DUNHAM-BUSH RETIREMENT BENEFITS PLAN
STATEMENT OF INVESTMENT PRINCIPLES

SEPTEMBER 2020

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1 INTRODUCTION

This Statement of Investment Principles (“the Statement”) has been prepared by the Trustees of the Dunham-Bush Retirement Benefits Plan (“the Plan”) 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 Trustees to ensure the effective implementation of these principles.

In preparing the Statement, the Trustees have:

- obtained and considered written advice from a suitably qualified individual, employed by their investment consultants, Mercer, whom they believe to have a degree of knowledge and experience that is appropriate for the management of their investments; and
- consulted with the Sponsoring Employer, although they affirm that no aspect of their 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 Trustees’ investment policy for the Scheme.

The Trustees 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 Trustees 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 Trustees' 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 Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustees have also received confirmation from the Scheme Actuary during the process of revising the investment strategy that their 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. TRUSTEES' DUTIES AND RESPONSIBILITIES

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives. They carry out their duties and fulfil their responsibilities as a single body.

The duties and responsibilities of the Trustees 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 managers and investment adviser
- The assessment and review of the performance of each investment manager
- The setting and review of the investment parameters within which the investment managers can operate
- 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 Trustees have appointed Mercer as the independent investment adviser to the Scheme. Mercer provides advice as and when the Trustees require it, as well as raising any investment-related issues, of which it believes the Trustees should be aware. Matters on which Mercer expects to provide advice to the Trustees include the following:

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Liaising with JLT Investment Management ("JLT IM") to determine funds and investment managers that are suitable to meet the Trustees' objectives
- Setting cashflow management (investment and withdrawal) policies (see Appendix 3)

The Trustees may seek advice from Mercer with regard to both strategic and tactical investment decisions (see Section 4 - Investment Strategy); however, they recognise that they retain responsibility for all such decisions, including those that concern investments and disinvestments relating to cashflows (see Appendix 3). Mercer may be proactive in advising the Trustees regarding tactical investment decisions; however, there is no responsibility placed on Mercer to be proactive in all circumstances.

Mercer will also advise the Trustees 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. Section 3.3 describes the responsibilities of JLT IM as investment manager to the Scheme.

Mercer makes a fund based charge for the services it provides as set out in its investment agreement with the Trustee. 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 their advice, and as noted below, any discounts negotiated by JLT IM with the underlying managers and these discounts are passed on in full to the Scheme.

The Trustees are 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 Trustees are long term investors and do not look to change the investment arrangements on a frequent basis.

The Trustees, after considering appropriate investment advice, have appointed JLT IM as investment manager to the Scheme. The key duty of JLT IM is to select investment managers suitable to each mandate within the Trustees' agreed asset allocation.

JLT IM will therefore contract with and appoint underlying investment managers to manage the Scheme's assets on behalf of the Trustees. Investment managers are appointed by JLT IM based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

JLT IM will only invest in pooled investment vehicles. The Trustees therefore accept that it cannot specify the risk profile and return targets of the manager, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy. If a manager is significantly downgraded by Mercer's Manager Research Team, JLT IM will replace that manager with a suitable alternative.

JLT IM is also responsible for appointing a suitable Platform provider, which will provide the infrastructure to support the Scheme's investments and host the underlying investment managers' funds. The current Platform provider is Mobius Life Limited, whose appointment foregoes the need for a Custodian. Mobius Life Limited is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

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.

All of the investment managers that will be sub-contracted by JLT IM will be authorised and regulated by the PRA, the FCA or both.

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 JLT IM with the underlying managers on their standard charges and the Scheme benefits directly from these discounts.

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

The Trustees therefore consider 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 Trustees accept that they cannot influence the charging structure of the pooled funds in which the Plan 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 Trustees are therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustees' policies as set out in this SIP.

JLT IM makes a fund based charge for the services it provides. This charge is specified in the contractual agreement between the Trustees and JLT IM.

JLT IM does not receive commission or any other payments in respect of the Scheme that might affect the impartiality of its actions and any discounts negotiated by JLT IM with the underlying managers are passed on in full to the Scheme.

JLT IM is authorised and regulated by the FCA.

The Trustees believe that this is the most appropriate basis for remunerating managers.

3.4. SUMMARY OF RESPONSIBILITIES

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the scheme administrators, so far as they relate to the Scheme's investments, is set out at Appendix 5.

4 INVESTMENT STRATEGY

4.1. SETTING INVESTMENT STRATEGY

The Trustees have determined their investment strategy after considering the Scheme's liability profile and requirements of the Statutory Funding Objective, their 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 Trustees have also received written advice from their Investment Adviser.

