PARK FOOD GROUP PLC PENSION SCHEME

STATEMENT OF INVESTMENT PRINCIPLES

MARCH 2023

TABLE OF CONTENTS

1 INTRODUCTION

This Statement of Investment Principles ("the Statement") has been prepared by the Trustee of the Park Food Group Plc Pension Scheme ("the Scheme") in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Scheme and the activities undertaken by the Trustee to ensure the effective implementation of these principles.

In preparing the Statement, the Trustee has:

- Obtained and considered written advice from a suitably qualified individual, employed by its investment consultants, Mercer, whom it believes to have a degree of knowledge and experience that is appropriate for the management of its investments; and
- Consulted with the Sponsoring Employer, although it affirms that no aspect of its 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 its 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

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 includes, but is not limited to, the following tasks and activities:

- The regular approval of the content of the Statement
- 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 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

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:

- Participating with the Trustee in reviews of this Statement;
- Setting of investment objectives;
- Determining investment strategy and asset allocation;
- Determining an appropriate investment structure;
- Advising on funds and investment managers that are suitable to meet the Trustee's objectives when requested;
- 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;
- Production of performance monitoring reports;
- Advising on 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, it recognises that it retains 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 underlying investment managers against their benchmarks. Mercer will provide performance monitoring reports to aid the Trustee in this process.

Mercer makes a fund-based charge in relation to the Scheme's assets invested through Mobius Life Limited ("Mobius") for the services it provides as set out in its investment agreement with the Trustee. Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

In particular, Mercer does not receive commission or any other payments in respect of the Scheme that might affect the impartiality of their advice, and as noted below, any discounts negotiated by Mercer and 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").

ARRANGEMENTS WITH INVESTMENT MANAGERS

The Trustee is a long-term investor and does not look to change the investment arrangements on a frequent basis.

The Trustee, after considering appropriate investment advice, has invested most of the Scheme's assets through a Trustee Investment Policy ("TIP") from 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 investment managers used by the Scheme are authorised and regulated by the FCA. Mobius Life Limited is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

The underlying investment managers used by the Trustee through the Mobius platform are chosen based on advice from the Investment Adviser. This is based on the Investment Adviser'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 Trustee also has a direct investment with State Street Global Advisors ("SSGA") for a proportion of the assets. SSGA is also authorised and regulated by the FCA.

The Trustee will only invest in pooled investment vehicles. The Trustee therefore accepts 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 investment managers the funds are invested in, 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.

Mobius 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. 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 investment 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 it cannot influence the charging structure of the pooled funds in which the Scheme is invested, but is satisfied that the ad-valorem charges for the different 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 investment managers and is consistent with the Trustee's policies as set out in this SIP.

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

SETTING INVESTMENT STRATEGY

The Trustee has determined its investment strategy after considering 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 multi-asset credit, diversified growth and secured loans, and a "Stabilising" portfolio, comprising assets such as liability driven investments ("LDI") and gilts. 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 Scheme's investment strategy will comprise predominantly of credit and LDI, i.e. low risk assets, with an expected / target return of Gilts + 1% per annum.

Any potential future change to, including derisking of, the Scheme's investment strategy will be considered as part of the next and subsequent funding valuations to ensure that the investment strategy remains appropriate with regard to both the primary and secondary funding targets.

The Trustee will consult the Company around any proposed change to the investment strategy.

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 have discretion 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 alone.

In making this decision, the Trustee has been satisfied that this is consistent with their investment objectives and is supported by both the Sponsoring Employer and its covenant.

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. It does 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 pooled funds in which the Scheme is invested.

TYPES OF INVESTMENTS TO BE HELD

The Trustee is 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 and convertible bonds
- Secured Loans
- Multi-Asset Credit
- Property
- Commodities
- Hedge Funds
- Private equity
- High yield bonds
- Emerging Market debt
- Diversified growth
- Liability driven investment products
- Equity-linked 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.

FINANCIAL 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.

As noted earlier, the Scheme's assets are invested in pooled funds. The Trustee accepts the fact that they have very limited ability to influence the ESG policies and practices of the companies in which their managers invest.

