ACCENT GROUP PENSION SCHEME
STATEMENT OF INVESTMENT PRINCIPLES

DECEMBER 2020

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1 INTRODUCTION

This Statement of Investment Principles ("the Statement") has been prepared by the Directors of Accent Group Pension Trustees Limited, the Trustee of the Accent Group Pension Scheme ("the Scheme") in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Scheme and the activities undertaken by the Trustee to ensure the effective implementation of these principles. In preparing the Statement, the Trustee has:

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

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

The Trustee 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 Trustee 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 Trustee's primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustee also aims to maximise returns at an acceptable level of risk, taking into consideration the circumstances of the Scheme.

The Trustee has also received confirmation from the Scheme Actuary during the process of revising the investment strategy that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

3 INVESTMENT RESPONSIBILITIES

3.1 TRUSTEE'S DUTIES AND RESPONSIBILITIES

The Trustee is responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The Trustee has established an Investment Sub-Committee (ISC), which includes representatives from both the Employer and Trustee.

The duties and responsibilities of the Trustee, in conjunction with the ISC 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 assessment and review of the performance of each Investment Manager
- The choice of appropriate funds with each of the Investment Managers
- The assessment of the risks assumed by the Scheme at total scheme level and manager by manager
- The approval and review of the asset allocation benchmark for the Scheme
- The compliance of the investment arrangements with the principles set out in the Statement

3.2 INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

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

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Providing advice on investment managers and pooled funds that are suitable to meet the Trustee's objectives

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

Mercer monitors the performance of the Scheme's Investment Managers against their benchmarks and will report the performance on a regular basis to the Trustee in a format agreed between the Trustee and Mercer.

Services provided by Mercer will be remunerated primarily on a fixed-fee basis.

In particular, Mercer does not receive commission or any other payments from third parties in respect of the Scheme that might affect the impartiality of their advice.

The Trustee is satisfied that this is the most appropriate adviser remuneration structure for the Scheme.

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

3.3 ARRANGEMENT WITH INVESTMENT MANAGERS

The Trustee is a long term investor and does not look to change the investment arrangements on a frequent basis.

The Trustee, after considering appropriate investment advice, has appointed professional, authorised investment managers to manage the assets of the Scheme.

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

The Trustee will only invest in pooled investment vehicles. The Trustee therefore accepts that it cannot specify the risk profile and return targets of the managers, but the pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

If a manager is significantly downgraded by Mercer's Manager Research Team, the investment adviser will advise the Trustee and the Trustee may replace that manager with a suitable alternative.

The details of each manager's mandate and the basis of the contracts between the Trustee and its investment managers are set out in Appendix 3.

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

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

All of the Investment Managers that are engaged by the Trustee are authorised and regulated by the FCA, Prudential Regulation Authority (PRA) or both.

The Investment Managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. The Trustee believes that this is the most appropriate basis for remunerating managers.

The vast majority of the underlying managers in which the Scheme's assets are invested do not have performance based fees which could encourage the manager to make short term investment decisions to hit their profit target.

The Trustee considers that this 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, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

One of the investment managers (JP Morgan) does have a performance related fee attaching, with a hurdle rate structure in place to avoid the Trustee paying additional fees during periods of long term underperformance.

The Trustee accepts that it has limited influence over the charging structure of the pooled funds in which the Scheme is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics. The Trustee is therefore satisfied that this is the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustee's 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 administrators, so far as they relate to the Scheme's investments, is set out at Appendix 4.

4 INVESTMENT STRATEGY

4.1 SETTING INVESTMENT STRATEGY

The Trustee has determined its investment strategy after considering the Scheme's liability profile and requirements of the Statutory Funding Objective, its 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 Trustee has also received written advice from its Investment Adviser.

Taking all of these factors into consideration, the Trustee has determined that the benchmark asset allocation, as set out in Appendix 1, is suitable for the Scheme.

In making this decision, the Trustee has been satisfied that this is consistent with its 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 Trustee has decided on a structured approach to rebalance the assets in accordance with the overall strategy.

4.2 INVESTMENT DECISIONS

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

Strategic Investment Decisions

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

The Trustee takes all such decisions itself. It does so after receiving written advice from their investment adviser and consulting with the Sponsoring Employer through their representative on the ISC. Examples of such decisions and of tasks relating to the implementation of these decisions include the following:

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

Tactical Investment Decisions

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

These decisions are the responsibility of the Trustee. However, where such decisions are made within a pooled fund, they are the responsibility of the Investment Manager of the fund.

Stock Selection Decisions

All such decisions are the responsibility of the Investment Managers of the pooled funds in which the Scheme is invested.

4.3 TYPES OF INVESTMENTS TO BE HELD

The Trustee is permitted to invest across a wide range of asset classes.

All the funds in which the Scheme 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 Trustee recognises 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. The Trustee has therefore decided to partly invest in 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 Trustee notes that the actuarial value of the Scheme's future benefits payments to members is sensitive to changes in long term interest rates and long term inflation expectations. The Trustee has decided to partly invest 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 Scheme's funding position. This is referred to as hedging.

