THE WHITELEY PENSION SCHEME
STATEMENT OF INVESTMENT PRINCIPLES

SEPTEMBER 2022

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1 INTRODUCTION

This Statement of Investment Principles ("the Statement") has been prepared by PAN Trustees UK LLP, as Trustee (the "Trustee") of the The Whiteley Pension Scheme ("the Scheme") in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Scheme and the activities undertaken by the Trustee to ensure the effective implementation of these principles. It replaces the Statement dated March 2020.

In preparing the Statement, the Trustee has:

- Obtained and considered written advice from a suitably qualified individual, employed by their investment consultants, Mercer Limited ("Mercer"), whom it believes to have a degree of knowledge and experience that is appropriate for the management of their investments; and
- Consulted with the Sponsoring Employer, although it affirms that no aspect of the strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

The advice and the consultation process considered the suitability of the Trustee's investment policy for the Scheme.

The Trustee will review the Statement formally at least every three years to coincide with the triennial Actuarial Valuation or other actuarial advice relating to the Statutory Funding Requirements. Furthermore, the Trustee will review the Statement without delay after any significant change in investment policy. Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Sponsoring Employer.

2 INVESTMENT OBJECTIVES

The Trustee's primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustee also aims to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustee has received confirmation from the Scheme Actuary during the process of revising the investment strategy that the investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

3 INVESTMENT RESPONSIBILITIES

3.1 Trustee's Duties and Responsibilities

The Trustee is responsible for setting the investment objectives and determining the strategy to achieve the objectives. PAN Trustees UK LLP acts as sole Trustee for the Scheme and therefore carries out its duties and fulfils its responsibilities as a single body.

The duties and responsibilities of the Trustee include, but are not limited to, the following tasks and activities:

- The regular approval of the content of the Statement
- The appointment and review of the investment adviser
- The appointment and review of the investment platform provider
- The choice of appropriate funds to implement the agreed investment strategy
- The assessment and review of the performance of each investment manager
- The assessment of the risks assumed by the Scheme at total scheme level and manager by manager
- The approval and review of the asset allocation benchmark for the Scheme
- The compliance of the investment arrangements with the principles set out in the Statement

3.2 Investment Adviser's Duties and Responsibilities

The Trustee has appointed Mercer as the investment adviser to the Scheme. Mercer provides advice as and when the Trustee requires it, as well as raising any investment-related issues, of which it believes the Trustee should be aware. Matters on which Mercer expects to provide advice to the Trustee include the following:

- Setting of investment objectives
- Determining investment strategy, asset allocation and de-risking framework
- Determining an appropriate investment structure
- Determining funds and investment managers that are suitable to meet the Trustee's objectives when requested
- Monitoring the investment managers to ensure their continuing appropriateness for managing the funds invested in
- Monitoring the Platform provider to ensure its continuing appropriateness for the Scheme.
- Setting cashflow management (investment and withdrawal) policies (see Appendix 2)

The Trustee may seek advice from Mercer with regard to both strategic and tactical investment decisions (see Section 4 - Investment Strategy); however, it recognises that it retains responsibility for all such decisions, including those that concern investments and disinvestments relating to cashflows (see Appendix 2). Mercer may be proactive in advising the Trustee regarding tactical investment decisions; however, there is no responsibility placed on Mercer to be proactive in all circumstances.

Mercer monitors the performance of the Scheme's underlying investment managers against their benchmarks.

Mercer will also advise the Trustee of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Scheme is invested, such that in its view there exists a significant concern that any of these funds will not be able to meet their long-term objectives.

A fixed fee charge is made for the services provided by Mercer as specified within the contractual agreement. Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

In particular, Mercer does not receive commission or any other payments in respect of the Scheme that might affect the impartiality of its advice, and as noted below, any discounts negotiated with the underlying managers are passed on in full to the Scheme.

The Trustee is satisfied that this is the most appropriate adviser remuneration structure for the Scheme.

Mercer is authorised and regulated by the Financial Conduct Authority ("FCA").

3.3 Arrangements with Investment Managers

The Trustee is a long term investor and does not look to change the investment arrangements on a frequent basis.

