Interim Document updated September 2024

THE MORTON FRASER LLP RETIREMENT BENEFITS SCHEME

STATEMENT OF INVESTMENT PRINCIPLES

NOVEMBER 2021

Dalriada Trustees Limited was appointed as sole trustee to the Scheme in July 2024. At the time of our appointment we were made aware that there is no engaged investment adviser to the Scheme. We intend to appoint an adviser very shortly, however in order to comply with The Pension Regulator (TPR) guidance for Defined Contribution pension arrangements, we have added wording in respect of illiquid assets in section 4 of this document as an interim measure.

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1 INTRODUCTION

This Statement of Investment Principles (the "Statement") has been prepared by the Trustees of The Morton Fraser LLP Retirement Benefits Scheme (the "Scheme") in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

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

In preparing the Statement, the Trustees have:

- obtained and considered written advice from a suitably qualified individual, employed by their investment consultants, Mercer, whom they believe to have a degree of knowledge and experience that is appropriate for the management of their investments; and
- consulted with the Sponsoring Employer, although they affirm that no aspect of their strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

The advice and the consultation process considered the suitability of the Trustees' investment policy for the Scheme.

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

The Scheme operates both defined benefit ("DB") defined contribution ("DC") sections.

2 INVESTMENT OBJECTIVES

2.1 DB SECTION

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.

2.2 DC SECTION

The Trustees' main objective is to provide members with an investment strategy aligned to the needs of their members that will generate a suitable return on investments in order to build up a savings pot which will be used in retirement.

The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default strategy.

Details of the approach the Trustees have taken to meet these investment objectives are set out in Section 4.

The Trustees have determined their investment policy in such a way as to address the risks set out in Section 6 of this Statement. To help mitigate the most significant of the risks, the Trustees have:

- made a lifestyle strategy available as a default solution, which transitions members' investments from higher risk investments to lower risk investments as members approach retirement, and
- offered a range of self-select funds across various asset classes.

The Trustees will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.

The items set out in Section 3, 4 and 6 of this Statement are in relation to what the Trustees deem as 'financially material considerations' both for the Scheme's DB section and the DC default lifestyle strategy. The Trustees believe the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the members' age and when they expect to retire. It is for this reason that the default is a lifestyle strategy.

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 this Statement
- The appointment and review of the investment managers and investment adviser
- 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 this Statement

3.2 INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

The Trustees have appointed Mercer as the investment adviser to the Scheme. Mercer provides advice as and when the Trustees require it, as well as raising any investment-related issues, of which it believes the Trustees should be aware. Matters on which Mercer expects to provide advice to the Trustees include the following:

- Participating with the Trustees in review of this Statement
- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining the structure of the default strategy and advising on appropriate member fund choices (DC section only)
- Determining an appropriate investment structure
- Liaising with Aberdeen Standard Investments ("ASI") to determine investment managers/fund to ensure their continuing appropriateness to the mandates given
- Monitoring the platform provider, Phoenix Corporate Investment Services ("Phoenix"), to ensure its continuing appropriateness for the Scheme
- Setting cashflow management (investment and disinvestment) policies (see Appendix 3)

In considering appropriate investments for the Scheme, the Trustees will obtain and consider written advice from Mercer, whom the Trustees believe to be suitability qualified to provide such advice. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995, as amended.

The Trustees may seek advice from Mercer with regard to both strategic and tactical investment decisions (see Section 4 – Investment Strategy); however, they recognise that they retain responsibility for all such decisions, including those that concern investments and disinvestments relating to cashflows (see Appendix 3). 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, through quarterly performance reports produced by Phoenix.

Mercer makes a fund based charge with any additional services provided by Mercer will be primarily on a time-cost basis.

In particular, Mercer does not receive commission or any other payments in respect of the Scheme that might affect the impartiality of their advice, and, as noted below, any discounts negotiated by Mercer with the underlying managers are passed on in full to the Scheme.

The Trustees are satisfied that the investment arrangements, including the charging structure, are clear and transparent.

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

3.3 INVESTMENT MANAGERS' DUTIES AND RESPONSIBILITIES

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

The Trustees, after considering appropriate investment advice, have appointed professional, authorised investment managers to manage the Scheme's assets via Phoenix Life for the both sections.

Investment managers are appointed by ASI based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

Only pooled investment vehicles with be utilised, hence, the Trustees accept that they cannot specify the risk profile and return targets of the manager, but pooled funds are chosen with appropriate characteristics to align with the overall DB (and DC default) investment strategies.

