

METABRASIVE RETIREMENT BENEFITS SCHEME

STATEMENT OF INVESTMENT PRINCIPLES

FEBRUARY 2024

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1 INTRODUCTION

This Statement of Investment Principles (the “Statement”) has been prepared by the Trustees of the Metabrasive Retirement Benefits 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 Scheme’s investment policy 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 Limited (“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 wish to maintain the alignment of the Scheme's investment strategy with Mercer's solvency basis (a proxy buy-out basis) and to target interest and expected inflation rate hedge ratios of 100% on that basis. Importantly, they wish to target full funding over the next 5 years and in order to achieve this both the Trustees and the Company wish to increase the level of investment risk due to the strength of the covenant following the recent review.

The Scheme's "Overall Objective" 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 aim to:

- **Maximise the return on the assets at an acceptable level of risk (taking the circumstances of the Scheme's funding position and, in particular, the sponsoring employers' covenant into consideration); whilst**
- **Ensuring the assets are liquid enough to meet the liabilities as they fall due.**

The Scheme Actuary has been consulted during the process of revising the investment strategy, such that the investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions embedded within the Statutory Funding Objective (when taken together with the current Schedule of Contributions).

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 this Statement
- The appointment and review of the investment adviser
- The assessment and review of the investment platform provider
- The choice of appropriate managers/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 Scheme's asset allocation benchmark
- 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 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
- Advising the Trustees in relation to funds/managers that are suitable to meet the Trustees' objectives
- Monitoring the investment managers and investment platform provider to ensure their continuing appropriateness to the mandates given
- Setting cashflow management (investment and disinvestment) procedures (see Appendix 2)

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 cashflow. 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.

The Trustees monitor the performance of the Scheme's investment managers against their benchmarks. Mercer provide performance monitoring reports to aid the Trustees in this process.

Mercer charges a fund-based fee as set out in its investment agreement with the Trustees.

Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

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 Mercer and Mobius Life Limited ("Mobius") with the underlying managers 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 invested the Scheme's assets through a Trustee Investment Policy ("TIP") with Mobius, whose appointment foregoes the need for a Custodian.

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 Fund are authorised and regulated by the FCA. Mobius is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

The underlying investment managers, used by the Trustees through the Mobius platform, are chosen based on advice from the investment advisor. This is based on the investment advisor'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 Trustees will only invest in pooled investment vehicles through the Mobius platform. Therefore, the Trustees accept that they cannot specify the risk profile and return targets of the managers, but the pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

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.

Both Mobius 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 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 investment 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 Scheme is invested, but are satisfied that the ad-valorem charges for the different underlying funds are clear and 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 Statement.

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 4.

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 portfolio seeking growth (comprising diversified growth funds), a hybrid portfolio seeking a combination of growth and nominal interest rate hedging and a pure hedging portfolio comprising real interest rate hedging via a liability driven investment ("LDI") fund. The overall allocation is set with regard to the overall desired level of risk, the required return on the Scheme's assets and future contributions, which is determined by the funding objective and current funding level. Thus, the Trustees regard the basic distribution of the assets to be appropriate for the Scheme's objectives and liability profile.

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

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 invested in diversifying funds, where the investment manager can select and manage the allocations across 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 policy as set out in Appendix 2.

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 different portfolios
- Determining the allocation to asset classes within the different portfolios
- Determining the Scheme's 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 (both fixed and inflation-linked)
- UK and overseas corporate bonds
- Convertible bonds
- Property
- Commodities
- Hedge funds
- Private equity
- High yield bonds
- Emerging market debt
- Diversified growth funds
- Liability driven investment
- Cash

All of 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 3.

4.4 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustees understand that they must consider all factors that have the ability to impact the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance ("ESG") factors.

The Trustees recognise that ESG factors, such as climate change, can influence the investment performance of the Scheme's portfolio and it is therefore in members' and the Scheme's best interest that these factors are taken into account within the investment process.

The Trustees further recognise 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.

In setting their investment strategy, the Trustees have 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 Trustees note that ESG considerations are not paramount to the first level decision making process within the funds which provide either leveraged liability protection or actively managed diversification. 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 Trustees receive ESG scores provided by the investment adviser in relation to the funds in which the Scheme is invested and will monitor how these develop over time.

