and authorised investment managers of pension scheme portfolios. An investment management agreement has been exchanged with the investment manager, and is reviewed from time-to-time to ensure that the manner in which the manager makes investments on behalf of the Trustee Board is suitable for the Scheme, and appropriately diversified.

Investment strategy and objectives

The Trustees have agreed to adopt an investment strategy that involves the pensioner and deferred member liabilities being covered by a bulk annuity policy with LGAS.

In addition, the Trustees also hold a short dated government bond fund managed by Legal & General Investment Management ("LGIM") which is being used to meet any further benefit payments to LGAS, payments to members of the Scheme or administrative expenses.

The Trustees' primary objectives are:

- To provide a high level of security for all beneficiaries.
- To reduce funding risks relating to the differing movements in the values of the assets and the liabilities.

In accordance with the Financial Services & Markets Act 2000, the Trustees are responsible for setting the general investment policy, but the responsibility for all day-to-day investment management decisions has been delegated to an investment manager authorised under the Act. Details are included in the appendices of this SIP.

The Trustees are responsible for reviewing the Scheme's investment strategy as part of each actuarial valuation in consultation with the Scheme's investment consultant. The Trustees may also reconsider the investment strategy outside the triennial valuation period where necessary.

The Trustees have full regard to their investment powers as set out the Trust Deed and Rules.

The Scheme is invested in a bulk annuity policy provided by a regulated insurer and a short dated government bond fund.

The Trustees' policy in relation to the balance between different kinds of investments

The appointed investment manager will hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Full details are set out in Appendix 1 of this SIP.

The Trustees' policy in relation to the expected return on investments

The investment strategy is believed to be capable of meeting the Trustees' objectives.

The Trustees' policy in relation to the realisation of investments

While the bulk annuity policy is illiquid in nature, it provides the liquidity as and when required to meet the benefits of the agreed membership. The Scheme's remaining investments are secure, of high-quality and of sufficient liquidity.

The Trustees' policy in relation to financially material considerations

The Trustees expect the investment manager, where appropriate, to have taken account of financially material considerations, potentially including environmental, social and governance (ESG) factors as part of their investment analysis and decision-making process.

Given the Scheme's investment strategy, the Trustees do not expect that ESG factors will be financially material in the investment manager's investment decisions.

The Trustees review the investment manager's policies in respect of financially material considerations from time to time and is satisfied that they are consistent with the above approach.

The Trustees' policy in relation to the extent to which non-financial matters are taken into account

The Trustees' objective is that the financial interests of the Scheme members is their first priority when choosing investments. The Trustees have decided not to take members' preferences into account.

Risk capacity and risk appetite

The Trustees, after seeking appropriate investment advice, have purchased a bulk annuity policy in respect of the Scheme's defined benefit liabilities and invested the remainder of the investment portfolio in a short dated government bond fund (see Appendix 1).

Subject to its benchmarks and guidelines (shown in Appendix 1) the investment manager is given full discretion over the choice of investments and is expected to maintain a diversified portfolio.

The Trustees are satisfied that the investments selected are consistent with their investment objectives.

The Trustees' policy in relation to risks

Investment policies are set to protect against volatility of the Scheme's funding level.

In determining the investment strategy, the Trustees received advice from the investment consultant. Taking this into account, the strategy outlined in Appendix 1 of this SIP has been adopted.

The Trustees acknowledge that the main risk to the Scheme is the failure of LGAS. The Trustees recognise other contributory risks, namely the risk:

- Of the Scheme having insufficient liquid assets to meet its immediate liabilities.

The Trustees manage and measure these risks on a regular basis via actuarial and investment reviews, and in the setting of investment objectives and strategy.

The Trustees undertake monitoring of the investment manager's performance against its target and objective as required.

The short dated government bond fund in which the Trustee invests has a stated benchmark against which investment performance will be compared. This is shown in Appendix 1. The investment manager is expected to maintain a portfolio of securities (or funds), which ensures that the risk being accepted is broadly diversified.

Stewardship in relation to the Scheme's assets

The Trustees have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. Given the Scheme's investment strategy the Trustees do not have the opportunity to influence the investments' long term success through monitoring, engagement and/or voting.

