

**CONTINENTAL TEVES UK EMPLOYEE
BENEFITS SCHEME
DC STATEMENT OF INVESTMENT
PRINCIPLES – 2020 EDITION**

SEPTEMBER 2020

TABLE OF CONTENTS

1 Introduction	3
2 Investment Responsibilities	4
3 Investment Objectives	6
4 Default Investment Strategy	8
5 Responsible Investing	12
6 Risk	14
7 Monitoring of Investment Adviser and Managers	16
8 Code of Best Practice	18
9 Compliance	19
Appendix 1: Investment Manager Information and Default Lifestyle Strategy	20
Appendix 2: Responsibilities of Parties	26

1 INTRODUCTION

This Statement of Investment Principles (“the Statement”) has been prepared by the Trustees of the Continental Teves UK Employee Benefits Scheme (“the Scheme”) in accordance with Section 36 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 its investment consultants, Mercer Ltd (“Mercer”), whom they believe to have a degree of knowledge and experience that is appropriate for the management of the Scheme’s investments; and
- Consulted with the Principal Employer, although the Trustees affirm that no aspect of this 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 ensure its ongoing suitability. Furthermore, the Trustees will review the Statement following 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 Principal Employer.

2 INVESTMENT RESPONSIBILITIES

2.1 Trustees' duties and responsibilities

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The Trustees 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:

- Setting of investment objectives and formulating investment strategy
- Selecting funds for member choices
- Selecting an appropriate default arrangement for members
- The regular approval of the content of the Statement
- The appointment and review of the investment managers and investment advisers
- The compliance of the investment arrangements with the principles set out in the Statement

2.2 Investment adviser's duties and responsibilities

The Trustees have appointed Mercer as the investment adviser to the Scheme. Mercer provides investment advice as required by the Trustees, 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:

- Setting of investment objectives
- Determining investment strategy and structure of the default strategy
- Advising on appropriate member fund choices
- Selecting and replacing investment managers

Mercer monitors the performance of the Scheme's investment managers against their benchmarks.

Mercer will also advise the Trustees of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Scheme is invested, such that in its view there exists a significant concern that any of these funds will not be able to meet their long-term objectives. If the investment manager and funds are not covered by Mercer's manager research process, Mercer will advise the Trustees accordingly.

Mercer is remunerated on a fee basis for the investment advice it provides and does not receive any commission payments in relation to the Scheme. The Trustees are satisfied that the investment arrangements, including the charging structure, are clear and transparent. Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

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

2.3 Investment manager's duties and responsibilities

The Trustees, after considering appropriate investment advice, have appointed a professional, authorised investment manager to manage the assets of the Scheme.

Details of the manager's mandates and annual management charges applied by the investment manager are set out in Appendix 1.

Mercer monitor the Scheme's investment manager to ensure their continuing appropriateness to the mandates given and notify the Trustees if the manager's Mercer rating is downgraded by Mercer's Manager Research Team.

The Trustees considered a range of active and passive approaches to investment management and assessed these against their investment objectives. The Trustees selected an investment manager having regard to its ability to provide one or more of the identified fund types and their potential to meet the investment objectives of the Scheme. Before selecting any investment manager, the Trustees ensure that appropriate due diligence is carried out.

The investment manager is responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

The investment manager engaged by the Trustees is authorised and regulated by the FCA.

The investment manager is remunerated by ad valorem charges based on the value of the assets that it manages on behalf of the Scheme and are deducted from the funds. These charges are set out in Appendix 1. The Trustees believes that this is the most appropriate basis for remunerating managers.

2.4 Summary of responsibilities

A summary of the responsibilities of all relevant parties, insofar as they relate to the Scheme's investments, is set out in Appendix 2.

3 INVESTMENT OBJECTIVES

The

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

3.1 Risks Considered

The Trustees recognise that in a defined contribution arrangement, members assume the investment risks themselves. The Trustees further recognise 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:

- **Investment Return Risk:** the risk that a member is not invested in those asset classes that are expected to generate the highest returns over the long run.
- **Volatility Risk:** the risk that the value of a member's pot will fluctuate substantially over the investment term.
- **Market Switching Risk:** the risk that arises if there is to be switching between investment vehicles. The risk is that large investment switches are made at one point in time, thereby unnecessarily exposing members to unfavourable market pricing on a particular day.
- **Environmental, Social and Governance (ESG) risks:** 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.
- **Inflation Risk:** the risk that a member's investments will not grow quickly enough to sufficiently outpace inflation (the cost of living).
- **Liquidity Risk:** as far as is practicable and necessary, the Trustees invest in liquid assets that can be quickly realised as required.
- **Pension Conversion Risk:** the Trustees increase the proportion of assets that more closely move in line with how they expect members to use their pots at retirement.
- **Currency Risk:** the 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 investment return, although any currency decisions are made at the discretion of the investment managers.
- **Credit Risk:** the risk that the issuer of a financial asset, such as a bond, fails to make the contractual payments due.

