FRED. OLSEN LIMITED PENSION FUND

STATEMENT OF INVESTMENT PRINCIPLES

JULY 2026

TABLE OF CONTENTS

1 Introduction 3

2 Investment Objectives 4

3 Investment Responsibilities 5
3.1 Trustees' Duties and Responsibilities 5
3.2 Investment Adviser Duties and Responsibilities 5
3.3 Investment Manager Duties and Responsibilities 6
3.4 Summary of Responsibilities 6

4 Investment Strategy 7
4.2 Investment Decisions 7
4.3 Types of Investments to be Held 8
4.4 Financially Material Considerations 8
4.5 Corporate Governance and Voting Policy 9
4.6 Stewardship 9

5 Risk 10

6 Monitoring of Investment Adviser and Manager 13
6.1 Investment Adviser 13
6.2 Investment Manager 13

7 Additional Voluntary Contributions (AVCs) 15

8 Code of Best Practice 16

9 Compliance 17

Appendix 1: Asset Allocation Benchmark 18

Appendix 2: Cashflow and Rebalancing Policy 19

Appendix 3: Investment Manager Information 20
Growth Assets 20
Stabilising Assets 20

Appendix 4: Responsibilities of Parties 22
Trustees 22
Investment Adviser 22
Investment Manager 22
Scheme Actuary 23
Administrator 23

1 INTRODUCTION

This Statement of Investment Principles ("the Statement") has been prepared by the Trustees of the Fred Olsen Pension Fund ("the Fund") 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 Fund and the activities undertaken by the Trustees to ensure the effective implementation of these principles.

In preparing the Statement, the Trustees have:

- obtained and considered written advice from a suitably qualified individual, employed by their Investment Adviser, Mercer Limited 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 Fund.

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 Fund 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.

The Trustees wish to ensure that they can meet their obligations to the beneficiaries both in the short and long term.

The Trustees recognise that the investment performance of the Fund's assets will not usually have a direct impact on the members' benefits.

The investments can have an indirect impact on the members' benefits if they alter the Sponsoring Employer's ability and/or willingness to continue to support the Fund.

With that in mind, the Trustees have set specific investment objectives regarding the manner in which the primary objective of meeting their obligations to the members is to be achieved:

- To achieve, over the long term, a return on the Fund's assets which is consistent with the assumptions made by the Scheme Actuary in determining the funding of the Fund.
- To ensure sufficiently liquid assets are available to meet benefit payments as they fall due.
- To consider the interest of the Sponsoring Employer in relation to the size and volatility of its contribution requirements.

The Trustees understand, following discussions with the Sponsoring Employer, that the Sponsoring Employer is willing to accept a degree of volatility in its contribution requirements in order to aim to reduce the long-term cost of providing the Fund's benefits.

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 Manager and Investment Adviser.
- The assessment and review of the performance of the Investment Manager.
- The setting and review of the investment parameters within which the Investment Manager can operate.
- The assessment of the risks assumed by the Fund at a total scheme level as well as the manager level.
- The approval and review of the asset allocation benchmark for the Fund.
- The compliance of the investment arrangements with the principles set out in the Statement.

3.2 INVESTMENT ADVISER DUTIES AND RESPONSIBILITIES

The Trustees have appointed Mercer Limited as the independent Investment Adviser to the Fund. Mercer Limited 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 Limited expects to provide advice to the Trustees include (but not limited to) the following:

- Setting of investment objectives.
- Determining investment strategy and asset allocation.
- Determining an appropriate investment structure.
- Advising on appropriate funds.
- Setting cashflow management policies (see Appendix 2).

The Trustees may seek advice from Mercer Limited with regard to both strategic and tactical investment decisions (see Section 4 - Investment Strategy); however, they recognise that they retain responsibility for all such decisions, including those that concern investments and disinvestments relating to cash flows (see Appendix 2). Mercer Limited may be proactive in advising the Trustees regarding tactical investment decisions; however, there is no responsibility placed on Mercer Limited to be proactive in all circumstances.

To supplement the reporting provided by the Investment Manager, Mercer Limited will comment on the performance of the Fund's investments against benchmarks and (where applicable) its peer group. Further, the Investment Adviser will share its current research views on the Fund's investments as well as its views on markets and the economic outlook.

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

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

The Trustees are satisfied that this is a reasonable Investment Adviser remuneration structure for the Fund.