The Trustee, after considering appropriate investment advice, have invested the assets of the Scheme through a Trustee Investment Policy (TIP) from Mobius Life Limited ("Mobius"), whose appointment foregoes the need for a Custodian. The Trustee first invested through the Mobius TIP in June 2021.

The Trustee also invests assets directly with Schroder Investment Management Limited ("Schroders") in relation to the Schroder Life UK Real Estate Fund, and this investment incepted in February 2019.

Mobius is authorised by the PRA and regulated by the FCA and the PRA. Schroders is authorised and regulated by the FCA,

The Mobius TIP facilitates investment into a range of underlying funds managed by third party investment managers and the value of the Mobius TIP is directly linked to the change in value in the underlying funds. All of the underlying investment managers used by the Scheme are authorised and regulated by the FCA.

The underlying investment managers used by the Trustee through the Mobius platform are chosen based on advice from the Investment Adviser. This is based on the Investment Adviser's view of their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

The Trustee invests in pooled investment vehicles through the Mobius platform and with Schroders. The Trustee therefore cannot specify the risk profile and return targets of the underlying investment managers, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy, including the policies set out in this SIP.

Details of the pooled funds used are set out in Appendix 3.

If the investment objective for an investment manager changes, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with its wider investment objectives.

The underlying investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

In the case of multi-asset mandates, the underlying investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

Mobius, Schroders and the underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. Where possible, discounts have been negotiated by Mercer and Mobius with the underlying managers on their standard charges and these discounts are passed on in full for the benefit of the Scheme.

None of the underlying investment managers in which the assets are invested have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustee therefore considers that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustee cannot influence the charging structure of the pooled funds in which the Scheme is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics. The Trustee is therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with its policies as set out in this SIP.

Insured Pensions

The Trustee has secured certain pensions in payment with insurance policies from the following insurers:

- Prudential
- Canada Life
- ReAssure
- Aviva
- Sun Life Financial of Canada

These policies specifically provide for the payment of benefit under the Scheme to the members covered by the policy. The primary responsibility of the insurers is to ensure that the correct amounts are paid to the Scheme on a timely basis equivalent to the pensions for the relevant pensioners and their dependants as appropriate.

The insurers' charges for managing the policies were crystalised into the up-front premium that the Trustee paid when securing the policies.

The insurers are also authorised by the PRA and the FCA.

3.4 Summary of Responsibilities

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the administrators, so far as they relate to the Scheme's investments, is set out at Appendix 4.

4 INVESTMENT STRATEGY

4.1 Setting Investment Strategy

The Trustee has determined the investment strategy after considering the Scheme's liability profile and requirements of the Statutory Funding Objective, the Scheme's Pension Protection Fund liabilities, its own appetite for risk, the views of the Sponsoring Employer on investment strategy, the Sponsoring Employer's appetite for risk, and the strength of the Sponsoring Employer's covenant. The Trustee has also received written advice from the Investment Adviser.

In making this decision, the Trustee has been satisfied that this is consistent with its investment objectives and is supported by both the Sponsoring Employer and the Sponsoring Employer's covenant.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustee has decided on a structured approach in accordance with the overall strategy. This approach is set out in Appendix 2.

4.2 Investment Decisions

The Trustee distinguishes between three types of investment decision: strategic, tactical and stock-level.

Strategic Investment Decisions

These decisions are long-term in nature and are driven by an understanding of the objectives, needs and liabilities of the Scheme.

The Trustee takes all such decisions itself. It does so after receiving written advice from their investment adviser and consulting with the Sponsoring Employer. Examples of such decisions and of tasks relating to the implementation of these decisions include the following:

- Setting investment objectives
- Determining the split between the growth and the stabilising portfolios
- Determining the allocation to asset classes within the growth and stabilising portfolios
- Determining the Scheme benchmark
- Reviewing the investment objectives, strategic asset allocation and de-risking framework

Tactical Investment Decisions

These decisions are short-term and based on expectations of near-term market movements. Such decisions may involve deviating temporarily from the strategic asset allocation and may require the timing of entry into, or exit from, an investment market or asset class.

