ALTHAMS TRAVEL SERVICES LIMITED PENSION SCHEME

STATEMENT OF INVESTMENT PRINCIPLES

MAY 2021

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1 INTRODUCTION

This Statement of Investment Principles (the "Statement") has been prepared by the Trustees of the Althams Travel Services Limited 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 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, whom they believe has a degree of knowledge and experience that is appropriate for the management of their investments; and
- Consulted with Althams Travel Services Limited (the "Sponsoring Employer"), although it affirms that no aspect of the strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

The advice and the consultation process considered the suitability of the 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.

In doing so, the Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances 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 duties and responsibilities of the Trustees include, but are not limited to, the following tasks and activities:

- The regular approval of the content of the Statement;
- 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 managers can operate;
- 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 and Section 36 of the Pensions Act 1995.

3.2 INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

The Trustees have appointed Mercer as their 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 they believe the Trustees should be aware. Matters on which Mercer expects to provide advice to the Trustees include the following:

- Participating with the Trustees in reviews of this Statement;
- Setting of investment objectives;
- Advising on investment strategy and asset allocation;
- Recommending an appropriate investment structure;
- Determining the funds and investment managers that are suitable to meet the Trustees' objectives;
- Monitoring the investment managers to ensure their continuing appropriateness to the mandates given;
- Monitoring the Platform provider to ensure its continuing appropriateness for the Scheme;
- Production of performance monitoring reports;
- Advising on cashflow management (investment and withdrawal) policies (see Appendix 2).

The Trustees may seek advice from Mercer with regard to both strategic and tactical investment decisions (see Section 4 - Investment Strategy); however, the Trustees 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 will provide performance monitoring reports to aid the Trustees in this process.

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 and Mobius Life Limited ("Mobius") with the underlying managers are passed on in full to the Scheme.

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

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

3.3 ARRANGEMENTS WITH INVESTMENT MANAGERS

The Trustees are long-term investors and do not look to change the investment arrangements on a frequent basis.

The Trustees, after considering appropriate investment advice, have invested the Scheme’s assets through a Trustee Investment Policy (“TIP”) 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 underlying 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 Trustees 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 Trustees will only invest in pooled investment vehicles through the Mobius platform. The Trustees therefore accept that they cannot specify the risk profile and return targets of the managers, but the pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

The underlying investment managers 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 underlying investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

Both Mobius and the underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. Where possible, discounts have been negotiated by Mercer and Mobius with the underlying managers on their standard charges and the Scheme benefits directly from these discounts.

None of the underlying managers in which the Scheme’s assets are invested have performance-based fees, which could encourage the manager to make short-term investment decisions to hit their profit targets.

The Trustees therefore consider that the method of remunerating 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 Trustees accept that they cannot influence the charging structure of the pooled funds in which the Scheme is invested, but are satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund’s stated characteristics. The Trustees are therefore satisfied that this is the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustees’ policies as set out in this SIP.

3.4 SUMMARY OF RESPONSIBILITIES

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

4 INVESTMENT STRATEGY

4.1 SETTING INVESTMENT STRATEGY

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

The basis of the Trustees' strategy is to divide the Scheme's assets between a "growth" portfolio, comprising assets such as equities and property, and a "matching" portfolio, comprising assets such as bonds. The basis of the split between these two portfolios is that growth assets are held in respect of the liabilities pertaining to active and deferred members and matching assets are held in respect of pensioner liabilities. The growth-matching split is also 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.

Taking all of these factors into consideration, the Trustees have established a benchmark allocation to each asset class within each strategic asset allocation, which is set out in Appendix 1.

The Trustees recognise the benefits of diversification across growth asset classes, as well as within them, in reducing the risk that results from investing in any one particular market. Where they consider it advisable to do so, the Trustees have 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 alone.

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

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 make all such decisions. 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.

Such decisions are made within the pooled funds in which the Scheme ultimately invests, and in this case, they are the responsibility of investment manager of the fund.

The Trustees could also take tactical investment decisions, although in practice this is only done to a very limited extent, if at all.

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
- Property
- Commodities
- Hedge Funds
- Private Equity
- Infrastructure
- High Yield and Emerging Market Bonds
- Diversified Growth
- Equity-Linked Bonds
- 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.

4.4 FINANCIAL CONSIDERATIONS

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

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

The Trustees further recognise that investing with a manager who approaches investments in a responsible way and takes account of ESG related risks will lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken.

