

LEE BEESLEY DERITEND PENSION SCHEME STATEMENT OF INVESTMENT PRINCIPLES

NOVEMBER 2025

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1 INTRODUCTION

This Statement of Investment Principles (“the Statement”) has been prepared by Lee Beesley Deritend Pension Trustee Limited, as Trustee of the Lee Beesley Deritend 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 Limited (“Mercer”), whom it believes to have a degree of knowledge and experience that is appropriate for the management of the scheme’s investments; and
- Consulted with the Sponsoring Employer, although it affirms that no aspect of the strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

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

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

2 INVESTMENT OBJECTIVES

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

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

The Trustee has 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 TRUSTEE'S DUTIES AND RESPONSIBILITIES

The Trustee is responsible for setting the investment objectives and determining the strategy to achieve the objectives. It carries out its duties and fulfils its responsibilities as a single body.

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

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with both the Investment Adviser and the Sponsoring Employer
- Reviewing the investment strategy following the results of each actuarial review, in consultation with the Investment Adviser and Scheme Actuary
- The appointment and review of the Investment Adviser
- The appointment 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 underlying manager by manager
- The approval and review of the asset allocation benchmark for the Scheme
- The compliance of the investment arrangements with the principles set out in the Statement

3.2 INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

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

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Reviewing and amending the Statement
- Advising the Trustee in relation to funds and investment managers that are suitable to meet the Trustee's objectives
- Monitoring the investment managers to ensure their continuing appropriateness to the mandates given
- Monitoring the Platform provider to ensure its continuing appropriateness for the Scheme
- Setting cashflow management (investment and withdrawal) policies (see Appendix 2)

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

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

Mercer makes a fund based charge for the services it provides. This charge is specified in the contractual agreement between the Trustee and Mercer.. 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 Mercer and Mobius Life Limited (Mobius) with the underlying managers are passed on in full to the Scheme.

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

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

3.3 ARRANGEMENTS WITH INVESTMENT MANAGERS

The Trustee, after considering appropriate investment advice, has invested the assets of the Scheme through a Trustee Investment Policy ("TIP") from Mobius, whose appointment foregoes the need for a custodian.

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

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

The underlying managers and funds invested in by the Scheme are determined by the Trustee, after considering appropriate investment advice.

The Trustee is a long term investor and does not look to change investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement, but all managers are subject to regular review. The investment strategy is reviewed on at least a triennial basis. A fund may be exited if it is no longer considered to be optimal nor to have a place in the investment strategy.

Pooled funds are selected based on the capabilities of the fund's investment manager and, therefore, the perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

The Trustee considers its Investment Adviser's forward-looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on an 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.

The Trustee considers how ESG and stewardship are integrated into the investment process as well as ensuring fees are competitive within the asset class. The Trustee also considers the Investment Adviser's manager research ratings when taking decisions on selection and retention of pooled funds.

If the investment objective for a fund changes, the Trustee will review the fund to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

As the Trustee only invest in pooled investment vehicles, they accept that they cannot specify the risk profile and return targets of the underlying investment managers, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

Information on the pooled funds invested in by the Scheme are set out in Appendix 3.

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

In the case of diversified growth 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.

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. 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. The Trustee accepts 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 are consistent with each fund's stated characteristics. The Trustee is therefore satisfied that this is the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustee's policies as set out in this SIP.

3.4 SUMMARY OF RESPONSIBILITIES

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

4 INVESTMENT STRATEGY

SETTING INVESTMENT STRATEGY

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

The basis of the Trustee's strategy is to divide the Scheme's assets between a "Growth" portfolio, comprising assets such as equities, diversified growth and property, and a "Stabilising" portfolio, comprising assets such as liability driven investments ("LDI") and multi-asset credit. 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, and the desire to mitigate risk through hedging of the Scheme's interest rate and inflation risks, taking consideration of the instruments being used to hedge these risks.

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

The Trustee recognises the benefits of diversification across growth asset classes, as well as within them, in reducing the risk that results from investing in any one particular market. Where they consider it advisable to do so, the Trustee has invested in funds where the investment managers has flexibility to select and manage the allocations across growth asset classes, in particular where it would not be practical (or appropriate) for the Trustee to commit the resources necessary to make these decisions itself.

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

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustee has put in place an appropriate cashflow policy in accordance with the overall strategy. This approach is set out in Appendix 2.

4.2 INVESTMENT DECISIONS

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

Strategic Investment Decisions

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

The Trustee takes all such decisions itself. They do so after receiving written advice from its 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 Trustee. However, where such decisions are made within a pooled fund, they are the responsibility of the investment manager of the fund.

Stock Selection Decisions

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

4.3 TYPES OF INVESTMENTS TO BE HELD

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

All the funds in which the Scheme invests are pooled and unitised. The use of derivatives is 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 Trustee understands 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 Trustee recognises 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 interests that these factors are taken into account within the investment process.

