

Statement of Investment Principles

The Honourable Society of the Middle Temple Pension
and Assurance Scheme

May 2026

Contents

- 1. Introduction1
- 2. DB Section objectives and strategy..... 2
- 3. Additional Voluntary Contributions (AVCs) 6
- 4. Implementation solution..... 7
- 5. Appointment of investment managers..... 8
- 6. Other matters 9
- 7. Review.....12
- Appendix 1 – strategic asset allocation & fund details – DB.....14
- Appendix 2 – Manager and fund details – DB15

1. Introduction

1.1. Purpose

This SIP sets out the policy of the Trustees on matters governing decisions concerning the investments of The Honourable Society of the Middle Temple Pension and Assurance Scheme (the "Scheme").

1.2. Legal and statutory background

The SIP is designed to meet the requirements of Section 35 of the Act and all subsequent legislation, Regulations and guidance from the Pensions Regulator applying to UK pension schemes.

The Scheme's assets are held in trust by the Trustees. The investment powers of the Trustees are set out in the Scheme's Trust Deed.

1.3. Input

This SIP has been formulated after obtaining and considering written professional advice from Quantum Advisory ("Quantum"), the Scheme Actuary and Investment Consultant, and consulting The Honourable Society of the Middle Temple (the "Sponsoring Employer") as required by the Pensions Act 1995 (the "Act") and subsequently the Occupational Pension Schemes (Investment) Regulations 2005 (the "Regulations").

Quantum has the knowledge and experience required under the Regulations to provide professional advice on the management of the Scheme's investments.

2. DB Section objectives and strategy

2.1. Investment policy

The Scheme's assets are held in trust by the Trustees. The investment powers of the Trustees are set out in the Scheme's Trust Deed.

The Trustees are aware of the need to invest assets in the interests of the members and beneficiaries and that the powers of investment must be exercised in a manner which supports the security, quality, liquidity and profitability of the Scheme as a whole.

The Trustees recognise that the assets of the Scheme must consist predominantly of investments admitted to trading on regulated markets and investment in assets which are not admitted to trading on such markets must, in any event, be kept to a prudent level.

2.2. Investment objective

The Trustees, with the help of their advisers and in consultation with the Sponsoring Employer, set the current investment strategy following consideration of its objectives and other related matters in December 2025.

The Trustees noted the need to invest in a manner which helps ensure that the benefits promised to members are provided. Over the long term, this requires that a rate of return is achieved which supports the long-term funding plan which has been discussed with the Sponsoring Employer. In the short term, it means managing the volatility of assets relative to the value of liabilities, which have bond-like characteristics.

2.3. Investment risks

The Trustees identified the following investment risks:

- the risk that investment returns in general will not achieve expectations;
- the risk that an investment manager will not meet its targets;
- the risk that the value of liabilities may increase due to changes in actual and expected inflation and interest rates;
- the risk of mis-match between the value and timing of the Scheme's income and outgoings;
- the risk of a shortfall in the liquid assets held by the Scheme relative to its immediate liabilities;
- the risk that the performance of any single investment within the Scheme's assets may disproportionately affect the ability of the Scheme to meet its overall investment objectives;
- the risk of misappropriation, unauthorised use or mis-delivery of Scheme assets; and

- the risk that ESG factors, including climate change, adversely impact the value of the Scheme's assets if this is not given due consideration and/or misunderstood.

The Trustees recognise these different types of risk and seek to minimise them as far as possible by the use of regular monitoring of investment performance; by a deliberate policy of diversification; by taking into account the timing of future payments; and by regularly reviewing the appropriateness of the prevailing strategy against the Scheme's objectives.

2.4. Financially material considerations, non-financial matters and stewardship policies

2.4.1. Financially material considerations

The Trustees acknowledge the potential impact upon the Scheme's investments (both in terms of risk and return) arising from financially material matters. The Trustees define these as including, but not limited to, ESG factors (including climate change).