These decisions are the responsibility of the Trustee. However, where such decisions are made within a pooled fund, they are the responsibility of the investment manager of the fund.

Stock Selection Decisions

All such decisions are the responsibility of the investment managers of the pooled funds in which the Scheme is invested.

4.3 Types of Investments to be Held

The Trustee is permitted to invest across a wide range of asset classes.

All the funds in which the Scheme invests are pooled and unitised. The use of derivatives is as permitted by the guidelines that apply to the pooled funds.

The Trustee recognises the benefits of diversification across growth asset classes, as well as within them, in reducing the risk that results from investing in any one particular market.

The Trustee has therefore decided to invest in Diversified Growth Funds (DGFs), which are actively managed multi-asset funds. The managers of the DGFs invest in a wide range of assets and investment contracts in order to implement their market views.

The Trustee notes that the actuarial value of the Scheme’s future benefits payments to members is sensitive to changes in long term interest rates and long term inflation expectations. The Trustee has therefore decided to invest in Liability Driven Investment (“LDI”) funds which aim to respond in a similar way to changes in these factors and reduce the volatility of the Scheme’s funding position. This is referred to as hedging.

The Trustee has also secured insurance policies with a range of insurers which will pay to the Scheme an amount equivalent to the pensions for the relevant pensioners and their dependants as appropriate.

4.4 Financially Material considerations

The Trustee considers many risks which it anticipates could impact the financial performance of the Scheme’s investments over the Scheme’s expected lifetime. Such risks are set out in the next section of this statement.

The Trustee recognises that environmental, social and corporate governance (“ESG”) factors, such as climate change, can influence the investment risk and return outcomes of the Scheme’s portfolio and it is therefore in members’ and the Scheme’s best interests that these factors are taken into account within the investment process.

The Trustee further recognises that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustee would seek to invest in funds which incorporate ESG principles.

In setting the investment strategy, the Trustee has prioritised funds which provide leveraged protection against movements in the Scheme’s liability value and also funds which provide actively managed diversification across a wide range of investment markets and consider the financially significant benefits of these factors to be paramount.

The Trustee notes that ESG considerations are not paramount to the first level decision making process within the funds which provide either actively managed diversification or leveraged liability protection. However, in the actively managed Diversified Growth Funds in which the Scheme invests, whilst managers typically do not put ESG considerations at the heart of the asset allocation decision, they will embed ESG considerations into the management of the underlying asset classes where it is appropriate to do so.

The Trustee will review its approach to ESG on an ongoing basis to make sure that the policy evolves in line with emerging trends and developments.

The Trustee is therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

4.5 Non - Financial Matters

The Trustee has determined that the financial interests of the Scheme members are the first priority when choosing investments.

It has decided not to consider non-financial considerations, such as ethical views, or to take members' preferences into account when setting the investment strategy for the Scheme.

4.6 Stewardship

The Scheme is invested solely in pooled investment funds. The Trustee's policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting rights to the pooled fund investment managers and expects the investment managers to use their discretion to act in the long term financial interests of investors.

If the Trustee is specifically invited to vote on a matter relating to corporate policy, it would exercise its right in accordance with what it believes to be the best interests of the majority of the Scheme's membership.

If a new investment manager is selected, the Trustee will consider the Investment Adviser's ESG score, which incorporates an assessment of engagement and voting as part of the process.

5 RISK

Under the Pensions Act 2004, the Trustee is required to state its policy regarding the ways in which risks are to be measured and managed. These are set out below.

Solvency Risk and Mismatching Risk

- These are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
- These are managed by setting a scheme-specific strategic asset allocation with an appropriate level of risk.

Manager Risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective.
- It is managed through diversification of the Scheme's assets across a range of funds with different investment styles, by monitoring and advice from the Investment Adviser where there have been significant changes to the managers' capabilities, and by using the Mobius Platform, which enables quick and efficient replacement of managers if appropriate.
- In relation to the insurance policies, the Trustee monitors that the insurers continue to make the appropriate payments to the Scheme in respect of the relevant members and their dependants on a timely basis

Liquidity Risk

- This is monitored according to the level of cashflows required by the Scheme over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Scheme's assets invested through Mobius are invested in pooled funds which are readily realisable. The Schroder Life UK Real Estate Fund has some liquidity constraints but forms only c9% of the Scheme's portfolio.
- The insurance policies pay to the Scheme an amount equivalent to the pensions for the specified pensioners and their dependants. They are not readily realisable.