Investment management monitoring

The Trustees will assess the performance, processes and cost effectiveness of the investment manager from time to time by means of reviews of the results and other information, in consultation with the investment consultant.

All investment decisions, and the overall performance of the investment manager, are monitored by the Trustees with the assistance of the investment consultant.

The investment manager will provide the Trustees with quarterly statements of the assets held along with a quarterly report. The investment manager will inform the Trustees of any changes to the investment processes applied to their portfolios and will also report orally on request to the Trustees.

The investment manager will inform the Trustees of any changes in the internal performance objective and guidelines of the pooled fund used by the Scheme as and when they occur.

Appropriate written advice will be taken from the investment consultant before the review, appointment or removal of the investment manager.

The Trustees' policy in relation to the investment manager

In detailing below the policies on the investment manager arrangements, the over-riding approach of the Trustees is to select investment managers that meet the primary objectives of the Trustees. As part of the selection process and the ongoing review of the investment manager, the Trustees consider how well the investment manager meets the Trustees' policies and provides value for money over a suitable timeframe.

- **How the arrangement incentivises the investment manager to align its investment strategy and decisions with the Trustees' policies**

The Trustees have delegated the day to day management of the Scheme's assets to an investment manager. The Scheme's assets are invested in a pooled fund which has its own policies and objectives and charges a fee, agreed with the investment manager, for their services. This fee incentivises the investment manager to adhere to their stated policies and objectives. The Scheme also holds a bulk annuity policy.

- **How the arrangement incentivises the investment manager to engage and consider financial and non-financial matters over the medium to long-term**

The Trustees, in conjunction with their investment consultant, appoints their investment manager and chooses the specific pooled fund to use in order to meet specific Scheme policies. They expect their investment manager to make decisions based on assessments about the financial performance of underlying investments, and that the manager engages with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

- **How the method (and time horizon) of the evaluation of the investment manager's performance and the remuneration for asset management services are in line with the Trustees' investment policies**

The Trustees expect their investment manager to invest the assets within its portfolio in a manner that is consistent with the guidelines and constraints set out in its appointment documentation. The Trustees review the investment manager periodically. These reviews incorporate benchmarking of performance and fees. Reviews of performance focus on longer-term performance (to the extent that is relevant), e.g. looking at five years of performance.

If the Trustees determine that the investment manager is no longer managing the assets in line with the Trustees' policies it will make its concerns known to the investment manager and may ultimately disinvest.

The Trustees pay their investment manager a management fee which is a fixed percentage of assets under management.

Prior to agreeing a fee structure, the Trustees, in conjunction with their investment consultant, consider the appropriateness of this structure, both in terms of the fee level compared to that of other similar products and in terms of the degree to which it will incentivise the investment manager.

- **How the Trustees monitor portfolio turnover costs incurred by the investment manager, and how they define and monitor targeted portfolio turnover or turnover range**

The Trustees, in conjunction with their investment consultant, have processes in place to review investment turnover costs incurred by the Scheme on an annual basis. The Trustees receive a report which includes the turnover costs incurred by the investment manager used by the Scheme.

The Trustees expect turnover costs of the investment manager to be in line with its peers, taking into account the style adopted by the investment manager, the asset class invested in and prevailing market conditions.

The Trustees do not explicitly monitor turnover, set target turnover or turnover ranges. The Trustees believe that the investment manager should follow its stated approach with a focus on risk and net return, rather than on turnover. In addition, the individual mandates are unique and bespoke in nature and there is the potential for markets to change significantly over a short period of time.

- **The duration of arrangements with investment managers**

The Trustees do not in general enter into fixed long-term agreements with their investment manager and instead retains the ability to change investment manager should the performance and processes of the investment manager deviate from the Trustees' policies. Given the Trustees intend to ultimately complete a full buyout of the Scheme's liabilities with LGAS, followed by a formal wind-up of the Scheme, the Trustees do not expect their manager appointments to have a long duration. The relationship with the regulated insurer is expected to be long term arrangement.

Employer-related investments

The Trustees will not make direct investments in the Sponsoring Employer's own securities. The amount of the Sponsoring Employer's securities, owned by pooled investment vehicles invested in, are monitored. The Trustees have delegated the responsibility for the exercising of any voting rights attached to any Sponsoring Employer investment held to the investment manager.

