

Huhtamaki (UK) Limited Pension and Life Assurance Scheme**Investment Implementation Document ("IID")**

This Investment Implementation Document ("IID") covers the Huhtamaki (UK) Limited Pension and Life Assurance Scheme (the "Scheme") and details the policy of the Trustees 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 December 2023.

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 gilts¹) %
Global Passive Equity	15	4.0
Multi-Asset Credit	15	2.6
Property	7	2.4
Direct Lending	8	4.2
Asset Backed Securities	17.5	2.0
Liability Driven Investment and Cash	37.5	0.0
Total	100	1.8

(1) 10 year assumptions as at 31 March 2025 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.

The ABS allocation is to be used as a source of additional collateral for the LDI funds on deleveraging events; Insight has the ability to automatically disinvest from ABS as required. Any distributions from the LDI funds on releveraging events will be paid into the ABS fund. As such the allocation to ABS can fluctuate.

The Alcentra Direct Lending mandates are largely drawn down and will be distributing proceeds over the next few years. As such the allocation to Direct Lending will reduce over time (all other things being equal) and the overall expected return will reduce. The Trustees will discuss how the overall strategy will evolve as a result of this declining allocation at the appropriate time.

Investment structure and mandates

The Trustees have 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 %
BlackRock Investment Management (UK) Limited	15
M&G Investments	15
Threadneedle Investments	7
Alcentra Limited	8
Insight Investment Management	55
Total	100

Mandate target returns, benchmarks and fees

BlackRock Global Passive Equity

Fund name	Proportion	Benchmark	Fees
Aquila Life Currency Hedged World ex-UK Equity Index Fund	15%	FTSE All-World Developed ex- UK Index	0.11% p.a.
Aquila Life UK Equity Fund		FTSE All-Share Index	0.09% p.a.

The Trustees have appointed Bank of New York Mellon to act as a custodian with respect to the Scheme's investment in the BlackRock Funds.

The allocation to the two equity funds will be in line with market capitalisation weights of the FTSE All World Developed Index.

M&G Total Return Credit Investment Fund

Fund name	Proportion	Benchmark	Fees
Total Return Credit Investment Fund	15%	One month SONIA Objective: One month SONIA + 2.55%-4.55% p.a. (net of fees) over a rolling 3-year period	0.45% p.a.

Threadneedle Property

Fund name	Proportion	Benchmark	Fees
TPEN Property Fund	7%	AREF/IPD All Balanced Property Fund Index (Weighted Average)	0.75% p.a. TER (0.81%)

Alcentra Direct Lending

Fund name	Proportion	Benchmark	Fees
Alcentra European Direct Lending Fund II	8%	IRR of 8% - 10% across the portfolio (net)	0.90% p.a. 10% performance fee once Alcentra have delivered a return of 5.0%
Alcentra European Direct Lending Fund III		IRR of 7% - 9% across the portfolio (net)	0.90% p.a. 10% performance fee once Alcentra have delivered a return of 6.0%

The Trustees committed £8.5m to the Alcentra II Fund and £8.5m to the Alcentra III Fund. These have been funded over time through a series of drawdowns.

Insight LDI

Fund name	Proportion	Benchmark	Fees
Partially Funded Gilt and Index-Linked Gilt Funds	37.5%	n/a	0.06% p.a. on the first £100m 0.055% p.a. on the next £150m
GBP Liquidity Plus Fund			0.10% p.a.

Insight Asset Backed Securities

Fund name	Proportion	Benchmark	Fees
Global Asset Backed Securities (ABS) Fund	17.5%	One month SONIA Insight's return guidance: SONIA + 1.65% p.a. (net of fees)	0.35% p.a. TER (0.40%)

The Trustees have appointed Northern Trust to act as a custodian with respect to the Scheme's investment in the Insight mandate for both the LDI and Global ABS Funds.

Collateral management policy

The Trustees will adhere to all relevant regulatory guidance and requirements in relation to leverage and collateral management within the Scheme's liability hedging mandate ("LDI").

The Trustees have a stated collateral management policy. The Trustees have agreed a process for meeting collateral calls should these be made by the Scheme's LDI investment manager. The Trustees will review the collateral management policy regularly, or as soon as possible in the event of significant market movements.

The Trustees are targeting a level of collateral over and above that within the Scheme's pooled LDI funds that is sufficient to withstand comfortably at least one collateral call from each of the Scheme's pooled LDI funds.

The Trustees also have a framework for managing collateral in the pooled LDI funds.

Trigger	Action	Responsibility
The pooled LDI funds issue a capital call.	Assets sold from collateral waterfall below to meet capital call.	Instruction letter in place with Insight such that Insight can take action automatically.
Assets within the automatic collateral waterfall are insufficient to meet the next estimated capital call.	Other assets (BlackRock Equity and/or M&G Total Return Credit) are sold to top up the assets in the collateral waterfall.	Insight responsible for monitoring estimate of next capital call and the Trustees responsible for monitoring ABS balance and implementing any top-ups.
Pooled LDI mandate issues capital call but assets within the automatic collateral waterfall are insufficient and other liquid assets have already been exhausted.	Reduce the liability hedge according to the shortfall in the capital call.	N/A

The latest collateral waterfall is set out below. The assets are held with the same manager as the LDI mandate, which lowers the governance burden on the Trustees. The Scheme also holds BlackRock Equity and M&G Total Return Credit which can be used to top up the ABS fund as required.

Manager	Asset Class	Dealing frequency	Notice period	Settlement period
Insight	Global Asset Backed Securities (ABS) Fund*	Daily	T-2	T+3

* Note that any balance held in the Insight liquidity fund will be used first for de-leveraging events before the ABS fund

Where additional funds are made available following LDI re-leveraging events, the manager will purchase shares in the Global ABS Fund.

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