

Taking care of your future

How we invest for your pension



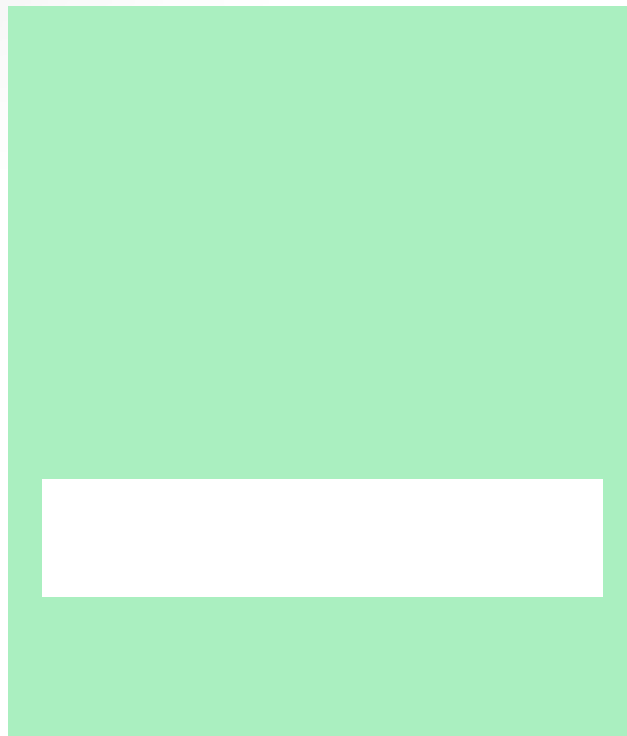
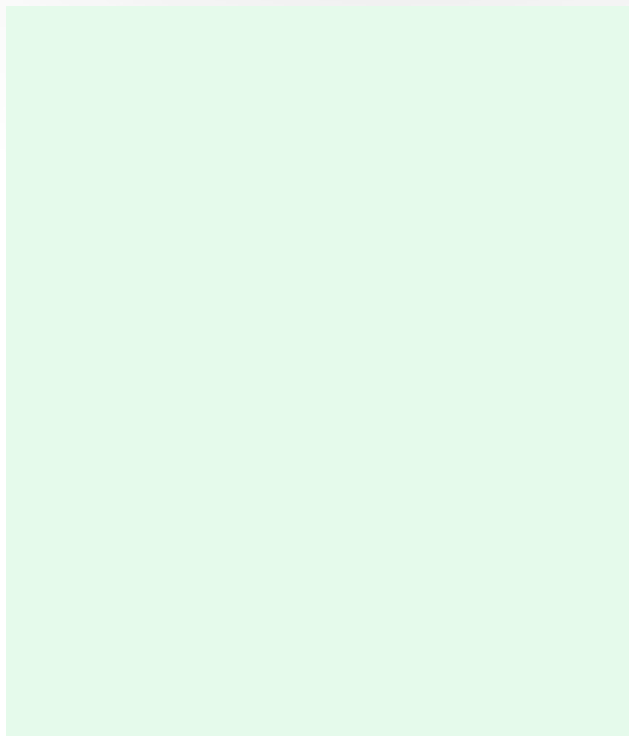
What does it mean for us, as pension trustees, to "take care of your future"? How do we make sure the Scheme provides your benefits in a way that is sustainable for the long term?

In this document you can find out the answers to these questions. We explain:

- what our objectives are when we make decisions around investing the money to provide for your pension, ✓
- how we plan to achieve those objectives, and ✓
- how we seek to make good choices on your behalf. ✓

The Scheme is a defined benefit pension scheme, which means it provides a predetermined level of retirement and death benefits to members based on their earnings and the duration of their membership. It's been closed to new entrants since 30 April 2005. Existing members stopped earning benefits for future employment on 30 June 2010, but the Scheme still provides retirement and death benefits to members and their beneficiaries, based on their membership up to that date. The Scheme is a Registered Pension Scheme under the Pensions Act 2004. It is managed by the Trustees who are responsible for the investment of the Scheme assets.