In particular, the investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

In the case of multi-asset mandates, the investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

Both Phoenix/ASI 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. The Trustees believe that this is the most appropriate basis for remunerating managers.

None of the underlying managers in which the Scheme's assets are invested has 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 the investment 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 it has limited ability to 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 underlying funds are clear and are consistent with each fund's stated characteristics. The Trustees are therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustee's policies as set out in this SIP.

The details of the managers' mandates are set out in Appendix 4.

The investment managers are authorised and regulated by the FCA.

3.4 SUMMARY OF RESPONSIBILITIES

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the Scheme's administrators, so far as they relate to the Scheme's investments, is set out at Appendix 5.

4 INVESTMENT STRATEGY

4.1 SETTING INVESTMENT STRATEGY: DB SECTION

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 diversified growth funds ("DGFs"), and a "stabilising" portfolio, comprising bonds and cash. The growth-stabilising allocation 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.

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 themselves.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustees have decided on a structured approach to rebalance the assets in accordance with their overall strategy. This approach is set out in Appendix 3.

4.2 SETTING INVESTMENT STRATEGY: DC SECTION

The Trustees have adopted a lifestyle strategy as the default option for the DC section as set out in Appendix 2.

All members currently invest via the default option.

The Trustees will continue to keep the fund range under review, and will make changes if appropriate.

4.3 INVESTMENT DECISIONS

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

Strategic Investment Decisions

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

The Trustees take all such decisions themselves. They do so after receiving written advice from their investment adviser and consulting with the Sponsoring Employer. Examples of such decisions and of tasks relating to the implementation of these decisions include the following:

- Setting investment objectives
- Determining the split between the growth and the stabilising portfolios
- Determining the allocation to asset classes within the growth and stabilising portfolios
- Determining the Scheme benchmark
- Reviewing the investment objectives and strategic asset allocation

Tactical Investment Decisions

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

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

Stock Selection Decisions

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

4.4 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 fixed and inflation-linked government bonds
- UK and overseas corporate and convertible bonds
- Property
- Commodities
- Hedge funds
- Private equity and infrastructure
- High yield bonds and emerging market debt
- Diversified growth funds
- 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 4.

Illiquid assets policy

The Trustee believes there may be financial advantages to investing in illiquid assets and will consider the inclusion of illiquid assets within the Scheme's investment arrangements in combination with its investment adviser in due course.

While the Trustee continues to monitor the evolution of illiquid assets for UK DC pension schemes, the Trustee has identified challenges of such investments including; higher transaction costs, longer lock up periods and lower transparency and frequency of valuation reporting. These items may make it more difficult to include illiquid asset options within the Scheme.

The Trustee has agreed it will continue monitoring the availability of illiquid assets for UK DC pension schemes, and has agreed to review its illiquid investment policy on a regular basis.

5 RESPONSIBLE INVESTING

5.1 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustees understand that they must consider all factors that have the ability to impact the financial performance of the Scheme's investments over the 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 and that ESG risks are identified and avoided or mitigated as best as possible.

As noted earlier, the Scheme's assets are invested in pooled funds. The Trustees have limited ability to influence the ESG policies and practices of the companies in which their managers invest. The Trustees will therefore rely on the policies and judgement of their investment managers and the Trustees will review those policies on an on-going basis.

The Trustees, with the assistance of Mercer, will take ESG considerations into account in the selection, retention and realisation of investments.

5.2 NON-FINANCIAL CONSIDERATIONS

The Trustees only consider factors that are expected to have a financial impact on the Scheme's investments. Non-financial considerations are not taken into account in the selection, retention and realisation of investments. For this purpose, non-financial matters mean the views of the members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and environmental impact and present and future quality of life of the members and beneficiaries of the Scheme.

5.3 CORPORATE GOVERNANCE AND VOTING POLICY

In relation to the exercise of the rights (including voting rights) attaching to the investments, the Trustees have delegated the decision on how to exercise voting rights to their investment managers. The Trustees expect the investment managers to exercise these rights in accordance with their respective published corporate governance policies. These policies, which are provided to the Trustees from time to time, take into account the financial interests of shareholders and should be for the Scheme's benefit.

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

5.4 STEWARDSHIP POLICY

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

6 RISK

The Trustees are aware, and seek to take account, of a number of risks in relation to the Scheme's investments, including those set out below. 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.

The Trustees recognise that in a DC arrangement, members assume the investment risks themselves and that members are exposed to different types of risk at different stages of their working lifetimes.

