Statement of Investment Principles
Members of the Senedd Pension Scheme

March 2021
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1. Introduction

1.1. What is the purpose of this Statement of Investment Principles ("SIP")?
This SIP sets out the policy of the Trustees on various matters governing decisions about the investments of the Members of the Senedd Pension Scheme (the "Scheme").

1.2. Who has had input to the SIP?
This SIP has been formulated after obtaining and considering written professional advice from Quantum Advisory ("Quantum"), the Trustees' investment advisor, and will be shared with the Senedd Commission (the "Sponsoring Employer") as required by the Pensions Act 1995 (the "Act") and subsequent legislation. Quantum have the knowledge and experience required under Section 36(6) of the Act to provide professional advice on investment matters.

The Pensions Regulator ("tPR") has published guidance on Integrated Risk Management ("IRM") for trustees, employers and advisers of trust-based defined benefit ("DB") pension schemes, building on the guidance previously issued for assessing and monitoring the employer covenant and the DB funding code of practice. The DB funding code of practice provides a principles-based framework for complying with the statutory funding requirements contained in Part 3 of the Pensions Act 2004.

Whilst tPR's guidance on IRM does not specifically apply to public sector schemes, the Trustees have considered this approach when setting their investment strategy in order to demonstrate best practice.

1.3. What is the legal and statutory background to the SIP?
The SIP is designed to meet the requirements of Section 35 of the Act. Whilst the Scheme is statutorily exempt from this requirement, the Trustees have decided to produce the SIP in line with best practice for funded schemes. Section 35 states the following functions of Trustees:

1. The trustees of a trust scheme must secure that there is prepared, maintained and from time to time revised a written statement of the principles governing decisions about investments for the purposes of the scheme.

2. The statement must cover, among other things:
   - the trustees’ policy for securing compliance with sections 36 (Choosing investments) and 56 (Minimum funding requirement); and
   - their policy about the following matters.

3. Those matters are:
   - the kinds of investments to be held;
   - the balance between different kinds of investments;
   - risk;
   - the expected return on investments;
   - the realisation of investments; and
4. Neither the trust scheme nor the statement may impose restrictions (however expressed) on any power to make investments by reference to the consent of the employer.

5. The trustees of a trust scheme must, before a statement under this section is prepared or revised:
   - obtain and consider the written advice of a person who is reasonably believed by the trustees 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; and
   - consult the employer.

6. If in the case of any trust scheme:
   - a statement under this section has not been prepared or is not being maintained; or
   - the trustees have not obtained and considered advice in accordance with subsection 5.

   Sections 3 (Prohibition orders) and 10 (Civil penalties) apply to any trustee who has failed to take all such steps as are reasonable to secure compliance.

7. This section does not apply to any scheme which falls within a prescribed class or description.

The SIP also reflects the Trustees’ response to the voluntary code of investment principles set out in Paul Myners' publication "Institutional Investment: a review".

The SIP also takes into account the Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification) Regulations 2018 for policy on financially material considerations, including Environmental, Social and Corporate Governance ("ESG") factors (including climate change), their stewardship policy (voting and engagement) and their approach to member views (if any).
2. Objectives and strategy

2.1. Investment policy
The Scheme’s assets are held in trust by the Trustees. The investment powers of the Trustees are set out in the Scheme’s Trust Deed.

The Trustees are aware of the need to invest assets in the best and sole interest of the members and beneficiaries and in a manner which helps ensure that the benefits promised to members are provided. It has also been noted that powers of investment must be exercised in a manner calculated to ensure the security, quality, liquidity and profitability of the portfolio as a whole.

The Trustees recognise that the assets of the Scheme must consist predominantly of investments admitted to trading on regulated markets and investment in assets which are not admitted to trading on such markets must, in any event, be kept to a prudent level.