The Trustees also review ESG considerations on an ongoing basis so that their policy evolves in line with emerging trends and developments

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

4.5 NON-FINANCIAL CONSIDERATIONS

The Trustees only consider factors that are expected to have a financial impact on the Scheme's investments. Non-financial considerations, such as ethical views, are not implemented in the current investment strategy.

4.6 STEWARDSHIP

The Scheme is invested solely in pooled investment funds through the Mobius TIP and the Trustees therefore have no direct voting rights.

The Trustees' policy is therefore to invest with investment managers where responsible investment is embedded appropriately in their approach to investment, including monitoring and engaging with investee companies, and exercising voting rights appropriately.

Information on the investment managers' approach to responsible investment, voting and engagement with the investee companies is available at the following websites:

- Columbia Threadneedle:

<https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-investment/>

- Nordea:

<https://www.nordeaassetmanagement.com/responsible-investment>

Mercer's quarterly reporting to the Trustees includes Mercer's ESG score for the funds in which the Scheme is invested. The ESG score incorporates an assessment of engagement and voting as part of the process.

Receipt of this score on a quarterly basis enables the Trustees to monitor that these scores remain appropriate in the context of the fund's mandates.

Taking all the above into consideration, the Trustees are satisfied that stewardship and responsible investment is embedded appropriately in the investment managers' approaches to investing.

If the Trustees are specifically invited to vote on a matter relating to corporate policy they would exercise their right in accordance with what they believe to be the best interests of the majority of the Scheme's membership.

If a new investment manager is selected, the Trustees would consider Mercer's ESG score for the new manager as part of their decision-making 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 Mercer to monitor and replace any managers where concerns exist over their continued ability to deliver the investment mandate.
- It is also managed through the diversification of the Scheme's assets across a range of funds with different investment styles and by using the Mobius Platform, which enables quick and efficient replacement of managers if appropriate.

Liquidity Risk

- This is monitored according to the level of cashflow 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.

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 Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to 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 fund investment manager, the regulatory environments in which the said 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.
- The Trustee has invested the assets via the Mobius TIP. 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 fund managers.

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 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.
- The DGFs have a Sterling benchmark and this is their neutral position. Within them, the management of the currency risk related to overseas investments is delegated to the investment managers, but by investing in a diversified investment portfolio, the impact of currency risk is mitigated.
- The equity exposure in the Equity-Linked Nominal Dynamic LDI Fund is effectively currency hedged back to Sterling, whilst the Real LDI Fund is invested in UK instruments and therefore not exposed to currency risk

Interest/Inflation Rate Risk

- This is the risk that an investment's value will change due to a change in the level of interest/expected inflation rates. This affects debt instruments more directly than growth instruments.
- The Trustees recognise that the Scheme's liabilities are exposed to a significant level of interest rate and inflation risk movement and for this reason it is desirable for the assets to be exposed to a similar level of interest rate and inflation risk and the Trustees have invested in LDI funds to manage this risk.

Other Price Risk

- This is the risk that principally arises in relation to the growth portfolio, which invests in DGFs in order to achieve a diversified exposure to different investment markets and manage this risk, alongside the equity exposure from the Equity-Linked Nominal Dynamic LDI Fund.

ESG Risk

- This is the risk that ESG concerns, including climate change, have a financially material impact on the return of the Scheme's assets.
- The Trustees manage this risk by investing in well-respected investment managers where ESG principles are appropriately included in the investment decision-making process, by regularly reviewing the investment consultant's ESG scoring of the Scheme's managers, and by considering ESG considerations regularly to make sure that their approach evolves in line with changing circumstances.

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, and undertake a formal review annually. In doing so, the Trustees consider the objectives they set for the investment adviser, which they review on an ongoing basis and at least every three years.

6.2 INVESTMENT MANAGERS

The Trustees receive quarterly monitoring reports on the performance of the underlying investment managers from Mercer, which present performance information over 3 months, 1 year and 3 years. The reports show the absolute performance, performance against the manager's stated target performance (over the relevant time period) on a net of fees basis. They also provide returns of market indices so that these can be used to help inform the assessment of the underlying managers' performance.