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We've tried to keep this document as jargon-free as possible. However, where we've used more technical pensions and investment terms, we've explained these in the 'Terms explained' section.

1. Our objectives

Our long-term objectives are taken into account when we decide on our investment strategy and strategic investment objectives.



Our objectives

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We set long-term objectives for the Scheme

We take these into account when we decide on our investment strategy, including the objectives needed to guide investment decision-making (our strategic investment objectives). We delegate many of our investment responsibilities to our Fiduciary Manager – an expert adviser who has the skill and expertise necessary to manage the Scheme's investments in accordance with our investment strategy and achieve our strategic investment objectives.

Our long-term objectives are:

- A.** To ensure the benefits promised to members and their beneficiaries (the promised benefits) can be paid.
- B.** For the Scheme to be self-sufficient, so we do not need to ask the Principal Employer for additional funding.
- C.** To consider the Principal Employer's requirements about the size and frequency of any additional funding needed.
- D.** To gradually improve the funding level, increasing the value of the Scheme so it could be used to pay an insurance company to take on the risks and provide all the promised benefits of the Scheme.
- E.** To consider the investment and other risks that might prevent these objectives from being achieved.



Our objectives

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Our strategic investment objectives



Considering our long-term objectives, our Fiduciary Manager has advised us that the following strategic investment objectives are appropriate for our Scheme assets:

- **To maintain a level of self-sufficiency in our funding**, we have set a preliminary objective for the Scheme's investments: to achieve a return (increase in assets) that is 0.5% higher than the return on UK government bonds, after deduction of fees, each year.
- **To cover the cost of an insurance company taking on the risks and providing all the promised benefits of the Scheme in the future**, we have set a secondary objective for the Scheme's investments: to achieve a return that is 0.8% higher than the annual return on UK government bonds, after deduction of fees, averaged over a three-year period.

Our strategic investment objectives guide our investment decision-making.

Our objectives

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Other considerations in setting our investment strategy

The Fiduciary Manager liaises with investment managers to ensure our views on ethical investing and corporate governance are considered.

We work with our Fiduciary Manager to formulate an approach on the following areas, which our Fiduciary Manager implements and maintains on our behalf:

A. Ethical investing and sustainability

We do not explicitly consider the views of Scheme members and their beneficiaries in relation to Environmental, Social and Governance (ESG) considerations. However, we prefer our investments to take into account ESG considerations as long as this will not impair the ability to meet our strategic investment objectives set out above. For example, since we believe most Scheme members would not want the Scheme to be invested in tobacco, we work with our Fiduciary Manager to remove exposure to tobacco companies.

B. Corporate governance and socially responsible investment (SRI)

We believe that good stewardship can help create and preserve value for companies and markets as a whole and want to encourage best practice in terms of stewardship of the Scheme's investments.

As we invest in pooled funds, we accept that our own ability to directly influence the action of companies is limited. We expect our Fiduciary Manager to ensure the investment managers we use engage, where appropriate, with the companies they are investing in, to protect and enhance the value of assets and exercise our voting and/or other rights in relation to the Scheme's assets. We accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment managers' own policies on such matters. Nevertheless, we expect that each investment manager will:

- Discharge its responsibilities in respect of its investments in accordance with that investment manager's own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.
- Take ESG considerations into account when exercising the rights attaching to its investments and in taking decisions relating to the selection, retention and realisation of investments.

Our objectives

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Additional Voluntary Contributions



Until 30 June 2010, members of the Scheme could choose to pay Additional Voluntary Contributions (AVCs). We have appointed the Prudential Assurance Company Ltd to invest these AVCs, which will remain invested until the member takes their benefits. This SIP governs our decisions about AVC investments. In addition:

- A. Our policy is to regularly review AVC investments to ensure that acceptable investment performance is achieved and to check the investment profile of the funds they are invested in remains consistent with our objectives and members' needs.
- B. If we think AVC investments are no longer appropriate, we would consider investing them elsewhere.
- C. Normally, AVC investments for a particular member become available when promised benefits are due or when a member has chosen to transfer the value of their pension to a different provider or scheme.