As noted earlier, the Scheme's assets are invested in pooled funds. Therefore, the Trustees accept the fact that they have very limited ability to influence the ESG policies and practices of the companies in which their managers invest. The Trustees receive ESG scores provided by their Investment Adviser in relation to the funds in which the Scheme is invested and will monitor how these develop over time.

The Trustees have also reviewed the ESG policies of their managers and concluded that they are appropriate. The Trustees will therefore rely on the policies and judgement of their investment managers when assessing the impact on the value of the Scheme's investments.

4.5 NON-FINANCIAL CONSIDERATIONS

The Trustees' objective is that the financial interests of the Scheme members are their first priority when choosing investments.

They have decided not to consider non-financial considerations, such as ethical views, or to take members' preferences into account when setting the investment strategy.

4.6 CORPORATE GOVERNANCE AND VOTING POLICY

The Scheme is invested solely in pooled investment funds. The Trustees' policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting rights to the pooled fund investment managers and expects the investment managers to use their discretion to act in the long term financial interests of investors.

The Trustees note that the investment managers' corporate governance policies are available on request and on their respective websites.

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

4.7 STEWARDSHIP

The Trustees, in conjunction with their advisors, will monitor the performance, strategy, risks, ESG policies and corporate governance of the investment managers. In particular, the Trustees will monitor:

- The performance of the investment manager / fund relative to their 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 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 manager 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 manager is limited. As such, any changes to the Trustees view on these matters, or a change in the stewardship policies of the investment manager, could potentially result in the investment manager being replaced.

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

5 RISK

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;
- It is managed through the diversification of the Scheme's assets across a range of funds with different investment styles, by monitoring and advice from the Investment Adviser where there have been significant changes to the managers' capabilities, and by using the Mobius platform, which enables quick and efficient replacement of managers if appropriate.

Liquidity Risk

- This is monitored according to the level of 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.

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 Sponsoring Employer 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 Sponsoring Employer's business, as measured by a number of factors, including the creditworthiness of the Sponsoring Employer 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 Sponsoring Employer.

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 cashflows 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;
- For currency hedged funds, the Trustees acknowledge that currency risk related to overseas investments is hedged appropriately by the underlying investment managers;
- For currency funds where the currency risk is separately managed by the manager and 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 risk related to individual debt instruments is managed by the underlying investment managers through a combination of strategies, such as diversification, duration and yield curve management.

Other Price Risk

- This is the risk of volatility that principally arises in relation to the return seeking assets;
- The Trustees acknowledge 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 Trustees manage this risk by investing in well-respected investment managers where ESG principles are appropriately included in the investment decision making process;
- The Trustees are aware that Responsible Investing is one of the core beliefs of the investment manager and their Investment Adviser. As a result, part of the rating process of the Investment Adviser and decision making process of the investment manager in relation to the underlying investment managers is based on its financial stewardship and how well the investment manager integrates governance and sustainability into its investment process.

6 MONITORING OF INVESTMENT ADVISER & MANAGERS

6.1 INVESTMENT ADVISER

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

6.2 INVESTMENT MANAGERS

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

The reporting also reviews the performance of the Scheme's assets in aggregate against the Scheme's strategic benchmark.

In conjunction with advice and information from their Investment Adviser, the Trustees have the role of replacing the underlying investment managers where appropriate. It takes a long-term view when assessing whether to replace the underlying investment managers, and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of 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 underlying managers, however, if there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.

6.3 PORTFOLIO TURNOVER COSTS

The Trustees do not currently monitor portfolio turnover costs for the funds in which the Scheme is invested, although they note that the performance monitoring which they receive is net of all charges, including such costs. Portfolio turnover costs mean the costs incurred as a result of the buying, selling, lending or borrowing of investments.

The Trustees are also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

Given that the Scheme invests in 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.

The Trustees continue to work with Mercer in order to determine the most appropriate way to obtain and monitor the information required in relation to the pooled funds in which the Scheme is invested and will include further information about this when next updating the SIP.

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 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 and Annual Report and Accounts are available to members on request. A copy of the Statement of Investment Principles will also be published online.