With specific regard to ESG factors, the Trustees consider how these are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the evaluation of ESG factors. The Trustees periodically consider publicly available ESG related publications pertaining to the incumbent investment managers.

In doing this, the Trustees have determined that ESG is built into the core of their investment managers' investment processes.

The Trustees also consider ESG factors when determining future investment strategy decisions. To date, the Trustees have not established any restrictions on the appointed investment managers but may consider this in future.

2.4.2. Stewardship

The Trustees acknowledge the constraints that they face in terms of influencing change due to the size and nature of the Scheme's investments. They do, however, acknowledge the need to be responsible stewards and exercise the rights associated with their investments in a responsible manner.

The Trustees, with the help of their investment adviser, consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the stewardship of their investments. Representatives of the incumbent investment managers may be requested to attend Trustee meetings periodically, and present on their stewardship policies, including their implementation.

2.4.3. Non-financial matters

The Trustees do not employ a formal policy in relation to non-financial factors when selecting, retaining and realising investments. However, where members have been forthcoming with their views, the Trustees may consider these when setting investment strategy.

2.5. Investment strategy

The investment strategy uses two key types of assets:

- “matching assets”: which exhibit characteristics similar to those of the Scheme’s liabilities. Typically, matching assets are low risk fixed income investments and the return from them is similar to the return on UK government bonds (referred to as the ‘minimum risk’ return);
- “return seeking assets”: which target a rate of return in excess of the minimum risk return. Typically, these are equities or a diversified pool of other non-matching assets.

Following the investment review in December 2025, a strategic asset allocation was agreed. The strategy aims to invest in an appropriate mix of investments, which support the Scheme’s investment objectives. Details of the current investment strategy are set out in Appendix 1.

2.6. Fund managers, style and target returns

The Trustees have appointed Investment Managers for the management of the DB Section assets (excluding AVC’s). Details of the current investment funds is set out in Appendices 1 and 2.

Assets are held via Legal & General (“L&G”) in pooled funds, which the Trustees believe are appropriate given the size and nature of the Scheme. The Trustees hold the L&G funds directly with L&G and hold the M&G Total Return Credit Fund through L&G’s Investment Only Platform, an implementation solution provider (see section 4).

2.7. Currency hedging, re-balancing and cashflow

The Trustees do not have a policy of explicitly hedging currency risk; instead, this risk is managed by the investment managers.

Rebalancing is considered on a regular basis, taking into account the tolerance ranges outlined in Appendix 1.

In the absence of any strong conviction concerning the future movement of markets, assets should be invested / disinvested to rebalance the Scheme’s assets towards the asset allocation outlined in Appendix 1, excluding hedging assets.

2.8. Policy on investment in the Sponsoring Employer

The Scheme does not directly hold any shares in the Sponsoring Employer. The Trustees' policy is to keep any holding below 5% of the Scheme's overall assets, in line with the Regulations.

2.9. LDI Collateral Management

The Scheme uses leveraged LDI funds as part of its investment strategy. In order to ensure the level of leverage in these funds remains appropriate (and within the tolerance ranges), the LDI manager may "call" for additional collateral to be provided or may return capital to the Scheme.

Collateral calls are met through a collateral policy with the implementation solution provider who can disinvest/ invest capital automatically in line with Scheme's instruction.

The Trustees review the capital available under its policy after each collateral event and at Trustee meetings.

3. Additional Voluntary Contributions (AVCs)

Members were offered an AVC policy for additional contributions. The strategy aims to deliver an appropriate mix of investments, which support the Scheme's investment objectives.

The Trustees keep the suitability and performance of these investments under review. The relationship with each investment manager is open ended and is reviewed on a periodic basis. Contributions into AVC policies are however no longer possible following the closure of the Scheme to future benefit accrual.

Assets are held separately from the main fund in the form of individually earmarked policies with ReAssure Limited. The Trustees believe that the range of fund options available gives members access to a simple, efficient and diversified strategy.

