

INEOS Chemicals Pension Plan

Investment Implementation Document (“IID”)

This Investment Implementation Document (“IID”) covers the INEOS Chemicals Pension Plan (the “Plan”) and details the policy of the Trustee relating to the implementation of the Plan’s investment arrangements, based on the Principles set out in the Plan’s Statement of Investment Principles (“SIP”).

Investment strategy

The table below reflects the current investment strategy, which is invested according to the following broad asset allocation:

Asset Class	Proportion (%)	Control Ranges (%)	Expected Return (relative to fixed interest gilts) %
Return-Seeking Assets	35.0		
Unconstrained Global Equities	17.5	+/-5	5.0
Passive Global Equities (GBP Hedged)	12.5	+/-5	4.0
Direct Lending	5.0	+/-5	4.0
Risk-Reducing Assets	65.0		
Absolute Return Bonds	10.0	+/-5	2.3
Long Lease Property	12.5	+/-5	2.5
Liability Driven Investment	42.5	N/A	0.0
Total	100.0		

Please note, the table above represents the interim investment strategy for the Plan following the termination of the Diversified Growth mandate. The investment strategy is expected to be reviewed in conjunction with the actuarial valuation results which may result in changes to the strategic weights shown above.

The expected returns shown in the above table represent long-term expectations of asset classes as a whole. Short-term returns in some asset classes may exhibit considerable variability.

The Plan’s present investment objective is to achieve a return of 2.5% per annum above the return on UK Government bonds (which are assumed to move in a similar fashion to the calculated value of the Plan’s liabilities).

The Plan also retains a small allocation to a Fund of Hedge Funds mandate (<1% of total Plan assets) which is currently in the process of winding up.

Investment structure and mandates

The Trustees have invested in pooled funds managed by the following investment managers. All the investment managers are regulated under the Financial Services and Markets Act 2000.

Investment Manager	Mandate	Proportion %
Baillie Gifford & Co (“Baillie Gifford”)	Unconstrained Global Equities	11.25
Veritas Asset Management (“Veritas”)	Unconstrained Global Equities	6.25
Legal & General Investment Management Limited (“L&G”)	Passive Global Equities (GBP Hedged)	12.5
	Liability Driven Investment	42.5
M&G Investments (“M&G”)	Long Lease Property	12.5
	Absolute Return Bonds	10.0
Permira Advisors LLP	Direct Lending	5.0
TOTAL		100.0

Mandate target returns, objectives and fees

Baillie Gifford - unconstrained global equities - Global Alpha Growth Fund

Benchmark	Objective	Fees*
MSCI AC World Index	Outperform benchmark by 2-3% p.a. (gross of fees) over rolling 5 year periods	First £30,000,000 is at a fee of 0.65% The next £30,000,000 is at a fee of 0.50% The fee thereafter is 0.325%

*Fees are calculated on an aggregate AUM basis with all other UK INEOS based Schemes that invest with Baillie Gifford.

Baillie Gifford’s performance objective is to provide an attractive real long-term return by investing in global equities. Their performance objective is to outperform the MSCI All Country World Index by 2-3% (gross of fees) over rolling 5 year periods.

Veritas – unconstrained global equities – Global Focus Common Contractual Fund

Benchmark	Objective	Fees
MSCI World Index	Outperform benchmark by 2% p.a. over long term (net of fees)	0.60%

Veritas’ performance objective is to provide an attractive real long-term return by investing in global equities. Although they do not have a performance target relative to an index we expect that the return will be around 2% per annum above the MSCI World Index over the

long term (net of fees).

L&G – passive global equities – World Equity Index Fund – GBP Currency Hedged

Benchmark	Objective	Fees
FTSE All World Index – GBP Currency Hedged	Track the benchmark	0.125%

L&G are to invest in the World Equity Index Fund – GBP Currency Hedged and their performance objective is to match the return on the FTSE All World Index – GBP Currency Hedged.

L&G – liability driven investment – Matching Plus Fund Range and Single Stock Index-linked Gilt Funds

Benchmark	Objective	Fees*
FTSE All World Index – GBP Currency Hedged	Bespoke	The first £25,000,000 is at 0.17% The next £75,000,000 is at 0.16% The Next £200,000,000m is at 0.125% The fee thereafter is 0.11%

*Fees are calculated on an aggregate AUM basis with all other UK INEOS based Schemes that invest with L&G.

L&G are to invest in a range of leveraged index-linked gilt funds (Matching Plus Fund Range) as well as unleveraged single stock index-linked gilt funds that aim to hedge a proportion of the interest rate and inflation risk inherent within the Plan’s liabilities.

M&G - long lease property - M&G Secured Property Income Fund

Benchmark	Objective	Fees
50% FTSE Over 15 Year Fixed Gilts, 50% FTSE 5-15 Year Index Linked Gilts	Outperform by 1.5% p.a. (net of fees)	0.50%

M&G do not have a stated investment objective, however it is our expectation that the Fund will outperform gilts (by c.1.0%) over the long term. The Trustee therefore uses this as a benchmark, accepting short term deviations from the return target.

M&G – absolute return bonds – Alpha Opportunities Fund

Benchmark	Objective	Fees
3 Month LIBOR	Outperform by 3-5% p.a. (gross of fees)	0.35%

M&G are to invest across the credit universe and aim to generate a return of LIBOR plus 3% - 5% p.a. (gross of fees) over a rolling three year period. The default duration of the Fund will be zero.

Permira – direct lending – Permira Credit Solutions III (Senior Fund) GBP Hedged

Benchmark	Objective	Fees
N/A (absolute return)	Achieve a net internal rate of return of 7-9% p.a.	1.00% p.a. on invested capital during the Investment Period, which is defined as three years from final closing. Invested capital refers to the proportion of the Plan's commitment that has been drawn down. 0.75% p.a. on invested capital following the Investment Period.

Permira do not have a stated investment objective, however we typically compare performance to sterling 1-month Libor plus 4% per annum for illustration purposes only.

Liongate Capital Management – fund of hedge funds – Liongate Multi-Strategy Fund (“LMSF”) C 2015

Assets formerly invested in the Liongate 2015 Segregated Portfolio Class LMSF-C 2015 currently consists of one final investment in Sirius SRF 1 Holdings Limited. Due to the uncertainty of any realisable investment value, it has been agreed to report the value of the holding on a prudent basis at zero. The Trustees retain the rights to the Sirius SRF 1 Holdings Limited investment in the event of future realisable value.

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