2.2. Investment objectives
The Trustees, with the help of its investment adviser and in consultation with the Sponsoring Employer, carried out a review of investment strategy following a consideration of its objectives and other related matters in 2017. The following objectives have been identified:

- For the Scheme to remain fully funded, on a best estimate funding basis, by generating a minimum return target.
- Ensuring a smooth funding level progression, with a low cost of failure and a low expectation of significant unbudgeted contributions.
- The Trustees wish to avoid unnecessary complexity. A pragmatic investment strategy is sought, which takes account of the value of Scheme assets, the current governance structure and the payment of proportionate fees.
- The Trustees wish to delegate “day-to-day” investment decisions, as far as possible, to third party investment professionals as they do not possess the resources, experience, or desire to directly invest assets.
- The Trustees are aware of the growing body of evidence linking ESG issues, particularly climate change, to good, future focused financial performance. The Trustees wish to take into account these issues when implementing the investment strategy for the Scheme. These considerations are further discussed in section 5.2 of this document.
- The Trustees seek to access a wider range of both passive and active funds from a range of Investment Managers through an Implementation Solution. The Trustees utilise an Implementation Solution through Mobius Life Limited (“Mobius Life”), after seeking advice from the Scheme’s investment adviser. Further information on this can be found in section 4.

2.3. What did the Trustees consider in setting the Scheme's investment strategy?
In setting the strategy, the Trustees considered:

- the investment objective;
• the Scheme's characteristics;
• the annual management charges and other charges;
• the fact that, contributions receivable by the Scheme may not exceed benefits and expenses payable;
• the risks and rewards of alternative asset classes and investment strategies;
• the expectation that, over the long-term, equities and alternative assets are likely to produce higher returns than bonds, but at the risk of short-term volatility or liquidity constraints;
• the need for appropriate diversification between different asset classes, especially equity markets;
• the difficulty for active managers to outperform markets, net of fees;
• the financial strength and reputation of each investment manager;
• the financial strength of the investment managers' custodian;
• the environmental, social and governance policies of the investment managers;
• the fact that the Scheme is a relatively small, fully-funded public sector scheme, with limited influence in the investment market;
• the fact that the Scheme does not have the scale to manage individual investments and therefore relies on pooled funds; limiting the extent to which the Scheme can control its individual investments;
• the reputation and strength of the Sponsoring Employer's covenant to support the Scheme; and
• as the Scheme’s assets are invested in pooled funds, holdings can vary periodically as the managers adjust their asset allocation. Pooled funds have been selected for the Scheme given the relatively small asset size, which means that the Trustees are not able to make individual stock selections, as the costs of attempting to do so may result in higher charges and may not offer good value for money to the members or the Senedd Commission. The Trustees will keep this under review.

2.4. What risks were considered and how are they managed?
In order to achieve its objectives, the Trustees recognise that there is a varying element of risk in all investments. The Trustees identified the following investment risks:
• the risk of not meeting future benefit payments;
• the risk that investment returns in general may not achieve expectations;
• the risk that the investment managers may not achieve the expected rate of return;
• the risk that the value of liabilities may increase due to changes in actual and expected inflation;
• the risk that the value of liabilities may increase due to unexpected factors such as life expectancy;
• the risk of mis-match between the value of Scheme assets and liabilities;
• the risk of a shortfall in the liquid assets held by the Scheme relative to its immediate liabilities;
• the risk that the performance of any single investment within the Scheme assets may disproportionately affect the ability of the Scheme to meet its overall investment objectives;
• the risk of misappropriation, unauthorised use or mis-delivery of Scheme assets;
• the ways in which risks are to be measured and managed; and

• the risk that ESG factors; including climate change; could adversely impact the value of the Scheme’s assets if this is not given due consideration and/or misunderstood.

The Trustees recognise these different types of risk and seek to minimise them as far as possible using regular monitoring of investment performance, through a policy of diversification, by taking account of future payments and by regularly reviewing the appropriateness of the investment strategy against the Scheme’s objectives.

Given the complex and correlated nature of these risks, the Trustees consider them as part of each formal investment strategy review. Some of these risks may also be modelled explicitly during such reviews.

2.5. Investment strategy

The Scheme’s assets are currently invested with multiple investment managers, in a mix of passively and actively managed collective investment funds which are managed against appropriate benchmarks relative to the strategy.

The Scheme allows the investment managers to use derivatives for efficient portfolio management and risk reduction purposes.

The Trustees recognise that the assets of the Scheme must be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings and so as to avoid accumulations of risk in the portfolio as a whole. Investments in assets issued by the same issuer or by issuers belonging to the same group must not expose the Scheme to excessive risk concentration.

Further details of the Scheme’s investments are set out in Appendix 1.

2.6. Fund managers, style and target returns

The funds in which the Scheme invests are pooled funds, which the Trustees believe are appropriate given the size and nature of each section of the Scheme. Details of the funds, managers, benchmarks and target returns can be found in Appendix 1.

