Rhodia Pension Fund

Statement of Investment Arrangements – May 2026

1. Introduction

The Statement of Investment Principles of the Rhodia Pension Fund ("the Fund"), dated May 2026, sets out the guiding principles upon which the Fund's investments are based. The purpose of this document is to provide details of the specific investments in place alongside other information relevant to the management of the investments.

Investment policy can be considered in two parts; (1) the strategic management, the setting of which is one of the fundamental responsibilities of the Trustee of the Fund and (2) the day-to-day management of the assets, which has been delegated to professional investment managers.

2. Strategic Management

The overall strategic allocation of the Fund's assets is set out below. Further information on the subdivision within each asset class is reflected in the manager arrangements set out in Section 3.

Asset Class	Target Allocation (%)	Target Ranges (%)	Expected Return (relative to fixed interest gilts)% [3]
Growth Portfolio	**67.0**		
Equities	5.0		3.7
Open – Ended Infrastructure	15.0		4.2
Diversified Growth	5.0	**62.0 – 72.0**	3.2
Semi-Liquid Multi Asset Credit[1]	10.0		3.5
Liquid Multi-Asset Credit	15.0		2.6
Investment Grade Asset-Backed Securities[1]	12.0		2.0
Alternatives	5.0		2.5
Matching Portfolio	**33.0**		
AAA- rated Asset-Backed Securities[1]	8.0	**28.0 – 38.0**	1.0
Liability Driven Investment[2,4]	25.0		0.0
Total	**100.0**		**G + 2.2% p.a.**
*Target Interest Rate Hedge Ratio***	*94.0%*		
*Target Inflation Hedge Ratio***	*94.0%*		

[1]Asset-Backed Securities = ABS. [2]Liability Driven Investment = LDI. [3]10 year assumptions as at 31 March 2026 relative to Bank of England 10 Year Gilt Yield (net of management fees). [4]LDI may include physical gilt and index-linked gilt holdings, as well as partially funded exposure to changes in interest rates and inflation, including interest rate and inflation swaps, total return swaps and gilt repo. It may also include cash / liquidity and green gilts. [5]Target hedge ratios are expressed as a proportion of a Fund-specific Liability Benchmark Portfolio based on Technical Provisions liabilities.

There is no automatic rebalancing in place between the Fund's growth and matching assets. However, the Trustee monitors the Fund's asset allocation on a monthly basis and may rebalance the assets back towards the Target Allocation if the position becomes significantly out of line, taking into account the collateral position of the LDI portfolio (measured by yield headroom as set out in Section 3.1.2).

3. Day-to-Day Management of the Assets

The day-to-day management of the main assets is delegated to the Investment Managers, who are regulated by the Financial Conduct Authority ("FCA").

With the exception of LDI, the investments are all held in pooled funds, the Trustee's entitlement being to the cash value of the underlying pooled fund units. The LDI portfolio is managed on a segregated basis and the Fund owns the assets in the portfolio directly.

3.1 Investment Portfolio Structure

3.1.1 Growth Portfolio

The table below sets out the strategic allocation within the Growth Portfolio, as well as the mandates used to implement the strategy and their associated benchmarks and performance targets.

Fund[7]	**Target Allocation (%)**	**Benchmark**	**Target**
Legal & General ("L&G") Global Equity Portfolio (Future World Global Equity Index Fund / Future World Global Equity Index Fund (GBP Hedged))	5.0 (2.5 / 2.5)	Solactive ESG Global Markets Index (less withholding tax where applicable)	To track the benchmark to within 0.60% for two years out of three.
Schroders Diversified Growth Fund[6,]	5.0	N/A	3 month SONIA + 4.5%
JP Morgan Infrastructure Investments Fund	7.5	N/A	8-12% Net Return p.a.
KKR Diversified Core Infrastructure Fund	7.5	N/A	7-9% Net Return p.a.
BlackRock Strategic Alternative Income Fund	5.0	N/A	10-year Gilt Index Return + 2-3%
KKR Global Credit Opportunities Fund	5.0	N/A	50% Morningstar LSTA / 50% BAML HY Master II +1.0-1.5%
Apollo Total Return Credit Fund	5.0	N/A	3 month SONIA + 3.5%
M&G Total Return Credit Investment Fund	15.0	N/A	1 month SONA +3.0-5.0% Gross of Fees, over a rolling 3-year period
Aegon European ABS Fund	12.0	N/A	0.5-1.0% p.a. gross of fees over Bloomberg Euro ABS composite
Total (% of total assets)	**67.0**		

[6]*Schroders Diversified Growth Fund is held in the same portfolio as the LDI investments. Schroders has discretion to disinvest from* [4]*Schroders Diversified Growth Fund holdings to recapitalise the LDI portfolio. Further information is set out in Section 3.1.2.*
[7]*Manager names are abbreviated (see appendix for full names).*

The allocation between the funds is not automatically rebalanced but is reviewed monthly by the Trustee.

