

HALDEX LIMITED RETIREMENT AND DEATH BENEFIT PLAN STATEMENT OF INVESTMENT PRINCIPLES

MAY 2024

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1. INTRODUCTION

This Statement of Investment Principles (the “Statement”) has been prepared by the Trustees of the Haldex Limited Retirement and Death Benefit Plan, (the “Plan”) 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 Plan 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 Limited (“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 Plan.

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

2. INVESTMENT OBJECTIVES

The Trustees' primary investment objective for the Plan 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 Plan.

The Trustees received confirmation from the Scheme Actuary that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

3. INVESTMENT RESPONSIBILITIES

3.1 TRUSTEES' DUTIES AND RESPONSIBILITIES

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives. They carry out their duties and fulfil their responsibilities as a single body.

The duties and responsibilities of the Trustees include, but are not limited to, the following tasks and activities:

- The regular approval of the content of the Statement
- The appointment and review of the investment adviser
- The appointment and review of the investment platform provider
- The choice of appropriate managers/funds to implement the agreed investment strategy
- The assessment and review of the performance of each investment manager
- The assessment of the risks assumed by the Plan at a total scheme level as well as on a manager by manager basis
- The approval and review of the asset allocation benchmark for the Plan
- The compliance of the investment arrangements with the principles set out in the Statement

3.2 INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

The Trustees have appointed Mercer as the investment adviser to the Plan. 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 or assistance to the Trustees include the following:

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Advising the Trustees in relation to funds and investment managers that are suitable to meet the Trustees' objectives
- Monitoring the investment managers and investment platform provider to ensure their continuing appropriateness to the mandates given
- Advising on appropriate cashflow management (investment and withdrawal) policies (see Appendix 2)

The Trustees may seek advice from Mercer with regard to both strategic and tactical investment decisions (see Section 3 - Investment Strategy); however, they recognise that they retain responsibility for all such decisions, including those that concern investments and disinvestments relating to cash flows (see Appendix 2). Whilst Mercer may be proactive in advising the Trustees regarding tactical investment decisions, the Trustees do not expect Mercer to provide proactive advice in all circumstances.

Mercer provides regular quarterly reporting to monitor the performance of the Plan'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 Plan 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.

Mercer makes a fund based charge for the services specified within the Implemented Investment Consultancy Services Agreement.

Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

Mercer does not receive commission or any other payments in respect of the Plan 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 Plan.

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

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

3.3 ARRANGEMENT WITH INVESTMENT MANAGERS

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

The Trustees, after considering appropriate investment advice, invested the Plan's assets via a Trustee Investment Policy ("TIP") issued by Mobius Life Limited ("Mobius"), whose appointment foregoes the need for a Custodian. The Trustees first invested through the Mobius TIP in August 2015.

Mobius is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

The Mobius TIP facilitates investment into a range of pooled funds managed by third party investment managers and the value of the Mobius TIP is directly linked to the change in the value of the funds. All of the underlying investment managers used by the Trustees are authorised and regulated by the FCA.

All the underlying investment managers used by the Trustees through the Mobius TIP are selected based on advice from the investment adviser. This is based on Mercer's view of their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

Mercer monitors the underlying investment managers to ensure their continuing appropriateness to the mandates given. If a manager is significantly downgraded by Mercer, Mercer will notify the Trustees and the Trustees may, after appropriate consideration, replace that manager with a suitable alternative.

The Trustees only invests in pooled funds through the Mobius TIP. The Trustees therefore accept that they cannot specify the risk profile and return targets of the underlying investment managers, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy, including the policies set out in this SIP.

The underlying investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the pooled funds they manage.

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

Both Mobius and the underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Plan. Discounts have, where possible, been negotiated by Mercer and Mobius with the managers on their standard charges and these discounts are passed on in full for the benefit of the Plan.

None of the funds in which the Plan's assets are invested have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustees therefore consider that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, they will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustees accept that they cannot influence the charging structure of the pooled funds in which the Plan is invested, but are satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics.

The Trustees are therefore satisfied that this is the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustees' policies as set out in this SIP.

3.4 SUMMARY OF RESPONSIBILITIES

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the Plan administrators, so far as they relate to the Plan's investments, is set out in Appendix 4.

4. INVESTMENT STRATEGY

4.1 SETTING INVESTMENT STRATEGY

The Trustees have determined their investment strategy after considering the Plan'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.

Taking all these factors into consideration, the Trustees have determined that the investment strategy as set out in Appendix 1 is currently suitable for the Plan.

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

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustees have decided on a structured approach, as set out in Appendix 2, as well as a policy on re-balancing the assets.

4.2 INVESTMENT DECISIONS

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

Strategic Investment Decisions

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

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 Plan 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 Plan is invested.