This SIP is also used to guide our AVC investment decisions, although AVCs are held separately from other Scheme investments.

2. Achieving our objectives

To meet the Scheme's strategic investment objectives, we aim to invest in the right types of investment and get the appropriate balance between risk and reward.



Achieving our objectives

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Choosing the right types of investment

Our approach to complying with our legal obligations when choosing investments is to take advice and consider the following principles, both before investing and at regular reviews:



- A.** Investment choices must be in the best interests of the Scheme's members and their beneficiaries, and aim to ensure the security, quality, liquidity and profitability of all the Scheme's assets.
- B.** Investments that are held specifically to match the cost of the promised benefits need to reflect the size and duration of the expected future benefits payable by the Scheme.
- C.** Assets should generally be invested in regulated markets or in insurance policies. Any that aren't should be kept to a prudent level.
- D.** Investments should be diversified to spread risk.
- E.** ESG considerations need to be properly understood and evaluated to reduce the risk of them negatively impacting on the value of the Scheme's investments.

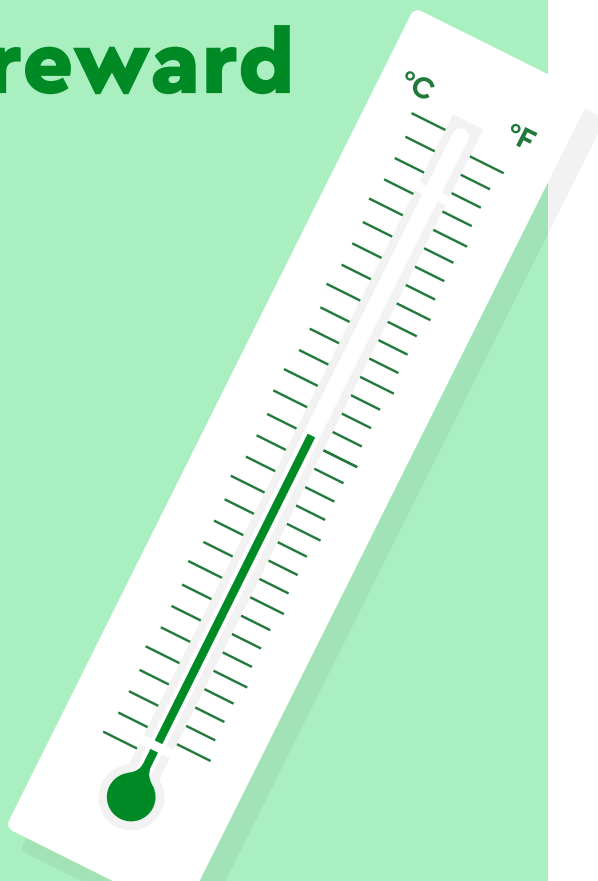
In practice, apart from the investment of AVCs and the initial decision to invest in a range of pooled funds operated or selected by our Fiduciary Manager, we will not make any investments ourselves. Instead, we delegate our legal obligations for choosing investments to our Fiduciary Manager in accordance with the Fiduciary Management Agreement (FMA) and this SIP.

You can read more on the investment types we permit in Appendix 1.

Achieving our objectives

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The right balance between risk and reward



Generally, we regard risk as the possibility that the Scheme's assets fail to meet our strategic investment objectives described in this SIP. With the advice of our Fiduciary Manager, we expect to achieve our strategic investment objectives with a level of risk that we can tolerate.