3.1.2 Matching Portfolio

The table below sets out the strategic allocation within the Matching Portfolio, as well as the mandate used to implement the strategy and its associated benchmark and performance target.

Fund	Target Allocation (%)	Benchmark	Target
Schroders Flexible AAA ABS Fund and Schroder ISF Securitised CreditI Fund	8.0	N/A	ICE BofA Sterling 3-Month Government Bill Index + 1.0% p.a. (gross)
Schroders LDI Portfolio	25.0	Fund-specific Liability Benchmark Portfolio	To closely track the benchmark
Total (% of total assets)	**33.0**		

Both the target interest rate and inflation hedge ratios are 94.0%, as a proportion of Technical Provisions liabilities (based on a Liability Benchmark Portfolio resulting from point in time modelling analysis that is refreshed periodically).

Schroders implement the LDI portfolio by hedging the Fund's Liability Benchmark Portfolio, suitably scaled to reflect the target hedge ratios (as outlined above).

Schroders has discretion to implement a range of trading strategies, including paired and netted repo transactions and near-neighbour gilt switches. These strategies are undertaken at the manager's discretion to improve portfolio efficiency and/or generate incremental performance, while maintaining the overall level of LDI hedge exposure broadly in line with the agreed benchmark. In particular, the latter allows greater participation in gilt syndications and may enable incorporation of green gilts into the portfolio.

Predominantly, the collateral position of the LDI portfolio is measured by yield headroom; the parallel shift upwards in gilt yields (across all terms) that can be tolerated before all collateral in the LDI portfolio is depleted.

The table below outlines the actions that Schroders will take if yield headroom falls below pre-specified levels

Test for sufficient liquidity	Portfolio	Level	Action
Total Solution Lower Threshold	LDI Portfolio + liquid assets in other Schroders Portfolios	4.0%	Notify Client / Consultant within 2 Business Days. If further capital is not provided into the Portfolio within a reasonable timeline as determined by the Manager, the following levels will be suspended (i.e. considered breached): • Total Solution Lower Threshold • LDI Portfolio Lower Threshold • LDI Portfolio Early Warning and replaced with: • LDI Portfolio Lower Threshold (Post breach) LDI Portfolio Early Warning (Post breach).

Total Solution Lower Threshold	LDI Portfolio	2.5%	Notify Client / Consultant when the Level is not met within 2 Business Days. Once Level is reached test is suspended unless separately instructed.
LDI Portfolio Lower Threshold	LDI Portfolio	2.0%	If the Level is not met, sell assets in the Liquidity Support Portfolio such that the LDI Portfolio is replenished to a level of 2.5%. If there are insufficient Liquidity Support Portfolio assets available to replenish the LDI Portfolio to a level of 2.5%, the Manager should then act in accordance with Clause 14 in the Investment Management Agreement ("IMA").

The Trustee will review their collateral management policy no less frequently than annually, or as soon as possible in the event of significant market movements.

The Trustee also has a framework for topping up the collateral within the LDI portfolio.

Trigger	**Action**	**Responsibility**
LDI fund issues capital call	Assets sold from below collateral waterfall to meet capital call	LDI manager / Trustees
When collateral falls below 250bps	Assets sold from below collateral waterfall to restore buffer to above 400bps (agreed with the LDI manager)	LDI manager responsible for monitoring trigger, Trustees responsible for implementation

The latest collateral waterfall is set out below. Assets held with the same manager as the LDI mandate are shown in bold, reflecting the lower governance burden on the Trustee.

Manager	**Asset Class**	**Dealing frequency**
LDI manager	Asset Backed Securities	Daily frequency
LDI manager	Diversified Growth Fund	Daily frequency
Non-LDI manager	Asset Backed Securities	Daily frequency
Non-LDI manager	Multi-Asset Credit	Daily frequency

The Trustee monitors yield headroom on a quarterly basis.