The Trustees have determined the investment policy in such a way as to address the above risks.

The Trustees are mindful of its 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.

To help mitigate the most significant of these risks, the Trustees have:

- Made a lifestyle strategy available as a default option 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 with different risk characteristics.

When deciding on the investment options available to members, the Trustees took into account the expected return on such investments and were mindful to offer a range of funds with varying levels of expected returns for members to choose from.

When it comes to realisation of investments, the Trustees consider the impact of transaction costs before making any changes.

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

3.2 Fund choices

To balance the investment needs of members, the Trustees offer a range of self-select funds alongside the default investment strategy. The range of investment options covers multiple asset classes and this balance will determine the expected return on members' assets and should be related to the members' own risk appetites and tolerances.

The Trustees have made four funds available for self-selecting, details of which can be found in Appendix 1.

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

3.3 Types of investments to be held

The Trustees are permitted to invest across a wide range of asset classes, both active and passive.

Actively managed funds will only be included to the extent that the Trustees has a high level of confidence in the investment manager achieving its performance objectives, net of active investment management fees.

All of the funds in which the Scheme invests are pooled and unitised. Details of each fund can be found in Appendix 1.

3.4 Additional voluntary contributions (AVCs)

Members of the Scheme may make AVCs to secure additional money purchase benefits. Historic AVCs were invested separately from the main fund with Prudential Assurance Company. Current AVCs are pooled and invested as part of the DC Section investment operations.

4 DEFAULT INVESTMENT STRATEGY

4.1 Aims and Objectives

The lifestyle strategy operates as the default if a member does not wish to make their own selection of funds and is designed to be appropriate for a typical member of the Scheme.

The default strategy for the Scheme is comprised of four funds currently managed by Aberdeen Standard Investments which reduces investment risk as members get closer to retirement. The asset allocation at retirement is suitable for members who wish to take their 25% tax-free cash lump sum and buy an annuity with the remainder of their pot.

In determining the investment strategy, the Trustees undertook extensive investigations and have received formal written investment advice from their investment consultant. The Trustees undertook a review of the investment strategy in July 2019 and have agreed a number of changes from their review. This is currently in the process of being implemented with a target completion date of Q1 2021. The details of the current default investment strategy and the proposed changes following the investment strategy review are set out in the following sections.

4.2 The Default Lifestyle Strategy

The Trustees have assumed responsibility for setting an investment strategy that provides a broad level of protection against the key risks identified in Section 3. This is achieved by using a Lifestyle Strategy.

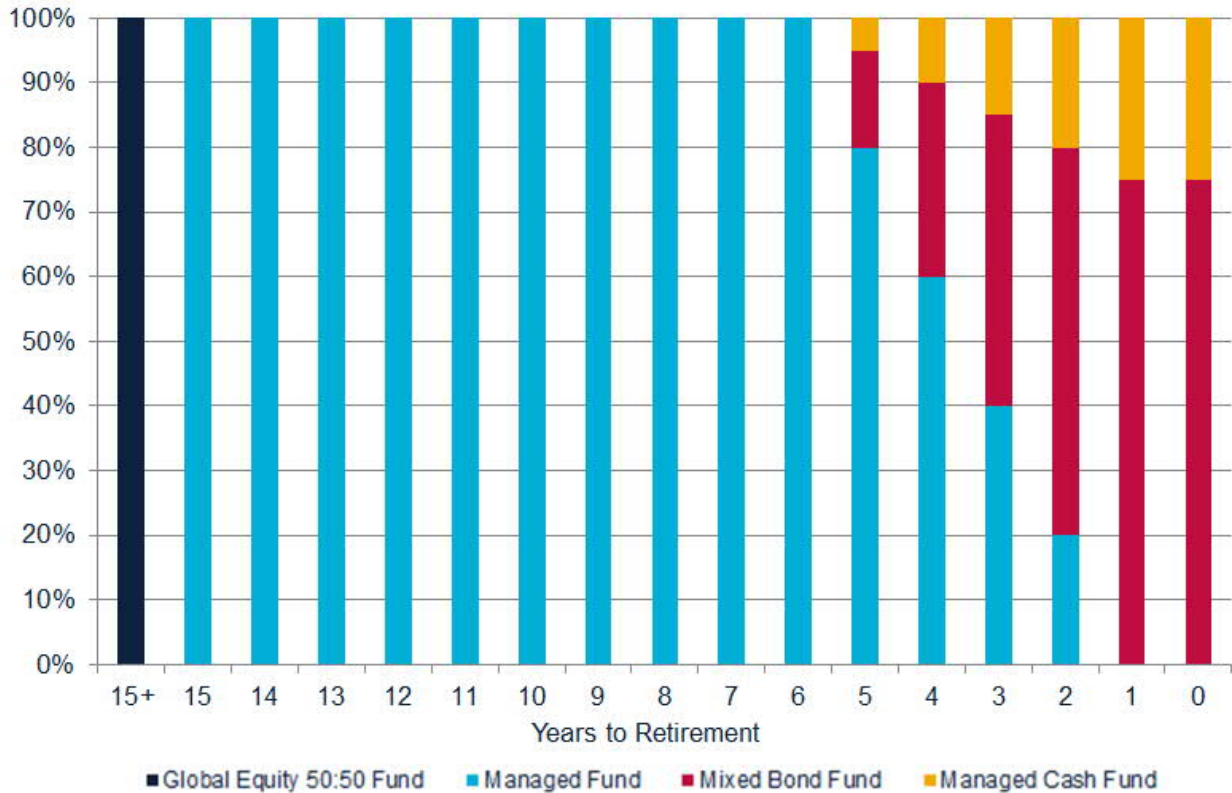
The default strategy is designed after careful analysis of the membership demographics and other characteristics in order to offer a suitable approach that is tailored to the needs of the Scheme's members.

