

PRYSMIAN PENSION SCHEME –
DC SECTION
STATEMENT OF INVESTMENT
PRINCIPLES

SEPTEMBER 2020

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1 INTRODUCTION

This Statement of Investment Principles (“the Statement”) has been prepared by the Trustee of the Prysmian 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.

In preparing the Statement, the Trustee has:

- Obtained and considered written advice from a suitably qualified individual, employed by its investment consultants, Mercer, whom they believe to have a degree of knowledge and experience that is appropriate for the management of the Scheme’s investments; and
- Consulted with the Principal Employer, although the Trustee affirm that no aspect of this 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 ensure its ongoing suitability. Furthermore, the Trustee will review the Statement following 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 Principal Employer.

2 INVESTMENT RESPONSIBILITIES

2.1. Trustee's duties and responsibilities

The Trustee is responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The Trustee carries out its duties and fulfil their responsibilities as a single body. The duties and responsibilities of the Trustee includes, but are not limited to, the following tasks and activities:

- Setting of investment objectives and formulating investment strategy
- Selecting funds for member choices
- The regular approval of the content of the Statement
- The appointment and review of the investment managers and investment advisers
- The compliance of the investment arrangements with the principles set out in the Statement

2.2. Investment adviser's duties and responsibilities

The Trustee has appointed Mercer as the investment adviser to the Scheme. Mercer provides investment advice as required by the Trustee, 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 and structure of the default strategy
- Advising on appropriate member fund choices
- Liaising with Mobius Life Limited to select and replace investment managers

In considering appropriate investments for the Scheme, the Trustee will obtain and consider written advice from Mercer, whom the Trustee believes to be suitability qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995, as amended.

Mercer monitors the performance of the Scheme's investment managers against their benchmarks. Section 2.3 describes the responsibilities of Mobius Life Limited as investment manager to the Scheme.

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. If the investment manager and fund are not covered by Mercer's manager research process, Mercer will advise the Trustee accordingly.

Mercer makes a fund based charge. This charge covers the services as specified within the Implemented Investment Consultancy Services 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 their advice and any discounts negotiated with the underlying managers are to be passed on in full to the Scheme.

The Trustee is satisfied that the investment arrangements, including the charging structure, are clear and transparent.

Both Mercer and the individual investment consultants who advise the Trustee are authorised and regulated by the Financial Conduct Authority (FCA).

2.3. Arrangement with Investment Managers

The Trustee is a long term investor and does not look to change the investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement. The fund range and default investment strategy are reviewed on at least a triennial basis. A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment strategy or general fund range.

After considering appropriate investment advice, the Mobius Life Limited to the Scheme. Mobius Life Limited was first appointed in 2013. 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 were selected based on advice from Mercer. Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.

The current investment strategy is now managed invested via a white labelled solution.

Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.

The Trustee looks to its investment consultant for their forward-looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Scheme invests in. Mercer's Manager Research Team ratings assist with due diligence and questioning managers during presentations to the Trustee and are used in decisions around selection, retention and realisation of manager appointments.

As the Scheme invest in pooled investment vehicles they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

The details of appointed investment managers are set out in Appendix 1, together with the details of each manager's mandate and annual management charges. Investment managers are selected having regard to their ability to provide one or more of the identified fund types and their potential to meet the investment objectives of the Scheme.

In particular, 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 and multi-manager mandates, the investment managers are responsible for all decisions concerning the allocation to individual asset classes and to the underlying investment managers.

All of the investment managers that will be sub-contracted by Mobius will be authorised and regulated by the Prudential Regulation Authority ("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. These charges are set out in Appendix 1. 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 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.

Mobius Life Limited 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 with the underlying managers are passed on in full to the Scheme.

The Trustee accepts that it 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 the Trustee's policies as set out in this SIP.

2.4. Summary of responsibilities

A summary of the responsibilities of all relevant parties, insofar as they relate to the Scheme's investments, is set out in Appendix 2.

3 INVESTMENT OBJECTIVES

The Trustee's main objective is to provide members with an investment strategy aligned to the needs of their members that will optimise the return on investments in order to build up a savings pot which will be used in retirement.

The Trustee is mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default strategy.

Details of the approach the Trustee has taken to meet these investment objectives are set out in Section 4.

The Trustee has determined their investment policy in such a way as to address the risks set out in Section 6 of this Statement. To help mitigate the most significant of the risks, the Trustee has:

- Made a lifestyle strategy available as a default solution, which transitions members' investments from higher risk investments to lower risk investments as members approach retirement, and
- Offered a range of self-select funds across various asset classes.