The basis of the Trustees' strategy is to divide the Scheme's assets between a "growth" portfolio, comprising assets such as equities and a "stabilising" portfolio, comprising assets such as bonds and introducing liability driven investments ("LDI"). The growth-stabilising allocation is set with regard to the overall required return objective of the Scheme's assets, which is determined by the funding objective and current funding level. The Trustees have established a framework to de-risk the Scheme's investment strategy based on a series of pre-determined trigger points. Each trigger point has an associated growth-stabilising allocation which, in turn, has an expected level of return linked to the Scheme's funding objective. Thus, the Trustees regard the basic distribution of the assets to be appropriate for the Scheme's objectives and liability profile. The initial and framework allocations are set out in Appendices 1 and 2.

The Trustees have established a benchmark allocation to each asset class within each strategic asset allocation, which is set out in Appendix 1, and as altered by Appendix 2.

The Trustees recognise 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. Where they consider it advisable to do so, the Trustees have appointed investment managers to select and manage the allocations across growth asset classes, in particular where it would not be practical (or appropriate) for the Trustees to commit the resources necessary to make these decisions themselves.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustees have decided on a structured approach to rebalance the assets in accordance with their overall strategy. This approach is set out in Appendix 3.

4.2. INVESTMENT DECISIONS

The Trustees distinguish 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 Trustees take all such decisions themselves. They do 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 and strategic asset allocation

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 Trustees. 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 Trustees are permitted to invest across a wide range of asset classes, including, but not limited to, the following:

- UK and Overseas Equities
- UK and Overseas Government Bonds, Fixed and Inflation-linked
- UK and Overseas Corporate Bonds
- Multi Asset Funds
- Absolute Return Bond Funds
- Equity-Linked LDI and Bond Funds
- Emerging Market debt
- Diversified Growth
- Liability Driven Investment Products
- Cash

All the funds in which the Scheme invests are pooled and unitised. The use of derivatives is permitted by the guidelines that apply to the pooled funds. Details relating to the pooled funds can be found in Appendix 4.

4.4. FINANCIALLY MATERIAL CONSIDERATIONS

The Trustees have considered financially material factors such as environmental, social and governance (‘ESG’) issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. They believe that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes they are investing in.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest through pooled funds. The Trustees acknowledge that it cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest. However, the Trustees do expect its fund managers and investment consultant to take account of financially material considerations when carrying out their respective roles.

The Trustees accept that the Scheme’s assets are subject to the investment manager’s own policy on socially responsible investment. The Trustees will assess that this corresponds with its responsibilities to the beneficiaries of the Scheme with the help of its investment consultant.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new managers and these policies are also reviewed regularly for existing managers with the help of the investment consultant. The Trustees will only invest with investment managers that are signatories for the United Nations Principles of Responsible Investment (‘UN PRI’) or other similarly recognised standard.

The Trustees will monitor financially material considerations through the following means:

- Obtain training where necessary on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments
- Use ESG ratings information provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues; and
- Request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes, via its investment consultant

If the Trustees determines that financially material considerations have not been factored into the investment managers' process, it will take this into account on whether to select or retain an investment.

4.5. NON-FINANCIALLY MATERIAL CONSIDERATIONS

The Trustees have not considered non-financially material matters in the selection, retention and realisation of investments.

4.6. STEWARDSHIP

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe this will be beneficial to the financial interests of members over the long term. The Trustees will review the investment managers' voting policies, with the help of their investment consultant, and decide if they are appropriate.

The Trustees also expect the fund manager to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustees will engage with the investment manager, with the help of their investment consultant, to influence the investment managers' policy. If this fails, the Trustees will review the investments made with the investment manager.

The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expect investment managers to adhere to this where appropriate for the investments they manage.

4.7. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AND CLIMATE CHANGE RISKS

There is a risk that ESG issues and climate change are not considered as part of the investment process and so may expose the portfolio to unexpected risks. This can lead to losses that may not have been factored into any expectations of future investment returns. The Trustees have considered ESG issues including climate change as part of the investment process.

5 RISK

The Trustees are aware, and seek to take account of a number of risks in relation to the Scheme's investments, including the following:

Under the Pensions Act 2004, the Trustees are required to state their 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 and factors supporting the managers' investment process, and by appointing JLT IM to monitor and replace any managers where concerns exist over their continued ability to deliver the investment mandate.

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 are invested in pooled funds which are 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 provided to the Trustees from time to time 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 Trustees by senior staff of the sponsor.

Legislative Risk

- This is the risk that legislative changes will require action from the Trustees so as to comply with any such changes in legislation.
- The Trustees acknowledge 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 one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- The Trustees acknowledge that the assessment of credit risk on individual debt instruments is delegated to the investment manager. The Trustees will however ensure that they are comfortable with the amount of risk that the Scheme's investment manager takes.