Current Default Lifestyle Strategy

The current default lifestyle strategy can be separated into three distinct phases. Initially, the lifestyle option aims to generate long-term growth by investing in the **Aberdeen Standard Investments Global Equity 50:50 Fund**; an actively managed equity fund that invests around 50% of funds in the UK and the remaining 50% overseas. 15 years prior to a member reaching their selected retirement age, their assets are switched into the **Aberdeen Standard Investments Managed Fund**, to reduce the level of risk in their holdings. Five years prior to a member reaching their selected retirement age, the strategy enters a de-risking phase. This involves a gradual switch of assets out of the Managed Fund into the **Aberdeen Standard Investments Mixed Bond Fund** and then the **Aberdeen Standard Investments Deposit and Treasury Cash Fund**. When a member reaches retirement they will have 75% of their savings in the bond fund and 25% in the cash fund.

This lifestyle strategy provides a balance between the different kinds of investments and will determine the expected return. Risk is managed by moving from a higher risk approach at outset to a lower risk strategy at retirement.

The current default lifestyle strategy has been illustrated within the following chart:

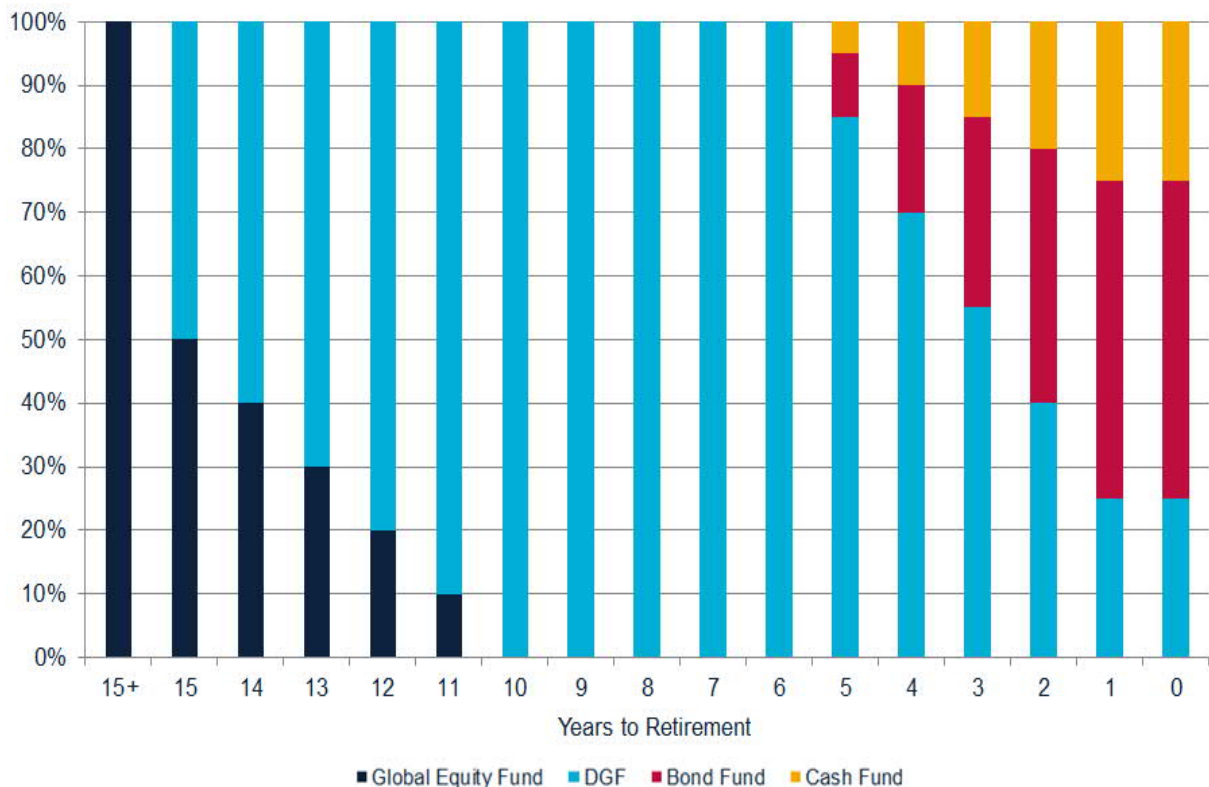


Revised Lifestyle Strategy (Available in 2021)

The new default lifestyle strategy targets a balanced/drawdown approach to offer members flexibility at retirement and can be separated into three distinct phases. Initially, the lifestyle option aims to generate long-term growth by investing in the **Legal & General Global Equity Index Fund**; a passively-managed fund which invests in UK and overseas equities. 15 - 11 years prior to a member reaching their selected retirement age, their assets are gradually switched from equities into the **Legal & General Diversified Fund**, to reduce the level of risk in their holdings. Five years prior to a member reaching their selected retirement age the Strategy enters a de-risking phase. This involves a gradual switch of assets out of the Diversified Fund into the **Legal & General Short Dated Sterling Corporate Bond Index Fund** and then the **Legal & General Sterling Liquidity Fund**. When a member reaches retirement they will have 50% of their savings in the bond fund and 25% in each of the diversified fund and the cash fund.

This higher to lower risk lifestyle strategy provides a balance between the different kinds of investments and will determine the expected return.

The revised default lifestyle strategy has been illustrated within the following chart:



Further details relating to the funds under both lifestyle strategies can be found in Appendix 1.

All funds are daily-priced pooled investment arrangements, with assets invested in regulated markets, therefore should be realisable at short notice, based on members' demand.

