

Statement of Investments (the “Statement”)

in respect of: the Harwich International Port Pension Scheme (the “Scheme”)

adopted by the Trustee: 22 February 2024

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Chairman

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This Statement is prepared by Harwich International Pension Trustee Limited (the “Trustee”), trustee of the Scheme, after consultation with Harwich International Port Limited (the “Employer”) and having taken and considered appropriate financial advice.

Investment strategy

The Scheme’s investments are as set out in Appendix A.

The investments are all in passive index-tracking and insurance policy backed funds with BlackRock Investment Management (UK) Limited (“BlackRock”), via an insurance policy, and include allocations to various equity and bond funds.

The Trustee considers that such investments are satisfactory and appropriate to the circumstances of the Scheme and will seek confirmation from an appropriate investment adviser prior to approving any material change and in any event at least once every three years.

The principal aim of the Trustee is to ensure that the assets of the Scheme are sufficient to meet the Scheme’s liabilities as they fall due. In reviewing investment strategy the Trustee will consider the long-term cash flows of the Scheme and the need to meet varying liabilities over time.

The principal risks for the Scheme are that the returns on the investments are not as assumed and that the Employer is unable to make good any deficit.

The Trustee, after consulting the Employer and having taken and considered appropriate financial advice, has adopted a long-term target portfolio of 20% return seeking assets and 80% liability matching assets to broadly match the liabilities of the Scheme at a time when the majority of Scheme members will be in retirement.

The Trustee will regularly assess the expected cash flow requirements of the Scheme such that sufficient liquidity is maintained to meet benefit payments as they fall due.

If Scheme investments have to be realised from time to time in order to meet liabilities, this will usually be done in a way that maintains the portfolio weightings at that time.

In view of the nature of the Scheme’s investments, the Trustee has not established specific investment objectives beyond performance in line with the relevant benchmarks.

In considering Scheme funding the Trustee will review and, if appropriate, adjust its strategy having regard to the strength of the Employer covenant.

Given that all of the Scheme’s investments are in passive index-tracking and insurance policy backed funds, this restricts the ability of the manager to take active decisions on whether to hold securities based on the investment manager’s consideration of ESG factors. The Trustee does however expect the incumbent managers, where relevant, to utilise their position to engage with companies on these matters.

The Scheme's AVC arrangements provide for benefits to be accrued on a money purchase basis with the value of the members' funds being determined by the value of accumulated contributions adjusted for investment returns net of charges. The Trustee periodically reviews the AVC arrangements to ensure they remain appropriate.

Governance

The Trustee board consists of individuals with a range of skills, knowledge and experience who are able to challenge advice they receive and ensure that decisions are effective.

Trustee and Employer investment attitudes will be clearly communicated to investment managers and advisers.

The Trustee will regularly review the performance of the Scheme's investments and meet with the investment manager at least once each year.

The Trustee will review its performance at least once each year to ensure that decision making and general practice remain effective.

The Trustee will record the risks of the Scheme in a risk register and review them at least once each year.

The Trustee will regularly consider compliance with the Pension Regulator's guidance in respect of investment decisions and governance practices.

Information in respect of the Scheme's investments and advisers will be reported to members by way of the periodic Pensions Newsletter and Summary Funding Statement.

Appendix A – Investments – asset allocation

1. Total portfolio allocation

Asset class	Asset allocation benchmark (%)
Return seeking assets:	
UK equities	5.0
US equities - unhedged	1.6
US equities - hedged	4.9
European equities - unhedged	1.1
European equities - hedged	3.2
Japanese equities - unhedged	0.5
Japanese equities - hedged	1.6
Pacific Rim (ex Japan) equities - unhedged	0.5
Pacific Rim (ex Japan) equities - hedged	1.6
Total return seeking assets	20.0
Liability matching assets:	
Cash flow Driven Investments	15.0
UK fixed interest gilts	28.9
UK index linked gilts	36.1
Total liability matching assets	80.0

2. BlackRock portfolio allocation and benchmarks

Fund	Fund benchmark index	Benchmark allocation	Range (%)
Equities		% of BlackRock equity portfolio	
Aquila Life UK Equity Index Fund	FTSE All Share Index	25.0	+/- 2.0
Aquila Life US Equity Index Fund	FTSE All World USA Index	8.0	+/- 2.0
Aquila Life US Equity Index Fund GBP Hedged	FTSE Developed - United States Net TR 95% Hedged to GBP Index	24.5	+/- 2.0
Aquila Life European Equity Index Fund	FTSE All World Developed Europe (ex UK) Index	5.5	+/- 2.0
Aquila Life European Equity Index Fund GBP Hedged	FTSE All World Developed Europe Ex UK TR 95% Net Hedged to GBP Index	16.0	+/- 2.0
Aquila Life Japanese Equity Index Fund	FTSE All World Japan Index	2.50	+/- 2.0
Aquila Life Japanese Equity Index Fund GBP Hedged	FTSE Developed - Japan 95% Net Hedged to GBP	8.0	+/- 2.0
Aquila Life Pacific Rim Equity Index Fund	FTSE All World Developed Asia Pacific (ex Japan) Index	2.50	+/- 2.0
Aquila Life Pacific Rim Equity Index Fund GBP Hedged	FTSE All World Developed Asia Pacific Ex Japan Index 95% Net Hedged to GBP Index	8.0	+/- 2.0
Total Equities		100.0	
Bonds		% of BlackRock bond portfolio	
BlackRock Buy and Maintain ESG Vintage 2020-2024 Fund	iBoxx GBP Corporates 2020-2024 Index	9.5	+/- 2.0
BlackRock Buy and Maintain ESG Vintage 2025-2029 Fund	iBoxx GBP Corporates 2025-2029 Index	9.2	+/- 2.0
Aquila Life All Stocks UK Gilt Index Fund	FTSE UK Gilts All Stocks Index	26.4	+/- 2.0
Aquila Life All Stocks UK Index-Linked Gilt Index Fund	FTSE UK Gilts Index-Linked All Stocks Index	45.1	+/- 2.0
Aquila Life Over 15 years UK Gilt Index	FTSE Actuaries UK Conventional Gilts over 15 Years Index	9.8	+/- 2.0
Total Bonds		100.0	

Notes:

- (a) The performance objective for each fund is to track the benchmark index.
- (b) BlackRock are authorised to rebalance the investments if the actual allocation exceeds the benchmark allocation by the range specified.
- (c) The Trustee may, if the circumstances are appropriate, suspend rebalancing.

