XPS Investment

Statement of Investment Principles

For the Trustees of the Don & Low Pension Fund

September 2020

Contents

01 **Introduction**

Purpose

This document constitutes the Statement of Investment Principles ('the SIP') required under Section 35 of the Pensions Act 1995 for the Don & Low Pension Fund ('the Scheme'). It describes the investment policy being pursued by the Trustees of the Scheme and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the Myners Principles"). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

Scheme details

The exclusive purpose of the Scheme is to provide retirement and death benefits to eligible participants and beneficiaries. It qualifies as a registered pension scheme, registered under Chapter 2 of Part 4 of the Finance Act 2004. The Scheme is closed to new members.

The Scheme Actuary is Johnathan Seed and the Investment Advisor is XPS Investment (collectively termed 'the Advisers').

Advice and consultation

Before preparing this Statement, the Trustees have sought advice from the Scheme's Investment Consultant, XPS Investment Limited. The Trustees have also consulted the Principal Employer. The Trustees will consult the Principal Employer on any future changes in investment policy as set out in this Statement.

Investment powers

The Scheme's Trust Deed and Rules set out the investment powers of the Trustees. This Statement is consistent with those powers. Neither this Statement nor the Trust Deed and Rules restricts the Trustees' investment powers by requiring the consent of the Principal Employer.

In accordance with the Financial Services and Markets Act 2000, the Trustees set general investment policy but delegate responsibility for the selection of the specific securities and any financial instruments in which the Scheme invests to the Investment Managers.

Review of the Statement

The Trustees will review this Statement and their investment policy at least every three years in conjunction with each triennial valuation or immediately following any significant changes in investment policy.

The Trustees will also review this Statement in response to any material changes to any aspect of the Scheme, its liabilities, finances and attitude to risk of either the Trustees or Principal Employer which it judges to have a bearing on the stated investment policy.

The Trustees will receive confirmation of the continued appropriateness of this Statement annually, or more frequently, if appropriate.

Definitions

Capitalised terms in this document mean the following:

Act - The Pensions Act 1995 (as amended by section 244 of the Pensions Act 2004);

AVCs - Additional Voluntary Contributions;

Investment Manager – An organisation appointed by the Trustees to manage investments on behalf of the Scheme;

Principal Employer – Don and Low Limited;

Recovery Plan - The agreement between the Trustees and the Principal Employer to address the funding deficit;

Scheme – The Don & Low Pension Fund;

Statement - This document, including any appendices, which is the Trustees' Statement of Investment Principles;

Technical Provisions - The amount required, on an actuarial calculation, to make provision for the Scheme's liabilities;

Trust Deed and Rules - the Scheme's Trust Deed and Rules dated 30/11/2012, as subsequently amended;

Trustees – the collective entity responsible for the investment of the Scheme's assets and managing the administration of the Scheme;

Value at Risk - a technique which uses historical correlations of asset class returns and volatilities to estimate the likely worst-case scenario loss for a given portfolio of assets.

02 Strategic investment policy and objectives

Choosing investments

The Trustees rely on professional Investment Managers for the day-to-day management of the Scheme's assets. However, the Trustees retain control over some investments. In particular, the Trustees make decisions about pooled investment vehicles in which the Scheme invests and any AVC investment vehicles.

The Trustees' policy is to regularly review the investments over which they retain control and to obtain written advice about them when necessary. When deciding whether or not to make any new investments the Trustees will obtain written advice and consider whether future decisions about those investments should be delegated to the Investment Managers. The written advice will consider suitability of the investments, the need for diversification and the principles within this Statement. The adviser will have the knowledge and experience required under Section 36(6) of the Act.

Long-term objectives

The primary investment objective of the Trustees is to seek ensure the Scheme is able to meet the benefit payments promised as they fall due from a combination of investment returns and planned contributions.

