

Schenker Limited Retirement Benefits Scheme

Investment Implementation Document (“IID”)

This Investment Implementation Document (“IID”) covers the Schenker Limited Retirement Benefits Scheme (the “Scheme”) and details the policy of the Trustee 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 November 2023.

Investment strategy

The Scheme’s investment strategy is invested according to the following broad asset allocation:

Asset Class	Asset Allocation (%)	Expected Return (relative to fixed interest gilts ¹) (% p.a.)
Absolute Return Bonds	25.0	1.0
Buy & Maintain Bonds	45.0	1.5
LDI	30.0	-
Total	100.0	1.0

1. 10-year assumptions as at 30 June 2023 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.

At the time of writing, the Scheme also has legacy assets not included in the table above with Partners Group (Private Credit) and Apollo (Semi-Liquid Credit).

Given the Scheme still holds these legacy assets, the Trustee recognise that the strategic allocation outlined above is not immediately achievable. As the legacy assets run-off and distribute capital back to the Scheme, there is a desire from the Trustee to move toward the strategic allocation which the Trustee will monitor on a regular basis.

Investment structure and mandates

Investments with Apollo and LGIM are made via the Mobius Life (“Mobius”) investment platform. All the investment managers are regulated under the Financial Services and Markets Act 2000.

Mandate target returns, objectives and fees

Mandate 1 – LGIM LDI Fund Range (Fixed, Real, Long & Short)

Benchmark	Objective	Fees (incl. Mobius fee)
Liability matching	Same as benchmark	0.26% p.a.

This fund is designed to achieve returns on par with sub-investment grade credit, but with lower volatility by taking positions in both conventional liquid credit and alternative less liquid credit.

Mandate 2 – LGIM Buy and Maintain Fund

Benchmark	Objective	Fees (incl. Mobius fee)
Markit iBoxx Sterling Non Gilts Overall TR*	Same as benchmark (but with focus on minimising defaults, downgrades and turnover)	0.19% p.a.

*No official benchmark, proxy benchmark shown.

This fund invests primary in investment grade corporate bonds, selected with the expectation that they will be held to maturity.

Mandate 3 – LGIM Absolute Return Bond Fund ('ARB')

Benchmark	Objective	Fees (incl. Mobius fee)
3-Month SONIA	ICE BofA SONIA 3-Month Constant Maturity Total Return Index + 1.50% (gross)	0.35% p.a.

This fund invests primary in investment grade corporate bonds, selected with the expectation that they will be held to maturity.

Mandate 4 – LGIM TA Sterling Liquidity Fund

Benchmark	Objective	Fees (incl. Mobius fee)
7-day SONIA	To provide capital stability and a return in line with money market rates.	0.10% p.a.

Cash fund in place to efficiently manage the liquidity requirements for the Scheme.

Legacy Assets

At the time of writing, the Scheme also has legacy assets not included in the table above with Partners Group (Private Credit) and Apollo (Semi-Liquid Credit).

The Partners Group mandate is expected to run off over time naturally and could have a maximum fund life up to the end of 2026.

The Apollo mandate is subject to a lock-up period that is due to end by 2025. The Apollo mandate is held via the Mobius Life platform.

Partners Group Private Markets Credit Strategies 2 S.A. - Multi Asset Credit 2017 (IV) GBP – Multi Asset Credit

Benchmark	Objective	Fees
3-month LIBOR	LIBOR + 4-6% p.a. (net of fees)	0.90% p.a. plus an additional 10% fee on profits subject to a preferred return equal to 4.0% p.a. (with catch up)

This fund makes privately negotiated loans to small and medium sized companies and provides finance to real estate and infrastructure, predominantly in Europe and North America.

Apollo Asset Management Total Return Fund – Semi Liquid Credit

Benchmark	Objective	Fees (incl. Mobius fee)
ML HY / S&P LLI 50/50 blend GBP hedged (indicative benchmark only)	3 Month LIBOR + 6.0% to 8.0% p.a. (gross of fees) over a full economic cycle	0.75% p.a.

This fund is designed to achieve returns on par with sub-investment grade credit, but with lower volatility by taking positions in both conventional liquid credit and alternative less liquid credit.

Signed:

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Date:.....05/12/2023.....