Political Risk

- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through investing in funds which give a wide degree of diversification.

Corporate Governance Risk

- This is assessed by reviewing the Scheme's investment managers' policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the managers, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are available to the Trustee and take into account the financial interests of the shareholders, which should ultimately be to the Scheme's advantage.

Sponsor Risk

- This is assessed as the level of ability and degree of willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit.

- It is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor. Regular updates on employer covenant are provided to the Trustee by senior staff of the sponsor.
- It is currently managed by having a low risk investment strategy, to reduce the reliance on the covenant of the employer.

Legislative Risk

- This is the risk that legislative changes will require action from the Trustee so as to comply with any such changes in legislation.
- The Trustee acknowledges that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Credit Risk

- This is the risk that is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.
- The Scheme's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.
- Indirect credit risk arises in relation to underlying bond investments held in the pooled funds. This risk is mitigated by investing in funds with diversified portfolios and in respect of the LDI funds is managed by the investment manager's counterparty management and collateralisation procedures.
- The Trustee has invested the assets via a TIP from Mobius. Mobius carries out due diligence checks before making a new pooled fund available, and on an ongoing basis monitors changes to the regulatory and operating environments of the underlying pooled investment managers.
- The Trustee also notes that the TIP, and the Scheme's other insurance policies are subject to significant regulatory oversight and protections.

Market Risk

- This is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes currency risk, interest rate risk and other price risk as described below.

Currency Risk

- This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension scheme, it may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.
- This risk is managed by investing in DGFs. Within the DGFs the management of currency risk related to overseas investments is delegated to the underlying investment managers. However, the DGFs have a Sterling benchmark and by investing in a diversified investment portfolio, the impact of currency risk is mitigated.

Interest rate risk

- This is the risk that an investment's value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.
- The Trustee recognises that the Scheme's liabilities are exposed to a significant level of interest rate risk movement and for this reason it is desirable for the Scheme's assets to be exposed to a similar level of interest rate risk.
- The Trustee has therefore invested in LDI funds to manage this risk, with the LDI strategy set so as to provide an appropriate level of hedging against the interest rate and inflation risk inherent within the Scheme's liabilities

Other Price Risk

- This is the risk of volatility that principally arises in relation to the return seeking assets.
- The Trustee acknowledges that a scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets and have therefore invested the Scheme's return seeking assets in DGFs in order to achieve a diversified exposure to different investment markets and manage this risk.

ESG Risk

- This is the risk that Environmental, Social or Corporate Governance concerns, including climate change, have a financially material impact on the return of the Scheme's assets.
- The Trustee manages this risk by investing in well-respected investment managers where ESG principles are an established part of the investment decision making process and by regularly reviewing the ESG scoring of the investment consultant's scoring of the Scheme's managers.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1 Investment Adviser

The Trustee continually assesses and reviews the performance of the adviser in a qualitative way.

6.2 Investment Managers

The Trustee receives monitoring reports on the performance of the underlying investment managers from Mercer on an annual basis, which presents performance information over 3 months, 1 year and 3 years. The reports show the absolute performance on a net of fees basis and performance of the manager's stated target performance (over the relevant time period). It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance. The Trustee also receives monthly updates to show the development of the Scheme's assets.

The annual reporting also reviews the performance of the Scheme's assets in aggregate against the Scheme's strategic benchmark.

In conjunction with advice and information from their Investment Adviser, the Trustee has the role of replacing the underlying investment managers where appropriate. It takes a long-term view when assessing whether to replace the underlying investment managers and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of the investment manager by Mercer. This in turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.

Changes will also be made to the underlying managers if there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.

6.3 Portfolio Turnover Costs

The Trustee does not currently monitor portfolio turnover costs for the funds in which the Scheme is invested, although notes that the performance monitoring which it receives is net of all charges, including such costs. Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending or borrowing of investments.