The Trustees also agree to the following as their main long-term objectives:

- The acquisition of suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from members and the Employer, the cost of current and future benefits which the Fund provides, as set out in the Trust Deed and Rules.
- To exercise the Trustees' powers prudently with a view to securing the security, quality, liquidity and profitability of the Fund's assets.
- To limit the risk of the assets failing to meet the liabilities over the long term, in particular in relation to the Technical Provisions by considering the liability profile of the Fund when setting the asset allocation policy.
- To minimise the long-term costs of the Fund by maximising the return on the assets whilst having regard to both short term volatility and risk and the objectives shown above.
- To seek to reduce the Fund's exposure to the unrewarded risks associated with changing interest rates and inflationary expectations on the Fund's liabilities.

Expected returns

By undertaking the investment policy described in this Statement, the Trustees expect future investment returns will exceed both salary and price inflation.

Investment Policy

Following advice from the Investment Consultant, the Trustees have set the investment policy and objectives with regard to the Scheme's liabilities and funding level.

The Trustees intend to achieve these objectives through investing in a diversified portfolio of return-seeking assets (i.e. equities and diversified growth funds) and liability matching assets (I.e. bond funds). The Trustees recognise that the return on return-seeking assets, whilst expected to be greater over the long-term than that on liability matching assets, is likely to be more volatile. A mixture across asset classes should nevertheless provide the level of returns required by the Scheme to meet its liabilities at an acceptable level of risk (of underperforming the liabilities) for the Trustees, and an acceptable level of cost to the Principal Employer.

The policy also includes a regular de-risking of assets from return-seeking to matching assets, as set out in Section 5.

The investment policy the Trustees have adopted is detailed in Appendix I. The specific Investment Manager mandates against which performance of the assets will be assessed are specified in Appendix II.

Strategic investment policy and objectives continued

Range of assets

The Trustees consider that the combination of the investment policy detailed in Appendix I and the specific manager mandates detailed in Appendix II will ensure that the assets of the Scheme include suitable investments that are appropriately diversified and provide a reasonable expectation of meeting the objectives. In setting out the mandates for the Investment Managers, the Trustees will ensure that the Scheme holds a suitably diversified range of securities in each category, avoiding an undue concentration of assets.

Alignment of Incentives

Based on the structure set out in Appendix I, the Trustees consider the arrangements with the Investment Managers to be aligned with the Scheme's overall strategic objectives. Details of each specific mandate are set out in agreements and pooled fund documentation with each Investment Manager. The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Managers' tactical asset allocation preferences at any time, within any scope given to them through asset allocation parameters set by the Trustees or governing the pooled funds in which the Scheme is invested.

The Trustees will ensure that the Scheme's assets are invested in regulated markets to maximise their security.

Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Scheme's investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustees' expectations, including the selection / deselection criteria set out in Section 6.

The Trustees encourage Investment Managers to make decisions in the long-term interests of the Scheme. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights. This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns. As covered in more detail in Section 3, the Trustees also require the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustees believe these factors could have a material financial impact in the long-term. The Trustees therefore make decisions about the retention of Investment Managers, accordingly.

03 Responsible investment

The Trustees have determined their approach to financially material considerations over the Scheme's long term funding horizon – including environmental, social and corporate governance ("ESG") factors – by acknowledging that there can be risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees will seek advice from the Investment Adviser on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustees will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this Statement.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and encourages them to vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

Further, the Trustees' policy is that non-financial matters should not be taken into account in the selection, retention and realisation of investments.

As the Scheme invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the Investment Managers. The Trustees encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees.

If the Trustees become aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees' expectation , then the Trustees may consider terminating the relationship with that Investment Manager.

When considering the selection, retention or realisation of investments, the Trustees have a fiduciary responsibility to act in the best interests of the beneficiaries of the Scheme, although they have neither sought, nor taken into account, the beneficiaries' views on matters including (but not limited to) ethical issues and social and environmental impact. The Trustees will review this policy if any beneficiary views are raised in future.

04 Risk measurement and management

The Trustees recognise a number of risks involved in the investment of the assets of the Scheme. The Trustees measure and manage these risks as follows:

Solvency risk and mismatching risk - The risk that the assets do not respond to market changes in the same way as the liabilities, resulting in volatility in the funding position, is addressed through the strategic asset allocation and through ongoing triennial actuarial valuations. In setting the investment strategy, the Trustees will consider (for example) the Value at Risk.