The main risks are:

- A. Market risk** – This comprises currency risk, interest rate risk and other price risk, and is the risk that assets held may fall in value. We try to minimise this risk by investing in diversified assets to avoid excessive reliance on any particular asset, insurer or group of undertakings. We also take a number of other actions to help mitigate specific elements of this risk:
 - i. Interest rate risk** – The largest single risk to the cost of providing the Scheme's promised benefits is a decrease in long-term interest rates. Our policy is to hedge against this risk as fully as is practical.
 - ii. Currency risk** – Changes in the value of currencies may significantly affect certain investment types. To reduce this risk, we have removed all direct exposure to currencies other than pounds sterling and no new exposure is allowed without our express consent. (There is some small indirect currency exposure in buy and maintain credit which is hedged back to pounds sterling.)
 - iii. Price risk** – Price risk is the risk that the value of investments could change due to market movements. This risk is reduced as we are invested in a wide variety of assets and markets.

There are many types of risk that are important for the Scheme. Our Fiduciary Manager has advised on managing these risks and has made recommendations to help reduce them.

Achieving our objectives

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The right balance between risk and reward (Continued)



B. Credit risk – Credit risk is the possibility of a financial loss for the Scheme resulting from a borrower's failure to repay a loan or meet contractual obligations. This risk occurs through the Scheme's investment in investment grade credit and buy and maintain credit. The risk is managed by our Fiduciary Manager carefully selecting and monitoring appropriate investment managers.

C. Liquidity risk – Liquidity risk is the risk that the Scheme has insufficient readily available assets to meet its payment needs. Our policy is that there should be sufficient liquid assets (either cash or assets that can be readily converted to cash) to meet expected cash flow requirements in the majority of foreseeable circumstances. To reduce the risk of cashflow problems, we take advice from the Scheme actuary on when future benefit payments need to be made. This stops us having to cash in long-term investments at the wrong time. If additional cash is required to pay promised benefits, our Fiduciary Manager will realise assets in accordance with the FMA.

There are also other risks – risk can take a variety of forms and we maintain a risk register to ensure that risks are managed and where appropriate mitigated.

3. Making good choices

We can invest in a way that makes good choices for Scheme members and their beneficiaries by:

- A.** Going about investing in the right way:
Following best practice when it comes to good governance and how we achieve our strategic investment objectives.
- B.** Having the right people involved:
The advisers and systems we need to have in place – including each Trustee.



Making good choices

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Going about investing in the right way

Any Scheme decision may be made either by a majority of the Trustees present at a quorate Trustees' meeting (one with sufficient of us present to conduct official business) or by written resolution signed by all of us.

Our principal responsibilities in relation to investments include:

- A. Setting an appropriate division of responsibilities between us and each of our advisers.
- B. Appointing an investment sub-committee, should we feel it's necessary.
- C. Appointing and removing our Fiduciary Manager.
- D. In consultation with the Principal Employer, our Fiduciary Manager and the Scheme actuary, setting and regularly reviewing this SIP so that it's consistent with legislation.
- E. Appointing and terminating investment managers who select individual stocks and securities on our behalf. (Though, in practice, we have delegated to our Fiduciary Manager the appointment and selection of investment managers. In some cases, the investment manager may be our Fiduciary Manager or a company from our Fiduciary Manager's group.)
- F. Monitoring the performance of our investments and their compliance with our investment strategy and strategic investment objectives documented in this SIP.
- G. Monitoring the performance of our Fiduciary Manager.

You can read more how we and our fiduciary manager work with the Scheme's investment managers in Appendix 2.

Making good choices

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Having the right people involved



Ultimate power and responsibility for investment decision-making lies solely with the Trustees. However, we believe effective governance of the Scheme's assets and management of risk is achieved by dividing responsibilities between our:



A. Fiduciary Manager



D. Scheme Actuary



B. Investment Governance Adviser



E. Scheme Administrator



C. Legal Adviser



F. Scheme Secretary

Appendix 1

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Permitted Investment Types

We have decided that the Scheme may only invest in the following pounds sterling investment types and within the permitted ranges stated:

Permitted investment types	Permitted range (%)
Cash and cash equivalent instruments (not necessarily limited to, deposits, money market instruments and money market funds)	0 – 20
UK government bonds and swaps (including LDI)	0 – 80
Sterling investment grade credit	0 – 50
Buy and maintain credit	0 – 70

The strategic balance of investments within the Scheme's assets follows from the interest rate hedging requirements and is determined by our Fiduciary Manager. Under normal circumstances we aim to hedge all our interest rate risk, where possible, back to pounds sterling.