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 comprises of the following three types of risk

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, the scheme 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.

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 Trustees acknowledge that the interest rate risk related to individual debt instruments, and particularly liability driven instruments (LDI), is managed by the underlying investment managers through a combination of strategies, such as diversification, duration and yield curve management, and hedging via swaps, particularly where LDI is involved.

Other Price risk

- This is the risk that principally arises in relation to the return seeking portfolio, which invests in equities, equities in pooled funds, equity futures, hedge funds, private equity and property.
- The Trustees acknowledge that a scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1. INVESTMENT ADVISER

The Trustees continually assess and review the performance of their adviser in a qualitative way.

6.2. INVESTMENT MANAGERS

The Trustees receive quarterly monitoring reports on the performance of the underlying investment managers from Mercer.

The reporting reviews the performance of the Scheme's individual funds against their benchmarks, of the Scheme's assets in aggregate against the Scheme's strategic benchmark and also of the development of the Scheme's assets relative to its liabilities.

JLT IM, as Investment Manager 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's Manager Research Team. 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 be made to the underlying managers however 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 Trustees do not currently monitor portfolio turnover costs for the funds in which the Scheme is invested, although note that the performance monitoring which they 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 Trustees are 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, many of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme.

7 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

The Plan provides a facility for members to pay for Additional Voluntary Contributions (“AVCs”) to enhance their benefits at retirement. Members are offered a range of funds in which to invest their AVCs.

8 CODE OF BEST PRACTICE

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

The Trustees have received training in relation this guidance and are satisfied that the investment approach adopted by the Scheme is consistent with the guidance so far as it is appropriate to the Scheme’s circumstances.

The Trustees meet 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.

A copy of the Scheme's current Statement plus Appendices is also supplied to the Sponsoring Employer, the Scheme's investment managers, 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 Trustees on 29th September 2020.

APPENDIX 1: ASSET ALLOCATION BENCHMARK

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

Asset Class	Strategic Target Allocation	Strategic Benchmark Allocation	Guideline Range
Growth Assets	**40%**	**40%**	**+/-**
Thread Life Multi Asset	10%	20%	10%
BG IF Multi Asset Growth	10%		
Morgan Stanley IM SICAV Global Quality	12%	20%	10%
JPM Emerging Markets Opportunities	8%		
Stabilising Assets	**60%**	**60%**	
BMO LDI Equity-linked Real DLDI Sub-Fund	10%	10%	5%
Investec Global Total Return Credit Fund	12%	20%	5%
Payden Absolute Return Bond Fund	8%		
BMO LDI Real Dynamic LDI Fund	10%	10%	5%
BMO LDI Nominal Dynamic LDI Fund	20%	20%	10%
Total	**100%**	**100%**	

Note 1 – given the illiquid nature of property investments, it is not expected that the property allocation will be rebalanced.

Note 2 – LDI is being used as a stabilising asset to target an interest rate hedge ratio of 74.9% and an inflation rate hedge ratio of 74.6%. The intention is to increase these over time as the Scheme de-risks.

As covered in Section 4.1, the strategic asset allocation may change over time to reflect different required rates of investment return in accordance with the Investment Manager Agreement. This schedule is also summarised in Appendix 2.

The Scheme's asset allocation will be monitored by JLT IM so as to maintain it within the guideline ranges.

The policy for rebalancing and investment / disinvestment of cashflows is set out in Appendix 3.

Appendix 4 provides information about the funds in which the assets are invested.

APPENDIX 2: ASSET ALLOCATION FRAMEWORK

The Scheme's strategic asset allocation benchmark for each given required investment return is set out below.

Required Return	Gilts + 2.1% p.a. & above	Gilts + 1.6% p.a.	Gilts + 1.1% p.a.	Gilts + 0.6% p.a.
Growth-Multi Asset	20% (+/- 10%)	20% (+/- 10%)	20% (+/- 10%)	20% (+/- 10%)
Growth-Liquid	20% (+/- 10%)	15% (+/- 10%)	10% (+/- 5%)	5% (+/- 5%)
Stabilising-Low Duration	20% (+/- 5%)	20% (+/- 5%)	20% (+/- 5%)	19% (+/- 5%)
Gilts-Real		5% (+/- 5%)	6% (+/- 5%)	9% (+/- 5%)
Gilts-Nominal		2% (+/- 2%)	7% (+/- 5%)	12% (+/- 5%)
LDI-Equity-Linked Real	10% (+/- 5%)	8% (+/- 5%)	4% (+/- 4%)	
LDI-Real	10% (+/- 5%)	10% (+/- 5%)	13% (+/- 6.5%)	15% (+/- 7.5%)
LDI-Nominal	20% (+/- 10%)	20% (+/- 10%)	20% (+/- 10%)	20% (+/- 10%)

APPENDIX 3: CASHFLOW AND REBALANCING POLICY

Where possible, cash outflows will be met from cash balances held by the Scheme and from income from the Scheme's investments in order to minimise transaction costs.