2.7. Re-balancing & cash flow

The benchmark allocation for the Scheme, outlined in Appendix 1, is monitored on a quarterly basis and is communicated through the Scheme’s quarterly monitoring reports.

In the absence of specific views on markets, the Trustees use cash flows to rebalance assets to the strategic asset allocation. Investments and disinvestments are made so as to assist the Scheme in maintaining the strategic asset allocation.

The Scheme receives contributions which are currently larger than routine benefit payments. The Trustees recognise the unpredictability of future benefit payments given: (i) they are estimated based on assumptions set by the Scheme’s actuary; and (ii) given their occupations (and uncertainty around elections), the members of the Scheme do not typically adhere to the normal retirement age. The Trustees acknowledge this feature and have noted the potential for future liquidity and cash flow management.
The Scheme maintains a Cash fund which the Trustees, during times of high cash flow requirements (such as those before an election), may make use of for risk management purposes. Further details on the Cash fund can be found in Appendix 1.
3. Appointment of investment managers

3.1. How many investment managers are there?
The Trustees have decided to appoint four investment managers and eight funds. The Trustees invest in two Diversified Growth funds (“DGFs”), a Private Markets fund, two Equity funds, a Property fund and an Index Linked Gilts fund. Furthermore, the Trustees maintain a Cash fund for cash flow purposes, which does not form part of the Scheme’s strategic asset allocation. All of these funds are accessed via the Mobius Life implementation solution.

3.2. What formal agreements are there with the investment managers?
The Trustees select investment managers and funds which are appropriate to implement the investment strategy.

The Trustees have signed a policy document with Mobius Life on behalf of the Scheme. The Trustees requested a legal review of the Mobius Life policy documentation prior to utilising Mobius Life’s services.

The relationship with Mobius Life and each underlying investment manager is open ended and is reviewed on a periodic basis. The Trustees keep the appointment of Mobius Life and all investment managers under review and will seek to replace any managers, or funds, which no longer remain appropriate to implement the Scheme’s investment strategy.

3.3. What are the investment managers’ responsibilities?
The investment managers are responsible for the day-to-day investment management of the investments and are responsible for appointing custodians if required.

The managers are authorised under the Financial Services and Markets Act 2000 to carry out such activities.

3.4. Custodians and administrators
The Scheme’s investments are through pooled investment vehicles. There is, therefore, no need for the Trustees to formally appoint custodians as the investment comprises policy units rather than the underlying stocks and shares. However, each manager has appointed a third party for the safe custody of assets held within the policies.

As all of the funds are held via Mobius Life, custody of the assets is held under the Mobius Life name.
4. Implementation solution

4.1. What is an implementation solution and why use it?

An implementation solution is a service that enables pension schemes to buy, sell and hold their investments all in one place. This allows greater flexibility and efficiency when switching investments as the Scheme strategy changes or fund managers have to be replaced.

The centralisation of funds also allows consolidated reporting to be obtained more easily and more regularly, assisting in ensuring that an investment strategy and associated flight path can be effectively tracked and monitored. All of these features allow pension schemes greater administrative efficiency, enhanced ease of strategy implementation, potential for access to wider fund universe, and potential fee reductions through economies of scale.

4.2. How to access an implementation solution?

Pension schemes enter into a unit linked life policy through a Trustee Investment Policy (“TIP”). The policy’s value is linked to the underlying investments, which the implementation solution provider, in this case Mobius Life, has been directed to purchase. Mobius Life is responsible for investing into the underlying funds and takes responsibility for the relationship with the underlying fund managers. This includes transactions, reporting and governance. This differs from a traditional relationship that a pension scheme would have had with their fund managers where they would have invested directly with these managers and maintained a number of these individual relationships.
5. Other matters

5.1. What is the Trustees’ policy on the realisation of investments?

The investment managers have discretion over the timing of realisation of investments of the Scheme and in considerations relating to the liquidity of investments.

When appropriate, the Trustees, on the administrator’s recommendation, will decide on the amount of cash required for any outgoings and inform the investment managers of any liquidity requirements. In the first instance, the realisation of investments will be used to rebalance funds to the target asset allocation set out in Appendix 1.

5.2. What is the Trustees’ policy on Financially material considerations, non-financial matters and stewardship policies?