The Trustee has reviewed the ESG policies of their managers and concluded that they are appropriate. The Trustee will therefore rely on the policies and judgement of their investment managers when assessing the impact on the value of the Schemes investments.

NON-FINANCIAL CONSIDERATIONS

The Trustee only considers 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.

CORPORATE GOVERNANCE AND VOTING POLICY

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

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

STEWARDSHIP

The Trustee, in conjunction with their advisors, will monitor the performance, strategy, risks, ESG policies and corporate governance of the investment managers. In particular, the Trustee 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 would be replaced with a suitable alternative;
- Performance of the overall strategy relative to the investment objective. Where performance has underperformed the objective, the Trustee must understand the reasons for the underperformance and, where appropriate, make any necessary changes to the strategy;
- The level of risk on a regular basis to ensure that the Scheme is not undertaking an excessive level of risk and that these risks are balanced appropriately. It is recognised that the level of investment risk will change from one period to the next due to factors out of their control, e.g. general market movements;
- Any changes made to the ESG and Stewardship policies of the underlying investment managers, which are expected to be reviewed on a regular basis. As the Scheme invests in pooled funds, the Trustee recognises that their ability to influence the stewardship policies of the underlying investment managers is limited. As such, any changes to the Trustee's view on these matters, or a change in the stewardship policies of the investment managers, could potentially result in one or more of the investment managers being replaced.

If the Trustee has any concerns, they will raise them with Mercer, verbally or in writing.

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.

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 majority of the Scheme's assets are invested in pooled funds which are readily realisable.

Political Risk

- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through investing in funds which give a wide degree of diversification.

Corporate Governance Risk

- This is assessed by reviewing the Scheme's investment managers' policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the managers, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are provided to the Trustee 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 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 one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- The Trustee acknowledges that the assessment of credit risk on individual debt instruments is delegated to the investment manager. The Trustee will however ensure that it is comfortable with the amount of risk that the Scheme's investment manager takes.

Market Risk

- This is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following three types of risk:

Currency Risk

- This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension scheme, the scheme may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.
- The Trustee acknowledges that currency risk related to overseas investments is delegated to, and hedged where deemed appropriate, by the underlying investment managers.

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

Other Price risk

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

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 their financial stewardship and how well the investment manager integrates governance and sustainability into its investment process.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

INVESTMENT ADVISER

The Trustee continually assesses and reviews the performance of its adviser in a qualitative way.

INVESTMENT MANAGERS

The Trustee receives quarterly monitoring reports on the performance of the investment managers from Mercer (for assets on the Mobius Platform) and from SSGA, which presents performance 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 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.

In conjunction with advice and information from their 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's Manager Research Team. This in turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.

Changes will be made to the managers however if there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.

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 considers it appropriate not to have an overall portfolio turnover target for the Scheme.

7 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

It is the view of the Trustee that the AVC facilities available to members should include access to the following types of investment strategy.

- An asset mix which allows members to obtain access to real returns which will offset the adverse effects of inflation. This is achieved through a high exposure to equities, and is particularly appropriate for young members, whose long-term perspective allows for acceptance of volatility in relation to investment returns (e.g., changes in market values, or variations in rates of bonus declarations) over the period of investment.
- A suitably diversified asset mix to protect members from poor investment returns from any one particular asset category.
- A fund with capital guarantees, to enable members to protect their AVCs from downside volatility, for example in the years immediately prior to expected retirement.
- A fund whose value is expected to vary with the price of annuities, for members who wish to protect the annuity purchasing power of their AVCs prior to retirement.

The Trustee is of the opinion that the type and range of facilities described above are suitable to provide for the requirements of Scheme members in any of the circumstances likely to arise.

The Scheme no longer allows members to pay for Additional Voluntary Contributions (“AVCs”).

8 CODE OF BEST PRACTICE

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

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

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

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

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

Capital Cranfield Pension Trustees Limited, as Trustee of the Park Food Group Plc Pension Scheme

APPENDIX 1: ASSET ALLOCATION BENCHMARK

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

Asset Class	Strategic Allocation (%)
Growth Assets	**28.0**
Diversified Growth	3.0
Secured Loans	10.0
Multi-Asset Credit	3.0
Absolute Return Bonds	12.0
Stabilising Assets	**72.0**
Nominal LDI	7.0
Real LDI	7.0
Index Linked Gilts	34.0
Gilts	7.0
Cash	17.0
Total	**100.0%**

Note: Liability Driven Investment (LDI)

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's investments in order to minimise transaction costs.