Strategy risk - The risk that the Investment Managers' asset allocation deviates from the Trustees' investment policy is addressed through regular review of the asset allocation position by the Trustees.

Liquidity risk - The risk that assets cannot be sold quickly enough to enable benefits to be paid or that the Trustees cannot exit a particular investment is addressed through the process by which the administrator estimates the benefit outgo and ensures that sufficient cash balances are available, and through the Trustees' policy on realisation of assets (see below).

Inappropriate investments - The risk that an Investment Manager invests in assets or instruments that are not considered to be appropriate by the Trustees is addressed through the Trustees' policy on the range of assets in which the Scheme can invest (see section 2).

Counterparty risk - The risk that a third party fails to deliver cash or other assets owed to the Scheme is addressed through the Investment Managers' guidelines with respect to cash and counterparty management.

Political risk - The risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

Custodian risk - The risk that the custodian fails to provide the services expected is addressed through the agreement with the third party custodian and ongoing monitoring of the custodial arrangements. In pooled arrangements this is invariably delegated to the Investment Managers.

Manager risk - The risk that an Investment Manager fails to meet their stated objective is addressed through the performance objectives set out in Appendix II and through the monitoring of the Investment Managers as set out in section 6. In monitoring the performance of the Investment Managers, the Trustees measure the returns relative to the benchmark, objective and the volatility of returns. In addition, the Trustees will regularly review each Investment Manager's approach to risk within each fund in order to highlight any unintended risk being taken. For example:

> for equities, the Trustees will consider the spread of assets across various geographic and industry sectors, the concentration of investments in individual stocks and the active positions taken by the Investment Managers;

> for multi-asset funds such as diversified growth funds (DGFs), the Trustees will consider the weightings within each fund to different asset classes;

Fraud/Dishonesty - The risk that the Scheme assets are reduced by illegal actions is addressed through restrictions applied as to who can authorise transfer of cash and the account to which transfers can be made.

Currency risk – The risk of losses through depreciation of non-sterling currencies is measured by reference to the exposure of the Scheme to pooled funds with unhedged currency risk and is managed by investing predominantly in sterling assets and only taking currency risk where it increases the level of diversification.

Environmental, Social and Governance risk – the risk that environmental, social and governance factors are not given significant consideration. This is addressed by having a policy whereby such factors should be given appropriate consideration in relation to current and future investment decisions (see also section 3)

05 Realisation of assets and investment restrictions

Realisation of investments

In recognition of the fact that funds may need to be realised for a number of unanticipated reasons at any time, and the desirability of retaining as high a degree of flexibility as possible to cater for unexpected changes in circumstances, the Trustees will monitor closely the extent to which any assets not readily realisable are held by the Investment Managers and will limit such assets to a level where they are not expected to prejudice the proper operation of the Scheme.

The Trustees have considered how easily investments can be realised for the types of assets in which the Scheme is currently invested. As such, the Trustees believe that the Scheme currently holds an acceptable level of readily realisable assets. The Trustees will also take into account how easily investments can be realised for any new investment classes it considers investing in, to ensure that this position is maintained in the future.

The Trustees will hold cash to the extent that it considers necessary to meet impending anticipated liability outflows. A bank account is used to facilitate the holding of cash awaiting investment or payment.

Investment restrictions

The Trustees have established the following investment restrictions:

> The Trustees or the investment managers may not hold in excess of 5% of the Scheme's assets in investments related to the Principal Employer;

> Whilst the Trustees recognise that borrowing on a temporary basis is permitted, this option will only be utilised where it is deemed absolutely necessary or where the Trustees have received advice from the Investment Consultant that the Scheme's overall exposure to risk can be reduced through temporary borrowing, e.g. during an asset transfer;

> Investment in derivative instruments may be made only insofar as they contribute to the reduction in risk or facilitate efficient portfolio management.