Investments or disinvestments should be applied in such a way as to bring the actual asset allocation back towards the Scheme's central benchmark asset allocation, as set out in Appendix 1, and as altered by Appendix 2.

The Trustees will review the cashflow policy from time to time to ensure that it remains appropriate taking into account changes in the Scheme's cashflow requirements.

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

APPENDIX 4: INVESTMENT MANAGER INFORMATION

The Scheme invests with JLT IM, whose key responsibility it to appoint suitable investment managers to each of the mandates within the Trustees' agreed investment strategy as set out in Appendix 1, and as altered by Appendix 2.

The tables below show the details of the mandate(s) with each manager.

GROWTH ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
Diversified Growth				
Thread Life Multi Asset Fund	UK Bank of England Base Rate +4%	It aims to achieve total returns equivalent to cash plus 4% per annum, gross of fees, over the economic cycle (expected to be 5-7 years).	Daily	(b) / 2
Baillie Gifford Multi Asset Growth	UK Bank of England Base Rate +3.5%	To achieve attractive returns over the long term at lower risk than Equity markets by investing in a multi asset portfolio.	Daily	(b) / 2
Global Equities				
Morgan Stanley IM SICAV Global Quality	MSCI World Net Index	The investment team aims to utilise high-quality companies to generate superior returns over the long term.	Daily	(b) / 2
JP Morgan Emerging Markets Opportunities	MSCI Emerging Markets Index (Total Return Net)	To provide long-term capital growth by investing primarily in an aggressively managed portfolio of emerging market companies.	Daily	(b) / 2

STABILISING ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
Liability Driven Investments				
BMO LDI Equity-linked Real DLDI Sub-Fund	The liability benchmark is the liability profile of a typical UK DB pension scheme the synthetic equity benchmark is a mix of global equity indices.	The objective of the Sub-Fund is to provide exposure to global equities via the Synthetic Equity Portfolio and hedge against changes in interest rates and inflation expectations via the Liability Portfolio.	Daily	(b) / 2
BMO LDI Real Dynamic Fund	The liability profile of a typical UK DB pension scheme.	The fund aims to provide liability hedging by offering interest rate and inflation protection which replicates the liability profile of a typical UK defined benefit pension scheme.	Daily	(b) / 2
BMO LDI Nominal Dynamic Fund	The liability profile of a typical UK DB pension scheme.	The fund aims to provide liability hedging by offering interest rate protection which replicates the liability profile of a typical UK defined benefit pension scheme.	Daily	(b) / 2
Multi Asset Credit				
Investec Global Total Return Credit Fund	3 month LIBOR +4-6% p.a.	To outperform the benchmark.	Daily	(b) / 2
Payden Absolute Return Bond Fund	1 month LIBOR +3% p.a. over a 3-year period	The Fund aims to achieve a return 1-month LIBOR (or the equivalent for each currency share class) + 3% over a 3-year period, while seeking preservation of capital over a medium-term horizon.	Daily	(b) / 2

The assets for the underlying managers are hosted on an investment platform provided by Mobius Life Limited.

JLT IM will monitor the investment managers. If one of the managers is downgraded by JLT's Manager Research Team to a REVIEW or SELL rating, that manager will automatically be replaced by JLT IM with a PREFERRED rated alternative manager.

For avoidance of doubt, this SIP will not be updated solely in response to a replacement of one of the underlying investment managers.

APPENDIX 5: RESPONSIBILITIES OF PARTIES

TRUSTEES

The Trustees' 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) and custodian (if required)
- Assessing the quality of the performance and processes of the 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 Trustees in reviews of this Statement of Investment Principles
- Production of performance monitoring reports
- Advising the Trustees, at their 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’ organisation 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

INVESTMENT MANAGERS

As noted in this statement, JLT IM has been appointed as Investment Manager and will sub-contract with underlying investment managers on behalf of the Trustees.

JLT IM’s responsibilities include the following:

- Providing the Trustees on a quarterly basis (or as frequently as required) with a statement and valuation of the assets and a report on their actions and future intentions, and any changes to the processes applied to their portfolios
- Informing the Trustees of any changes in the internal performance objectives and guidelines of any pooled fund used by the Scheme as and when they occur
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments
- Giving effect to the principles contained in the Statement as far as is reasonably practicable

The underlying investment managers contract with JLT IM and therefore do not have any direct responsibility to the Trustees.

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 Trustees' instructions.