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

3.3 INVESTMENT MANAGER DUTIES AND RESPONSIBILITIES

The assets of the Fund are invested directly with an Investment Manager as detailed in Appendix 1 and 3.

The underlying manager funds invested in by the Fund are determined by the Trustees using a written instruction to the Investment Manager.

The details of each individual manager mandate are set out in Appendix 3. In particular, the Investment Manager is responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

In the case of multi-asset mandates, the Investment Manager is responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

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 they manage on behalf of the Fund. The Trustees believe that this is a reasonable basis for remunerating the Investment Manager.

3.4 SUMMARY OF RESPONSIBILITIES

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the Fund's Administrator, in so far as they relate to the Fund'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 Fund's liability profile and their own appetite for risk, the Sponsoring Employer's appetite for risk, and the strength of the Sponsoring Employer's covenant. The Trustees have also received written advice from their Investment Adviser.

The basis of the Trustees' strategy is to invest the Fund's assets across "growth" funds comprising of assets such as property, and "matching" funds comprising of assets such as corporate bonds, gilts, index-linked gilts and cash. The basis for the amount in growth and matching assets are set with regard to the overall required return objective of the Fund's assets.

The Trustees have established a benchmark allocation to each asset class, which is set out in Appendix 1.

The Trustees recognise the benefits of diversification across growth asset classes, as well as within them, in reducing the risk that results from investing in any one particular market. Where they consider it advisable to do so, the Trustees have appointed an Investment Manager to select and manage the allocations across growth asset classes, in particular where it would not be practical (or appropriate) for the Trustees to commit the resources necessary to make these decisions themselves.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustees have decided on a structured approach to rebalance the assets in accordance with their overall strategy. This approach is set out in Appendix 2.

4.2 INVESTMENT DECISIONS

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

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 matching portfolios.
- Determining the allocation to asset classes within the growth and matching portfolios.
- Determining the Fund 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 Manager of the pooled funds in which the Fund is invested.

4.3 TYPES OF INVESTMENTS TO BE HELD

The Fund's assets are invested wholly via pooled vehicles.

The Trustees are permitted to invest across a wide range of asset classes, including but not limited to the following:

- UK and overseas equities
- UK and overseas government bonds, fixed and inflation-linked
- UK and overseas corporate bonds
- Convertible bonds
- Property
- Commodities
- Hedge Funds
- Private equity
- High yield bonds
- Emerging market debt
- Diversified growth
- Liability driven investment products
- Cash

The use of derivatives is as permitted by the guidelines that apply to the pooled funds.

4.4 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustees understand that they must aim to consider all factors that have the ability to impact the financial performance of the Fund’s investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors.

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

As noted earlier, the Fund’s assets are invested in pooled funds. The Trustees accept the fact that they have very limited ability to influence the ESG policies and practices of the companies in which their Investment Manager invest. The Trustees will therefore rely on the policies and judgement of their Investment Manager.

Whilst certain investment decisions have been delegated to the Investment Manager, the Trustees recognise that their views on the financial materiality of environmental, social, and corporate governance factors on risk and return are retained as a Trustee decision.

Mercer Limited, on behalf of the Trustees, takes ESG considerations into account when recommending a new Investment Manager for the Fund.

4.5 CORPORATE GOVERNANCE AND VOTING POLICY

The Trustees have concluded that the decision on how to exercise voting rights should be left with their Investment Manager, who will exercise these rights in accordance with their respective published corporate governance policies. These policies, which are provided to the Trustees from time to time, take into account the financial interests of shareholders and should be for the Fund's benefit.

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

4.6 STEWARDSHIP

The Trustees consider how ESG, climate change and stewardship is integrated within investment processes when monitoring the Investment Manager. When monitoring the investment manager, the Trustees consider the voting record of the manager against its significant vote criteria, which is defined as:

> A vote in relation to one of the largest ten exposures for the Fund at Fund year end, in which the investment manager has cast a vote against the recommendation of management, and that aligns with the Trustees' key priority themes of:
>
> - Climate Change: including low-carbon transition and physical damages resilience;
> - Human Rights: including modern slavery, pay & safety in the workforce and supply chains; and
> - Diversity, Equity and Inclusion: including inclusive & diverse decision-making

The Trustees acknowledge that, due to their strategic allocation to property and bond-like assets, they possess limited exposure to assets that confer voting rights and as such, reviewing the Investment Manager's voting activity may not be possible.