5.2.1. Financially material considerations

The Trustees acknowledge the potential impact upon the Scheme’s investments (both in terms of risk and return) arising from financially material matters. The Trustees define these as including, but not limited to, ESG factors (including climate change).

With specific regard to ESG factors, the Trustees consider how these are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers. The Trustees also periodically consider publicly available ESG related publications pertaining to the incumbent investment managers. Furthermore, the Trustees review the ESG credentials of its managers through an annual ESG report and questions its advisors on the managers’ approach to ESG at Trustees’ meetings. The Trustees will continue to ensure that ESG principles are embedded in their investment processes.

The Trustees also actively consider ESG factors when determining future investment strategy decisions. In doing so the Trustees will be mindful of the need to comply with the investment objectives set out in section 2.2 and recognise the risks set out in section 2.4.

To date, the Trustees have not established any restrictions on the appointed investment managers, but will consider doing so where appropriate. The Scheme incorporates ESG considerations when selecting its passively managed equity funds and specifically holds assets in the Legal and General Investment Management Ethical Global Equity Fund and the Legal and General Investment Management Ethical Global Equity (GBP Hedged) Fund. These funds track the non-currency hedged and currency hedged versions of the FTSE4Good Developed Index, respectively, and make use of exclusionary measures for certain investments, so as to reflect these considerations within the passive strategies they employ. The Trustees also incorporate ESG considerations within one of its DGFs, the BNY Mellon Sustainable Real Return Fund; which seeks to holistically integrate (and actively screen for) stewardship and sustainability themes within its investment ideas. The Trustees will over time, and based on professional advice, look to invest in additional pooled funds with characteristics orientated towards ESG.
The Trustees have also adopted a policy to reduce the Scheme’s investments in the oil and gas sector to zero over a five year period subject to the availability, over that timescale, of suitable investment vehicles given the size of the Scheme.

5.2.2. Stewardship

The Trustees acknowledge the constraints that they face in terms of influencing change due to the size and nature of the Scheme’s investments. They do, however, acknowledge the need to be responsible stewards and exercise the rights associated with their investments in a responsible manner.

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers. The Trustees review the stewardship policies of its managers through an annual ESG report and questions its advisors on the managers’ approach at Trustees’ meetings. The Trustees will continue to ensure that the stewardship policies of its managers are embedded in their investment processes.

5.2.3. Non-financial matters

The Trustees consider non-financial factors (where members have been forthcoming with their views), however, the Trustees do not employ a formal policy in relation to this when selecting, retaining and realising investments. The Scheme’s Secretariat communicates with members using various means which to date have included newsletters and drop-in sessions which invite members to get in touch with the Scheme and express their views. Views represented to the Secretariat are fed-back to the Trustees.

5.3. How are the various parties who are involved in the investment of the Scheme's assets remunerated?

Quantum is remunerated on a fixed fee basis. Quantum does not receive commission.

The Scheme invests in pooled funds. The Trustees note that the investment strategy and decisions of the fund managers cannot be tailored to the Trustees’ policies and the managers are not remunerated directly on this basis. However, the Trustees, with the help of Quantum, set the investment strategy for the Scheme and select appropriate managers and funds to implement the strategy.

The Trustees do not directly incentivise the investment managers to engage with the issuers of debt or equity to improve their performance. The Trustees do, however, expect the investment managers to participate in such activities as appropriate and necessary to meet the investment objectives of the respective fund. The funds utilised typically include an objective that is expected to result in a positive return over the medium-to-longer term and, as such, the investment managers engagement with the issuers of debt or equity is expected to be undertaken so as to target medium-to-long term value creation.

The Trustees consider the fees and charges associated with each investment before investing.

The investment managers are remunerated on a fee that is calculated as a fixed percentage of the total Scheme funds they hold under management. This structure has been chosen to align the fund managers' interests with those of the Scheme. In addition, the fund managers may pay commissions to third parties on trades they undertake in the management of the assets.
Mobius Life are remunerated on an ad valorem fee basis, which is calculated as a fixed percentage of the total value of the Scheme’s funds they hold under management.

The Trustees obtain annual statements from Mobius Life and/or the investment managers setting out all the costs of the investment of the Scheme assets.

5.4. How do the Trustees review the performance and remuneration of investment managers?

The Trustees have appointed Quantum Advisory to assist in the selection and ongoing monitoring of the Scheme’s investment managers.