The Investment Managers impose internal restrictions that are consistent with their house style. In some instances, the Trustees may impose additional restrictions and any such restrictions are specified in Appendix II.

Regular De-Risking

The Trustees of the Fund have in place a de-risking strategy that will reposition the asset allocation of the Fund from that outlined in Appendix I (as at 30 June 2020).

The allocation will switch from:

- 44.5% return seeking assets (equities and absolute return);
- 53.0% matching assets (bonds);
- 2.5% matching assets (cash);

to

- 25% return seeking assets (equities and absolute return);
- 74% matching assets (bonds);
- 1% matching assets (cash).

The transition will be over the 20 year period commencing 30 June 2013. The switching will be quarterly, with further details set out in Appendix 1 to this statement.

The purpose of this is to ensure that the strategic allocation evolves to reflect the maturing liability profile of the fund.

06 Investment Manager Arrangements and fee structure

Delegation to Investment Manager(s)

In accordance with the Act, the Trustees have appointed one or more Investment Managers and delegated to them the responsibility for investing the Scheme's assets in a manner consistent with this Statement.

The Investment Managers are authorised and regulated to provide investment management services to the Scheme. Within the UK, the authorisation and regulation of the Investment Managers falls under the Financial Conduct Authority (FCA). Specific products in which the Scheme invests may also be regulated by the Prudential Regulatory Authority (PRA). For non-UK Investment Managers, authorisation and regulation is undertaken by the home state regulator.

Where Investment Managers are delegated discretion under section 34 of the Pensions Act 1995, the Investment Managers will exercise their investment powers with a view to giving effect to the principles contained in this Statement so far as reasonably practicable. In particular, the Investment Managers must have regard to the suitability and diversification of the investments made on behalf of the Scheme.

The Investment Managers will ensure that suitable internal operating procedures are in place to control individuals making investments for the Scheme.

Performance objectives

The individual benchmarks and objectives against which each investment mandate is assessed are given in Appendix II.

Review process

Appointments of Investment Managers are expected to be long-term, but the Trustees will review the appointment of the Investment Managers in accordance with their responsibilities. Such reviews will include analysis of each Investment Manager's performance and processes and an assessment of the diversification of the assets held by the Investment Manager. The review will include consideration of the continued appropriateness of the mandate given to the Investment Manager within the framework of the Trustees' investment policies.

The Trustees receive, and consider, quarterly performance monitoring reports from the Investment Consultant which review performance over the quarter, one and three year periods. In addition, any significant changes relating to the criteria below that the Investment Consultant is aware of will be highlighted, which may lead to a change in the Investment Consultant's rating for a particular mandate. These ratings help to determine an Investment Manager's ongoing role in implementing the investment strategy. If there are concerns, the Trustees may carry out a more in-depth review of a particular Investment Manager. Investment Managers will also attend Trustees meetings as requested.

Fund manager remuneration is considered as part of the manager selection process. It is also monitored regularly with the help of the Investment Consultant to ensure it is in line with the Trustees' policies and with fee levels deemed by the Investment Consultant to be appropriate for the particular asset class and fund type.

Selection / Deselection Criteria

The criteria by which the Trustees will select (or deselect) the Investment Managers include:

- Parent - Ownership of the business;
- People - Leadership/team managing the strategy and client service;
- Product - Key features of the investment and the role it performs in a portfolio;
- Process - Philosophy and approach to selecting underlying investments including operational risk management and systems;
- Positioning - Current and historical asset allocation of the fund;
- Performance - Past performance and track record;
- Pricing - The underlying cost structure of the strategy;
- ESG – Consistency and extent to which ESG analysis is incorporated into the process of selecting underlying investments.

Investment Manager Arrangements and fee structure continued

An Investment Manager may be replaced, for example (but not exclusively), for one or more of the following:

> The Investment Manager fails to meet the performance objectives set out in Appendix II;
> The Trustees believe that the Investment Manager is not capable of achieving the performance objectives in the future;
> The Investment Manager fails to comply with this Statement.