The policies of the Investment Manager are reviewed at least every three years and the Investment Manager is expected to provide details of engagement activity as part of their regularly reporting.

5 RISK

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

Solvency Risk and Mismatching Risk

- These are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
- These are managed by setting a scheme-specific strategic asset allocation with an appropriate level of risk.

Manager Risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the Investment Manager objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the investment process of the Investment Manager.

Liquidity Risk

- This is monitored according to the level of cashflows required by the Fund over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Fund'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.

Environmental Risk

- This is the risk that improper, or inadequate, consideration of environmental factors could lead to adverse investment performance and / or reputational damage to the Fund.
- The day to day management of environmental risk is the responsibility of the companies in which the Fund's underlying Investment Manager has invested. Given the Fund is invested in pooled funds the Trustees will rely on the Investment Manager to ensure that these companies have sufficient procedures and processes in place in order to mitigate this risk as far as is reasonably possible.

Social Risk

- This is the risk that social factors are not properly considered within the investment decision making process. Social risks can arise both within and externally to a company, e.g. internal factors could include workplace health & safety whilst external factors may include a company's impact on the area surrounding their place of business.
- The day to day management of social risk is also the responsibility of the companies in which the Fund's underlying Investment Manager invests. It is the responsibility of the Investment Manager to ensure that these companies have sufficient procedures and processes in place in order to mitigate these risks as far as is reasonably possible.

Corporate Governance Risk

- This is assessed by reviewing the Fund's Investment Manager policies regarding corporate governance.

- It is managed by delegating the exercise of voting rights to the Investment Manager, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are provided to the Trustees on an annual basis and take into account the financial interests of the shareholders, which should ultimately be to the Fund's advantage.

Sponsor Risk

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

Legislative Risk

- This is the risk that legislative changes will require action from the Trustees so as to comply with any such changes in legislation.
- The Trustees acknowledge that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Credit Risk

- This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- The Trustees acknowledge that the assessment of credit risk on individual debt instruments is delegated to the Investment Manager. The Trustees will however ensure that they are comfortable with the amount of risk that the Fund's Investment Manager takes to the extent possible.

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 Manager in line with their stated policies.
- For funds where the currency risk is separately managed by the manager, the Trustees acknowledge that currency risk is delegated to the underlying Investment Manager where they [the Investment Manager] is responsible for the decision of whether or not to hedge.

Interest Rate Risk

- This is the risk that an investment's value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.
- The Trustees acknowledge that the interest rate risk related to individual debt instruments is managed by the underlying Investment Manager through a combination of strategies, such as diversification, duration and yield curve management.

Other Price Risk

- This is the risk that principally arises in relation to the growth portfolio, which invests in property.

- The Trustees acknowledge that a scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets.

6 MONITORING OF INVESTMENT ADVISER AND MANAGER

6.1 INVESTMENT ADVISER

The Trustees will measure the performance of the Investment Adviser on an annual basis.

The Investment Adviser is remunerated on a fixed fee basis. This method is in line with market practice and will be reviewed should the need arise.

6.2 INVESTMENT MANAGER

1. **How the investment strategy and decisions of the Investment Manager are aligned with the Trustees' policies**

The Investment Manager has been appointed based on its capabilities and, therefore, the perceived likelihood of achieving the expected return and risk characteristics required for the asset class(es) it is selected to manage. To maintain alignment of the Investment Manager's investment strategy and the Trustees' policies, the Trustees undertake due diligence[1] ahead of investing.

This includes but is not limited to examination of the underlying assets held and their allocation; risks associated with the underlying mix of assets and the steps the Manager takes to mitigate them; expected return targeted by the Investment Manager and details around realisation of the investment; and impact of financial and non-financial factors, including but not limited to ESG factors and climate change, on the investment over the long term.

Should the Investment Manager make changes to the way it manages the assets, the Trustees will assess the impact against its own policies and (where no longer aligned) consider what action to take to ensure alignment.

The Trustees also look to their Investment Adviser, where appropriate, for a forward-looking assessment of the Investment Manager's ability to outperform over a full market cycle. The views of the Investment Adviser assist the Trustees in their ongoing monitoring of the Investment Manager.