Broadly speaking, the main types of investment risk can be identified, as noted below:

<table>
<tr><th>Type of Risk</th><th>Risk</th><th>Description</th><th>How is the risk monitored and managed?</th></tr>
<tr><td colspan="4">Risks affecting both the DB and DC sections of the Scheme</td></tr>
<tr><td rowspan="4">Market Risk</td><td>Inflation Risk</td><td>The risk that a member's investments will not grow quickly enough to sufficiently outpace inflation (the cost of living).</td><td rowspan="2">DB:
The Trustees acknowledge that these risks are mostly delegated to the investment managers. The Trustees will however ensure that they are comfortable with the amount of risk that the Scheme's investment manager takes and will ensure assets are invested in a diverse portfolio across various markets.</td></tr>
<tr><td>Currency Risk</td><td>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.</td></tr>
<tr><td>Credit Risk</td><td>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.</td><td rowspan="2">DC:
The Trustees make available a range of funds across various asset classes. The default strategy is designed with the intention of diversifying these risks to reach a level of risk deemed appropriate given the objectives. This is set with the advice from the investment adviser.</td></tr>
<tr><td>Other Price Risk</td><td>This is the risk that principally arises in relation to the growth portfolio, which invests in equities, equities in pooled funds, equity futures, hedge funds, private equity and property.</td></tr>
</table>

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 stabilising assets more directly than growth assets.	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.
Environmental and social and governance ("ESG") risks	This is the risk that ESG concerns, including climate change, have a financially material impact on the return of the Scheme's assets. These risk factors can have a significant effect on the long-term performance of the assets the Scheme holds.	Where applicable these factors will be considered in the investment process but is considered the responsibility of the investment manager. Please see Section 5 for the Trustees' responsible investment statement.
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 through the quarterly performance updates provided by Mercer. Mercer will replace any managers (having received written authorisation from the Trustees) where concerns exist over their continued ability to deliver the investment mandate.
Liquidity risk	The risk that the Scheme's assets cannot be realised at short notice in line with member or Trustees' demand.	As far as is practicable and necessary, the Trustees invest in liquid assets that can be quickly realised as required. It is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.
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.

DB-specific risks		
Sponsor Risk	This is assessed as the level of ability and degree of willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit.	It is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor. Regular updates on employer covenant are provided to the Trustees by senior staff of the sponsor.
Solvency Risk	The risk that the Scheme will be unable to meet its liabilities in the long-run.	Measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities. The risk is managed by setting a Scheme-specific strategic asset allocation with an appropriate level of risk.
DC-specific risks		
Pension Conversion Risk	This is the risk where assets are invested to target a specific retirement objective which differs from how members are expected to use their pots at retirement.	The Trustees have made available a lifestyle strategy which increases the proportion of assets that are more closely aligned with how they expect members to use their pots at retirement. The default is a lifestyle strategy which automatically switches member assets into investments whose value is expected to be less volatile on an absolute basis.

7 MONITORING OF INVESTMENT ADVISER AND MANAGERS

7.1 INVESTMENT ADVISER

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

7.2 INVESTMENT MANAGERS

The Trustees receive monitoring reports on the performance of the funds on a quarterly basis, which presents performance information over 3 months, 1 year and 3 years. The reports show the absolute performance, performance against the manager's stated target performance (over the relevant time period) on a gross of fees basis.

ASI, as investment manager will replace underlying investment managers when 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 will be driven by a significant downgrade of the investment manager.

In addition, Mercer, as investment advisor, would recommend to the Trustee changes which 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 also be made to the underlying managers if there is a strategic change to the overall strategy such that the Scheme no longer requires exposure to that asset class or manager.

7.3 PORTFOLIO TURNOVER COSTS

Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending or borrowing of investments.

The Trustees do 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 gross of all charges, including such costs.

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 are working with Mercer 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.

8 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

The Scheme provides a facility for members to pay for Additional Voluntary Contributions (AVCs) to enhance their benefits at retirement. Members are offered a range of funds in which to invest their AVCs with Phoenix Life.

It is the view of the Trustees that the facilities currently available to members are acceptable in terms of breadth of the choice of funds and the performance of those funds.

9 CODE OF BEST PRACTICE

9.1 DB SECTION

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

The Trustees are satisfied that the investment approach adopted by the Scheme is consistent with the guidance so far as it is appropriate to the Scheme's circumstances.

The Trustees meet with 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.

9.2 DC SECTION

The Pensions Regulator has published a new code on standards for DC schemes and this came into effect in November 2013 as part of a wider initiative to improve DC schemes. This was updated further on 28 July 2016 and this revised version is shorter and simpler than its predecessor and has been updated to include the DC flexibilities and governance legislation introduced from April 2015.