4. Implementation solution

4.1 Implementation solutions in general

An implementation solution is a service that enables pension schemes to buy, sell and hold their investments all in one place. This allows greater flexibility and efficiency when switching investments as the Scheme strategy changes or fund managers have to be replaced.

The centralisation of funds also allows consolidated reporting to be obtained more easily and more regularly, assisting in ensuring that an investment strategy and associated flight path can be effectively tracked and monitored. All of these features allow pension schemes greater administrative efficiency, enhanced ease of strategy implementation and potential fee reductions.

4.2 Accessing the implementation solution

Pension schemes enter into a unit linked life policy through a Trustee Investment Policy (TIP). The policy's value is linked to the underlying investments, which the implementation solution provider, in this case L&G's Investment Only Platform, has been directed to purchase. L&G is responsible for investing into the underlying funds on the Investment Only Platform and takes responsibility for the relationship with the underlying fund managers. This includes transactions, reporting and governance. This differs from a traditional relationship that a pension scheme would have had with their fund managers where they would have invested directly with these managers and maintained a number of these individual relationships.

5. Appointment of investment managers

5.1. The investment managers

The Scheme currently holds assets with two investment managers for the DB section assets: (i) M&G Investments (M&G); (ii) Legal and General Investment Management (“L&G”); and ReAssure Limited for the AVC assets.

Investments with L&G are held directly and investments with M&G are held through L&G’s Investment Only Platform.

5.2. Formal investment manager agreements

The Trustees have signed policy documents, agreements and application forms as appropriate with L&G and ReAssure Limited, setting out in detail the terms upon which the portfolios are managed.

The Trustees keep the appointment of all investment managers and AVC providers under review and will seek to replace any managers, or funds, which no longer remain appropriate to implement the Scheme’s investment strategy.

5.3. Investment managers’ responsibilities

The investment managers are responsible for the day-to-day management of the investments and are responsible for appointing custodians, if required.

The managers are authorised under the Financial Services and Markets Act 2000 to carry out such activities.

5.4. Custodians and administrators

Custody of the Scheme’s assets is provided by L&G for the DB Section, with the exception of cash deposits held in the Trustee bank account. Details of the custodians are provided in Appendix 2.

6. Other matters

6.1. Realisation of investments

The investment manager has discretion over the timing of realisation of investments within the pooled vehicles held by the Scheme and in considerations relating to the liquidity of investments.

The Trustees and their advisers will decide on the amount of cash required in the Scheme for benefit payments and other outgoings and will inform the investment managers accordingly on investments and disinvestments.

6.2. Remuneration and incentives

Quantum is predominantly remunerated on a fixed fee basis, however there may be occasions where work is undertaken based on time cost. Quantum does not receive commission.

The Trustees note that the investment strategy and decisions of the fund managers cannot be tailored to the Trustees' policies and the managers are not remunerated directly on this basis. However, the Trustees, with the help of Quantum, set the investment strategy for the Scheme and select appropriate managers and funds to implement the strategy.

The Trustees do not directly incentivise the investment managers to engage with the issuers of debt or equity to improve their performance. The Trustees do, however, expect the investment managers to participate in such activities as appropriate and necessary to meet the investment objectives of the respective fund. The funds utilised typically include an objective that is expected to result in a positive return over the medium-to-longer term and, as such, the investment managers engagement with the issuers of debt or equity is expected to be undertaken so as to target medium-to-long term value creation.

The Trustees consider the fees and charges associated with each investment before investing.

L&G are remunerated on an ad valorem fee basis, which is calculated as a fixed percentage of the total value of the Scheme's funds they hold under management. This structure has been chosen to align the fund manager's interests with those of the Scheme. L&G also charged a fixed annual policy administration fee.

Fund managers may pay commissions to third parties on any trades they undertake in the management of the assets. The Trustees may obtain an annual statement from the investment managers setting out all the costs of the investment of the Scheme.