Appendix 2

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In Detail: working with investment managers

This appendix outlines our policy in relation to interaction with investment managers.

Investment manager arrangements

As the Scheme's assets are held in pooled funds, we have limited influence over the investment managers' investment decisions. In practice, investment managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their fund investors.

We have delegated to our Fiduciary Manager responsibility for ensuring that, before any new appointment, the approaches adopted by investment managers are consistent with our policies, and for monitoring and considering the termination of any arrangements that appear to be investing contrary to those policies.

We expect investment managers, where appropriate, to make decisions based on assessments of the longer-term financial and non-financial performance of debt/ equity issuers, and to engage with debt/ equity issuers to improve their performance. Our Fiduciary Manager assesses this when selecting and monitoring investment managers. The policy we have agreed with our Fiduciary Manager for selecting, monitoring, evaluating and (where necessary) terminating these arrangements is set out on the following pages.

We agree a policy for selecting, monitoring, evaluating and terminating investment managers with our Fiduciary Manager.

Appendix 2

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Compatibility of pooled funds with our investment strategy

When selecting a pooled fund, we expect our Fiduciary Manager to consider various factors, including:

- the assets that will be held in that fund and whether the asset allocation of the fund is expected to change over time;
- the risks associated with the fund and the return that is expected;
- the fund's objective and whether it is consistent with our expected performance from that fund;
- the fund's fee structure to ensure it is reasonable and doesn't incentivise the investment manager to manage the fund differently from our Fiduciary Manager's expectations;
- how frequently the investment manager expects to trade underlying investments in the fund;
- how the investment manager considers financially material considerations (including but not limited to ESG considerations, which we consider to be financially significant) over the appropriate time horizon (generally being the time needed to fund the Scheme's promised benefits);
- the investment manager's policy about exercising the rights (including voting rights) attaching to the investments held in the fund; and
- the investment manager's policy about undertaking engagement activities in respect of the investments held in the fund. This includes engaging with debt/ equity issuers about matters including performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, and ESG considerations. It also includes engaging on these matters with other investment managers, other holders of debt/ equity and persons or groups who have an interest in the debt/ equity issuer.

After analysing the above characteristics for a pooled fund, our Fiduciary Manager identifies how that fund would fit within our investment strategy for the Scheme and how the fund is expected to help us meet our strategic investment objectives.

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Duration of investment manager arrangements

We normally expect investments in pooled funds to be held for several years. However, as part of the Scheme's periodic strategic asset allocation reviews (which take place at least every three years), our Fiduciary Manager reviews whether the ongoing use of each fund remains consistent with our investment strategy, including our strategic investment objectives. Our Fiduciary Manager regularly monitors the financial and non-financial performance of the pooled funds held and details of this monitoring process are in the next section, 'Monitoring Pooled Funds'. If we or our Fiduciary Manager become concerned about the ongoing suitability of a pooled fund, our Fiduciary Manager may reduce our exposure to it or disinvest entirely. Such action is expected to be infrequent.

Monitoring pooled funds

Our Fiduciary Manager regularly assesses the performance of each pooled fund held and this monitoring includes an assessment of whether the investment manager continues to operate the fund in a manner consistent with the factors used to select the fund. When assessing a pooled fund's performance, our Fiduciary Manager does not usually place too much emphasis on short-term performance, although they will seek to understand the reasons for short-term performance (whether favourable or unfavourable). We expect the investment managers of pooled funds to invest for the medium to long term and to engage with debt/ equity issuers with a view to improving performance over this time frame. If a pooled fund is not being operated consistently with the factors used to select the fund, or the investment manager is not engaging with debt/ equity issuers, our Fiduciary Manager may look to replace that fund. However, in the first instance, we would normally expect our Fiduciary Manager to raise any concerns with the investment manager. Then, our Fiduciary Manager would monitor the performance of the pooled fund to assess whether the situation improves.

