

Baptist Pension Scheme

Investment Policy Implementation Document
December 2025

Introduction

This Investment Policy Implementation Document (“IPID”) for the Baptist Pension Scheme (the “Scheme”) sets out details of the Scheme’s investment arrangements, based on the principles set out in its Statement of Investment Principles (“SIP”) dated December 2025.

The IPID should be read in conjunction with the SIP.

The IPID has been prepared by the Trustee of the Scheme, and the Trustee is responsible for ensuring it reflects the current investment arrangements.

The Trustee makes available a range of passively and actively managed self-select funds and two lifestyle strategies, one of which is closed to new members. The Scheme’s main default arrangement for members who do not choose an investment option is the Ethical Default Lifestyle strategy. The three component funds of this strategy are white-label funds and are also available as separate investment options which members can select.

The Lump Sum Lifestyle strategy is the Scheme’s legacy default option and closed to new members but remains a default for members who were within 5 years to retirement prior to the implementation of the Ethical Default Lifestyle in May 2019. The L&G Diversified Fund, the L&G Global Equity Market Weights (30:70) Index Fund – GBP 75% Currency Hedged and the L&G Low Carbon Transition UK Equity Index Fund are also default arrangements in the Scheme for members whose assets were automatically moved to these funds following the Trustee’s decision to close funds that were no longer considered suitable for members. These three funds are not to be offered as default options to the rest of the Scheme’s membership.

Details of the self-select funds and the default lifestyle arrangements are set out below. The relevant members are provided with clear information on the investment options and their characteristics that will allow the members to make an informed choice.

The fund options are provided to members via Legal & General Investment Management’s (“L&G”) investment platform. The funds are priced daily and are open ended.

1. Passively managed self-select fund options

The Trustee makes available the following passively managed funds, all of which are managed by L&G, with the objective of tracking their benchmark return to within the specified tolerance before the deduction of fees.

Fund	Benchmark	Tracking error limit
L&G Global Equity Market Weights (30:70) Index Fund – GBP 75% Currency Hedged	30% FTSE All-Share Index, 70% FTSE All World (ex-UK) Index (75% currency hedged)	+/- 0.20% p.a.
L&G Ethical Global Equity Index Fund	FTSE4Good Global Equity Index	+/- 0.50% p.a.
L&G World Emerging Markets Equity Index Fund	FTSE Emerging Index	+/- 1.50% p.a.

L&G Low Carbon Transition UK Equity Index Fund	Solactive L&G Low Carbon Transition Global Index	+/- 0.60% p.a.
L&G AAA-AA-A Corporate Bond All Stocks Index Fund	iBoxx £ Non-Gilt (ex-BBB) Index	+/- 0.50% p.a.
L&G Over 5 Year Index Linked Gilt Fund	FTSE Actuaries Index-Linked Gilts (Over 5 Year) Index	+/- 0.25% p.a.
L&G All Stocks Index Linked Gilts Index Fund	FTSE Actuaries UK Index-Linked Gilts All Stocks Index	+/- 0.25% p.a.
L&G All Stocks Gilts Index Fund	FTSE Actuaries UK Conventional Gilts All Stocks Index	+/- 0.25% p.a.

2. Actively managed self-select fund options

The Trustee makes available the following actively managed pooled funds as self-select options:

Manager – Fund	Performance comparator
Columbia Threadneedle Responsible Global Equity Fund	MSCI World Index
Newton Real Return Fund	SONIA (30-day compounded) + 4% p.a.
L&G Diversified Fund	Bank of England Base Rate + 4.5% p.a.
L&G Dynamic Diversified Fund	Bank of England Base Rate + 4.5% p.a.
L&G Cash Fund	SONIA (Sterling Overnight Index Average)

3. The main default option – the Ethical Default Lifestyle strategy

For members that do not make an active choice regarding investment of their contributions, the Trustee has set the main default option to be the Ethical Default Lifestyle strategy. The lifestyle option follows a pre-agreed investment strategy and provides an automated investment switching facility, which will move members' funds from higher risk/return investments into lower risk/return investments as retirement approaches, as detailed in the table below.

Year to retirement	Ethical Growth Fund	Ethical Diversified Fund	At Retirement Fund
15+	100%	0%	0%
14	90%	10%	0%
13	80%	20%	0%

12	70%	30%	0%
11	60%	40%	0%
10	50%	50%	0%
9	40%	60%	0%
8	30%	70%	0%
7	20%	80%	0%
6	10%	90%	0%
5	0%	100%	0%
4	0%	80%	20%
3	0%	60%	40%
2	0%	40%	60%
1	0%	20%	80%
0	0%	0%	100%

The funds used in the default are scheme-specific, white-labelled funds. These funds are also made available on a self-select basis. Their underlying composition is shown in the table overleaf.

Fund	Composition
Ethical Growth Fund	70% L&G ESG Paris Aligned World Equity Index Fund 30% L&G Diversified Fund
Ethical Diversified Fund	30% L&G ESG Paris Aligned World Equity Index Fund 30% L&G Diversified Fund 40% M&G Sustainable Total Return Credit Investment Fund
At Retirement Fund	40% L&G Diversified Fund 30% L&G Cash Fund 30% M&G Sustainable Total Return Credit Investment Fund

4. The Lump Sum Lifestyle strategy

The Lump Sum Lifestyle strategy is the Scheme's legacy default option and closed to new members but remains the default option for members who were within 5 years of retirement on 13 May 2019 and were able to remain in the legacy default option instead of being automatically transitioned to the Ethical Default Lifestyle strategy. The lifestyle option followed a pre-agreed investment strategy and provided an automated investment switching facility. However, all members who remain in the Lump Sum Lifestyle are past their target retirement age as at the date of this IPID and are hence invested in a static asset allocation. The asset allocation for these members is detailed in the table below.

Year to retirement	L&G Global Equity Fixed Weights 50:50 Fund	L&G Dynamic Diversified Fund	L&G All Stocks Index Linked Gilt Fund	L&G AAA-AA-A Corporate Bond All Stocks Fund	L&G All Stocks Gilts Index Fund	L&G Cash Fund
0	0%	34%	4%	6%	6%	50%

5. Unallocated assets

The Scheme maintains a reserve fund that is not allocated to members. This is invested in the following funds:

- The Scheme invests in UK Property through a pooled fund of funds called the CBRE Global Investment Partners UK Osiris Property Fund. The Fund's objective is to outperform the AREF/IPD UK QPFI All Balanced Property Fund Index by 0.5% p.a. over rolling three-year periods (before CBRE fees but after fees for the underlying property funds). The fund is priced monthly. The fund is open ended and is not listed on any stock exchange. CBRE is responsible for custody of the assets of the fund. Responsibility is delegated to Northern Trust. The Trustee does not have a direct relationship with the custodian. The fund entered wind-up in March 2020 and is in the process of returning capital to all its investors. This process is expected to be completed within the next two years.
- The Scheme invests in the pooled L&G Sterling Liquidity Fund. The objective of the fund is to provide diversified exposure and a return in relation to SONIA (Sterling Overnight Index Average). The fund is priced daily, open ended and unlisted.