The Trustees consider the fees and charges associated with each investment before investing.

6.3. Direct investments

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager with a written contract and those where a product is purchased directly e.g. the purchase of an insurance policy or units in a pooled vehicle. The latter are known as direct investments.

The Trustees' policy is to review its direct investments and to obtain written advice about them at regular intervals. When deciding whether to make any new direct investments or terminate any direct investments, the Trustees will obtain written advice. If the Trustees believe that an investment is no longer suitable for the Scheme, he or she will withdraw the assets from the arrangement deemed to be unsuitable and select a suitable alternative.

The written advice will consider suitability of the investments, the need for diversification and the principles contained in this SIP. The adviser will have the knowledge and experience required under Section 36(6) of the Pensions Act to provide this advice.

6.4. Investment decisions

The Trustees are responsible for the investment of the Scheme's assets. The Trustees take some decisions themselves and delegate others.

When deciding which decisions to take, and which to delegate, the Trustees take into account whether they have the appropriate training and expertise in order to make an informed decision.

The Trustees have established the following decision-making structure:

Trustees:

- Set structures and processes for carrying out their role;
- Agree structure for implementing investment strategy;
- Select and monitor planned asset allocation;
- Select and monitor investment advisers and fund managers;
- Select and monitor direct investments; and
- Prepare and maintain the Statement of Investment Principles.

Investment adviser will, when requested by the Trustees:

- Advise on all aspects of the investment of the Scheme's assets, including implementation; and
- Advise on this Statement.

Investment (or fund) manager:

- Operates within the terms of this statement and the written contracts and agreements;
- Selects individual investments with regard to their suitability and diversification for the individual pooled vehicles; and
- Ensures the suitability of the chosen benchmark for the respective investment vehicle.

7. Review

7.1. Review of investments

Strategy reviews are undertaken periodically. Typically, these will occur after triennial actuarial valuations of the DB Section of the Scheme and periodically for the AVC's; but more frequent reviews can occur in the light of a material change of circumstances.

The Trustees have appointed Quantum Advisory to assist in the selection and ongoing monitoring of the Scheme's investment managers. The Trustees with the assistance of Quantum Advisory will monitor the performance of each fund against their agreed objectives. The Trustees receive bi-annual monitoring reports to assess the managers' performance.

7.2. Portfolio turnover costs and portfolio turnover

The Trustees have delegated the selection of holdings to the appointed investment managers. The Investment Consultant reviews the portfolio turnover and the associated costs of all funds on behalf of the Trustees at least on an annual basis.

The Trustees have not set a specific portfolio turnover target for each investment manager and recognise that portfolio turnover and costs may vary with market conditions. Each manager has ultimate responsibility for the underlying holdings within their funds and they are expected to change these underlying holdings to the extent required to achieve their investment objectives.

On behalf of the Trustees, the Investment Consultant will compare the annual turnover and associated costs for each fund with previous years to ensure each investment manager's process and philosophy remain consistent.

7.3. Monitoring the capital structure of investee companies

The responsibility for monitoring the capital structure of investee companies (including any relevant developments) is delegated to the investment managers. Investment managers are expected to partake in a sufficient level of monitoring and action that is appropriate to the nature of the mandate.

7.4. Conflicts of interest

The Trustees consider any potential and actual conflicts of interest (subject to reasonable levels of materiality) at the start of each Trustee meeting and document these in the minutes.

7.5. SIP review

The Trustees review this SIP normally at least every three years and without material delay after any significant change in investment policy. Any change to this SIP will only be made after a) having obtained and considered the written advice of someone who the Trustees reasonably believes to be qualified by their ability in, and practical experience of, financial matters, and to have the appropriate knowledge and experience of the management of pension plan investments; and b) consulting the Sponsoring Employer.