The Code of Practice 13 on the governance and administration of occupational DC trust based schemes places a greater than ever emphasis on good quality investment arrangements and stricter requirements for reviewing these on the Trustees. Particular attention has to be paid to the design of default strategies and on-going monitoring of their continuing suitability for scheme membership. The Code can be found here:

https://www.thepensionsregulator.gov.uk/en/document-library/codes-of-practice/code-13-governance-and-administration-of-occupational-trust-based-schemes-providing-money-purchase

When formulating their investment policy, the Trustees have acted in line with the Code of Practice 13.

10 COMPLIANCE

The Scheme's Statement of Investment Principles is available online.

A copy of this Statement is also supplied to the Sponsoring Employer, the Scheme's investment manager, the Scheme Auditor and the Scheme Actuary.

This Statement supersedes all others and was approved by the Trustee:

Name: **Mark Woodhouse**

Date: **30 September 2024**

APPENDIX 1: ASSET ALLOCATION BENCHMARK: DB SECTION

The below asset allocation will vary over time as market conditions change:

Asset Class	Strategic Allocation (%)
Growth Assets	**70**
Diversified Growth Funds	70
Stabilising Assets	**30**
Balanced Bond	25
Cash	5
Total Scheme	**100**

APPENDIX 2: DC SECTION DEFAULT INVESTMENT STRATEGY

Currently all of the members of the Scheme have their funds invested in the default strategy arrangement. The investment manager and funds are the same as for the DB section.

In determining the investment strategy, the Trustees undertook extensive investigations and have received formal written investment advice from their investment consultants. The Trustees have explicitly considered the trade-off between risk and expected returns. The expected amount of risk is considered appropriate for the typical member and will differ by member depending on their age as well as their expected retirement date.

The objective of the default lifestyle strategy is to provide exposure to higher risk assets (which offer greater growth potential) when members are further from retirement and then gradually reduce exposure to risk as members approach retirement. Under the current default strategy members' investments are invested as follows:

Term to Retirement (years)	Diversified Growth Funds (%)	Bonds (%)	Cash (%)
0	0	75	25
1	10	75	15
2	20	75	5
3	30	70	0
4	40	60	0
5	50	50	0
6	60	40	0
7	70	30	0
8	80	20	0
9	90	10	0
10 and over	100	0	0

Taking into account the demographics of the DC Section's membership and the Trustees' views of how the membership will behave at retirement, the Trustees believe that the current default is appropriate. The Trustees will continue to review this over time.

APPENDIX 3: CASHFLOW AND REBALANCING POLICY

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

Investments or disinvestments will be applied in line with the Scheme's financial management policy.

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

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

APPENDIX 4: INVESTMENT MANAGER INFORMATION DB AND DC SECTIONS

The Scheme invests with via Phoenix Life, whose responsibility is to appoint suitable investment managers to each of the mandates within the Trustees' agreed DB investment strategy as set out in Appendix 1.

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

Growth Assets

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
Diversified Growth Funds	LIBID 7 day Notice	To achieve a return of LIBID 7 day Notice +4.0% pa over rolling 5 year periods	Daily	(b) / 2

Stabilising Assets

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
Balanced Bond Fund	iBoxx Sterling Overall Over 15 Year Index	To outperform iBoxx Sterling Overall Over 15 Year Index by 1.25% p.a. over rolling 3 years	Daily	(b) / 2
Active Cash	LIBID 7 day	To outperform LIBID 7 day	Daily	(b) / 2

This SIP will not be updated solely in response to a replacement of one of the underlying investment managers.

APPENDIX 5: RESPONSIBILITIES OF PARTIES

TRUSTEES

The Trustees' 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) 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 Trustees in reviews of this Statement
- 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

INVESTMENT MANAGERS

The investment managers’ responsibilities include the following:

- Providing the Trustees on a quarterly basis (or as frequently as required) with a statement and valuation of the assets and a report on their actions and future intentions, and any changes to the processes applied to their portfolios
- Informing the Trustees of any changes in the internal performance objectives and guidelines of any pooled fund used by the Scheme as and when they occur
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments
- Giving effect to the principles contained in the Statement as far as is reasonably practicable

SCHEME ACTUARY

The Scheme Actuary's responsibilities include the following:

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

ADMINISTRATOR

The administrator's responsibilities include the following:

- Ensuring there is sufficient cash available to meet benefit payments as and when they fall due
- Paying benefits and making transfer payments
- Investing contributions not required to meet benefit payments with the investment managers according to the Trustees' instructions