

Comet Pension Scheme

Implementation Statement

1. Introduction

The Trustee is required to make publicly available online a statement ("the Implementation Statement") covering the Comet Pension Scheme (the "Scheme") in relation to the Scheme's Statement of Investment Principles (the "SIP").

The SIP was amended once during the Scheme year ending 31 March 2026, and the changes made were predominantly to update the SIP to allow for the completion of a bulk annuity (buy-in) transaction with Canada Life ("the insurer") which was carried out in December 2025. This SIP came into force from January 2026.

A copy of the current SIP signed and dated 6 February 2026 can be found here:

<https://www.comet-pensions.co.uk/library/File/Statement-of-Investment-Principles-January-2026.pdf>

This Implementation Statement covers the period from 1 April 2025 to 31 March 2026 (the "Scheme Year"). It sets out how the Trustee's policies on stewardship have been followed over the Scheme Year.

The latest guidance ("the **Guidance**") from the Department for Work and Pensions ("**DWP**") aims to encourage the Trustee of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme's SIP. With the help of the Scheme's Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP's statutory guidance.

The Trustee uses the Fiduciary Management service of **Schroders IS Limited** as their Investment Manager and Adviser (referred to as the "**Fiduciary Manager**" in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as "**Underlying Investment Managers**") to manage part of the Scheme's assets, and investments with these managers are generally made via pooled funds, where the Scheme's investments are pooled with those of other investors.

Due to the buy-in which was completed during the Scheme Year, the assets remaining with the Fiduciary Manager as at 31 March 2026 were as follows:

Asset Class	Fund	Value (£)	Proportion of assets
Cash	Blackrock Sterling Liquidity	£0.15m	3.0%
Cash	Directly held	£0.05m	0.1%
Insurance Linked Securities	Leadenhall Life	£0.88m	23.2%
Infrastructure	Equitix VI	£2.80m	73.7%

Source: Fiduciary Manager, Underlying Investment Managers, 31 March 2026.

The nature of the assets remaining with the Fiduciary Manager are either cash assets or illiquid assets which are in the process of being realised ahead of any transition to a full buy-out and wind-up of the Scheme which might occur. The Scheme does not hold any investments with voting rights attached. Therefore, there is no voting summary shown in this Implementation Statement.

A copy of this Implementation Statement is available on the following website:

<https://www.comet-pensions.co.uk>

2. How the Trustee's policies on stewardship have been followed over the Scheme Year

During the Scheme Year, the Trustee carried out an exercise to secure the Scheme's benefits with an insurer. As part of the exercise, the Trustee selected Canada Life as the insurer to carry out a buy-in transaction with, which the Trustee believed would lead to better security of Scheme's members' benefits being paid going forward. Given the nature of the remaining assets which were set out in the previous section, voting and engagement are irrelevant hence there is limited scope for the Trustee to exercise its stewardship policy.

The Trustee's policy as set out in the SIP regarding Corporate Governance and Stewardship is as follows:

In relation to the annuity asset, corporate governance and stewardship are the responsibility of the provider.

In relation to any assets remaining in the Scheme's investment portfolio, the Trustee and Investment Manager have agreed, and will maintain, formal agreements setting out the scope of the Investment Manager's activities, charging basis and other relevant matters. The Investment Manager has been provided with a copy of this SIP and is required to exercise its powers with a view to giving effect to the principles contained therein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995.

The Trustee has appointed the Investment Manager to implement the Scheme's investment strategy in relation to any assets remaining in the Scheme's investment portfolio, which are primarily held in cash, cash funds and/or short-dated gilts, together with a residual allocation remaining in illiquid assets. The Investment Manager manages assets directly on behalf of the Trustee as well as having delegated authority to appoint, monitor and change the Underlying Investment Managers. The Investment Manager is appointed to carry out its role on an ongoing basis. The Trustee periodically reviews the overall value-for-money of using Schroders Solutions. The Trustee is satisfied that these arrangements incentivise the Investment Manager:

- *to align its investment strategy and decisions with the Trustees' investment policies; and*
- *to assess and make decisions based on the medium to long-term financial and non-financial performance of issuers of debt, and, where possible, to engage with such issuers to improve this medium to long-term performance.*

The Trustee notes that the scope for such engagement is likely to be extremely limited, and that, given the absence of equity holdings there is no scope for voting.

The Investment Manager undertakes regular reviews of all Underlying Investment Managers. These reviews incorporate benchmarking of performance and fees, with some managers on performance-related fees as well as performance reviews (including understanding key drivers of performance), investment due diligence meetings and operational due diligence reviews. The Investment Manager reviews the governance structures of Underlying Investment Managers, as well as assessing whether their fees, expenses (and any other charges) are in line with industry peers at inception and from time to time whilst invested.

Where it can be determined, the Investment Manager assesses whether Underlying Investment Manager remuneration arrangements are aligned with the Trustee's objectives. The method and time horizon for evaluating and remunerating Underlying Investment Managers is determined by criteria set by the Investment Manager, as detailed above.

The Trustee acknowledges the inherent potential for conflicts of interest which exist as part of ongoing investment management business activities. As an FCA regulated firm, the Investment Manager is required to prevent or manage conflicts of interest. Where Underlying Investment Managers are also regulated, they are likely to be subject to such requirements to manage conflicts of interest as are applicable in their jurisdiction of incorporation or operations. The Investment Manager directly monitors these as part of their regulatory filings (where available) and the Investment Manager also monitors this as part of ongoing reviews. The Investment Manager's Conflict of Interest policy was shared with the Trustee.

The Investment Manager oversees the turnover costs incurred by Underlying Investment Managers as part of its ongoing monitoring process and evaluates such costs to determine if they are in line with peer groups and the Investment Manager's expectations. Where there are material deviations the Investment Manager engages with Underlying Investment Managers to understand the rationale for such deviations and take appropriate action.

Given the policy as set out above and the investment strategy of the Scheme during the Scheme Year, the Trustee believes that it has acted in accordance with the DWP Guidance and successfully followed the stewardship policy in the SIP over the Scheme Year.