.....
Signature

.....
Name

.....
Date

For and on behalf of The Honourable Society of the Middle Temple Pension and Assurance Scheme

Appendix 1 – strategic asset allocation & fund details – DB

Managers and asset allocation

The following table shows the strategic asset allocation for the DB Section of the Scheme. The Trustees review the allocation for the entire Scheme periodically.

Class	Manager	Fund	Strategic allocation (%)	Tolerance Ranges (+/- %)
Return Seeking Assets			55.0	--
Equities	L&G	UK Equity Index	15.0	5
	L&G	World ex UK Dev Equity Index GBP Hedged	22.0	5
	L&G	World Emerging Markets Equity Index	3.0	2.5
Diversified Growth	L&G	Dynamic Diversified	7.5	5
Multi-Asset Credit	M&G	Total Return Credit	7.5	5
Liability Matching Assets			45.0	--
Gilts / Index Linked Gilts (leveraged and unleveraged), Corporate Bonds and Cash	L&G	Active Corporate Bond – Over 10 Yr		
	L&G	Leveraged Single Stock Gilt Range		
	L&G	Leveraged Single Stock Index-Linked Gilt Range	45.0	--
	L&G	Single Stock Gilt Range		
	L&G	Sterling Liquidity		
Total			100.0	--

Appendix 2 – Manager and fund details – DB

Managers and fund details

The table below shows the benchmarks, outperformance targets and custodians for each fund the Scheme is invested in.

Fund	Benchmark	Objective/ Outperformance target	Custodian
L&G UK Equity Index	FTSE All-Share Index	The objective of the fund is to track the performance of the FTSE All-Share Index to within +/-0.25% p.a. for two years out of three.	Citibank N.A
L&G World ex UK Developed Equity Index GBP Hedged	FTSE Developed World (ex UK) Index	The objective of the fund is to track the performance of the FTSE Developed World (ex UK) Index to within +/-0.5% p.a. for two years out of three.	Citibank N.A
L&G World Emerging Markets Equity Index	FTSE Emerging Index	The objective of the fund is to track the performance of the FTSE Emerging Index to within +/-1.5% p.a. for two years out of three.	Citibank N.A
L&G Dynamic Diversified Fund	Bank of England base rate +4.5%	The objective of the fund is to provide long-term investment growth through dynamic exposure to a diversified range of asset classes. The long-term expected annualised rate of return for this fund is the Bank of England Base Rate +4.5% per annum, over a full market cycle.	Citibank N.A
M&G Total Return Credit Fund	SONIA Overnight Rate +3%-5%	The Fund aims to provide a total return (the combination of income and capital growth) of the Benchmark plus 3-5% (gross of fees per annum), over any five-year period.	State Street Bank International, GmbH, Luxembourg branch

L&G Active Corporate Bond – Over 10 Yr	iBoxx £ Non-Gilts Over 10 Years Index	The fund aims to exceed the iBoxx £ Non-Gilts Over 10 Years Index by 0.75% p.a. (before fees) over a three-year rolling period.	Citibank N.A
L&G Leveraged Single Stock Gilt Range	Leveraged Single Stock Gilt Index	The objective of the fund range is to provide leveraged exposure to UK gilts in order to hedge interest rate risks and reduce funding level volatility relative to the Scheme's liabilities.	Citibank N.A
L&G Leveraged Single Stock Index-Linked Gilt Range	Leveraged Single Stock Index-Linked Gilt Index	The objective of the fund range is to provide leveraged exposure to index-linked UK gilts in order to hedge inflation and interest rate risks and reduce funding level volatility relative to the Scheme's liabilities.	Citibank N.A
L&G Single Stock Gilt Range	Single Stock Gilt Index	The objective of the fund range is to track the performance of specified UK gilt indices to within +/-0.25% p.a. for two years out of three, providing interest rate hedging relative to the Scheme's liabilities.	Citibank N.A
L&G Sterling Liquidity	SONIA	To provide capital stability and a return in line with money market rates whilst providing daily access to liquidity and providing an income.	Citibank N.A

Source: Respective investment managers.