The FSS Pension Scheme (the "Scheme")

Statement of Investment Arrangements – February 2026

1. Introduction

The Statement of Investment Arrangements (the “Statement”) has been prepared by the Trustee of the FSS Pension Scheme (the “Scheme”) to complement the Statement of Investment Principles also dated February 2026.

The purpose of this Statement is to document specific details in relation to Scheme investments which are not required to be recorded at a “principles level”.

2. De-risking Approach

The Scheme’s assets are invested in line with the investment strategy objectives and the Scheme’s funding level (on a “gilts + 0.5% p.a.” basis) is monitored daily. While the Trustee has agreed in principle to implement a de-risking journey, at the time of writing the specific de-risking trigger framework has not been formally implemented and remains under discussion with the Sponsor. The de-risking trigger framework will be expected to automatically reduce the Scheme’s Growth Allocation over time as and when pre-agreed funding level percentages have been met, with a commensurate increase in the Matching Allocation.

The Trustee agreed the Scheme’s portfolio should initially consist of a 50% Growth Portfolio target and 50% Matching Portfolio target.

Funding Level Band	Trigger to move into Band (Funding Level %)	Target Growth Allocation (% of total assets)
1	-	50.0

Responsibility for monitoring the Scheme’s asset allocation, and undertaking any rebalancing activity, is delegated to Mercer. Mercer reports quarterly to the Trustee on its rebalancing activities.

The investment strategy will be formally reviewed approximately every 12 – 18 months to ensure that the investment strategy remains appropriate and to propose amendments if required. In addition, the recalibration will consider any significant investment and Scheme experience over the year.

3. Individual Fund Benchmarks and Tracking Error Targets

Within the guidelines set out in the Investment Management Agreement, the Trustee has delegated the allocation of assets within the Growth and Matching portfolios to Mercer.

Responsibility for monitoring the Scheme’s asset allocation and undertaking any rebalancing activity is delegated to Mercer. Mercer reports quarterly to the Trustee on any breaches to the range restrictions.

The benchmark and corresponding performance objective for the funds that may be invested in from time to time (to construct the Growth and Matching portfolios) is set out in the following table:

Fund Name	Benchmark Index	Performance Target (% p.a.) [1]
Mercer Multi-Asset Solution Fund	Sterling Overnight Index Average (SONIA)	SONIA + 3% p.a. over medium to long term (net of fees)
Mercer Investment Fund 28	N/A [2]	N/A

[1] Gross of fees over rolling three or five-year periods.

[2] The Mercer Investment Fund 28 is the wrapper for the Scheme's segregated liability driven investment ("LDI") strategy. As such, no formal benchmark index is utilised with the Fund investing in a way to achieve the desired level of hedging of the Scheme's liabilities.

At the date of writing, the Scheme held a residual holding in the BlackRock Appreciation Fund with the final redemption proceeds due to be paid out by the end of June 2026.

4. Investment Restrictions

Where the Scheme invests in pooled funds, the Trustee acknowledges that it has no ability to restrict the holdings within these pooled funds. The Trustee has considered the investment restrictions attaching to each of the pooled funds prior to investing in the pooled funds and is comfortable with these.

The governing documents of the pooled funds contain the restrictions under which the pooled funds operate.

It is noted that the Scheme invests in a segregated LDI mandate via the Mercer Investment Fund 28 which will allow the Trustee a greater level of discretion on restrictions should this be appropriate.

5. Additional Assets

Under the terms of the Trust Deed, the Trustee is responsible for the investment of any Additional Voluntary Contributions ("AVCs") paid by members. The Trustee periodically reviews the investment performance of the chosen providers as appropriate and take advice as to the providers' continued suitability.

The Trustee makes available a range of investment options for members' AVCs with Legal & General ("L&G") as follows:

Asset Class	Benchmark Index	Annual Investment Charge (% p.a.)
Global Equity (50% UK/50% overseas)	50% FTSE All Share 17.5% FTSE North America 17.5% FTSE Europe (ex UK) 8.75% FTSE Japan 6.25% FTSE Asia Pacific (ex Japan)	0.165

Asset Class	Benchmark Index	Annual Investment Charge (% p.a.)
Global Equity (30% UK/70% overseas) 75% GBP Hedged	The fund's benchmark is a composite of 30/70 distribution between UK and overseas, 75% GBP Hedged, with the UK allocation tracking FTSE All Share and overseas allocation mirroring the FTSE All World (ex UK) Index.	0.2
Future World Annuity Aware Fund	A customised index which is based on FTSE Annuity indices. It comprises a blend of FTSE Annuity indices that reflect the representative annuitant profile.	0.15
Cash Fund	SONIA	0.125

The annual investment charge is applied to the unit price of the relevant fund.

The Global Equity, Future World Annuity Aware and Cash Funds are managed on a passive basis.

A Lifestyle option invests members' contributions in the Global Equity Fund (30:70), switching to the Cash Fund near to retirement. The Lifestyle switching commences five years before retirement.

Members have the option to invest in either the four funds or the Lifestyle option.

Note that a Legacy Lifestyle option that invests members' contributions in the Global Equity Fund (50:50), switching to the Future World Annuity Aware Fund (75%) and Cash Fund (25%) near to retirement, can still be used by members who were less than 4 years from selected retirement age as at 1 January 2024.

6. Review of this Statement

The Trustee will review this Statement in conjunction with any review of the Statement of Investment Principles and without delay after any significant change in investment arrangements.