A range of asset classes are included within the default arrangement.

The objectives set out above and the risks and other factors referenced in this Statement are those that the Trustees consider to be financially material considerations in relation to the default investment strategy. The Trustees believe that the appropriate time horizon within which to assess these considerations should be viewed at the membership level. This will be dependent on the members' age and when they expect to retire.

The Trustees will, in particular, review the extent to which the return on investments relating to the default arrangement (after fees) is consistent with the aims and objectives of the Trustees or managers in respect of the default arrangement.

4.3 The Trustees' Policy to Risk in relation to the Default Strategy

In addition to the Trustees' Policy to risk monitoring and management set out in Section 6, the Trustees have considered the following items to monitor and manage the risk in relation to the default investment option. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members. In particular, when reviewing the investment strategy of the default investment option, the Trustees consider risk quantitatively in terms of the variability of investment returns and potential retirement outcomes for members.

From a qualitative perspective, the Trustees also consider risk in terms of the (mis)alignment of investments with the retirement benefits targeted by the default investment option. The Trustees have considered how to monitor risks from a number of perspectives in the default investment option. The list below is not exhaustive but covers the additional risks that the Trustees consider specifically with regards to the default and how they are managed.

Volatility risk, Liquidity risk and Pension Conversion Risk – The default option is a lifestyle strategy which automatically switches member assets into investments whose value is expected to be less volatile relative to the growth phase approaching retirement age and is appropriate for members looking for flexibility at retirement. The Trustees regularly review the default investment strategy to ensure the outcome remains appropriate.

4.4 Members' Best Interests

The Trustees will continue to review the default strategy (a) at least every 3 years; and (b) without delay after any significant change in investment policy or the demographic profile of relevant members or change in legislation. This is in addition to more regular performance monitoring, which takes place annually. Member views are not explicitly taken into account in the selection, retention and realisation of investments within the default strategy.

The Trustees strive to ensure the strategy evolves in line with the Scheme's membership characteristics in order to ensure that assets are invested in the best interests of the members in the default investment strategy.