Investment Managers' fee structure

The Investment Managers are remunerated by receiving a percentage of the Scheme's assets under management and, in some cases, through the application of a flat fee. Details of the fee arrangements are set out in Appendix II. It is felt that this method of remuneration provides appropriate incentives for the Investment Managers to target the agreed level of outperformance whilst adhering to the level of risk specified by the Trustees.

Portfolio turnover

The Trustees require the Investment Managers to report on actual portfolio turnover at least annually, including detail

of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence. The Trustees do not believe it appropriate to set a specific turnover target or limit, but they expect their Investment Managers to keep turnover to a minimum and be able to justify any turnover in terms of improved performance or reduced risk.

Investment Consultant's fee structure

The Investment Consultant is remunerated for work completed on a fixed fee basis, a time-cost basis or via a project fee. It is felt that this method of remuneration is appropriate because it enables the Investment Consultant to provide the necessary advice and information to facilitate the Trustees in undertaking their responsibilities.

07 Additional Voluntary Contribution arrangements

Provision of AVCs

The Scheme provided a facility for members to pay additional voluntary contributions (AVCs) to enhance their benefits at retirement. The Trustees' objective was to provide vehicles that enabled members to generate suitable long-term returns, consistent with their reasonable expectations.

The investment funds were provided by Zurich Insurance plc.

The Trustees selected these vehicles as they were believed to meet the Trustees' objective of providing investment options that enabled AVC members to generate suitable long-term returns, consistent with their reasonable expectations.

Review process

The appointment of the AVC providers and the choice of AVC funds offered to members will be reviewed by the Trustees in accordance with their responsibilities, based on the result of the monitoring of performance and process. The Trustees will review the appointment of the AVC providers periodically in the light of their performance.

Where possible, performance of the AVC providers will be measured relative to the individual benchmarks and objectives for the funds offered and/or to other providers offering similar fund options as measured in industry AVC surveys.

08 Compliance Statement

Confirmation of advice

Before a Statement of Investment Principles, as required by the Pensions Act 1995, is prepared or revised by the trustees of a pension scheme, they must have consulted with the principal employer and obtained and considered the written advice of a person who is reasonably believed by it to be qualified by his ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes.

The Investment Consultant hereby confirms to the Trustees that they have the appropriate knowledge and experience to give the advice required by the Act.

Trustees' declaration

The Trustees confirm that this Statement of Investment Principles reflects the Investment Strategy they have decided to implement. The Trustees acknowledge that it is their responsibility, with guidance from the Advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

Signatures

On behalf of XPS Investment Limited:

Signed by Alasdair Gill

Alasdair Gill FIA

Partner – Investment

Date:

30 September 2020

On behalf of the Trustees:

Signed by the Trustees

Date:

30 September 2020

Appendix I
Investment Strategy & Structure

Overall strategy

The Trustees have adopted a strategy where assets are invested in liability matching assets along with growth assets (equities, and diversified growth funds).

The Trustees have identified the following long-term structure as appropriate to meet the objectives of the Scheme.

Asset Class	Long term Target Allocation (%)
Matching Assets	**53**
Baillie Gifford Investment Grade Long Bond Fund	21.2
LGIM Over 5 Year Index-Linked Gilts	31.8
Return Seeking Assets	**44.5**
Baillie Gifford UK Equity Core Fund	4.5
Baillie Gifford Global Stewardship Fund	6.7
Baillie Gifford Diversified Growth Fund	33.3
Cash	**2.5**
LGIM Sterling Liquidity Fund	2.5
Total	**100.0**

Liability matching assets

The Scheme invests in Equity-Linked LDI Funds and leveraged LDI funds to provide a partial hedge against the Scheme's interest rate and inflation sensitivities. Both type of LDI funds are leveraged in order to increase the degree of hedging.

The leveraged nature of some of these funds means that there is an expectation that additional collateral will be required to be paid into these funds from time to time (and any excess collateral repaid to the Trustees). Where any additional collateral payments are required it is the Trustees' intention that these will be met through disinvestments from the Scheme's return seeking assets or cash.