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Turnover costs

We are aware of the requirement to monitor turnover costs (the costs incurred due to buying, selling, lending or borrowing of investments). When selecting a pooled fund, we expect our Fiduciary Manager to consider how the investment manager defines and measures:

- the targeted turnover (the frequency within which the assets of the fund are expected to be bought or sold); and
- the turnover range (the minimum and maximum frequency within which the assets of the fund are expected to be bought or sold).
- At least annually, our Fiduciary Manager will consider the transaction costs incurred on each pooled fund, including whether the incurred turnover costs have been in line with expectations. This information will be taken into account when assessing the ongoing suitability of each pooled fund.

Appendix 3

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In Detail: Roles and responsibilities

Our principal advisers and their roles and responsibilities are detailed below. Our Fiduciary Manager and investment managers are paid a fixed fee by deductions from the Scheme's assets. Our other advisers are remunerated by the Principal Employer or the Scheme on either a fixed fee or time cost basis as appropriate.

Fiduciary Manager

Our Fiduciary Manager is responsible for all aspects of advising on and implementing our investment strategy, including our strategic investment objectives. They select and liaise with investment managers and other service providers on our behalf, and provide investment advice and monitoring reports. Our Fiduciary Manager's powers and responsibilities are specified in the FMA. We believe that using a fiduciary manager can achieve a better balance of return, risk and cost.

Our Fiduciary Manager is required to exercise its powers having regard to the criteria for investment as set out in the Occupational Pension Schemes (Investment) Regulations 2005.

Our Fiduciary Manager's principal responsibilities in an investment advisory capacity include, but are not limited to:

- A. Advising us on this SIP and our strategic investment objectives, considering the Scheme's liabilities and our view of the Employer covenant.
- B. Advising us on all other matters for which we are responsible (other than on the monitoring of our Fiduciary Manager).
- C. Liaising with the Scheme actuary to determine suitable methods and assumptions to model the Scheme's liabilities.
- D. Attending Trustees' meetings.
- E. Ensuring the exclusion of companies in accordance with its Sector Avoidance Framework as set out in its SRI policy, including those companies involved in:
 - the production, trade and maintenance of controversial weapons, and/or
 - the production of tobacco.

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In detail: Roles and responsibilities (continued)

Our Fiduciary Manager's principal responsibilities in an investment implementation capacity, include but are not limited to:

- A.** Appointing and monitoring of the Scheme custodian. Where a pooled fund is used, the custodian for the pooled fund is generally selected by the manager of the pooled fund. The Scheme custodian is responsible for their own compliance with prevailing legislation.
- B.** Implementing, monitoring and managing the Scheme's investments in accordance with this SIP and the FMA. In particular:
 - Rebalancing (ensuring the percentage of investment types held is within the permitted ranges) and tactical asset allocation (shifting the percentage of investment types held to take advantage of market pricing anomalies or strong market sectors), within specified limits.
 - Appointing, monitoring and dismissing investment managers (except in cases where we retain responsibility for this either because our Fiduciary Manager is itself acting as investment manager, or because we decide to retain this responsibility for other reasons).
 - Entering into legal agreements on behalf of the Scheme, including for derivative transactions (where parties make contractual promises to pay if specific contractual conditions occur) and for investment management, obtaining legal advice where appropriate.
- C.** Ensuring the Scheme has cash readily available to meet the promised benefits and other payments due, based on projections provided by the Scheme actuary and as agreed with us.
- D.** Record keeping and reporting on the performance and risk of the Scheme's investments, including providing sufficient information in an agreed format and to an agreed timescale for the Scheme administrator to prepare the Scheme's annual report and accounts for audit.

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Scheme investment governance adviser

We have appointed an investment governance adviser whose principal responsibilities include, where required, providing us with:

- A. A second opinion on this SIP, including our strategic investment objectives.
- B. A second opinion on advice provided by our Fiduciary Manager.
- C. Advice on monitoring our Fiduciary Manager.
- D. Advice on the selection of any replacement Fiduciary Manager.