The Trustee will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.

The items set out in Section 3, 4 and 6 of this Statement are in relation to what the Trustee deems as 'financially material considerations' both for the DC Section of the Scheme and the default lifestyle strategy. The Trustee believes the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the members' age and when they expect to retire. It is for this reason that the default is a lifestyle strategy.

4 INVESTMENT STRATEGY AND FUND SELECTION

After taking advice, the Trustee offers a lifestyle option available to members. The lifestyle option also operates as a default should a member not make an explicit choice as to the selection of funds, and is designed to be appropriate for a typical member of the Scheme. The default lifestyle strategy is described in more detail in Section 4.1.

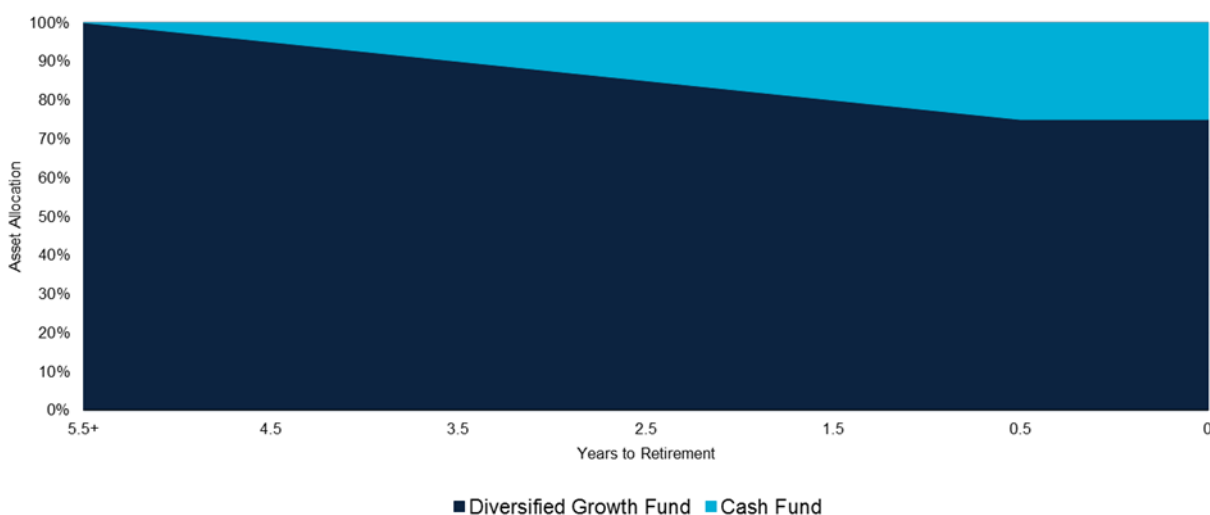
Members can opt out of the default strategy and invest in any investment fund made available in the self-select fund range as described in Sections 4.2.

4.1. Default Lifestyle Strategy

The Trustee has assumed responsibility for setting an investment strategy that provides a broad level of protection against the key risks identified in Section 6. This is achieved by using a lifestyle strategy.

In determining the investment strategy, the Trustee undertook an extensive investigation and have received formal written investment advice from their investment consultants. The Trustee has explicitly considered the trade-off between risk and expected returns. The expected amount of risk is considered appropriate for the typical member and will differ by member depending on their age as well as their expected retirement date.

The objective of the default lifestyle strategy is to provide investment growth by investing in return seeking assets in a diversified portfolio with a moderate risk profile. When members are more than 5 and a half years from their selected retirement age their assets will be fully invested in the Diversified Growth Fund, which itself invests entirely in the Columbia Threadneedle Multi-Asset Fund. Assets are then gradually switched over five years into the Cash Fund (which invests entirely in the L&G Sterling Liquidity Fund), starting five years and six months before a member's selected retirement date. When members reach their selected retirement age they will have 25% of their assets in the Cash Fund and 75% in the Diversified Growth Fund; this strategy is therefore designed to allow members to withdraw their 25% tax-free cash lump sum and target a flexible approach to retirement. The strategy can be illustrated using the following graph:



The Columbia Threadneedle Multi Asset Fund is an actively managed diversified growth fund (DGF) which aims to achieve investment returns of the Bank of England base rate plus 4.0% p.a. over a rolling three year period. The Legal & General Sterling Liquidity Fund is an actively managed fund that invests primarily in cash and aims to achieve returns in line with the 7 day LIBID rate. These funds, as well as the funds available for members to self-select, are packaged into “white labelled” funds (i.e. Diversified Growth Fund and Cash Fund). This makes it

easier for members to understand the difference between the different funds and also reduces the governance burden on the Trustee should it decide to change one of the underlying fund managers.