4.3 TYPES OF INVESTMENTS TO BE HELD

The Trustees are permitted to invest across a wide range of asset classes.

All the funds in which the Plan invests are pooled and unitised. The use of derivatives is as permitted by the guidelines that apply to the pooled funds. Details relating to the pooled funds can be found in Appendix 3.

The Trustees recognise the benefits of diversification across asset classes, as well as within them, in reducing the risk that results from investing in any one particular market.

The Trustees have therefore invested in pooled Diversified Growth Funds (DGFs), which are actively managed multi-asset funds. The managers of the DGFs invest in a wide range of assets and investment contracts in order to implement their market views.

The Trustees note that it would not be practical (or appropriate) for them to commit the resources necessary to make these decisions across a wide range of asset classes themselves.

The Trustees have also invested in a pooled Multi Asset Credit (“MAC”) fund where the manager selects and manages allocations across a diversified spectrum of bond assets.

The Trustees note that the actuarial value of the Plan’s future benefits payments to members is sensitive to changes in interest rates and inflation expectations. The Trustees have therefore invested in Liability Driven Investment (“LDI”) funds, which aim to respond in a similar way to changes in these factors and reduce the volatility of the Plan’s funding position (referred to as liability hedging).

4.4 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustees consider many risks which they anticipate could impact the financial performance of the Plan’s investments over its expected lifetime. Such risks are set out in the next section of this statement.

The Trustees recognise that environmental, social and corporate governance (“ESG”) factors, including climate change, can influence the investment risk and return outcomes of the Plan’s portfolio and it is therefore in members’ and the Plan’s best interests that these factors are taken into account within the investment process.

The Trustees further recognise that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance as omitting these risks in the investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustees would seek to invest in funds which incorporate ESG principles.

In setting their investment strategy for the Plan, the Trustees have prioritised funds which provide leveraged protection against movements in the Plan’s liability value and also funds which provide actively managed diversification across a wide range of investment markets and consider the financially significant benefits of these factors to be most important.

The Trustees note that ESG considerations are not paramount to the first level decision making process within the funds which provide either actively managed diversification or leveraged liability protection. However, in the actively managed Diversified Growth Funds in which the Plan invests, whilst managers typically do not put ESG considerations at the heart of the asset allocation decision, they will embed ESG considerations into the management of the underlying asset classes where it is appropriate to do so.

The Trustees also receive ESG scores provided by the investment adviser in relation to the funds in which the Plan is invested and will monitor how these develop over time.

The Trustees also review ESG considerations on an ongoing basis to make sure that their policy evolves in line with emerging trends and developments.

The Trustees are therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

4.5 NON-FINANCIAL CONSIDERATIONS

The Trustees have determined that the financial interests of the Plan members are their first priority when choosing investments.

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

4.6 STEWARDSHIP

The Plan is invested solely in pooled investment funds through the Mobius TIP and the Trustees therefore have no direct voting rights.

The Trustees' policy is therefore to invest with investment managers where responsible investment is embedded appropriately in their approach to investment; including monitoring and engaging with investee companies, and exercising voting rights appropriately.

Information on the investment managers' approach to responsible investment, voting and engagement with the investee companies is available at the following websites:

Nordea:

<https://www.nordeaassetmanagement.com/responsible-investment>

Columbia Threadneedle:

<https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-investment/>

M&G:

<https://www.mandg.com/who-we-are/mandg-investments/responsible-investing-at-mandg-investments>

Insight:

<https://www.insightinvestment.com/investing-responsibly/>

Mercer's quarterly reporting to the Trustees includes Mercer's ESG score for the funds in which the Plan is invested. The ESG score incorporates an assessment of engagement and voting as part of the process.

Receipt of this score on a quarterly basis enables the Trustees to monitor that these scores remain appropriate in the context of the fund mandates.

Taking all the above into consideration, the Trustees are satisfied that stewardship and responsible investment is embedded appropriately in the investment managers' approaches to investing.

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

If a new investment manager is selected, the Trustees would consider Mercer's ESG score for the new manager as part of their decision making process.

The Trustees have identified that climate change and carbon neutrality is their most important stewardship priority. The Trustees monitor the key voting activity of their investment managers on climate change and carbon neutrality as part of the production of the annual Engagement Policy Implementation Statement (EPIS).

5. RISK

Under the Pensions Act 2004, the Trustees are required to state their policy regarding the ways in which risks are to be measured and managed. These are set out below.

Solvency Risk and Mismatching Risk

- These are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
- They are managed by setting a Plan-specific strategic asset allocation with an appropriate level of risk, and by monitoring the development of the funding position on an annual basis.