Scheme legal adviser

We have appointed a legal adviser who provides us with legal advice about the investments including:

- A. Advice on this SIP and on other legal aspects of investment governance.
- B. Advice on the FMA.
- C. Advice on investment management agreements for any investment managers appointed by us directly (though in most cases appointments are made by our Fiduciary Manager who obtains its own legal advice).

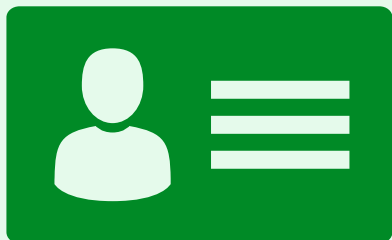
Scheme actuary

We have appointed a Scheme actuary whose responsibilities in relation to investments include:

- A. When requested, providing data on the Scheme's liabilities to our Fiduciary Manager.
- B. Confirming any market-derived assumptions used to value the Scheme's liabilities – to assist our Fiduciary Manager with interpreting its own estimates of the Scheme's funding position.
- C. Liaising with our Fiduciary Manager on the suitability of the Scheme's investment strategy, including our strategic investment objectives, given the characteristics of the Scheme's liabilities.
- D. Performing the Scheme's triennial actuarial valuation and, if the triennial actuarial valuation determines there will be insufficient Scheme assets to provide the promised benefits as they fall due, advising on the appropriate level of funding required from the Employer to eliminate any shortfall.

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Scheme administrator

We have appointed a Scheme administrator whose principal responsibilities in relation to investments include:

- A. Together with the Scheme secretary, ensuring payment of promised benefits, and receipt of funding from the Employer where applicable.
- B. Providing advance cash projections based on estimated requirements where possible.
- C. Preparing the Scheme's annual report and accounts with input from our Fiduciary Manager.

Scheme secretary

We have appointed a Scheme secretary whose principal responsibilities in relation to investments include:

- A. Operating and keeping records in relation to our bank account.
- B. Together with the Principal Employer, ensuring payment of Scheme expenses.
- C. Together with the Scheme administrator, ensuring payment of Scheme benefits, and receipt of funding from the Employer where applicable.
- D. Requesting cash from our Fiduciary Manager as required.
- E. Transferring any surplus cash beyond a reasonable buffer level to the Scheme custodian for investment by our Fiduciary Manager.



The Small Print

The Scheme is governed by its Trust Deed and Rules and subsequent amending deeds. The Trustees' powers of investment are granted under clause 6 of the Consolidated Trust Deed and Rules dated 17 December 2012 (as amended from time to time).

This SIP documents the Scheme's investment strategy – the principles, policies and beliefs governing decisions about investments in relation to the Scheme's assets. This SIP has been prepared to comply with the Pensions Act.

This SIP takes account of the requirements of:

- the Pensions Act,
- Regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005, as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010,
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2018, and
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

It also takes account of the principles of the Myners Review of Institutional Investment published in 2001 and updated in 2008.

In July 2010 we appointed Mn Services Vermogensbeheer B.V. (MN) to undertake on our behalf certain investment advisory and management functions in relation to the Scheme as more fully specified in the FMA. From 1 October 2015 the FMA was novated to Kempen Capital Management (the Fiduciary Manager) following the acquisition of MN UK

by Kempen Capital Management. On 30 September 2020 the FMA was replaced with a new version.

Before adoption of this SIP we have:

- Received the written advice of our Fiduciary Manager, who has confirmed to us that they are qualified by ability in, and practical experience of, financial matters, and have appropriate knowledge and experience of the management of the investments of UK occupational pension schemes established under trust.
- Consulted with the Scheme actuary.
- Consulted with the Principal Employer.

We consider that our investment strategy and strategic investment objectives are consistent with the Scheme's current financial position and will review them in the light of triennial actuarial valuations and certificates produced to comply with the Pensions Act. We intend to review this SIP at least every three years or if there is a need for a significant change in our investment strategy, including our strategic investment objectives. The Scheme's funding strategy is set out in the Scheme's Statement of Funding Principles.