When investing in a pooled investment fund, the Trustees ensure the investment objectives and guidelines of the fund are consistent with the Trustees' investment policies. The Trustees acknowledge that they have limited influence over investment practices as the Funds' assets are held in pooled funds, but they encourage the Investment Manager to improve its practices where appropriate.

2. **How the arrangements help the Investment Manager to align with the Trustees on assessments of medium to long term performance of an issuer**

The Trustees have appointed the Investment Manager with an expectation of a long-term partnership. The performance assessments focus on longer-term outcomes so the Trustees would not ordinarily expect to terminate an appointment based purely on short-term performance.

The Trustees meet with their Investment Manager on a regular basis to discuss performance and other investment-related matters (including integration of ESG factors and climate change into the investment process and voting and engagement activities). As part of this, the Trustees will challenge how the Investment Manager engages with companies and issuers and any decisions that appear out of line with the Fund's stated objectives and/or policies. The Trustees also have access to the Investment Adviser's ESG ratings in respect of the strategies in which they invest, and can use these to help review and challenge the information received from the Investment Manager, when appropriate.

The Investment Manager is aware that its ongoing appointment is based on its success in delivering the mandate for which it is appointed over the long term. Consistent periods of underperformance could lead to arrangements being altered, remuneration arrangements renegotiated and/or the appointment of the Investment Manager being terminated.

3. Evaluating Investment Manager performance

The Trustees receive regular monitoring reports on the performance of the underlying investment funds from their Investment Manager, and will request additional information and/or the views of the Investment Adviser as required, which may include consideration of long-term factors and engagement.

The reporting reviews the performance, over multiple periods, of the Fund's individual funds against their benchmarks and of the Fund's assets in aggregate against the Fund's strategic benchmark, with a focus on the long-term.

The Investment Manager is remunerated by way of a fee calculated as a percentage of assets under management, in line with common industry practice.

4. **Monitoring portfolio turnover costs**

Although the Trustees receive MiFID II reporting from the Investment Manager, they have not set ranges in respect of turnover costs for monitoring purposes. The Investment Manager confirms portfolio turnover and associated costs, for each of the underlying investment funds held, on a regular basis and this is monitored as part of the Trustees ongoing review and monitoring of the Investment Manager.

5. Duration of Investment Manager arrangements

As the Trustees are long-term investors, they do not expect to make Investment Manager changes on a frequent basis and would not ordinarily expect to terminate an appointment based purely on short term performance.

The Fund invests in open-ended vehicles and the Trustees expect to retain them unless:

- There is a strategic change to the overall strategy that no longer requires exposure to that asset class;
- The Investment Manager appointed has been reviewed and the Trustees have decided to terminate the mandate(s).

7 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

The Fund provides a facility for members to pay AVCs to enhance their benefits at retirement.

Members AVCs are invested with the following providers:

- Scottish Windows
- Aviva

The Trustees believe the providers listed above offer a broad range of funds suitable for the needs of members.

The Trustees will review the Fund's AVC providers periodically.

8 CODE OF BEST PRACTICE

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

The Trustees have received training in relation to this guidance and are satisfied that the investment approach adopted by the Fund is consistent with the guidance so far as it is appropriate to the Fund’s circumstances.

The Trustees meet with their Investment Adviser on a regular basis, monitoring developments both in relation to the Fund’s circumstances and in relation to evolving guidance, and will revise the Fund’s investment approach if considered appropriate.

9 COMPLIANCE

The Fund's Statement of Investment Principles and annual report and accounts are available to members on request.

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

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

Signed on behalf of the Trustees by	Jeremy Dowler	Belinda Mindell
On	10.9.26	10.9.26
Full Name	Jeremy Dowler	Belinda Mindell
Position	Trustee	Trustee

APPENDIX 1: ASSET ALLOCATION BENCHMARK

The Fund's strategic asset allocation benchmark is set out below:

Manager - Fund	Strategic Allocation (%)
Growth Assets	**7.0**
Schroders – UK Real Estate	7.0
Stabilising Assets	**93.0**
Schroders – Securitised Credit	3.0
Schroders - UK Corporate Bonds	2.0
Schroders – Long Dated UK Corporate Bonds	8.5
Schroders - Index-Linked Gilts	35.0
Schroders - Nominal Gilts	43.5
JP Morgan - Cash	1.0
Total	**100.0**

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

Appendix 3 provides information about the funds in which the assets are invested.