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

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

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

The Scheme's equity assets are invested in pooled funds on a passive basis, which limits the investment manager's ability to take active decisions on whether to hold securities based on the investment manager's considerations of ESG factors, including climate change. However, by their nature, the concentration to any one particular stock or sector in passively managed funds is limited and this therefore helps to reduce the potential for negative impacts relating to ESG issues.

The Trustee also receives ESG information provided by the investment adviser in relation to the funds in which the Scheme is invested and monitors how this develops over time.

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

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

4.5 NON-FINANCIAL CONSIDERATIONS

The Trustee only considers factors that are expected to have a financial impact on the Scheme's investments. It has decided not to consider non-financial considerations, such as ethical views, or to take members' preferences into account when setting the investment strategy for the Scheme.

4.6 STEWARDSHIP

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

The Trustee's 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:

LGIM

<https://www.lgim.com/uk/en/responsible-investing/>

M&G

<https://www.mandg.com/who-we-are/mandg-investments/responsible-investing-at-mandg-investments>

Ninety One

<https://ninetyone.com/en/united-kingdom/sustainability>

Columbia Threadneedle

<https://www.columbiathreadneedle.com/en/gb/institutional/about-us/responsible-investment/>

Pictet

<https://www.pictet.com/us/en/responsible-vision>

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

Receipt of this information on a quarterly basis enables the Trustee to monitor that it remains appropriate in the context of the fund mandates.

Taking all the above into consideration, the Trustee is satisfied that stewardship and responsible investment is embedded appropriately in the investment managers' approaches to investing. If the Trustee is specifically invited to vote on a matter relating to corporate policy, it would exercise its right in accordance with what it believes to be the best interests of the majority of the Scheme's membership.

If a new investment manager is selected, the Trustee would consider Mercer's ESG rating for the new manager as part of the decision making process.

5 RISK

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

Solvency Risk and Mismatching Risk

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

Manager Risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process.
- It is managed through the diversification of the Scheme's assets across a range of funds with different investment styles, and by appointing Mercer to monitor and if requested, advise on the replacement of the manager where concerns exist over its continued ability to deliver the investment mandate.
- It is also managed 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 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.

ESG Risk

- This is the risk that Environmental, Social or Corporate Governance concerns, including climate change, have a financially material impact on the return of the Scheme's assets.
- The Trustee manages this risk by investing in well-respected investment managers where ESG principles are appropriately included in the investment decision making process.
- The Trustee is aware that Responsible Investing is one of the core beliefs of the Investment Adviser. As a result part of the rating process of the Investment Adviser in relation to the underlying investment managers is based on its financial stewardship and how well the investment manager integrates governance and sustainability into its investment process.

Sponsor Risk

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

- It is managed by assessing the interaction between the Scheme and the Sponsor's business, as measured by a number of factors, including the creditworthiness of the Sponsor and the size of the pension liability relative to the Sponsor. Regular updates on employer covenant are provided to the Trustee by senior staff of the Sponsor.

Legislative Risk

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

Credit Risk

- This is the risk that is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.
- The Scheme's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.
- 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.
- Indirect credit risk arises in relation to underlying bond investments held in the pooled funds. This risk is mitigated by investing in funds with diversified portfolios and in respect of the LDI funds is managed by the investment manager's counterparty management and collateralisation procedures.

Market Risk

- This is the risk that 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.
- The Trustee invests in a currency hedged overseas equity fund, to manage this risk.
- Within the DGFs and MAC the management of currency risk related to overseas investments is delegated to the underlying investment managers. However, the DGFs and MAC have a Sterling benchmark and by investing in a diversified investment portfolio, the impact of currency risk is mitigated.

Interest rate / inflation expectation risk

- This is the risk that an investment's value will change due to a change in the level of interest rates and inflation expectations. This affects debt instruments more directly than growth instruments.
- The Trustee recognises that the Scheme's liabilities are exposed to a significant level of interest rate and inflation expectation risk movement. For this reason, it is desirable for the Scheme's assets to be exposed to a similar level of interest rate risk and the Trustee has invested in Liability Driven Investment ("LDI") funds to manage this risk.

Other Price risk

- This is the risk that principally arises in relation to the return seeking portfolio, which invests in equities, and diversified growth pooled funds, and also direct property .

- The Trustee has managed this risk by investing in a diverse portfolio across various markets.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1 INVESTMENT ADVISER

The Trustee continually assesses and reviews the performance of its adviser in a qualitative way, and undertakes a formal review annually. In doing so, the Trustee will consider the objectives they set for their investment adviser which they review on an ongoing basis and at least every three years.

6.2 INVESTMENT MANAGERS

The Trustee receives monitoring reports on the performance of the underlying investment managers from Mercer on a quarterly basis, which presents 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. 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 reporting also reviews the performance of the Scheme's assets in aggregate against the Scheme's strategic benchmark.

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

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

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

Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Scheme and are satisfied that this is appropriate.

7 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

The Trustee holds assets separately from the main fund, in the form of individual insurance policies, securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions (AVCs).

The AVCs are held with Utmost Life and in the Trustee Bank Account (formerly from BlackRock Investment Management). The Trustee reviews the AVC arrangement periodically in line with their responsibilities.

