ROQUETTE UK LIMITED RETIREMENT BENEFITS – DB SECTION
STATEMENT OF INVESTMENT PRINCIPLES

NOVEMBER 2024

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1 INTRODUCTION

This Statement of Investment Principles ("the Statement") has been prepared by Trustees of the Roquette UK Limited 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 investment policy of the Scheme and the activities undertaken by the Trustees to ensure the effective implementation of these principles.

In preparing the Statement, the Trustees have:

- obtained and considered written advice from a suitably qualified individual, employed by their investment adviser, 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' 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.

The Trustees wish to ensure that they can meet their obligations to the beneficiaries both in the short and long term.

The Trustees recognise that the investment performance of the Scheme's assets would not normally be expected to have a direct impact on the members' benefits. The investments can have an indirect impact on the members' benefits only if they alter the sponsoring employer's ability and/or willingness to continue to support the Scheme.

With that in mind, the Trustees have set specific investment objectives regarding the manner in which the primary objective of meeting their obligations to the members is to be achieved:

- To pay the Scheme benefits as they fall due and avoid any reduction in benefits if possible
- To achieve and maintain a funding level of 100% on the on-going funding basis
- To minimise risk in achieving and maintaining a 100% funding level on the on-going funding basis subject to acceptable affordability
- To pay due regard to the interests of the Sponsoring Employer in relation to the funding of the Scheme.

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

3 INVESTMENT RESPONSIBILITIES

3.1 TRUSTEES' DUTIES AND RESPONSIBILITIES

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives. They carry out their duties and fulfil their responsibilities as a single body. The Trustee body is not so large as to be unwieldy in its operations.

The duties and responsibilities of the Trustees 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 Managers and Investment Adviser
- The assessment and review of the performance of each Investment Manager
- The setting and review of the investment parameters within which the investment manager(s) can operate
- The assessment of risk assumed by the Scheme at total Scheme level and at the individual manager level
- The approval and review of the asset allocation benchmark for the Scheme
- The compliance of the investment arrangements with the principles set out in the Statement

3.2 INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

The Trustees have appointed Mercer as the 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
- Determining funds and investment managers that are suitable to meet the Trustees' objectives
- Setting cashflow management (investment and withdrawal) policies (see Appendix 2)
- Through consultation with the Scheme Actuary, assessing how any changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested
- Monitoring the investment managers to ensure their continuing appropriateness to the mandates given
- How any significant changes in the investment managers' organisation could affect the interests of the Scheme
- Monitoring the platform provider to ensure its continuing appropriateness for the Scheme
- How any changes in the investment environment could present either opportunities or problems for the Scheme

The Trustees may seek advice from Mercer with regard to both strategic and tactical investment decisions (see Section 4 – Investment Strategy); however, they recognise that they retain responsibility for all such decisions, including those that concern investments and disinvestments relating to cashflows (see Appendix 2). 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 makes a fund based charge for the services it provides 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.

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 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 assets of the Scheme are invested through the Mobius Life investment platform.

The Trustees look to their investment consultant for their forward-looking assessment of a manager's ability to deliver upon its stated objectives over a full market cycle. This view may 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 that the Scheme invests in. The investment consultant's manager research ratings assist with due diligence and these ratings are used in decisions around selection, retention and removal of manager appointments.

If the investment objective for a particular manager changes, the Trustees will review the Scheme's appointment to ensure it remains appropriate and consistent with the Trustees' wider investment objectives. As the Scheme invests 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 each manager's mandate are set out in Appendix 3. In particular, the 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 investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

All of the investment managers engaged by the Trustees are authorised and regulated by the FCA.

The Platform provider and the 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 investment managers, currently appointed by the Scheme, receive a performance-based fee. The Trustees believe that this is a reasonable basis for remunerating managers. The Trustees consider that this 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 securities in the fund. 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 do not select investment managers / funds with a view to holding these for a pre-specified time period. Instead, these are selected with a view to how these fit with and assist the Trustees in meeting their long-term strategic objectives. An investment manager / fund will only be replaced if:

- The strategic objectives of the Scheme change such that the offering provided by the investment manager / fund is no longer appropriate in context of the Trustees achieving their long-term strategic objective;
- The objective(s) of the investment manager / fund changes such that is no longer fitting with the long-term strategic objectives of the Trustees; or,

- The Mercer Manager Research Team's ("MMRT") future expectations on the likelihood of the investment manager / fund achieving its performance objective(s) has deteriorated.

