J Murphy Group Pension Plan

Statement of Investment Principles

April 2024

1. Introduction

The Trustees of the J Murphy Group Pension Plan has prepared this Statement of Investment Principles with respect to the DB section with effect from April 2024. It has been prepared in accordance with applicable legislation, taking into account guidance from The Pension Regulator and written advice from an independent investment adviser as required.

The purpose of the SIP is to set out Trustees' investment strategy in high level, including the investment objectives, investment strategy and other investment policies Trustees have adopted.

The Trustees must review the SIP in consultation with J Murphy & Sons Limited ('the Sponsoring Employer') at least every three years; and without delay after any significant change in investment policy or circumstances of the Plan. The Trustees last reviewed this SIP in June 2023 following an investment strategy update.

2. Plan governance

The Trustees are responsible for the governance of the Plan's assets and the investment of these assets in the best interests of members and beneficiaries. The Trustees exercise their powers of investment in accordance with the Trust Deed and Rules of the Plan and applicable law. Where the Trustees are required to make an investment decision, the Trustees must receive advice from the relevant advisers first. They believe that this ensures that they are appropriately familiar with the issues concerned.

3. Investment objectives

The Plan's ultimate objective is to meet the benefit payments as they fall due. In order to achieve this, the Trustees have undertaken a buy-in of the Plan's liabilities in January 2024 where the majority of members' benefits are secured with an insurance company, Just PLC.

The Trustee's objective is therefore no longer framed with due regard to the Plan's liabilities.

4. Investment Strategy, Diversification, Suitability

In January 2024, the Trustees took the opportunity to insure members' DB Section benefits with Just PLC thereby potentially transferring all investment risk away from the Sponsoring Employer. As such, there are limited remaining investment assets and those that do remain are liquid and are in the process of being sold down.

The Trustees are clear about the importance of diversification, however this will be impacted by the nature of the annuities held.

The Trustees have taken advice from the Advisers to ensure that the assets held by the Plan and the proposed strategy is suitable given its liability profile, the Trustees' objectives, legislative requirements, regulatory guidance and specifications in the trust deed and rules governing the Plan (the Trust Deed).

5. Realisation of investments

In January 2024 the Trustees took the opportunity to fully insure members' DB Section benefits with Just PLC. Following the transaction with Just PLC, there are limited remaining investment assets and those that do remain are liquid and are in the process of being sold down.

6. Risk management

The Trustees recognise a number of risks involved in the investment of the Plan. Given the Trustees have taken the opportunity to fully insure members' DB Section benefits with Just PLC, there are limited residual holdings within the DB Section. The remaining non annuity assets are liquid and are being redeemed as quickly as possible. The Trustees have limited ability to control the following risks, but generally, how they managed, include:

- Country risk – the risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across a number of countries.
- Concentration risk – the risk of an adverse influence on investment values from the concentration of holdings.
- Organisational risk – the risk of inadequate internal processes leading to problems for the Plan. This is addressed through regular monitoring of the Investment Managers and Advisers by the Trustees, and of the Underlying Managers by the Investment Managers.
- Sponsor risk – the risk of the Sponsoring Employer ceasing to exist. However, this risk is reduced and mitigated following the decision to insure member benefits with Just PLC. The Trustees regularly review the covenant of the Sponsoring Employer.

7. Financially material investment considerations

Financial material considerations, which include (but not limited to) environmental, social and governance (ESG) considerations (including, but not limited to, climate change), which the Trustees consider to be financially material.

The Trustees believe that certain ESG factors can have an impact on financial performance and part of its fiduciary duty is to incorporate this information into its investment decisions to reduce investment risk and enhance portfolio returns over the length of time needed for the funding of future benefits of the Plan. The Trustees consider a wide range of ESG risks, including corporate governance, human rights, labour and environmental standards and so on and it believes that climate risk presents a material financial risk to the assets invested in its portfolio.

8. Non-financial material investment considerations

The Trustees do not at present take into account non-financial matters (such as members' ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as there is no likely common view on any ethical matters which members are likely to hold. At this time the Trustees have no plans to seek the views of the membership on ethical considerations.

9. Stewardship

The Trustees are responsible for developing its own stewardship policy which includes both voting (where applicable) and engagement. The Trustees believe proper stewardship will result in better management of financially material ESG and climate related risks and opportunities. This is expected to improve the long-term financial outcomes of the Plan which ultimately is in the best interests of the Plan's members and beneficiaries. The Trustees expect its Fiduciary Manager to be a signatory to the UK Stewardship Code however, this engagement is expected to cease mid 2024.

10. Additional Voluntary Contributions (AVCs)

In the past, the Plan provided a facility for members to pay additional voluntary contributions (AVCs) to enhance their benefits at retirement. The Plan is now closed to future accrual. The members who paid additional voluntary contributions in the past retain investments in respect of those contributions. The Trustees have made the following AVC investment options available to members of the Plan:

- Phoenix Life
- Aviva

The Trustees review these arrangements regularly having regard to their performance, charging structure and overall suitability.

Signed:..

Date:...................................

For and on behalf of the Trustees of the J Murphy Group Pension Plan