By investing in this manner, the Trustee expects to deliver growth over the member's lifetime within the Scheme without excessive risk taking. The Trustee considers this approach to be in the best interests of members and relevant beneficiaries.

Taking into account the demographics of the DC Section's membership and the Trustee's views of how the membership will behave at retirement, the Trustee believes that the current default is appropriate. The Trustee will continue to review this over time (including the performance), at least triennially, or after any significant changes to the Scheme's demographic if sooner.

4.2. Self-Select fund choices

If members do not want to be invested in a lifestyle strategy they also have the option to invest in self-select funds. The range of investment options cover multiple asset classes and provide appropriate strategic choices for members' different savings objectives, risk profiles and time horizons.

When self-selecting, the balance between funds and asset classes is the member's decision. This balance will determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerance.

The Trustee has made 6 funds available for self-selecting, details of which can be found in Appendix 1.

The Trustee will continue to keep the fund range under review, and will make changes if appropriate.

4.3. White-Labelled Funds

The Trustee uses a white-labelled approach for the funds used in both the default strategy and the self-select options. This makes it easier for members to understand the difference between the different funds and also reduces the governance burden on the Trustee should they decide to change one of the underlying fund managers, allowing the Trustee to focus on providing the best possible outcome for the members

The Trustee has explicitly considered the trade-off between risk and expected returns. The expected amount of risk is considered appropriate for the typical member and will differ by member depending on their age as well as their expected retirement date. This balance is achieved via the default lifestyle arrangement in place. Mobius will only change the underlying constituents of the White-Labelled funds upon a signed agreement by two authorised Trustee Directors having received written advice from Mercer.

The aims and current underlying holdings for the white-labelled funds are found in Appendix 1.

4.4. Types of investments to be held

The Trustee is permitted to invest across a wide range of asset classes, both active and passive. The two underlying funds used in the default strategy are both actively managed, but passively equity and bond funds are available for members to self-select. All of the funds in which the Scheme invests are pooled and unitised. Details of each fund can be found in Appendix 1.

5 RESPONSIBLE INVESTING

5.1. Financially Material Considerations

The Trustee understands that they must aim to consider all financially relevant factors in making investment decisions on behalf of the Scheme. However, they will also aim to consider any non-financial factors to the extent that they have the ability to impact the financial results of the Scheme's investments over the duration of the Scheme.

The Trustee recognises that Environmental, Social and Governance (ESG) factors, including climate change, can all influence the investment performance 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 and that ESG risks are identified and avoided or mitigated, as best as possible.

The Trustee believes that investing with a manager who approaches investments in a responsible way and takes account of ESG-related risks will 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.

The Trustee is aware of its investment managers' approaches to ESG factors with respect to their selection of investments and is satisfied that a responsible approach, which is consistent with the long-term financial interests of the Scheme and their members, is undertaken. As noted earlier, the Scheme's assets are invested in pooled funds. The Trustee accepts the fact that they have very limited ability to influence the ESG policies and practices of the companies in which their managers invest. The Trustee will therefore rely on the policies and judgement of their investment manager.

5.2. Non-Financial Considerations

The Trustee's objective is that the financial interests of the Scheme members are its 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.

However, the Trustee believes that they have a good understanding of membership demographics, behaviours and preferences and, where appropriate, strive to provide a fund range that meets both financial and non-financially relevant member needs.

5.3. Corporate governance and voting policy

The Trustee has concluded that the decision on how to exercise voting rights should be left with its investment managers, who will exercise these rights in accordance with their respective published corporate governance policies (which are reviewed by the Trustee on an annual basis). These policies, which are provided to the Trustee from time to time, take into account the financial interests of shareholders and should be for the Scheme's benefit.

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

5.4. Stewardship

The Trustee will monitor the performance, strategy, risks, ESG policies and corporate governance of the investment managers. If the Trustee has any concerns, it will raise them with the respective managers, verbally or in writing.

5.5. Member Views

The Trustee does not explicitly take account of member views when selecting investments for the Scheme, however, the Trustee is committed to reviewing this policy on an ongoing basis.

6 RISK

The Trustee is aware, and seeks to take account, of a number of risks in relation to the Scheme's investments, including those set out below. Under the Pensions Act 2004, the Trustee is required to state their policy regarding the ways in which risks are to be measured and managed.