The Trustee is also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

Given that the Scheme invests in a range of pooled funds, most of which invest across a wide range of asset classes, the Trustee is satisfied that it is not appropriate to have an overall portfolio turnover target for the Scheme.

7 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

Whilst the Scheme was open to accrual, it provided the facility for members to pay Additional Voluntary Contributions ("AVCs") to enhance their benefits at retirement. Now that the Scheme has closed, members can no longer actively pay AVCs.

The Scheme has a very small legacy AVC holding which is invested in the Aviva With Profits Fund.

8 CODE OF BEST PRACTICE

The Trustee notes that in March 2017, the Pensions Regulator released ‘Investment Guidance for Defined Benefit Pension Schemes’.

The Trustee receive investment advice which ensures that the principles contained within this guidance are applied to the Scheme as far as relevant to the Scheme’s circumstances.

The Trustee meets with their investment adviser on a regular basis, monitoring developments both in relation to the Scheme’s circumstances and in relation to evolving guidance, and will revise the Scheme’s investment approach if considered appropriate.

9 COMPLIANCE

The Scheme’s Statement of Investment Principles and annual report and accounts are available to members on request. It is also available online.

A copy of the Scheme’s current Statement plus Appendices is also supplied to the Sponsoring Employer, the Scheme’s auditors and the Scheme Actuary.

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustee on 27 September 2022.

Andrew Firbank

On behalf of PAN Trustees UK LLP, as Trustee of the Scheme.

APPENDIX 1: ASSET ALLOCATION BENCHMARK

The Scheme's strategic asset allocation benchmark is set out below:

Asset Class	Strategic Allocation (%)
Growth Assets	**50.0**
Diversified Growth	35.0
UK Real Estate	15.0
Matching Assets	**50.0**
Corporate Bonds	13.0
LDI	37.0
Total	**100.0**

The policy for rebalancing and investment / disinvestment of cashflows is set out in Appendix 2.

Appendix 3 provides information about the selection of investment managers.

Insured Pensions

In addition to the above, the Trustee has secured certain pensions in payment with insurance policies. These policies specifically provide for the payment of benefit under the Scheme to those members.

APPENDIX 2: CASHFLOW AND REBALANCING POLICY

Rebalancing and Cashflow Policy

The Trustee is satisfied that there should be no automatic rebalancing policy in place. Instead, the Trustee will use the reporting provided by Mercer to determine if any funds have moved significantly away from the strategic asset allocation, and if so consider the circumstances for this and whether it would be appropriate to take action.

The Trustee notes that the LDI funds will move significantly in value in response to changing liability values and that buying or selling LDI funds would change the level of liability hedging. The LDI funds have therefore been excluded from the rebalancing process, although the recapitalisation process noted below will help to rebalance them.

The Trustee also notes that the UK Real Estate Fund does not have daily liquidity, and therefore rebalancing may not be practicable.

The Trustee has agreed an appropriate cashflow policy, with cashflows below an agreed limit being taken from / applied to a combination of the Diversified Growth and Corporate Bond funds. Cashflows above the agreed limit will be given specific consideration at the time they arise.

LDI Recapitalisation

The Trustee notes that the LDI manager may require additional assets or may release assets from time to time in order to support the operation of the LDI funds. The Trustee has put in place a policy with Mobius regarding this recapitalisation/release procedure.

Changes

The Trustee, will review the cashflow, rebalancing and LDI recapitalisation policies from time to time to ensure that they remain appropriate.

For avoidance of doubt, this Statement will not be revised purely in relation to a change in these policies.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

The table below shows a summary of the funds used by the Scheme along with their respective charges. All the funds are invested in through the Mobius Platform, except for the Schroder Life UK Real Estate Fund which remains directly invested with Schroders.