5 RESPONSIBLE INVESTING

This section below sets out the Trustees' policy in relation to responsible investment issues for the Scheme (including the Default Strategy).

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 investment time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors (including but not limited to climate change).

The Trustees recognise that ESG factors, including 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.

The Trustees, with the assistance of Mercer, will take into account ESG factors (including climate change) in the selection, retention and realisation of investments. The Trustees did consider an explicit allocation to an "ESG" equity fund within the Scheme's investment strategy, however upon review decided this was not required for the Scheme.

The Trustees believe 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 as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken.

When appointing a new investment manager, the Trustees will work with Mercer to help select the investment managers that have passed the initial ESG screening. ESG screening will involve some of the following activities, but is not limited to:

- Ensuring the managers are signatories to UN Principles for Responsible Investment;
- Reviewing the managers' own ESG policies;
- The ESG ratings assigned by Mercer;
- Investigating the extent to which these policies are integrated into their standard procedures of investment research and analysis etc.

The Scheme's assets are currently invested in pooled funds. The Trustees have given the investment manager full discretion when evaluating ESG issues and in exercising the rights and stewardship obligations attached to the Scheme's investments in these pooled funds. While the investment manager is encouraged to exercise these rights in accordance with the UK Corporate Governance Code and UK Stewardship Code, the Trustees accept the fact that they have very limited ability to exert direct influence on the ESG policies and practices of the companies in which their manager invests. The Trustees will therefore rely on the policies and judgement of their investment manager and the Trustees will review those policies from time to time.

The Trustees will continue to review the available products and approaches in this space and strive for the Scheme to continue to deliver strong risk-adjusted returns, incorporating responsible investment principles into the process, where possible.

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 matters 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 Stewardship and Voting Policy

The Scheme's stewardship approach focuses on selection, monitoring and, where necessary, switching of underlying investment managers. The Trustees believe that choosing the right managers who fully engage with issuers of equity or debt instruments in their portfolios (including in respect of ESG factors, including climate change considerations) will lead to better financial results for members. Mercer assist the Trustees in the selection and monitoring of the manager to ensure that appropriate manager is selected and to monitor the performance of appointed manager.

The Trustees are supportive of the UK Stewardship Code published by the Financial Reporting Council and encourages the Scheme's underlying manager who is regulated by the Financial Conduct Authority to comply with the UK Stewardship Code. Such managers are expected to report on their adherence to the Code on an annual basis. Mercer check that these reports have been issued on the Trustees' behalf.

The Trustees expect the Scheme's investment manager to use their influence as major institutional investors to pursue the Trustees' rights and duties as an investor in the pooled fund including voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good governance, accountability, and positive change.

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

The Trustees request details of their investment managers' activities and policy on stewardship and engagement and reviews these from time to time. Where the Trustees are concerned about an investment manager's approach to stewardship and engagement, they will engage with the manager as necessary.

5.4 Member Views

The Trustees do not explicitly take account of member views when selecting investments for the Scheme, however, the Trustees believe that they have an understanding of membership demographics, behaviours and preferences and strive to provide a fund range that meets both financial and non-financially relevant member needs. To that end, an "ESG" equity fund was considered as part of the investment options, however the Trustees believed this was not necessary for the Scheme's members at the time. The Trustees are committed to reviewing this policy from time to time.

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. These are also set out below.

Manager risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the manager's objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the manager's investment process through the annual performance updates provided by Mercer.
- The Trustees regularly review the appropriateness of the level of the security of assets. The Trustees undertake ongoing monitoring of the performance of the investment manager.

Pension Conversion Risk

- The risk that the value of a member's account does not enable the member to meet their objectives post retirement.
- The Trustees make available a default lifestyle strategy that automatically switches member assets into investments whose value is expected to be less volatile relative to how the member wishes to access their pension savings as they approach retirement age.
- As part of the triennial default investment strategy review, the Trustees reviews the appropriateness of the default retirement destination based on the membership profile and experience.

Liquidity risk

- The risk that the Scheme's assets cannot be realised at short notice in line with member demand.
- It is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.

Political risk

- This is measured by the level of concentration of any one market, leading to the risk of an 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 manager's policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the manager, who exercise this right in accordance with their published corporate governance policies. Summaries of voting records are reviewed by the Trustees annually. Further information on how the Trustees measure ESG and corporate governance risk is highlighted in section 5.

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 it is comfortable with the amount of risk that the Scheme's investment manager takes.

Market Risk

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

Currency Risk

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

Interest and inflation rate risk

- This is the risk that an investment's value will change due to a change in the level of interest and inflation rates. This affects debt instruments more directly than growth instruments.
- The Trustees acknowledge that the interest rate and inflation risk related to individual debt instruments is managed by the underlying investment managers.
- Members are able to set their own investment allocations in line with their risk tolerances.
- The Trustees periodically review the suitability of the default lifestyle strategy.