3.2 Cash Flow Policy

The Fund is 'cashflow negative', meaning that outflows exceed income. As a result, on a quarterly basis, the administrator projects the disinvestment required over the subsequent three months. The investment consultant then provides advice on where to source these disinvestments.

Disinvestments are typically structured to rebalance the asset allocation towards the strategic targets set out in Section 3.1, although other factors may also be considered, such as the level of collateral available within the LDI portfolio.

Once agreed, the disinvestment is implemented, with proceeds held within the Schroders Liquidity Fund until required by the administrator.

Further information is set out in the Fund's Cashflow Management Policy.

Should additional collateral be required in the Fund's LDI portfolio in order to maintain the interest rate and inflation hedge ratios, beyond that available in the prescribed collateral waterfall in Section 3.1.2, a similar process will be followed to raise the required amount. In this case, proceeds will be invested directly into the LDI portfolio.

3.3 Additional Assets

Members' Additional Voluntary Contributions ("AVCs") are invested with Clerical Medical and Mobius Life Limited. The Trustee reviews the investment performance of the providers / fund range periodically and takes advice as to the continued suitability of the AVC arrangements.

4. Custodian

The role of a custodian is to ensure the safe keeping of the assets and facilitate all transactions entered into by the Investment Managers.

The Trustee has appointed Northern Trust as custodian for the segregated LDI portfolio. A custodian is not required for the Fund's pooled investments but Northern Trust do provide reporting services in respect of pooled fund units.

5. Investment Consultant

Whilst the day-to-day management of the Fund's assets is delegated to investment managers, all other investment decisions, including strategic asset allocation and selection and monitoring of investment managers, is based on advice received from the investment consultant.

6. Fee Structures

The investment managers levy fees based on a percentage of the value of the assets under management. The investment consultant is paid on either a fixed fee or time cost basis as negotiated by the Trustee in the interests of obtaining best value for the Fund. The specific fees in place are detailed in the Appendix.

7. 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.

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Signed:

For and on behalf of Syensqo Pensions Trust Limited in its capacity as Trustee of the Rhodia Pension Fund

Appendix

1. Investment Manager

Investment Manager
Legal & General Investment Management Limited ("L&G")
BlackRock Investment Management UK Limited ("BlackRock")
JP Morgan Asset Management ("JP Morgan")
KKR & Co. ("KKR")
Apollo Global Management Inc. ("Apollo")
M&G Plc ("M&G")
Aegon Asset Management ("Aegon")
Schroder Investment Management Limited ("Schroders")

2. Investment Management Fees

The table below sets out the annual fees charged by the investment managers.

Manager	Fund	Asset Class	Fee Schedule
L&G	Global equity portfolio	Equity	0.16% p.a.
Schroders	Diversified Growth Fund	Diversified Growth	0.43% p.a.
JP Morgan	Infrastructure Investment Fund	Open – Ended Infrastructure	0.82% p.a. *
KKR	Diversified Core Infrastructure Fund	Open – Ended Infrastructure	0.70% p.a.
BlackRock	Strategic Alternative Income Fund	Alternatives	0.50% p.a.**
KKR	Global Credit Opportunities Fund	Semi-Liquid Multi-Asset Credit	0.55% p.a.
Apollo	Multi-Asset Credit Replacement Fund	Semi-Liquid Multi-Asset Credit	Under $200m: 0.65% $200m – 325m: 0.63%
M&G	Total Return Credit Investment Fund	Liquid Multi-Asset Credit	0.45% p.a.
Aegon	European ABS Fund	AA-Rated ABS	0.1% p.a.***
Schroders	AAA Flexible ABS Fund	AAA-Rated ABS	0.10% p.a.
Schroders	LDI Mandate	LDI	0.04% p.a. on the first £200m of hedged exposure, 0.03% p.a. thereafter

Where applicable, the fees set out above reflect discounted terms negotiated by the Trustee.
** Estimated annual management (base) fee based on Fund's commitment, not including additional performance fee.*
*** The fee actually applied to the portfolio is 0.75% p.a. but a rebate of 0.25% p.a. has been agreed and is paid to the Trustee Bank Account. The figure shown above is net of the rebate.*
**** The annual management fee is estimated and reflects a rebate applied to the standard management charge of 0.25% p.a. The rebate is calculated based on the total assets under management of Isio clients invested in the Fund and is paid to the Trustee bank account; as a result, the overall fee is variable.*