The Trustee recognises that in a defined contribution arrangement, members assume the investment risks themselves. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. Broadly speaking, five main types of investment risk can be identified, as noted below:

Type of Risk	Risk	Description	How is the risk monitored and managed?
Market Risk	Inflation Risk	The risk that a member's investments will not grow quickly enough to sufficiently outpace inflation (the cost of living).	<p>The Trustee makes available a range of funds across various asset classes, with the majority expected to keep pace with inflation.</p> <p>Members are able to set their own investment allocations, in line with their risk tolerances.</p> <p>The default strategy and white-labelled funds are designed with the intention of diversifying these risks to reach a level of risk deemed appropriate given the objectives. This is set with the advice from the investment adviser.</p>
	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. Changes to Interest Rates will affect the market price of annuities, which therefore affects the amount of guaranteed pension that members of the DC section will be able to purchase with their savings at retirement.	
	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.	

	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.	
Environmental and social and governance (“ESG”) risks	<p>This is the risk that ESG concerns, including climate change, have a financially material impact on the return of the Scheme’s assets.</p> <p>These risk factors can have a significant effect on the long-term performance of the assets the Scheme holds.</p>	<p>Where applicable these factors will be considered in the investment process but is considered the responsibility of the investment manager.</p> <p>Please see Section 5 for the Trustee’s responsible investment statement.</p>	
Pension Conversion Risk	This is the risk where assets are invested to target a specific retirement objective which differs from how members are expected to use their pots at retirement.	The default is a lifestyle strategy which automatically switches assets into investments whose value is expected to be less volatile on an absolute basis.	
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 through the quarterly performance updates provided by Mercer, and by appointing Mercer to monitor and replace any managers (having received written authorisation from the Trustee) where concerns exist over their continued ability to deliver the investment mandate.	
Liquidity risk	The risk that the Scheme’s assets cannot be realised at short notice in line with member or Trustee’s demand.	<p>As far as is practicable and necessary, the Trustee invests in liquid assets that can be quickly realised as required.</p> <p>It is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.</p>	

7 MONITORING OF INVESTMENT ADVISER AND MANAGERS

7.1. Investment adviser

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

7.2. Investment managers

The Trustees receive quarterly monitoring reports on the performance of the underlying investment managers from Mobius Life Limited, which presents performance information over 3 months, 1 year and 3 years. The reports show the absolute performance (discrete and calendar year, over the relevant time period) on a net of fees basis. 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 Trustees, with the assistance of Mercer, 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.

The Trustee also monitors the stewardship track record of the Scheme's underlying investment managers on an annual basis and will take action if this is found inconsistent with appropriate long-term return generation.

7.3. Portfolio Turnover Costs

The Trustee considers portfolio turnover costs as part of the annual value for members assessment and asks investment managers to include portfolio turnover and turnover costs in their presentations and reports to the Trustee.

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, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Scheme.

8 CODE OF BEST PRACTICE

The Pensions Regulator has published a new code on standards for DC schemes and this came into effect in November 2013 as part of a wider initiative to get DC right. This was updated further on 28 July 2016 and this revised version is shorter and simpler than its predecessor and has been updated to include the DC flexibilities and governance legislation introduced from April 2015.

The Code of Practice 13 on the governance and administration of occupational DC trust based schemes places bigger than ever emphasis on good quality investment arrangements and stricter requirements for reviewing these on the Trustee. Particular attention has to be paid to the design of default strategies and on-going monitoring of their continuing suitability for scheme membership. The Code can be found here:

<https://www.thepensionsregulator.gov.uk/en/document-library/codes-of-practice/code-13-governance-and-administration-of-occupational-trust-based-schemes-providing-money-purchase>

When formulating their investment policy, the Trustee has acted in line with the Code of Practice 13.

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 Principle Employer, the Scheme's investment managers, auditors and administrators.

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustee on 15th September 2020

APPENDIX 1: INVESTMENT MANAGER INFORMATION AND DEFAULT LIFESTYLE STRATEGY

For members who are invested in the default lifestyle strategy the switching phase occurs 5 years and 6 months prior to a member's normal retirement age.