Other Price risk

- This is the risk that principally arises in relation to the growth-seeking assets.
- The Trustees acknowledge that the Scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets. The Trustees consider the appropriate level of diversification when setting the default strategy.
- Members are able to set their own investment allocations in line with their risk tolerances.

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 manager

Aligning Manager Appointments with Investment Strategy

The investment manager is appointed based on the strength of its capabilities and the perceived likelihood of the manager achieving the expected return and risk characteristics required for the asset classes in which the Scheme invests.

The Trustees will seek guidance from their investment consultant on their forward looking assessment of the manager's ability to deliver upon its stated objectives. This view will be based on a number of criteria, including but not limited to, the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management in relation to the particular strategies that the Scheme invests in. The consultant's manager research ratings assist with due diligence and where appropriate, are used in decisions around selection, retention and realisation of manager appointments.

The Trustees will review an appointment if the investment objective for a manager's fund changes to ensure it remains appropriate and consistent with the Trustees' wider investment objectives. As the Scheme invests in pooled investment vehicles, the Trustees accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

The investment manager is aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed. If the Trustees are dissatisfied, then they will either seek to obtain reduced management fees or look to review the appointment.

Evaluating Investment Manager Performance

The Trustees receive quarterly information from the Scheme's investment manager to assess whether the Scheme's investments are performing in line with expectations.

The Trustees also receive annual monitoring reports on the performance of the investment manager from Mercer.

Mercer will advise the Trustees of any significant developments of which it is aware relating to the investment manager, or funds managed by the investment manager in which the assets of the Scheme are invested, such that in Mercer's view there exists a significant concern that these funds will not be able to meet their long-term objectives.

Portfolio Turnover Costs

The Trustees consider portfolio turnover costs as part of its value for members assessment. The Trustees will continue to monitor industry developments concerning the reporting of portfolio turnover costs and in particular the standardisation and benchmarking of cost reporting.

8 CODE OF BEST PRACTICE

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 get DC right. 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 bigger 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 the Scheme's 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.

9 COMPLIANCE

The Scheme's Statement of Investment Principles is available to members and is made available online through the Company's website.

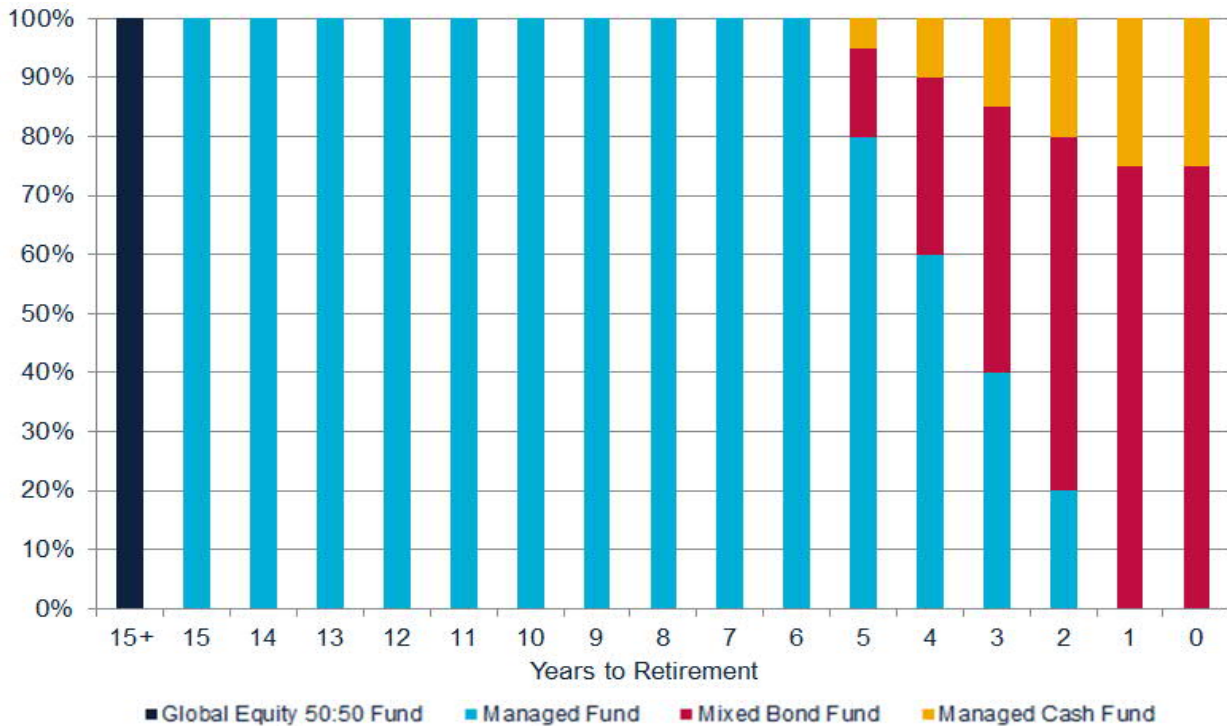
A copy of the Scheme's current Statement plus Appendices is also supplied to the Principal Employer, the Scheme's investment manager (on request), auditor and administrator.