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

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

Name	**John Cook**
Date	**18 May 2021**
Name	**Joanne Rudge**
Date	**18 May 2021**

APPENDIX 1: ASSET ALLOCATION BENCHMARK

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

Asset Class	Strategic Allocation	Guideline Range
Growth Assets	**55.0%**	**-**
Diversified Growth	30.0%	+/- 10.0%
Alternatives	10.0%	+/- 5.0%
Multi-Asset Credit	15.0%	+/- 7.5%
Liability Hedging Assets	**45.0%**	**-**
Equity-Linked Real LDI	35.0%	+/- 17.5%
Nominal LDI	10.0%	+/- 5.0%
Total Scheme	**100.0%**	**-**

Note: Given the illiquid nature of alternative private market investments, it is not expected that the Alternatives allocation will be rebalanced regularly.

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: REBALANCING, CASHFLOW AND LDI POLICIES

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 towards the Scheme’s central benchmark asset allocation, as set out in Appendix 1.

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

Investment and disinvestments will take place from the Scheme’s liquid growth seeking assets, in proportion with the strategic asset allocation benchmarks.

Please refer to the Investment Cashflow Policy Document dated 30 March 2021 for full details and procedures.

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

LDI Recapitalisation

The Trustees note 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 Trustees have put in place a policy regarding this recapitalisation / release procedure which is: investments and disinvestments will take place from the liquid growth seeking assets, in proportion with the strategic asset allocation benchmarks.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

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

Manager / Fund	Target Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
Diversified Growth				
Threadneedle Multi-Asset	Bank of England Base Rate +3.5% p.a.	To outperform the target over a 5 to 7 year-cycle (net of fees)	Daily	Level 2
Alternatives				
Partners Group Generations	Primary: MSCI World Index NDR £ Hedged Secondary Target: Absolute Return 8% p.a.	To outperform the target with volatility of less than 10% p.a. over rolling 5 year periods	Daily*	Level 2
Multi-Asset Credit				
Ninety One Global Total Return Credit	3 Month LIBOR Index +4.0% p.a.	To outperform the benchmark (gross of fees)	Daily	Level 2
Liability Driven Investment (LDI)				
BMO Equity-Linked Real LDI	The real liability profile of a “typical” UK DB pension scheme plus a composite global equity index (GBP hedged)	To provide liability hedging by offering interest rate and inflation protection and to provide exposure to global equities on a currency hedged basis	Daily	Level 2
BMO Nominal Dynamic LDI	The nominal liability profile of a “typical” UK DB pension scheme	To provide liability hedging by offering interest rate protection which replicates the liability profile of a typical UK defined benefit pension scheme	Daily	Level 2

** Daily liquidity subject to redemption constraints.*

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

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

APPENDIX 4: RESPONSIBILITIES OF PARTIES

TRUSTEES

The Trustees' responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement of Investment Principles in consultation with their Investment Adviser and modifying it if deemed appropriate;
- Reviewing the investment strategy following the results of each actuarial review, in consultation with their Investment Adviser and Scheme Actuary;
- The appointment and review of the Investment Adviser;
- Appointing the investment managers and custodian (if required);
- The assessment and review of the performance of each investment manager;
- Assessing the quality of the performance and processes of the investment managers by means of regular reviews of investment returns and other relevant information, in consultation with their Investment Adviser;
- The assessment of the risks assumed by the Scheme at total Scheme level and underlying manager by manager;
- The approval and review of the asset allocation benchmark for the Scheme;
- Consulting with the Sponsoring Employer regarding any proposed amendments to this Statement of Investment Principles;
- Monitoring compliance of the investment arrangements with this Statement of Investment Principles and Section 36 of the Pensions Act 1995.

INVESTMENT ADVISER

The Investment Adviser's responsibilities include the following:

- Participating with the Trustees' in reviews of this Statement of Investment Principles;
- Production of performance monitoring reports;
- Advising the Trustees, at their request, on the following matters:
  - Through consultation with the Scheme Actuary, how any changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested;
  - How any significant changes in the investment managers' organisation could affect the interests of the Scheme;
  - How any changes in the investment environment could present either opportunities or problems for the Scheme;
- Undertaking project work, as requested, including:
  - Reviews of asset allocation policy;
  - Research into and reviews of investment managers;
- Advising on the selection of new managers and/or custodians;
- Advising on cashflow management (investment and withdrawal) policies (see Appendix 2).

INVESTMENT MANAGERS

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

- Informing the Platform provider of any changes in the internal performance objectives and guidelines of their funds;
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments;
- Managing their funds in accordance with their stated mandates.

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

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 according to the Trustees' instructions.