The Trustees, with the assistance of Quantum Advisory, will monitor the performance of each fund against its agreed objectives. The Trustees receive quarterly monitoring reports to assess the managers’ performance.

In addition, the Trustees review the charges applicable to each fund on an annual basis to ensure these continue to represent value for money.

5.5. Do the Trustees take any investment decisions of their own?

The Trustees are responsible for the investment of the Scheme’s assets. They take some decisions themselves and delegate others.

When deciding which decisions to make themselves, and which to delegate, the Trustees take into account whether they have the appropriate training and expertise in order to make an informed decision.

The Trustees have established the following decision-making structure:

**Trustees**
- Set structures and processes for carrying out its role.
- Agree structure for implementing investment strategy.
- Select and monitor planned asset allocation.
- Select and monitor investment advisers and fund managers, and satisfy themselves as to the value for money of the respective charges.
- Review strategy performance against the Scheme’s funding objective.
- Select and monitor direct investments.
- Prepare and maintain the SIP.

**Investment adviser**
- Provide monitoring, reporting and advice on all aspects of the investment of the Scheme’s assets, including implementation, and in line with the funding objective.
- Advise on this Statement to ensure compliance with best practice requirements.
- Provide required training.
**Investment (or fund) managers**

- Operate within the written contracts and agreements.
- Select individual investments with regard to their suitability and diversification for the individual pooled vehicles.
- Ensure the suitability of the chosen benchmark for the respective investment vehicle.

**Implementation service provider**

- Operate within the terms of the written contracts and agreements.

5.6. Monitoring the capital structures of investee companies

The Trustees have delegated the monitoring of the capital structure of the investee companies to the investment managers. The Trustees require the investment managers to take appropriate measures for their mandates to monitor the capital structure of investee companies.

5.7. How do the Trustees manage potential conflicts of interest?

The Trustees consider any potential and actual conflicts of interest (subject to reasonable levels of immateriality) at the start of each Trustees' meeting and document these in the minutes.
6. Review

6.1. How often are investments reviewed?

Scheme strategy reviews are undertaken periodically, typically occurring alongside triennial actuarial valuations of the Scheme; but more frequent reviews can occur in light of a material change of circumstances.

Investment return experience and the performance of individual funds is reviewed with assistance from Quantum as required. Any change in investment strategy may necessitate a change in investment managers, regardless of the underlying performance of the funds.

6.2. How do the Trustees monitor portfolio turnover costs and portfolio turnover?

The Trustees have delegated the selection of holdings to the appointed investment managers. The Trustees receive an annual report from the investment managers setting out portfolio turnover and the associated costs.

The Trustees have not set a specific portfolio turnover target for each investment manager and recognise that the manager has ultimate responsibility for the underlying holdings within the funds. The Trustees will, however, compare the annual turnover for each fund and draw out any potential inconsistencies with previous years with the investment managers to ensure the investment manager’s process and philosophy remain consistent.

6.3. How often is this SIP reviewed?

The Trustees will review this SIP at least every three years and following any significant change in investment policy.

For and on behalf of the Trustees of the Members of the Senedd Pension Scheme.

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Signature Name

.......................................................... ..........................................................
Signature Name

Date
7. Appendix 1 – Investment strategy and Managers

The table below sets out the Scheme’s strategic asset allocation and fund managers.

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Manager</th>
<th>Fund</th>
<th>Asset allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return seeking assets</td>
<td></td>
<td></td>
<td>90.0</td>
</tr>
<tr>
<td>Equity</td>
<td>Legal and General Investment Management (&quot;LGIM&quot;)</td>
<td>Ethical Global Equity(^1)</td>
<td>12.5</td>
</tr>
<tr>
<td>Equity</td>
<td>LGIM</td>
<td>Ethical Global Equity – GBP Hedged(^2)</td>
<td>12.5</td>
</tr>
<tr>
<td>Diversified Growth</td>
<td>Baillie Gifford</td>
<td>Diversified Growth(^3)</td>
<td>17.0</td>
</tr>
<tr>
<td>Diversified Growth</td>
<td>BNY Mellon</td>
<td>Sustainable Real Return(^4)</td>
<td>33.0</td>
</tr>
<tr>
<td>Private Markets</td>
<td>Partners Group</td>
<td>Generations(^5)</td>
<td>10.0</td>
</tr>
<tr>
<td>Property</td>
<td>LGIM</td>
<td>Managed Property(^6)</td>
<td>5.0</td>
</tr>
<tr>
<td>Fixed income assets</td>
<td></td>
<td></td>
<td>10.0</td>
</tr>
<tr>
<td>Index-Linked Gilts</td>
<td>LGIM</td>
<td>Over 5-Year Index-Linked Gilts Index(^7)</td>
<td>10.0</td>
</tr>
<tr>
<td>Cash</td>
<td>LGIM</td>
<td>Cash(^8)</td>
<td>...(^9)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>100.0</td>
</tr>
</tbody>
</table>