4.4 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustee considers many risks which they anticipate could have an impact on the financial performance of the Scheme's investments over the Scheme's expected lifetime. Such risks are set out in the next section of this statement.

The Trustee recognises that environmental, social and corporate governance ("ESG") factors, including but not limited to climate change, can influence the investment risk and return outcomes 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.

The Trustee further recognises 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 investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustee would seek to invest in funds which incorporate ESG principles.

In setting their investment strategy, the Trustee has prioritised funds which provide leveraged protection against movements in the Scheme'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 paramount.

The Trustee notes 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 Scheme 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.

In addition, the Scheme invests in passively managed global equity funds which track a reference index. Though these funds do not explicitly consider ESG within security selection, the Trustee has selected a manager with a strong stewardship team which actively engages with companies on all ESG aspects.

The Trustee expects the importance of ESG considerations will increase over time and have therefore added this as a standing agenda item to their Investment Subcommittee meetings to make sure that their policy evolves in line with emerging trends and developments.

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

4.5 NON-FINANCIAL MATTERS

The Trustee has determined that the financial interests of the Scheme 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 Scheme.

4.6 STEWARDSHIP

The Scheme is invested solely in pooled investment funds. The Trustee's policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting rights to the pooled fund investment managers and expects the investment managers to use their discretion to act in the long term financial interests of investors.

The Trustee notes that the investment managers' corporate governance policies are available on request and on their respective websites.

If the Trustee is 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 Scheme's membership.

5 RISK

Under the Pensions Act 2004, the Trustee is required to state its 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 managers' objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process.

Liquidity Risk

- This is monitored according to the level of cash flows required by the Scheme over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Scheme's assets are invested in pooled funds with a majority being readily realisable.
- In addition, the Scheme has an agreed cash flow management policy between the Trustee and the Sponsoring Employer to help manage cash flow needs.

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.

Corporate Governance Risk

- This is assessed by reviewing the Scheme's investment managers' policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the managers, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are available to the Trustee and take into account the financial interests of the shareholders, which should ultimately be to the Scheme'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 Scheme and to make good any current or future deficit.
- It is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor. Regular updates on employer covenant are provided to the Trustee by senior staff of the sponsor.

Legislative Risk

- This is the risk that legislative changes will require action from the Trustee so as to comply with any such changes in legislation.
- The Trustee acknowledges 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 is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Scheme 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 Scheme'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.
- 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.
- This risk is managed by investing in DGFs. Within the DGFs the management of currency risk related to overseas investments is delegated to the underlying investment managers. However, the DGFs have a Sterling benchmark and by investing in a diversified investment portfolio, the impact of currency risk is mitigated.
- In addition, the Trustee also hedges 50% of their overseas equity exposure back to sterling, thereby mitigating the risk of currency movements

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 Trustee recognises that the Scheme's liabilities are exposed to a significant level of interest rate risk and for this reason it is desirable for the Scheme's assets to be exposed to a similar level of interest rate risk. The Trustee manages the Scheme's interest rate risk by considering the net risk when taking account of how the liabilities are valued.
- The Trustee has made an initial investment into an LDI fund, which provides some protection against movement in interest rates. The Trustee will consider increasing the level of LDI investment over time to reduce the level of net interest rate risk.

Other Price risk

- This is the risk of volatility that principally arises in relation to the return seeking assets.
- The Trustee acknowledges that a scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets and have therefore invested part Scheme's return seeking assets in DGFs, and also made an allocation to Infrastructure in order to achieve a diversified exposure to different investment markets and manage this risk.

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 Scheme's assets.

- The Trustee manages this risk by investing in well-respected investment managers where ESG principles are an established part of the investment decision making process and by regularly reviewing the ESG scoring of the investment consultant on the Scheme’s managers.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1 INVESTMENT ADVISER

The Trustee continually assesses and reviews the performance of their adviser in a qualitative way.

6.2 INVESTMENT MANAGERS

The Trustee receives 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, performance against 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 Trustees in conjunction with advice from their investment adviser, have the role of replacing the underlying investment managers where appropriate. They 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's Manager Research Team. This in turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.

Changes will also be made to the underlying managers if there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.

6.3. PORTFOLIO TURNOVER COSTS

The Trustee does not currently monitor portfolio turnover costs for the funds in which the Scheme is invested, although note that the performance monitoring reports which they receive are net of all charges, including such costs. Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending or borrowing of investments.

The Trustee is also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Scheme.

The Trustee is working with Mercer to determine the most appropriate way to obtain and monitor the information required in relation to the pooled funds in which the Scheme is invested.

7 CODE OF BEST PRACTICE

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

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

The Trustee meets with its investment adviser annually, whilst the ISC meets with them on a quarterly basis. This enables developments to be monitored, both in relation to the Scheme’s circumstances and in relation to evolving guidance, and will enables the Scheme’s investment approach to be revised if considered appropriate.

8 COMPLIANCE

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

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

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustee on ....

APPENDIX 1: ASSET ALLOCATION BENCHMARK

The Scheme's strategic asset allocation benchmark is set out below.