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustees on **30 September 2020**

APPENDIX 1: INVESTMENT MANAGER INFORMATION AND DEFAULT LIFESTYLE STRATEGY

Current Default Lifestyle Strategy

For members who are invested in the current default lifestyle strategy the following chart and table sets out the switches between the funds that will be carried out on a member's behalf up to their retirement date:



15 Year Lifestyle

Years to retirement	Aberdeen Standard Investments Global Equity 50:50 Fund	Aberdeen Standard Investments Managed Fund	Aberdeen Standard Investments Mixed Bond Fund	Aberdeen Standard Investments Deposit and Treasury Fund
0	-	-	75%	25%
1	-	-	75%	25%
2	-	20%	60%	20%
3	-	40%	45%	15%
4	-	60%	30%	10%
5	-	80%	15%	5%
6	-	100%	-	-
7	-	100%	-	-
8	-	100%	-	-
9	-	100%	-	-
10	-	100%	-	-
11	-	100%	-	-
12	-	100%	-	-
13	-	100%	-	-
14	-	100%	-	-
15	-	100%	-	-
15+	100%	-	-	-

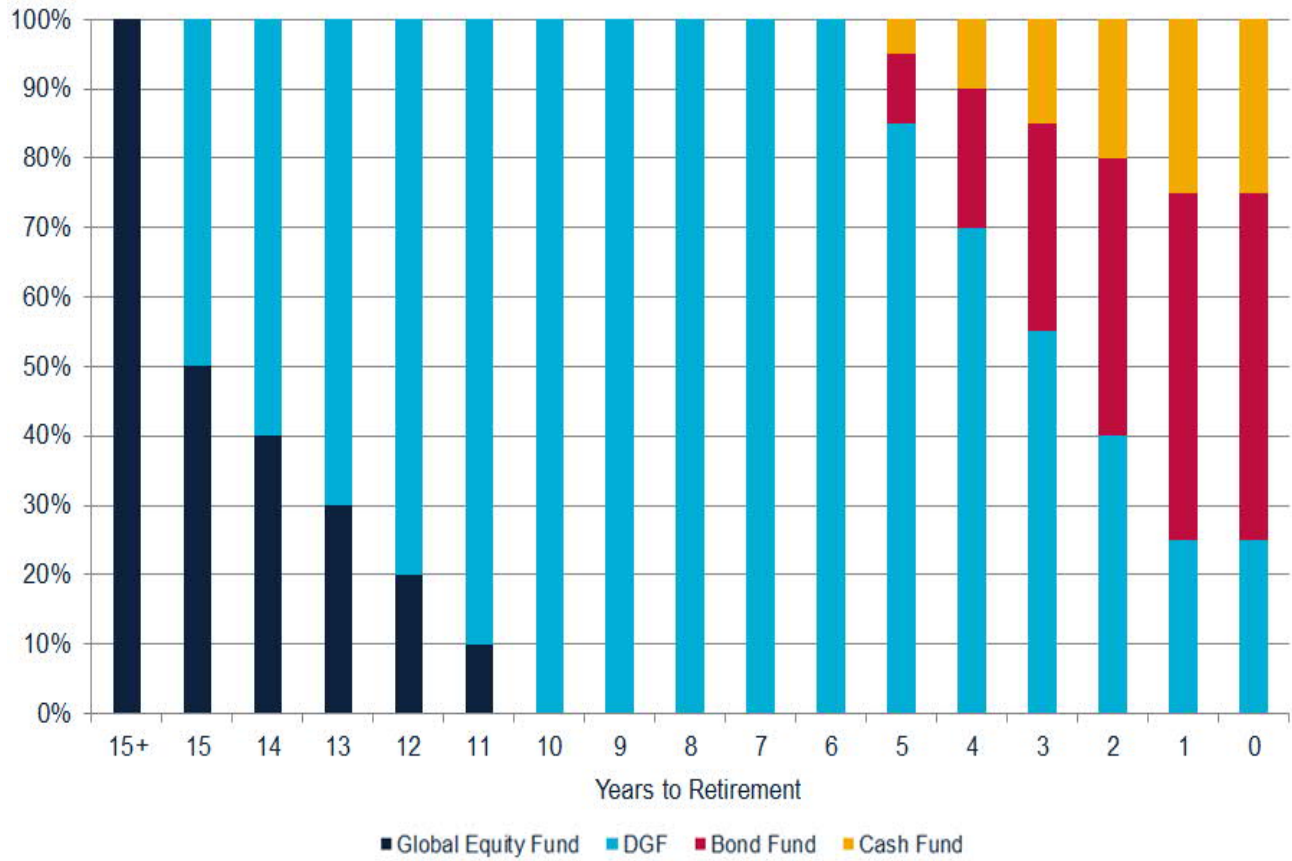
The Trustees will monitor the suitability of the funds used on an ongoing basis and make changes as they consider appropriate. The table below shows the details of the current mandates with each manager.