Additional voluntary contributions (AVCs)

The Trustees has full discretion as to the appropriate investment vehicles made available to members of the Scheme for their voluntary contributions. Only investment vehicles normally considered suitable for voluntary contributions will be considered by the Trustees, having taken appropriate written advice from properly qualified and authorised advisers.

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The Trustees will monitor the performance of the AVC providers periodically. Members are directed to seek independent financial advice when considering their AVC arrangements.

Appointments and responsibilities

This section sets out the key appointments and responsibilities with respect to the investment aspects of the Scheme.

Trustees

The Trustees' primary responsibilities include:

- The preparation of this SIP, reviewing its contents and modifying it if deemed appropriate, in consultation with the Sponsoring Employer and the investment consultant, at least every three years. The SIP will also be reviewed following a significant change to investment strategy and/or the investment manager.
- Appointing investment consultants and investment managers as necessary for the good stewardship of the Scheme's assets.
- Reviewing the investment strategy as part of each triennial actuarial valuation, and/or asset liability modelling exercise, and/or significant changes to the Scheme's liabilities, taking advice from the investment consultant.
- Assessing the processes and the performance of the investment manager via reviews of the information obtained (including investment performance).
- Monitoring compliance of the investment arrangements with this SIP and with the relevant sections of the Act, the Investment Regulations and any regulatory guidance on a regular basis.

Investment consultant

The main responsibilities of the investment consultant include:

- Assisting the Trustees in the preparation and periodic review of this SIP in consultation with the Sponsoring Employer.
- Undertaking project work including reviews of investment strategy, investment performance and manager structure as required by the Trustees.
- Advising the Trustees on the selection and review of the investment manager(s).
- Providing training or education on any investment related matter as and when the Trustees see fit.
- Monitoring and advising upon where contributions should be invested or disinvested on a periodic basis.

Investment manager

The investment manager's main responsibilities include:

- Investing the assets within their portfolio in a manner that is consistent with the objectives set out in this SIP.
- Ensuring that the investment of the assets within their portfolio is compliant with prevailing legislation and the constraints detailed in this SIP.
- Providing the Trustees with quarterly reports including a review of the investment performance of their portfolio.
- Meetings with the Trustees as and when required.

- Informing the Trustees of any changes in the fee structure, internal performance objectives and guidelines of any pooled fund within their portfolio as and when they occur.
- Considering financially material risks affecting investments within their portfolio.

Custodian

The custodian's main responsibilities include:

- The safe-keeping of the Scheme's assets in respect of which they are responsible.
- The custodianship arrangements are those operated by the investment manager for all clients investing in their pooled funds.

Administrators

The administrators' main responsibilities in respect of investment matters include:

- The day to day administration of the Scheme and the submission of specified statutory documentation, as delegated by the Trustees.

The Scheme's administrator is Aptia.

Scheme Actuary

The Scheme Actuary's main responsibilities in respect of investment policy include:

- Commenting on the suitability of the Scheme's investment strategy given the financial characteristics of the Scheme.
- Performing the triennial (or more frequently as required) actuarial valuation and advising on the Scheme's funding level and therefore the appropriate level of contributions in order to aid the Trustees in balancing short-term and long-term investment objectives.

The Scheme Actuary is Mark Alexander of Gallagher.

Compliance

The Scheme's SIP is available to members on request and is available on a public website.

A copy of the Scheme's current SIP is also supplied to the Sponsoring Employer, the Scheme's investment manager, the Scheme's auditors and the Scheme Actuary.

This SIP, taken as a whole with the Appendices, supersedes all others and was approved by the Trustees.

Appendix 1 –Benchmark and objectives

The Scheme's assets consist of a bulk annuity policy with LGAS and a short dated government bond fund with LGIM, as detailed below.

Benchmark and performance objective

The benchmark index for the fund in which the Scheme's assets are invested is outlined below.

Manager	Fund	Benchmark index
Legal & General Investment Management ("LGIM")	UK Treasury Bills	SONIA

Appendix 2 – Fees

Investment manager fees

The bulk annuity policy the Trustees have purchased with LGAS does not involve any ongoing fees to be paid by the Scheme.

The fees for LGIM are tabulated below:

Manager	Fund	Management fee % p.a.
LGIM	UK Treasury Bills	0.125