\(^1\) Scheme relationship initiated in February 2018. \(^2\) Scheme relationship initiated April 2020. \(^3\) Scheme relationship initiated May 2009. \(^4\) Scheme relationship initiated December 2019. \(^5\) Scheme relationship initiated February 2018. \(^6\) Scheme relationship initiated February 2018. \(^7\) Scheme relationship initiated February 2018. \(^8\) Scheme relationship initiated February 2021. \(^9\) Please note that the Scheme utilises the LGIM Cash Fund for cashflow purposes (and therefore it does not form part of the strategic asset allocation).
Managers and fund details

The table below shows the benchmarks, outperformance targets and custodians for each fund the Scheme is invested in. All funds are accessed through Mobius Life, and the fees shown are those charged by Mobius Life.

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Fund</th>
<th>Benchmark</th>
<th>Objective / Outperformance target</th>
<th>Annual management fee</th>
<th>Custodian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return seeking assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>LGIM Ethical Global Equity</td>
<td>FTSE4Good Global Equity Index</td>
<td>To track the performance of the benchmark to within +/-0.5% per annum for two years out of three.</td>
<td>0.35%</td>
<td>Overseas securities: Citi Bank UK securities: HSBC</td>
</tr>
<tr>
<td>Equity</td>
<td>LGIM Ethical Global Equity – GBP Hedged</td>
<td>FTSE4Good Global Equity Index – GBP Hedged</td>
<td>To track the performance of the benchmark to within +/-0.5% per annum for two years out of three.</td>
<td>0.365%</td>
<td>Overseas securities: Citi Bank UK securities: HSBC</td>
</tr>
<tr>
<td>Diversified Growth</td>
<td>Baillie Gifford Diversified Growth</td>
<td>UK Base Rate</td>
<td>To outperform the benchmark by 3.5% per annum over rolling five-year periods.</td>
<td>0.65%</td>
<td>BNY Mellon</td>
</tr>
<tr>
<td>Diversified Growth</td>
<td>BNY Mellon Sustainable Real Return</td>
<td>1-month Sterling LIBOR</td>
<td>To outperform the benchmark by 4% per annum (before fees) over rolling three-year periods.</td>
<td>0.69%</td>
<td>BNY Mellon</td>
</tr>
<tr>
<td>Private Markets</td>
<td>Partners Group Generations</td>
<td>N/A</td>
<td>Outperform public markets over a full market cycle (typically targeting a return of 7% - 11% per annum).</td>
<td>1.35%*</td>
<td>BNY Mellon Trust &amp; Depositary (UK) Limited</td>
</tr>
<tr>
<td>Property</td>
<td>LGIM Managed Property</td>
<td>MSCI/AREF UK Quarterly All Balanced Property Funds Index</td>
<td>MSCI/AREF UK Quarterly All Balanced Property Funds Index.</td>
<td>0.64%</td>
<td>HSBC</td>
</tr>
<tr>
<td>Fixed income assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Index-Linked Gilts</td>
<td>LGIM Over 5-Year Index-Linked Gilts Index</td>
<td>FTSE Actuaries Index-Linked (Over 5 Year) Index</td>
<td>To track the performance of the benchmark to within +/-0.25% per annum for two years out of three.</td>
<td>0.08%</td>
<td>HSBC</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>LGIM Cash</td>
<td>7 Day Sterling LIBID</td>
<td>To outperform the benchmark (before fees).</td>
<td>0.10%</td>
<td>HSBC</td>
</tr>
</tbody>
</table>

* The Fund is subject to a performance related fee (with a high watermark) in addition to the Annual Management Charge of up to 1% per annum.