Terms

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Terms Explained

Additional Voluntary Contributions (AVCs) – Contributions members may have paid, on top of any standard member contributions required, to provide additional benefits on death or retirement.

Buy and maintain credit – A type of investment which allows long-term bond investors, like pension funds, to benefit from the returns generated by a broad and diversified group of investment grade bonds (predominantly pounds sterling, euros and US dollars), and some limited sub-investment grade credit (also known as high yield credit). Any foreign currency exposure is hedged back to pounds sterling within the buy and maintain credit instruments.

Employer – Macmillan Cancer Support (or the National Association of Laryngectomy Clubs, an employer with current and/or former employees in the Scheme). Unless the Scheme is winding up, Employers must pay any contributions due to the Scheme, as required by the Scheme's Trust Deed and Rules.

Employer covenant – The Principal Employer's ability to pay the money needed to ensure we can pay the promised benefits due from the Scheme now and in the future.

ESG considerations – Environmental, Social and Governance considerations (including but not limited to climate change) and the views of members, referred to in the relevant regulations as "non-financial matters" (including but not limited to ethical views, views on ESG factors and views on the present and future quality of life for members).

Fiduciary Management Agreement (FMA) – The agreement that specifies the investment advisory and management functions the Fiduciary Manager will undertake on our behalf in relation to the Scheme.

Fiduciary Manager – The organisation which acts on our behalf to manage the Scheme's investments. They are bound legally and ethically to act in the best interest of the Scheme.

Hedge – In simple terms, 'hedging' could be likened to an insurance policy which protects the assets from fluctuations in interest rates or currency exchange rates.

Investment grade credit – This is a bond which is rated as investment grade, by a specialist ratings agency. This rating means the bond issuer is considered able to meet its obligations, exposing bondholders to minimal default risk.

Liability-driven investments (LDI) – These address interest rate and inflation risks by investing in a range of assets that closely match the behaviour of the pension scheme liabilities.

Pensions Act – Section 35 of the Pensions Act 1995, as amended by the Pensions Act 2004.

Terms

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Terms Explained (continued)

Pooled funds – Also known as collective investment schemes, these are a way of putting sums of money from many people into a large fund spread across many investments and managed by professionals. Investing this way can be easier and less risky than buying shares directly in individual companies, and there are lots of funds to choose from.

Principal Employer – Macmillan Cancer Support, who has special powers and duties under the Scheme's Trust Deed and Rules, for example, the power to agree amendments to the Scheme.

Scheme actuary – A named individual advising us on the management of the Scheme. A key role is to design, test, and evaluate pension plans to determine if the expected assets available in the future will be enough to ensure payment of promised benefits.

Scheme custodian – Responsible for looking after the Scheme's assets, including settling transactions and undertaking activities relating to the administration of investments. Pooled funds have their own custodians.

Scheme's liabilities – The cost of providing promised benefits to Scheme members and their beneficiaries.

Socially responsible investment or SRI – The process of selecting investments based on their social impact as well as on their potential financial returns. It is also known as sustainable investing, socially conscious investing, green investing and ethical investing.

Statement of Funding Principles or SFP – Introduced by the Pensions Act 2004, we must prepare and maintain an SFP, which sets out our policy for ensuring the Scheme can provide all promised benefits when they are due, as well as other prescribed information.

Triennial actuarial valuation – A formal review by the Scheme actuary of the financial position of the Scheme, which is carried out every three years (or more frequently as required). The valuation considers the assets that will be required to meet the promised benefits owed to members as they fall due and determines whether additional funding may be required from the Employer. This is effectively the Scheme's three-yearly budgeting exercise.

Trust Deed and Rules – The legal documents by which the Scheme is governed. The Trust Deed sets out the provisions for operating the Scheme as a trust, whereas the Rules gives full details of all the Scheme's benefits.