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 managed by monitoring the actual deviation of returns relative to the objective and factors supporting the underlying managers' investment processes, and by appointing Mercer to monitor and if requested, advise on the replacement of the manager where concerns exist over its continued ability to deliver the investment mandate.
- It is also managed through the diversification of the Plan's assets across funds with different investment styles and by using the Mobius Platform, which enables quick and efficient replacement of managers if appropriate.

Liquidity Risk

- This is monitored according to the level of cashflows required by the Plan over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Plan's assets are invested in pooled funds which are readily realisable.

Political Risk

- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through investing in funds which give a wide degree of diversification.

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.

Sponsor Risk

- This is assessed as the level of ability and degree of willingness of the sponsor to support the continuation of the Plan and to make good any current or future deficit.
- It is managed by assessing the interaction between the Plan and the sponsor's business, as measured by a number of factors, including the credit worthiness of the sponsor and the size of the pension liability relative to the sponsor. Regular updates on employer covenant are provided to the Trustees from senior staff of the sponsor.

ESG Risk

- This is the risk that Environmental, Social or Corporate Governance concerns, including climate change, have a financially material impact on the return of the Plan's assets.
- The Trustees manage this risk by investing in well-respected investment managers where ESG principles are an established part of the investment decision making process, by regularly reviewing the investment consultant's ESG scoring of the Plan's managers, and by reviewing ESG considerations on an ongoing basis to make sure that their approach evolves in line with changing circumstances.

Credit Risk

- This is the risk that is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Plan invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.
- The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.
- The Trustee has invested the assets via the Mobius TIP. Mobius carries out due diligence checks before making a new pooled fund available, and on an ongoing basis monitors changes to the regulatory and operating environments of the underlying fund managers.
- Indirect credit risk arises in relation to underlying bond investments held in the pooled funds. This risk is mitigated by investing in funds with diversified portfolios.

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, interest rate risk and other price 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, it 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.
- The DGFs and MAC funds have a Sterling benchmark and this is their neutral position. Within these funds the management of currency risk related to overseas investments is delegated to the underlying investment managers. However by investing in a diversified investment portfolio, the impact of currency risk is mitigated.
- The LDI funds are invested in UK instruments and therefore not exposed to currency risk.

Interest Rate / Inflation Risk

- This is the risk that an investment's value will change due to a change in the level of interest rates or expected inflation. This affects debt instruments more directly than growth instruments.
- The Trustees recognise that the Plan's liabilities are exposed to a significant level of interest rate and inflation risk movement and for this reason it is desirable for the Plan's assets to be exposed to a similar level of interest rate and inflation risk and the Trustees have invested in LDI funds to manage this risk.

Other Price Risk

- This is the risk of volatility that principally arises in relation to the growth assets.

- The Trustees acknowledge that a scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets and have therefore invested the Plan's return seeking assets in DGFs and a MAC fund in order to achieve a diversified exposure to different investment markets and manage this risk.

6. MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1 INVESTMENT ADVISER

The Trustees continually assess and review the performance of their adviser in a qualitative way, and undertake a formal review annually. In doing so, the Trustees consider the objectives they set for the investment adviser, which they review on an ongoing basis and at least every three years.

6.2 INVESTMENT MANAGERS

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

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

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

6.3 PORTFOLIO TURNOVER COSTS

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

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

Given that the Plan invests in pooled funds which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Plan and are satisfied that this is appropriate.

7. ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

The Plan has Additional Voluntary Contribution (AVC) arrangements for members who historically paid AVCs to the Plan.

The Plan's AVC arrangements are with the following providers:

- Phoenix Life Limited
- Clerical Medical

Members are invested in unit-linked funds with Clerical Medical and in an insurance policy with Phoenix Life Limited.

The Trustees are satisfied that members are offered a sufficiently wide range of options in relation to their AVCs.

8. BEST PRACTICE

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

The Trustees receive investment advice which ensures that the principles contained within this guidance are applied to the Plan as far as relevant to the Plan's circumstances.

The investment adviser attends each Trustee meeting. This enables developments to be monitored, both in relation to the Plan's circumstances and in relation to evolving guidance, so that the Plan's investment approach can be revised if considered appropriate.

9. COMPLIANCE

This Statement is available to members on request and online at: <https://www.haldex.com/en/investors/corporate-governance/haldex-limited-retirement-and-death-benefit-plan/>.

A copy of the Plan's current Statement plus Appendices is also supplied to the Sponsoring Employer, the Plan's auditors and the Scheme Actuary.

This Statement, taken as a whole with the Appendices, supersedes all others.

Approved by the Trustees on 21 May 2024

APPENDIX 1: ASSET ALLOCATION BENCHMARK

The agreed asset allocation and guideline range for the Plan is set out below.