Return-seeking assets

In order to achieve the required rate of investment return with a lower level of expected volatility, the Trustees have decided to invest in a diversified range of return seeking assets comprising both traditional (e.g. equities) and alternative asset classes (e.g. private markets).

Equities - Equities are managed on a passive global basis. Exposure to equities is also gained through the investments in the equity-linked LDI funds.

Diversified Growth Funds - The Trustees have decided to invest in this asset class in order to provide additional diversification and/or return. Diversified Growth funds are expected to provide a long term return similar to equities but with a lower degree of volatility.

Rebalancing and cashflow

The Trustees review the asset allocation on a periodic basis to ensure that the Scheme assets are allocated in a manner that is consistent with the objectives as detailed in this Statement.

In the event that there is a need for cash to meet the cashflow requirements of the Fund, units will be surrendered from the overweight fund(s), taking into account the de-risking and rebalancing strategies set out above.

In addition to the de-risking, the Trustees have in place a rebalancing policy within the return seeking assets.

The rebalancing will ensure that the return seeking assets are allocated:

- 1/3rd equity portfolio
- 2/3rd absolute return portfolio

This will be undertaken quarterly, with the first rebalancing as at 30 June 2013.

The Trustees will review rebalancing on a regular basis.

The rebalancing is one-way, ensuring that the equity portfolio is not in excess of the 1/3rd allocation indicated above.

De-risking

The Trustees have agreed a de-risking strategy that increases the allocation to matching funds over time to ensure that the strategic allocation evolves to reflect the maturing liability profile of the Fund.

The asset allocations will be rebalanced after each quarter end in accordance with the following table. However, in order to reduce the possibility of switching out of and then back into matching assets (and the associated costs) assets will only be switched from matching to return-seeking if the matching allocation is 1% or more above the target allocation. The rebalancing schedule will be reviewed at least every 3 years in conjunction with the actuarial valuation.

Rebalancing

The return seeking assets consists of the Equity Portfolio and the Absolute Return Portfolio.

The assets of the Fund will be considered for rebalance at each quarter end to ensure that the return seeking assets are allocated:

- 1/3rd Equity Portfolio
- 2/3rd Absolute Return Portfolio

In the event that the equity portfolio is in excess of 1/3rd of the total of the return seeking assets, funds will be switched to restore the target proportions.

However, in the event that the Equity Portfolio is less than 1/3rd of the total return seeking assets, there will not be a rebalancing of the return seeking assets.

The Trustees will review rebalancing on a regular basis.

