

GlobalSantaFe North Sea Final Salary Pension Plan (the “Plan”)

Investment Policy Implementation Document (the "Document")

This document sets out the Trustees’ current investment strategy, and is supplementary to the Trustees’ Statement of Investment Principles.

The Trustees’ investment strategy has been established in order to maximise the likelihood of achieving the primary objectives set out in the attached Statement. The details are laid out below:

1. Asset Allocation Strategy

Following a review of the Plan’s de-risking framework based on the updated liabilities from the 2021 triennial actuarial valuation, and subsequent reviews to Plan’s strategy in response to evolving market conditions, the Trustees agreed the strategic asset allocation outlined below. The Trustees have agreed to an asset allocation that will align the Plan’s assets to a buy-out ready portfolio.

The Company have requested that the Trustees consult with them should further de-risking be desired.

The Plan’s underlying asset classes for the long term investment strategy are shown in the table below.

	Strategic allocation	Range
Global Equities	20.0%	10.0% - 30.0%
Return Seeking Investments	20.0%	10.0% - 30.0%
Investment Grade Credit*	7.5%	5.0% - 10.0%
Liability Driven Investment	72.5%	65.0% - 80.0%
Cash		
Liability Matching Investments	80.0%	70.0% - 90.0%

*Allocation to Investment Grade Credit represents the physical investment. The exposure gained is expected to be in the region of 4x leveraged.

The Trustees will, from time to time, hold a cash allocation within the LGIM Sterling Liquidity Fund or the Trustees’ bank account on occasion to fund expected cash flow requirements.

2. Investment Management Arrangements

The Trustees have appointed Legal and General Investment Management (“LGIM”) to manage the assets of the Plan. All powers delegated to the investment manager have been fully documented in Investment Management Agreements, as amended from time to time.

The following describes the mandates given to the investment manager within each asset class:

2.1 Global Equities

Manager & Fund	Benchmark	Target
LGIM World Developed Equity Index Fund (GBP Currency Hedged)	FTSE Developed World Index – GBP Hedged	Track Index
LGIM Synthetic Equity Exposure	MSCI World Net Total Return \$ and MSCI M Net Total Return \$	No explicit target

2.2 Investment Grade Credit

Manager & Fund	Benchmark	Target
LGIM Synthetic Leveraged Credit Fund	Notional equivalent to 50% Markit iTraxx Europe Main 10Y (latest series) and 50% Markit CDX.NA.IG 10Y (latest series)	Track Index

As the Synthetic Leveraged Credit Fund is based on contracts for difference there is marginal currency exposure. LGIM will hedge any currency basis on the mark to market positions on a regular basis.

2.3 Liability Driven and Cash

Manager & Fund	Benchmark	Target
LGIM ESA Lite – Includes Fixed interest and index linked gilts, leveraged fixed interest and index linked gilts and cash	Plan specific liability cashflow benchmark	The investment manager shall manage the LDI Portfolio which, aims to match 110% of the interest rate and inflation sensitivity of the Plan's liability cashflows Technical Provisions basis (equivalent to 95% on the Plan's Solvency basis).

A working balance of cash is held for imminent payment of benefits and expenses. Under normal circumstances it is not the Trustees' intention to hold a significant cash balance, and this is carefully monitored by the Plan's administrator.

2.4 Re-balancing arrangements

The Trustees will review the actual position against target on a quarterly basis and take action if deemed appropriate.

3. Fee structure for advisers and managers

3.1 Advisers

The Trustees' investment advisers are paid for advice received on the basis of the time spent by the adviser. For significant areas of advice (for example one off special jobs, or large jobs, such as asset and liability modelling), the Trustees will endeavour to agree a project budget.

These arrangements recognise the bespoke nature of the advice given, and that no investment decisions have been delegated to the adviser.

3.2 Investment managers

For all investment mandates, the investment manager is remunerated as a set percentage of the assets under management. This is in keeping with market practice.

3.3 Summary of investment management fee arrangements

Legal & General Investment Management

LGIM levy the following ad valorem fees (subject to a minimum fee of £50k p.a. on assets managed under the Equity Portfolio:

Fund	Fee Scale % per annum	Minimum or Performance Fee
World Developed Equity Index Fund (GBP Currency Hedged	0.145%	Subject to a minimum fee of £50k p.a.
Synthetic Equity Exposure	0.045%	
LGIM Liquidity Funds plc	0.12%	
Fixed Interest and Index Linked Gilts	0.03%	None
Leveraged Fixed Interest and Index Linked Gilts	0.15%	None
Sterling Liquidity Fund	0.12%	None
Synthetic Leveraged Credit Fund	0.35% for the first £25 million, plus 0.30% of the balance above £25 million	None

4. Additional Voluntary Contributions

AVCs are invested with the following providers:

- Legal & General Investment Management
- Utmost Life & Pensions