	Allocation (%)	Guideline Range (%)
Growth Assets	67	
Diversified Growth Funds (DGF)	44	+/-11.0
Multi Asset Credit (MAC)	23	+/-5.0
Stabilising Assets	33	
Liability Driven Investments (LDI) – Real*	23	-
Liability Driven Investments (LDI) – Nominal*	10	-

*No allocation guideline range in place for the LDI assets as their values vary considerably over time due to their aim being to move up and down in value to reflect changes in liability values.

The policy for rebalancing and investment / disinvestment of cashflows is set out in Appendix 2.

Appendix 3 provides information about the selection of investment managers.

APPENDIX 2: CASHFLOW AND REBALANCING POLICY

Cashflow Policy

The Trustees have put in place a suitable procedure for managing the Plan's cashflows.

The Trustees note that the Plan's LDI funds provide broadly the protection that is required against changes in yields and have therefore agreed that no cashflows should be made to or from the LDI funds at the current time.

Therefore, regular cashflows are to be dis/invested from/to the DGF and MAC assets on a pro-rata basis based on their central allocation. This approach will maintain the overall weighting of the growth assets.

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

Rebalancing Policy

There is no automatic rebalancing of the assets back to the Plan's strategic asset allocation.

The Trustees will use the regular monitoring information from Mercer to monitor against the guideline ranges.

If the assets move outside the guideline range, the Trustees will liaise with Mercer to consider whether action is required. Importantly, there is no automatic rebalancing, and there will be circumstances where it is appropriate not to undertake any rebalancing.

LDI Recapitalisation

The Trustees note that the LDI manager may require additional assets from time to time in order to support the operation of the LDI funds or may release assets from time to time. The Trustees have put in place a policy with Mobius regarding this re-capitalisation / release procedure.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

The tables below show the details of the underlying funds invested in.

Investment Funds	Benchmark	Date First Invested
Columbia Threadneedle Multi-Asset	To outperform the UK Bank of England Base Rate by at least 3.5% p.a. net of fees over a 5 to 7 year cycle.	August 2015
Nordea Diversified Return	To outperform the 3 month SONIA by at least 3.3% p.a. (net of fees) over rolling 3 year periods	August 2015
M&G Total Return Credit	To fund seeks a total return of SONIA plus 3% to 5% p.a. gross of fees over the medium term.	February 2024
Insight LDI Enhanced Selection Longer Nominal	To provide nominal returns reflecting a longer liability profile with dynamic selection between gilts and swaps on a partially-funded basis	February 2024
Insight LDI Enhanced Selection Longer Real	To provide real returns reflecting a longer liability profile with dynamic selection between gilts and swaps on a partially-funded basis	February 2024
Insight LDI Enhanced Selection Shorter Real	To provide real returns reflecting a shorter liability profile with dynamic selection between gilts and swaps on a partially-funded basis	February 2024

APPENDIX 4: RESPONSIBILITIES OF PARTIES

TRUSTEES

The Trustees' responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement 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
- Selecting appropriate investment managers, and appointing an appropriate investment platform provider
- 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 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 the review of this Statement
- Production of performance monitoring reports
- Informing the Trustees of any significant changes in the internal performance objectives and guidelines of any pooled fund used by the Plan as and when the investment adviser is made aware of them
- Advising the Trustees, at their request, on the following matters:
 - Through consultation with the Scheme Actuary, how any changes within the Plan's benefits, membership, and funding position may affect the manner in which the assets should be invested
 - How any significant changes in the underlying investment managers' organisations could affect the interests of the Plan
 - How any changes in the investment environment could present either opportunities or problems for the Plan
- Monitoring the underlying investment managers to ensure their continuing appropriateness to the mandates given
- Informing the Trustees of any significant changes or concerns in relation to the platform provider's suitability for the Plan
- Advising the Trustees on an appropriate overall cashflow and rebalancing process
- Providing advice in relation to specific cashflows and rebalancing as appropriate
- 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 responsibilities of the underlying investment managers through the Mobius TIP include:

- Informing the Platform provider of any changes in the internal performance objectives and guidelines of their funds
- Managing their funds in accordance with their stated mandates

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

PLATFORM PROVIDER

As noted in this SIP, Mobius is the investment platform provider, and Mobius's responsibilities include the following:

- Providing the Trustees, on a quarterly basis (or as frequently as required), with a statement and valuation of the assets
- Ensure contributions are invested/disinvested in accordance with instructions, and that switches are processed accordingly
- Ensure instructions are in accordance with the authorised signatory lists
- Informing the Trustees of any changes of which they are informed in the internal performance objectives and guidelines of any pooled fund used by the Plan as and when they occur

SCHEME ACTUARY

The Scheme Actuary's responsibilities include the following:

- Liaising with the investment adviser regarding the suitability of the Plan's investment strategy given the financial characteristics of the Plan
- Assessing the funding position of the Plan 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