Rebalancing Policy

There will be no automatic rebalancing of the portfolio.

The actual allocation relative to the strategic allocation will be reviewed on an ongoing basis and realigned if deemed necessary.

Cashflow Policy

All investments and disinvestments will be referred to the Trustee's Investment Consultant at Mercer to advise

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

LDI Recapitalisation

The Trustee notes that the LDI managers 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 Trustee has put in place a policy for the Scheme regarding this recapitalisation / release procedure with Mobius and will review this from time to time to ensure it remains appropriate.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

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

Manager / Fund	Benchmark	Objective	Dealing Frequency	IFRS Class
Diversified Growth				
Threadneedle Multi-Asset	Bank of England Base Rate	To outperform the target by +3.5% p.a. over a five to seven year-cycle (net of fees)	Daily	2
Baillie Gifford Diversified Growth	Bank of England Base Rate	To outperform the benchmark by at least 3.5% over rolling five-year periods (net of fees)	Daily	2
Multi-Asset Credit				
Stone Harbor Multi-Asset Credit Portfolio	No Specific Benchmark	The fund's primary objective is to generate capital appreciation. The fund's secondary objective is to generate a high current income	Daily	2
Secured Loans				
Barings European Loan	Credit Suisse Institutional Western European Leveraged Loan Index, Non-USC, hedged to GBP	To outperform the benchmark by 5.4% p.a. (net of fees)	Monthly	2
Absolute Return				
Payden Absolute Return Bond	1 Month LIBOR	To outperform the benchmark by 3% p.a. (gross of fees) over a three-year period	Daily	2

Liability Driven Investments				
BMO Real Dynamic LDI	The liability benchmark is not scheme specific but represents the liability 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	Daily	2
BMO Nominal Dynamic LDI	The liability benchmark is not scheme specific but represents the liability profile of a “typical” UK defined benefit 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	2
Index Linked Gilts				
L&G Over 15 Year Index Linked Gilts	FTSE Actuaries UK I-L Gilts Over 15 Years Index	To track the benchmark within +/-0.25% p.a. for two years out of three	Daily	2
SSGA Over 5 Year Index Linked Gilts	FTSE Actuaries UK I-L Gilts Over 5 Years Index	To track the benchmark	Daily	2
Gilts				
L&G Over 15 Year Gilts	FTSE Actuaries UK Conventional Gilts Over 15 Years Index	To track the performance of the benchmark to within +/-0.25% p.a. for two years out of three	Daily	2
Cash				
L&G Sterling Liquidity	Sterling Overnight Index Average	To provide capital stability and a return in line with money market rates whilst providing daily access to liquidity and providing an income	Daily	2

The assets for the above managers, apart from SSGA are hosted on an investment platform provided by Mobius Life Limited. For avoidance of doubt, this statement will not be updated solely in response to a replacement of one of the underlying investment managers.

The Trustee also holds assets separately from the main fund with Standard Life in relation to historic additional voluntary contributions (AVCs).

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 investment manager(s), platform provider and custodian (if required)
- Assessing the quality of the performance and processes of the investment manager(s) by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser
- Consulting with the sponsoring employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis

INVESTMENT ADVISER

The Investment Adviser's responsibilities include the following:

- Participating with the 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 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 the investment managers
- Informing the Trustee of any significant changes or concerns in relation to the platform provider's suitability for the Scheme
- Advising on the selection of new managers and/or custodians
- Advising on cashflow management (investment and withdrawal) policies (see Appendix 2)

INVESTMENT MANAGERS

The investment managers through the Mobius Platform have a responsibility to inform the Platform provider 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.

SSGA has a responsibility to inform the Trustee of any changes in the internal performance objectives and guidelines of their fund.

The responsibilities of all investment managers include:

- 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 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 Platform provider or SSGA, as appropriate, according to the Trustee's instructions.