4 INVESTMENT STRATEGY

4.1 SETTING INVESTMENT STRATEGY

The Trustees have determined their investment strategy after considering the Scheme's liability profile and requirements of the Statutory Funding Objective, their own appetite for risk, the views of the Sponsoring Employer on investment strategy, the Sponsoring Employer's appetite for risk, and the strength of the Sponsoring Employer's covenant. The Trustees have also received written advice from their Investment Adviser.

The basis of the Trustees' strategy is to divide the Scheme's assets between a "growth" portfolio, comprising of assets such as equities and multi-asset funds and a "stabilising" portfolio, comprising of assets such as multi-asset credit, bonds and liability driven investments ("LDI"). The basis of the split between these two portfolios is set with regard to the overall required return objective of the Scheme's assets, together with the desired hedge ratio for interest and inflation rates.

The Trustees have established a benchmark allocation to each asset class within the 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 appointed investment managers to select and manage the allocations across growth asset classes, in particular where it would not be practical (or appropriate) for the Trustees to commit the resources necessary to make these decisions themselves.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustees have decided on a structured approach to rebalance the assets in accordance with their overall strategy. This approach is set out in Appendix 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 growth and the stabilising portfolios
- Determining the allocation to asset classes within the growth and stabilising portfolios
- Determining the Scheme benchmark
- Reviewing the investment objectives and strategic asset allocation

Tactical Investment Decisions

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

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

Stock Selection Decisions

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

4.3 TYPES OF INVESTMENTS TO BE HELD

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

- UK and Overseas Equities
- UK and Overseas Government Bonds, Fixed and Inflation-linked
- UK and Overseas Corporate Bonds
- Diversified Growth
- Liability Driven Investment Products
- Cash

All the funds in which the Scheme invests are pooled and unitised. The use of derivatives is permitted by the guidelines that apply to the pooled funds. Details relating to the pooled funds can be found in Appendix 3.

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

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 life of the scheme. 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 interests that these factors are taken into account within the investment process.

As an investor in pooled funds, the Trustees have limited ability to influence the investment decision making process. The Trustees delegate decisions around ESG directly to the investment managers and will consider investment consultant's assessment of how each manager embeds ESG considerations into their investment process.

The Trustees recognise that their views on the financial materiality of environmental, social and corporate governance factors on risk and return are retained as a trustee decision. If the Trustees wish to adopt a specific approach to incorporating these factors in the future then a conversation with Mercer will be required in order to ensure effective implementation.

The Trustees consider how ESG, climate change and stewarding is integrated within the processes of the underlying managers on an annual basis.

4.5 NON-FINANCIAL CONSIDERATIONS

The Trustees' objective is that the financial interest of the Scheme's members are their first priority when choosing investments. They have determined to not 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 CORPORATE GOVERNANCE AND VOTING POLICY

The Trustees' policy is to delegate responsibility for engaging with monitoring investee companies and exercising voting rights to the Scheme's investment managers. The Trustees expect the investment managers to use their discretion to act in the long-term financial interests of investors and exercise these rights in accordance with their respective published corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustees do not use the direct services of a proxy voter.

The Trustees have classified "most significant votes" as any vote which concerns Climate Change e.g. a vote on a company's carbon disclosures or low-carbon transition, where the size of the holding is greater than 1% of the fund.

Mercer receives annual reporting from the underlying investment managers / funds that includes information on the voting activity undertaken on behalf of the pooled fund. This information is reviewed on a periodic basis to ensure that the actions taken by the investment manager are consistent with its stated policies and that these are in the best long-term interests of the pooled fund. If required, the research team will raise any concerns directly with the investment manager and notify the Trustees if appropriate.

4.7 STEWARDSHIP

The Trustees, in conjunction with their advisers, will monitor the performance, strategy, risks, ESG policies and corporate governance of the investment managers. If the Trustees have any concerns, they will raise them with Mercer, verbally or in writing.