8 CODE OF BEST PRACTICE

The Trustee notes that in March 2024, the Pensions Regulator released the General (single) Code of Practice:

<https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice>.

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

The Trustee meets with its 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 and annual report and accounts are available to members on request. This Statement is also available online.

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

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustee on 5 November 2025.

APPENDIX 1: ASSET ALLOCATION BENCHMARK

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

Asset Class	Strategic Allocation	Guideline Range
Growth Assets	50.0%	+/- 10.0%
Diversified Growth	30.0%	+/- 10.0%
Equity	15.0%	+/-5.0%
Property	5.0%	+/- 5.0%
Stabilising Assets	50.0%	+/- 10.0%
Multi-Asset Credit	30.0%	+/-10.0%
LDI – Real *	7.5%	n/a
LDI – Nominal *	12.5%	n/a
Total Scheme	100.0%	

*The LDI assets are designed to hedge the valued placed on the liabilities. Hence, like the liabilities, their values will float as interest and expected inflation rates change. There are therefore no guideline range on these funds.

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

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

APPENDIX 2: CASHFLOW AND REBALANCING POLICY

Cashflow Policy

The Trustee has put in place a suitable procedure for managing the Scheme's cashflows. This is set out in the Scheme's Cashflow Policy Document.

Rebalancing Policy

There is no automatic rebalancing of the assets back to the Scheme's central benchmark asset allocation (set out in Appendix 1). Instead the Trustee will use the reporting provided by Mercer to determine if any funds have moved significantly away from the strategic asset allocation, and if so consider the circumstances for this and whether it would be appropriate to take action.

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

LDI Recapitalisation

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

APPENDIX 3: INVESTMENT MANAGER INFORMATION

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

Growth Assets

Manager / Fund	Benchmark	Objective	Dealing Frequency
Diversified Growth			
Pictet Dynamic Asset Allocation	SONIA	To outperform the benchmark by 4% (net of fees) over a 3-5 year period.	Daily
Threadneedle Multi-Asset	UK Base Rate	To outperform the benchmark by at least 3.5% (net of fees) over a 5 to 7 year-cycle.	Daily
Equity			
LGIM World Equity – GBP Hedged	FTSE World Index (less withholding tax) GBP Hedged	To track the benchmark to within +/- 0.5% p.a. for 2 years out of 3	Daily

* The Scheme owns a long-leasehold property at Unit A, Meteor Business Park, Staverton, Gloucester which is leased to the sponsoring Employer at a rent of £89,200 per annum for a period of 10 years from December 2017.

Stabilising Assets

Manager / Fund	Benchmark	Objective	Dealing Frequency
Multi-Asset Credit			
Ninety One Global Total Return Credit	3 Month SONIA +4.0% p.a. (Gross of Fees)	To outperform the target benchmark over the credit cycle	Daily
M&G Total Return Credit Investment	SONIA + 3.0% to 5.0% p.a. (Gross of Fees)	To outperform the target benchmark over an investment cycle	Daily
LDI			
Columbia Threadneedle Real Dynamic LDI	The liability profile of a typical UK DB 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.	Daily
Columbia Threadneedle Nominal Dynamic LDI	The liability profile of a typical UK DB pension scheme	To provide liability hedging by offering interest rate protection which replicates the liability profile of a typical UK defined benefit pension scheme.	Daily

* Composite Equity Index is composed: 33.3% S&P 500 Index / 33.3% EuroStoxx 50 Index / 16.67% Topix Index / 8.33% ASX200 Index / 8.33% Hang Seng Index.

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

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

APPENDIX 4: RESPONSIBILITIES OF PARTIES

TRUSTEE

The Trustee's responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate;
- Reviewing the investment strategy following the results of each actuarial review, in consultation with the Investment Adviser and Scheme Actuary;
- Appointing the platform provider and custodian (if required);
- Selecting appropriate investment managers and appropriate funds;
- 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 Trustee in reviews of this Statement of Investment Principles;
- Production of performance monitoring reports;
- Advising the Trustee, at its request, on the following matters:
 - Through consultation with the Scheme Actuary, how any changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested;
 - How any significant changes in the underlying investment managers' organisations, could affect the interests of the Scheme;
 - How any changes in the investment environment could present either opportunities or problems for the Scheme;
- Undertaking project work, as requested, including:
 - Reviews of asset allocation policy;
 - Research into and reviews of investment managers;
- Advising on the selection of new managers and/or custodians;
- Informing the Trustee of any significant changes or concerns in relation to the Platform provider's suitability for the Scheme.

Investment Managers

The Scheme's assets are invested through the Mobius Platform and the investment managers have a responsibility to inform Mobius of any changes in the internal performance objectives and guidelines of their funds. They are not directly appointed by the Trustee and therefore do not have any direct responsibility to the Trustee.

The responsibilities of the investment managers 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.

Platform Provider

The platform provider's responsibilities include the following:

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

Scheme Actuary

The Scheme Actuary's responsibilities include the following:

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

Administrator

The Administrator's responsibilities include the following:

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