Time to Retirement	Diversified Growth Fund	Cash Fund	Total
Over 5 years 6 months	100%	0%	100%
4 years 6 months	95%	5%	100%
3 years 6 months	90%	10%	100%
2 years 6 months	85%	15%	100%
1 year 6 months	80%	20%	100%
6 months	75%	25%	100%

The Scheme invests with Mobius Life Limited, whose key responsibility is to monitor the suitability of the funds used on an ongoing basis and make changes as they consider appropriate, subject to the Trustee's approval. The table below shows the details of the current mandates with each manager:

Default Strategy Funds

Investment Manager / Fund	Fund benchmark	Objective	Annual Management Charge
Diversified Growth Fund			
Columbia Threadneedle Multi-Asset Fund	UK BoE Base Rate	To outperform the UK Bank of England base rate by 4.0% p.a. (net of fees)	0.53
Cash Fund			
L&G Sterling Liquidity Fund	7 Day LIBID	To track a reference index: 7 Day LIBID	0.115

Self-Select Funds

White-Labelled Fund	Underlying Allocation	Annual Management Charge
Diversified Growth Fund	100% Columbia Threadneedle Multi-Asset Fund	0.530

Cash Fund	100% L&G Sterling Liquidity Fund	0.115
High Growth Fund	100% L&G Global Equity Fixed Weights (50:50) Index Fund - GBP Hedged	0.160
Growth Fund	75% L&G Global Equity Fixed Weights (50:50) Index Fund - GBP Hedged 25% L&G AAA-AA-A Corporate Bond Over 15 Year Index Fund	0.161
Moderate Growth Fund	50% L&G Global Equity Fixed Weights (50:50) Index Fund - GBP Hedged 35% L&G AAA-AA-A Corporate Bond Over 15 Year Index Fund 15% L&G Over 15 Year Index-Linked Gilts Index Fund	0.145
Defensive Fund	75% L&G AAA-AA-A Corporate Bond Over 15 Year Index Fund 25% L&G Over 15 Year Index-Linked Gilts Index Fund	0.127

Underlying Funds

Investment manager/ fund	Fund benchmark	Objective
Columbia Threadneedle Multi-Asset Fund	UK BoE Base Rate	To outperform the UK Bank of England base rate by 4.0% p.a. (net of fees)
L&G Global Equity Fixed Weights (50:50) Index Fund – GBP Hedged	FTSE All Share Index (50%) and Overseas Equity Index	To track a composite of 50/50 distribution between UK and overseas equity indexes.
L&G AAA-AA-A Corporate Bond Over 15 Year Index Fund	Markit iBoxx £ Non-Gilts (ex-BBB) Over 15 Year Index	To track the performance of the Markit iBoxx £ Non-Gilts (ex-BBB) Over 15 Years Index to within +/-0.5% p.a. for two years out of three.
L&G Over 15 Year Index-Linked Gilts Index Fund	FTSE Actuaries UK Index-Linked Gilts Over 15 Years Index	To track the performance of the FTSE Actuaries UK Index-Linked Gilts Over 15 Years Index to within +/-0.25% p.a. for two years out of three.
L&G Sterling Liquidity Fund	7 Day LIBID	To track a reference index: 7 Day LIBID

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

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

Realisation of Investments

The funds are daily-dealt pooled investment arrangements, with assets mainly invested in regulated markets, and therefore should be realisable at short notice, based on either Trustee or member demand. The selection,

retention and realisation of investments within the pooled arrangements are the responsibility of the relevant investment manager.

APPENDIX 2: 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
- Selecting the Investment Managers
- Assessing the quality of the performance and processes of the Investment Managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser
- Consulting with the Principal Employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis
- Publishing this Statement on a publically available website and informing members of the location

Investment adviser

The Investment Adviser's responsibilities include the following:

- Participating with the Trustee in reviews of the Statement of Investment Principles
- Production of quarterly independent performance monitoring reports
- Advising 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 is a significant concern that any of these funds will not be able to meet its long-term objectives.
- Updating the Trustee on changes in the investment environment, and advising the Trustee, at its request, on how such changes could present either opportunities or problems for the Scheme
- Undertaking project work, as requested, including:
 - Reviews of the default strategy, white labelled funds and fund range; and
 - Research into and reviews of Investment Managers.
- Advising on the selection of new managers and/or custodians

Investment managers

As noted in this SIP, the Trustee has appointed an Investment Manager who will sub-contract with underlying investment managers on behalf of the Trustee.

The Investment Manager's responsibilities include the following:

- Providing the Trustee 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 Trustee of any changes in the internal performance objectives and guidelines of any pooled fund in which the Scheme is directly invested 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
- Managing their funds in accordance with their stated mandates set out within the Investment Management Agreement.

The underlying investment managers contract with the Investment Manager and therefore do not have any direct responsibility to the Trustee.

CONTACT

Dorian Whitehead

Director

Dorian.Whitehead@MERCER.COM