Funds Underlying the Current Default Arrangement and also made available on a Self-Select Basis

Fund	Asset Class	Annual Management Charge	Fund Benchmark
Aberdeen Standard Investments Global Equity 50:50 Fund	Global Equity	0.50% p.a.	50% FTSE All-Share Index / 50% MSCI World ex UK Index
Aberdeen Standard Investments Managed Fund	Multi-Asset	0.50% p.a.	ABI (Pension) Mixed Investment 40-85% Shares Index
Aberdeen Standard Investments Mixed Bond Fund	Bond	0.30% p.a.	50% FTSE A All Stocks Gilts Index / 50% BofAML £ UK Non-Gilt All Stocks Index
Aberdeen Standard Investments Deposit and Treasury Cash Fund	Cash	0.15% p.a.	Sterling Overnight Index Average

Revised Default Lifestyle Strategy

The following chart and table sets out the switches between the funds that will be carried out on a member's behalf up to their retirement date when the proposed changes to the default lifestyle strategy are implemented:



15 Year Lifestyle

Years to retirement	Legal & General Global Equity Fund	Legal & General Diversified Fund	Legal & General Short Dated Sterling Corporate Bond Index Fund	Legal and General Sterling Liquidity Fund
0	-	-	75%	25%
1	-	-	75%	25%
2	-	20%	60%	20%
3	-	40%	45%	15%
4	-	60%	30%	10%
5	-	80%	15%	5%
6	-	100%	-	-
7	-	100%	-	-
8	-	100%	-	-
9	-	100%	-	-
10	-	100%	-	-
11	10%	90%	-	-
12	20%	80%	-	-
13	30%	70%	-	-
14	40%	60%	-	-
15	50%	50%	-	-
15+	100%	-	-	-

Funds Underlying the Revised Default Arrangement and also made available on a Self-Select Basis

Fund	Asset Class	Annual Management Charge	Fund Benchmark
Legal & General Global Equity Fund	Global Equity	0.20% p.a.	FTSE World Index
Legal & General Diversified Fund	Multi-Asset	0.30% p.a.	FTSE Developed World Index – 50% GBP Hedged
Legal & General Short Dated Sterling Corporate Bond Index Fund	Bond	0.150% p.a.	Markit iBoxx Sterling Corporates 1-5 Index
Legal and General Sterling Liquidity Fund	Cash	0.125% p.a.	7 Day LIBID

Additional Self-Select Funds Available

Legal and General Pre-Retirement Fund	Bond	0.151% p.a.	Composite benchmark of gits and corporate bond funds
---------------------------------------	------	-------------	--

APPENDIX 2: 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
- Selecting the Investment Managers
- Selecting funds for member choices
- Selecting an appropriate default arrangement for members
- 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 the Investment Adviser
- Consulting with the Principal Employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis
- Publishing this Statement on a publically available website and informing members of the location

Investment adviser

The Investment Adviser's responsibilities include the following:

- Participating with the Trustees in reviews of the Statement of Investment Principles
- Production of annual independent performance monitoring reports
- Advising of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Scheme is invested, such that in its view there is a significant concern that any of these funds will not be able to meet its long-term objectives.
- Updating the Trustees on changes in the investment environment, and advising the Trustees, at its request, on how such changes could present either opportunities or problems for the Scheme
- Undertaking project work, as requested, including:
 - Reviews of the default strategy and fund range; and
 - Research into and reviews of Investment Managers.
- Advising on the selection of new managers and/or custodians

Investment managers

The Investment Manager's responsibilities include the following:

- Informing the Trustees 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