The reporting 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 Trustees have the role of replacing the underlying investment managers where appropriate. They take 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 an 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 the particular 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 and therefore the Scheme 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 reports 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 Trustees are also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

Given that the Scheme invests in pooled funds, some of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme and are satisfied that is appropriate given the Scheme's circumstances.

7 ADDITIONAL VOLUNTARY CONTRIBUTIONS (“AVCS”)

The Trustees have historically provided for AVC facilities to be made available for members, with the Scheme’s AVC arrangement being provided by Utmost Life & Pensions.

The Trustees review the AVC arrangement periodically in line with their responsibilities to the Scheme.

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 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

This Statement is available to members online and is also supplied to the Sponsoring Employer, the Scheme Auditor and the Scheme Actuary.

Furthermore, this Statement supersedes all others and was approved by the Trustees on:

Date: 29th February 2024

APPENDIX 1: ASSET ALLOCATION BENCHMARK

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

Asset Class	Strategic Allocation (%)
Diversified Growth	48
Equity-Linked Nominal Dynamic LDI	36
Real Dynamic LDI	16
Cash	0
Total	100

Appendix 3 provides information about the funds in which the assets are invested.

NB:

There are no guideline ranges as the actual asset allocation percentages will change as investment market conditions change. The Trustees, along with their advisor, will assess the allocations on an ongoing basis and make adjustments as, and when, they see fit based on the strategic allocations set out above and the magnitude of any deviations from above.

The LDI holdings are designed to hedge the valued placed on the liabilities (interest rate hedge ratio of 100% and an inflation hedge ratio of 100%) on Mercer's solvency basis. Hence, like the liabilities, their values will float as interest and expected inflation rates change. Alterations to the actual percentage allocation may take place from time to time which will be driven by the actual interest and inflation hedge ratios relative to their targets (rather than simply the percentage held).

Whilst there is no strategic allocation to cash, it is likely that cash will be held to meet liabilities as and when they fall due and more significant amounts may be held from time to time.

APPENDIX 2: CASHFLOW AND REBALANCING POLICY

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

Rebalancing Policy

There will be no automatic rebalancing of the portfolio.

Cashflow Policy

Investments and disinvestments are set out in the Scheme's cashflow policy document.

LDI Re-leverage and de-leverage

The Trustees note that the LDI manager may require additional assets from time to time in order to support the operation of the LDI funds, or may release assets from time to time. The Trustees have put in place a policy with Mobius regarding the re-leverage and de-leverage procedure.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

The Scheme invests via Mobius and the table below shows the details of the mandate(s) with each manager.

Manager / Fund	Benchmark	Objective
Columbia Threadneedle Multi Asset	Bank of England Base Rate	To outperform the benchmark by 3.5% p.a. (net of fees)
Nordea Diversified Return	SONIA	To outperform the benchmark by 3.3% p.a. (net of fees)
Columbia Threadneedle Equity-Linked Nominal Dynamic LDI	The nominal liability cashflow profile of a typical UK DB pension scheme plus a composite global equity index	To provide interest rate protection by replicating the liability profile of a typical UK DB pension scheme and currency hedged exposure to global equities
Columbia Threadneedle Real Dynamic LDI	The real liability cashflow profile of a typical UK defined benefit pension scheme	To provide liability hedging by offering interest rate and inflation protection which replicates the liability profile of a typical UK defined benefit pension scheme

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

APPENDIX 4: 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
- Selecting appropriate investment managers, and appointing an appropriate investment platform provider
- 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
- 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
- Informing the Trustee of any significant changes or concerns in relation to the platform provider's suitability for the Scheme
- Advising the Trustees on an appropriate overall cashflow and rebalancing process
- Providing advice in relation to specific cashflows and rebalancing as appropriate
- 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

The responsibilities of the underlying investment managers through the Mobius platform include:

- Informing the platform provider 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.

The underlying investment managers for the Scheme are not directly appointed by the Trustees and therefore do not have any direct responsibility to the Trustees.

PLATFORM PROVIDER

As noted in this Statement, Mobius is the investment platform provider, and Mobius'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
- 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 Trustees 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

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.