APPENDIX 2: CASHFLOW AND REBALANCING POLICY

Where possible, cash outflows will be met from cash balances held by the Fund and from income from the Fund's investments in order to minimise transaction costs.

Any cashflow investment or disinvestment requirements are to be met via investment / disinvestment from the Schroder Alternative Securitised Income ('SASI') Fund in order to minimise impact on the Fund's hedge ratios and expected return.

The Trustees will monitor the Fund's actual asset allocation at least quarterly and will decide how to proceed, when considering potential rebalancing for the Fund. This may involve redirecting cashflows, a switch of assets, or taking no action. The Trustees will take into account any advice received from the investment consultant.

Further details on the underlying funds can be found in Appendix 3.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

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

GROWTH ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	Strategic Allocation (%)
Property				
Schroders UK Real Estate Fund	MSCI/AREF UK Quarterly Property Fund Index All Balanced Fund Weighted Average	To generate long-term capital growth and deliver outperformance of the respective benchmark.	Quarterly*	7.0

Effective 18 December 2025, Schroders temporarily suspended trading in shares of the UK Real Estate Fund due to insufficient liquidity to meet redemption requests. The fund remains suspended as of the date of writing.

STABILISING ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	Strategic Allocation (%)
Schroders ISF Alternative Securitised Income Fund	50% JP CLOIE Index + 50% ICE BofA CABS Index	To provide an attractive return while focussing on capital preservation.	Daily	3.0
Schroders All Maturities UK Corporate Bond Fund	BofAML Sterling Non-Gilts UN00 (GBP)	To track the respective benchmark within tolerable tracking error limits.	Daily	2.0
Schroders Long Dated UK Corporate Bond Fund	BofAML 15+ Year Non-Gilt Index (GBP)	To track the respective benchmark within tolerable tracking error limits.	Daily	8.5
Schroders Nominal Gilt Fund	Model Custom 2018-2037 Gilt Index	To track the respective benchmark within tolerable tracking error limits.	Daily	17.0
Schroders Nominal Gilt Fund	Model Custom 2038-2057 Gilt Index	To track the respective benchmark within tolerable tracking error limits.	Daily	20.5

Manager / Fund	Benchmark	Objective	Dealing Frequency	Strategic Allocation (%)
Schroders Nominal Gilt Fund	Model Custom 2058-2077 Gilt Index	To track the respective benchmark within tolerable tracking error limits.	Daily	6.0
Schroders Index-Linked Gilt Fund	Model Custom 2028-2037 Index-Linked Gilt Index	To track the respective benchmark within tolerable tracking error limits.	Daily	23.5
Schroders Index-Linked Gilt Fund	Model Custom 2038-2047 Index-Linked Gilt Index	To track the respective benchmark within tolerable tracking error limits.	Daily	9.5
Schroders Index-Linked Gilt Fund	Model Custom 2048-2057 Index-Linked Gilt Index	To track the respective benchmark within tolerable tracking error limits.	Daily	2.0
JP Morgan Cash at custody	n/a	To generate a return consistent with the Sterling Overnight Index Average	Daily	1.0

For avoidance of doubt, this SIP will not be updated solely in response to a replacement of one of the underlying Investment Manager funds.

With the exception of cash at custody and the UK Real Estate Fund, the Trustees note that all investments of the Fund are classified as Level 2 for the purpose of SORP/IFRS classification. The cash at custody is classified as Level 1 for SORP/IFRS classification, with the UK Real Estate Fund classified as Level 3.

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.
- Appointing the Investment Manager and custodian (if required).
- Assessing the quality of the performance and processes of the Investment Manager by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser.
- Consulting with the Sponsoring Employer regarding any proposed amendments to this Statement.
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis.

INVESTMENT ADVISER

The Investment Adviser's responsibilities include the following:

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

INVESTMENT MANAGER

As noted in this statement, the Trustees have appointed an Investment Manager upon the advice of its Investment Adviser.

The responsibilities of the Investment Manager include the following:

- Informing the Trustees of any changes in the internal performance objectives and guidelines of any pooled fund used by the Fund as and when they occur.
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments.

SCHEME ACTUARY

The Scheme Actuary's responsibilities include the following:

- Liaising with the Investment Adviser regarding the suitability of the Fund's investment strategy given the financial characteristics of the Fund.
- Assessing the funding position of the Fund 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 Manager according to the Trustees' instructions.