Quarter end allocations Jun 2019 to Mar 2026				Quarter end allocations Jun 2026 to Mar 2033			
Date	Return Seeking	Matching	Cash	Date	Return Seeking	Matching	Cash
Jun-19	**46.10%**	**51.40%**	**2.50%**	**Jun-26**	34.90%	62.60%	2.50%
Sep-19	45.70%	51.80%	2.50%	**Sep-26**	34.50%	63.00%	2.50%
Dec-19	45.30%	52.20%	2.50%	**Dec-26**	34.10%	63.40%	2.50%
Mar-20	44.90%	52.60%	2.50%	**Mar-27**	33.70%	63.80%	2.50%
Jun-20	44.50%	53.00%	2.50%	**Jun-27**	33.30%	64.20%	2.50%
Sep-20	44.10%	53.40%	2.50%	**Sep-27**	32.90%	64.60%	2.50%
Dec-20	43.70%	53.80%	2.50%	**Dec-27**	32.50%	65.00%	2.50%
Mar-21	43.30%	54.20%	2.50%	**Mar-28**	32.10%	65.40%	2.50%
Jun-21	42.90%	54.60%	2.50%	**Jun-28**	31.70%	65.80%	2.50%
Sep-21	42.50%	55.00%	2.50%	**Sep-28**	31.30%	66.20%	2.50%
Dec-21	42.10%	55.40%	2.50%	**Dec-28**	30.90%	66.60%	2.50%
Mar-22	41.70%	55.80%	2.50%	**Mar-29**	30.50%	67.00%	2.50%
Jun-22	41.30%	56.20%	2.50%	**Jun-29**	30.10%	67.40%	2.50%
Sep-22	40.90%	56.60%	2.50%	**Sep-29**	29.70%	67.80%	2.50%
Dec-22	40.50%	57.00%	2.50%	**Dec-29**	29.30%	68.20%	2.50%
Mar-23	40.10%	57.40%	2.50%	**Mar-30**	28.90%	68.60%	2.50%
Jun-23	39.70%	57.80%	2.50%	**Jun-30**	28.50%	69.00%	2.50%
Sep-23	39.30%	58.20%	2.50%	**Sep-30**	28.10%	69.40%	2.50%
Dec-23	38.90%	58.60%	2.50%	**Dec-30**	27.70%	69.80%	2.50%
Mar-24	38.50%	59.00%	2.50%	**Mar-31**	27.30%	70.20%	2.50%
Jun-24	38.10%	59.40%	2.50%	**Jun-31**	26.90%	70.60%	2.50%
Sep-24	37.70%	59.80%	2.50%	**Sep-31**	26.50%	71.00%	2.50%
Dec-24	37.30%	60.20%	2.50%	**Dec-31**	26.10%	71.40%	2.50%
Mar-25	36.90%	60.60%	2.50%	**Mar-32**	25.70%	71.80%	2.50%
Jun-25	36.50%	61.00%	2.50%	**Jun-32**	25.30%	72.20%	2.50%
Sep-25	36.10%	61.40%	2.50%	**Sep-32**	24.90%	72.60%	2.50%
Dec-25	35.70%	61.80%	2.50%	**Dec-32**	24.50%	73.00%	2.50%
Mar-26	35.30%	62.20%	2.50%	**Mar-33**	**24.10%**	**73.40%**	**2.50%**

Appendix II
Fund benchmarks, objectives & fees

Baillie Gifford

Investment Grade Long Bond Fund

Benchmark	FTSE All World Developed Total Return (GBP Hedged) Index
Objective	To outperform (after deduction of costs) the ICE BofA Sterling NonGilt over 10 Years Index by 0.5% per annum over rolling three-year periods.

Diversified Growth Fund

Benchmark	FTSE All World Developed Total Return (GBP Hedged) Index
Objective	To outperform the UK Base Rate of interest by at least 3.5%p.a. (net of fees) over rolling five year periods with an annual volatility of less than 10%.

UK Equity Core Fund

Benchmark	FTSE All Share
Objective	To outperform the benchmark index by 1.0% pa to 2% pa (before fees) over rolling three year periods.

Global Stewardship Fund

Benchmark	FTSE W North America, FTSE AW Developed Europe ex UK, FTSE AW Developed Asia inc Japan, MSCI Emerging Markets.
Objective	To outperform the benchmark index by 1.0% pa to 2% pa (before fees) over rolling three year periods.

LGIM

LGIM charge a flat fee of [redacted] per annum plus ad valorem charges based on the average value of the Scheme's holdings as follows:

Over 5Y Index-Linked Gilts

Benchmark	FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index
Objective	*To* track the performance of the FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index to within +/-0.25% p.a. for two years out of three.

Sterling Liquidity Fund

Benchmark	Sterling Overnight Index Average
Objective	To provide capital stability and a return in line with money market rates whilst providing daily access to liquidity and providing an income. The fund seeks to maintain a AAA rating, which is the highest fund rating available.

Note:

AMC: Annual Management Charge

OCF: Ongoing Charges Figure

ADL: Anti-Dilution Levy

Any execution costs and OCFs stated above are the latest available at the time of writing and are subject to change

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XPS Pensions Consulting Limited, Registered No. 2459442.

XPS Investment Limited, Registered No. 6242672.

XPS Pensions Limited, Registered No. 3842603.

XPS Administration Limited, Registered No. 9428346.

XPS Pensions (RL) Limited, Registered No. 5817049.

Trigon Professional Services Limited, Registered No. 12085392.

All registered at: Phoenix House, 1 Station Hill, Reading, RG1 1NB.

XPS Investment Limited is authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774).

An XPS Group Company