In particular, the Trustees will monitor:

- The performance of the investment manager / fund relative to its stated performance objective(s). Whilst performance over all time-periods will be considered, the focus will be on the medium to long-term performance of the investment manager / fund. Where performance has failed to meet expectations and/or the MMRT's views on the future expectations of performance has changed, the underlying investment manager / fund may be replaced with a suitable alternative;
- Performance of the overall strategy relative to the investment objective. Where performance has underperformed the objective, the Trustees must understand the reasons for the underperformance and, where appropriate, make any necessary changes to the strategy;
- It is recognised that the level of investment risk will change from one period to the next due to factors out with their control, e.g. general market movements. The level of risk will be monitored on a regular basis to ensure that the Scheme is not undertaking an excessive level of risk and that these risks are balanced appropriately;

- The ESG and Stewardship policies of the underlying investment managers will be reviewed on a regular basis. As the Scheme invests in pooled funds, the Trustees recognise that their ability to influence the stewardship policies of the underlying investment managers is limited. As such, any changes to the Trustees' view on these matters, or a change in the stewardship policies of the investment managers, could potentially result in the investment managers being replaced.

5 RISK

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

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.

Environmental Risk

- This is the risk that improper, or inadequate, consideration of environmental factors could lead to adverse investment performance and / or reputational damage to the Scheme.
- The day-to-day management of environmental risk is the responsibility of the companies in which the Scheme's underlying managers have invested. Given the Scheme is invested in pooled funds the Trustees will rely on the investment manager to ensure that these companies have sufficient procedures and processes in place to mitigate this risk as far as is reasonably possible.

Social Risk

- This is the risk that social factors are not properly considered within the investment decision making process. Social risks can arise both within and externally to a company, e.g. internal factors could include workplace health & safety whilst external factors may include a company's impact on the area surrounding their place of business.
- The day-to-day management of social risk is also the responsibility of the companies in which the Scheme's underlying managers invest. It is the responsibility of the investment manager to ensure that these companies

have sufficient procedures and processes in place in order to mitigate these risks as far as is reasonably possible.

Corporate Governance Risk

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

Sponsor Risk

- This is assessed as the level of ability and degree of willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit.
- It is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor. Regular updates on employer covenant are provided to the Trustees by senior staff of the sponsor.

Legislative Risk

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

Credit Risk

- This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- The Trustees acknowledge that the assessment of credit risk on individual debt instruments is delegated to the investment manager. The Trustees will however ensure that they are comfortable with the amount of risk that the Scheme's investment manager takes.

Market Risk

- This is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following three types of risk: currency risk, interest rate & inflation risk and other price 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.
- For funds where the currency risk is separately managed by the manager, the Trustees acknowledge that currency risk is delegated to the underlying investment managers where the manager is responsible for the decision of whether or not to hedge.

Interest Rate Risk

- This is the risk that an investment's value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.

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

Inflation Risk

- This is the risk that an investment's value will change due to a change in the level of expected inflation. This affects debt instruments more directly than growth instruments.
- The Trustees acknowledge that the inflation risk related to individual debt instruments, are managed by the underlying investment managers through a combination of strategies, such as diversification, duration and yield curve management.
- The Trustees recognise that the Scheme's liabilities are exposed to a significant level of inflation risk and for this reason it is desirable for the Scheme's assets to be exposed to a similar level of inflation risk.

Recapitalisation Risk

- This is the risk that the leverage of an investment reaches a certain level where additional cash is requested by the investment manager to maintain the position.
- Leverage within LDI funds is restricted to certain levels. Market circumstances may result in breaching those levels. LDI funds typically hold cash and gilts as an initial buffer against a potential rise in interest rates.
- Additional cash (recapitalisation) would be required to rebalance the LDI funds to appropriate leverage levels should rates rise significantly.
- The Trustees recognise that the Scheme can effectively monitor the available collateral for a recapitalisation event on a regular basis and investments in LDI leveraged funds enable the Scheme to employ its investable assets efficiently between growth and hedging assets.

Other Price Risk

- This is the risk that principally arises in relation to the return seeking portfolio, which invests in equities, equities in pooled funds, equity futures, hedge funds, private equity and property.
- The Trustees acknowledge that a scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets and has therefore invested a large proportion of the Scheme's return seeking assets in DGFs and multi-asset funds in order to achieve diversified exposure to different investment markets and manage this risk.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1 INVESTMENT ADVISER

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

6.2 INVESTMENT MANAGERS

The Trustees receive quarterly monitoring reports on the performance of the underlying investment managers from Mercer, which present performance information over 3 months, 1 year, and 3 years. The reports show the absolute performance, performance against the managers' 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 reviews the performance of the Scheme's individual funds against their benchmarks, of the Scheme's assets in aggregate against the Scheme's strategic benchmark and also of the development of the Scheme's assets relative to its liabilities.