Investment Manager / Fund	Objective	Liquidity
Real Estate Fund		
Schroder Life UK Real Estate Fund	To achieve 0.5% p.a.(net of all fees and expenses) above the AREF/IPD UK Pooled Property Fund Indices – All Balanced Funds Index Weighted Average over rolling three year periods.	Monthly investments, quarterly redemptions, but Schroders reserve the right to defer redemptions by up to 2 years
Diversified Growth Funds		
Abrdn Diversified Growth Fund	To exceed the return on cash deposits (as currently measured by a benchmark of 1 month SONIA GBP) by 5% p.a. (before fees) over rolling five year periods before charges.	Daily
Schroder Life Diversified Growth Fund	To outperform ICE BofA Sterling 3-Month Government Bill Index plus 4.5% per annum (before fees) with a target volatility of less than 67% of global stock markets over a five to seven year period by investing in a diversified range of assets and markets worldwide.	Daily
Corporate Bonds		
Legal and General Investment Management Active Corporate Bond All Stocks Fund	To outperform the Markit iBoxx £ Non-Gilts Index by 0.75% p.a. (before fees) over a three year rolling period.	Daily
LDI Funds		
BMO Real and Nominal Dynamic LDI Fund	To provide liability hedging by offering interest rate protection and inflation protection (Real fund only) which replicates the liability profile of a typical UK defined benefit pension plan.	Daily

Insured Pensions

In addition to the above, the Trustee has secured insurance policies in respect of some pensions in payment with Prudential, Canada Life, ReAssure, Aviva and Sun Life Financial of Canada. These pay the insured amounts to the Scheme as defined by in their respective policies.

APPENDIX 4: RESPONSIBILITIES OF PARTIES

Trustee

The Trustee's responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate
- Reviewing the investment strategy following the results of each actuarial review, in consultation with the Investment Adviser and Scheme Actuary
- Appointing the investment manager(s), platform provider and custodian (if required)
- Selecting appropriate investment managers and appropriate funds
- Assessing the quality of the performance and processes of the underlying investment manager(s) by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser
- Consulting with the Sponsoring Employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis

Investment Adviser

The Investment Adviser's responsibilities include the following:

- Participating with the Trustee in reviews of this Statement of Investment Principles
- Production of performance monitoring reports
- Advising the Trustee, at its request, on the following matters:
  - Through consultation with the Scheme Actuary, how any changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested
  - How any significant changes in the investment managers' organisations could affect the interests of the Scheme
  - How any changes in the investment environment could present either opportunities or problems for the Scheme
- Undertaking project work, as requested, including:
  - Reviews of asset allocation policy
  - Research into and reviews of investment managers
- Advising on the selection of new managers and/or custodians
- Informing the Trustee of any significant changes or concerns in relation to the Platform provider's suitability for the Scheme

Investment Managers

With the exception of the Schroder Real Estate Fund, the underlying investment managers for the Scheme have a direct relationship with Mobius, rather than with the Trustee and therefore do not have any direct responsibility to the Trustee.

The responsibilities of the investment managers include the following:

- Informing the Platform provider or the Trustee, as appropriate, of any changes in the internal performance objectives and guidelines of their funds
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments

- Managing their funds in accordance with their stated mandates

Insurers

The primary responsibility of the insurers is to ensure that the correct amounts are paid to the Scheme on a timely basis equivalent to the pensions for the relevant pensioners and their dependants as appropriate.

Platform provider

The platform provider's responsibilities include the following:

- Ensure contributions are invested/disinvested in accordance with instructions, and that switches are processed accordingly
- Ensure instructions are in accordance with the Authorised Signatory Lists
- Informing the Trustee of any changes of which they are informed in the internal performance objectives and guidelines of any pooled fund used by the Scheme as and when they occur
- Providing the Trustee, on a quarterly basis (or as frequently as agreed), with a statement and valuation of the assets and appropriate management information and reporting.

Scheme Actuary

The Scheme Actuary's responsibilities include the following:

- Liaising with the Investment Adviser regarding the suitability of the Scheme's investment strategy given the financial characteristics of the Scheme
- Assessing the funding position of the Scheme and advising on the appropriate response to any shortfall
- Performing the triennial (or more frequent, as required) valuations and advising on the appropriate contribution levels

Administrator

The Administrator's responsibilities include the following:

- Ensuring there is sufficient cash available to meet benefit payments as and when they fall due
- Paying benefits and making transfer payments
- Investing contributions not required to meet benefit payments with the Investment Managers according to the Trustee's instructions.