Asset Class	Strategic Allocation (%)	Rebalancing Range (%)
Growth Assets	**77.5**	
Equities	42.5	+/- 10
DGF	26	+/- 10
Infrastructure	9	N/A
Stabilising Assets	**22.5**	
Real LDI	12.5	+/- 5
Nominal LDI	5	+/- 5
Cash	5	+/- 5
Total	**100**	

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

The asset allocation and manager allocation will be subject to consideration and review against the initial strategic allocation and rebalancing ranges set out in Appendix 1 at each Investment Sub Committee meeting (held quarterly).

Any cashflow requirements (including rebalancing events on the LDI holdings) will be taken so as to bring the asset allocation closer to the central allocation (as set out in Appendix 3).

Due to the illiquid nature of the Infrastructure fund, this will not initially be used for cashflow purposes.

LDI holdings will also not be used for cashflow purposes so that they can be held solely to maintain the desired hedge in place against interest rate and inflation movements.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

The Scheme invests with the following investment managers:

- Newton Investment Management Limited (“Newton”)
- Pictet Asset Management Limited (“Pictet”)
- Legal and General Investment Management Limited (“LGIM”)
- BMO Global Asset Management (“BMO”)
- JP Morgan (“JPM”)

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

GROWTH ASSETS

Manager / Fund	Manager Benchmark	Central allocation	Objective	Dealing Frequency
Diversified Growth		**26.0%**		
Newton Real Return Fund	1 Month LIBOR	*13.0%*	To outperform 1 Month LIBOR by 4% p.a. gross of fees over 5 years	Daily
Pictet PS II-Dynamic Asset Allocation Fund	3 Month LIBOR	*13.0%*	To provide investors with an absolute positive return superior to 3 Month LIBOR	Daily
Developed Equities		**42.5%**		
LGIM UK Equity Index	FTSE All-Share Index	*13.5%*	Track the performance of the FTSE All-Share Index to within +/- 0.25% p.a. for two years out of three	Weekly
LGIM North America	FTSE World		Track the performance of the FTSE world	Weekly

Equity Index	North America Index		North America Index to within +/-0.5%p.a. for two years out of three	
LGIM Europe (ex UK) Equity Index	FTSE Developed Europe ex UK Index	*22%*	Track the performance of the FTSE Developed Europe ex UK Index to within +/-0.5% p.a. for two years out of three	Weekly
LGIM Japan Equity Index	FTSE Japan Index		Track the performance of the FTSE Japan Index to within +/-0.5% p.a. for two years out of three	Weekly
LGIM Asia Pacific (ex Japan) Equity Index	FTSE World Asia Pacific Ex Japan Index		Track the performance of the FTSE World Asia Pacific Ex Japan Index to within +/-0.75% p.a. for two years out of three	Weekly
LGIM World Emerging Markets Equity Index	FTSE Emerging Index	**7%**	Track the performance of the FTSE Emerging Index to within +/-1.5% p.a. for two years out of three	Weekly
Infrastructure		**9.0%**		
JPM Infrastructure Investments Fund	N/A	*9.0%*	Target return 8-12% p.a. net of fees Target cash yield of 5-7% p.a.	Investors are subject to a 4 year soft lock-up

STABILISING ASSETS

Manager / Fund	Manager Benchmark	Central allocation	Objective	Dealing Frequency
Liability Driven Investment		**17.5%**		
BMO Real Dynamic LDI Fund	Inflation linked cashflows for a typical pension scheme	*12.5%*	To provide hedging against a set of inflation linked cashflows resembling a typical scheme, which will mature through time.	Daily
BMO Nominal Dynamic LDI Fund	Cashflows for a typical pension scheme	*5%*	To provide hedging against a set of cashflows resembling a typical scheme, which will mature through time.	Daily
Cash		**5.0%**		
LGIM Sterling Liquidity Fund	Sterling Overnight Index Average	*5%*	To offer access to liquidity whilst providing capital stability.	Daily

APPENDIX 4: RESPONSIBILITIES OF PARTIES

TRUSTEE

The Trustee's responsibilities (with input from the ISC) 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 Managers and custodian (if required)
- 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 Trustee in reviews of this Statement of Investment Principles
- Production of performance monitoring reports
- Advising the Trustee, at its request, on the following matters:
  - Through consultation with the Scheme Actuary, how any changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested
  - How any significant changes in the Investment Managers' organisation, or that of the underlying investment managers, could affect the interests of the Scheme
  - How any changes in the investment environment could present either opportunities or problems for the Scheme
- Undertaking project work, as requested, including:
  - Reviews of asset allocation policy
  - Research into and reviews of Investment Managers
- Advising on the selection of new managers and/or custodians

INVESTMENT MANAGERS

The Investment Managers' responsibilities include the following:

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

SCHEME ACTUARY

The Scheme Actuary's responsibilities include the following:

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

ADMINISTRATOR

The Administrator's responsibilities include the following:

- Ensuring there is sufficient cash available to meet benefit payments as and when they fall due
- Paying benefits and making transfer payments
- Investing contributions not required to meet benefit payments with the Investment Manager according to the Trustee's instructions.