The Trustees take a long term view when assessing whether to replace the underling 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 MMRT. This is 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 a particular 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 they do note 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 Trustees recognise that portfolio turnover and associated transaction costs are a necessary part of portfolio management and therefore expect Mercer to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme.

7 CODE OF BEST PRACTICE

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

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

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

8 COMPLIANCE

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

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

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

Signed on behalf of the Trustees by	**...**	**...**
On	**...**	**...**
Full Name	**...**	**...**
Position	**...**	**...**

APPENDIX 1: ASSET ALLOCATION BENCHMARK

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

Asset Class	Strategic Allocation	Guideline Range
Growth Assets	**38.0%**	+/- 10.0%
Emerging Market Equities	9.5%	+/- 5.0%
Global Equities	14.5%	+/- 5.0%
Multi-Asset Funds	14.0%	+/- 5.0%
Stabilising Assets	**62.0%**	+/- 10.0%
Absolute Return Bonds	14.0%	+/- 5.0%
Multi-Asset Credit	15.0%	+/- 5.0%
LDI – Real	21.0%	+/- 7.5%
LDI – Nominal	12.0%	+/- 5.0%
Total	**100.0%**	

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

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

APPENDIX 2: CASHFLOW AND REBALANCING POLICY

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

Investments or disinvestments should be applied in such a way as to bring the actual asset allocation back in line with the guideline ranges, as set out in Appendix 1. Any illiquid asset classes and LDI funds will not be utilised for cashflow purposes without a specific written instruction from the Trustees.

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

The asset allocation will be monitored by Mercer so as to maintain it within the guideline ranges as detailed in Appendix 1.

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

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	SORP / IFRS Class
Growth – Multi-Asset Funds				
Baillie Gifford Diversified Growth Fund	UK Base Rate	To achieve at least 3.5% ahead of the benchmark (net of fees) over rolling five year periods	Daily	Level 2
Pictet Dynamic Asset Allocation Fund	UK Base Rate	To achieve total returns equivalent to cash plus 4% p.a. (net of fees) over any 3 year period	Daily	Level 2
Growth – Equities				
LGIM World Equity Index Fund	FTSE World Index	To track the benchmark (less withholding tax where applicable) within +/- 0.5% p.a. for two out of three years	Daily	Level 2
LGIM World Emerging Markets Equity Fund	FTSE Emerging Index	To track the benchmark (less withholding tax where applicable) within +/- 1.5% p.a. for two out of three years	Daily	Level 2

STABILISING ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
Stabilising – Multi-Asset Credit				
Payden Absolute Return Bond	Overnight SONIA	To outperform the benchmark by 3% p.a. gross of fees while seeking preservation of capital over a medium-term horizon.	Daily	Level 2
Investec Global Total Return Credit Fund	Overnight SONIA	To outperform the benchmark by 4% p.a. (gross of fees) over a full credit cycle	Daily	Level 2
Stabilising – LDI Real				
Columbia Threadneedle Real Dynamic LDI	The liability profile of a typical UK DB pension scheme	To provide hedging by offering interest rate and inflation protection which replicates the liability profile of a typical UK DB pensions scheme	Daily	Level 2
Stabilising – LDI Nominal				
Columbia Threadneedle Nominal Dynamic LDI	The liability profile of a typical UK DB pension scheme	To provide hedging by offering interest rate protection which replicates the liability profile of a typical UK DB pensions scheme	Daily	Level 2

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

Mercer will monitor the investment managers. If one of the managers is downgraded by MMRT the Trustees will be notified of this rating change.

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

APPENDIX 4: RESPONSIBILITIES OF PARTIES

PLATFORM PROVIDER

The Platform Provider's responsibilities include the following:

- Ensuring that contributions are invested/disinvested in accordance with the Trustees' instructions, and that the asset allocation remains within the guideline range
- Providing the Trustees, on a quarterly basis (or as frequently as agreed), with a statement and valuation of the assets and appropriate management information and reporting.

INVESTMENT MANAGERS

The underlying investment managers are appointed via the Mobius Life Platform provider and therefore have no direct responsibility to the Trustees. The investment managers' responsibilities include the following:

- Informing the Trustees of any changes in the internal performance objectives and guidelines of any pooled fund used by the Scheme as and when they occur.
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments.
- Giving effect to the principles contained in the Statement as far as is reasonably practicable.

The details of investment managers are set out in Appendix 3, together with the details of each manager's mandate.

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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.