

The TRP UK Retirement Plan

DC Governance Statement, covering the period from 1 January to 31 December 2018

1. Introduction

Governance requirements apply to defined contribution ("DC") pension arrangements like the TRP UK Retirement Plan (the "Plan"), to help members achieve a good outcome from their pension savings. The Trustees are required to produce a yearly statement to describe how these governance requirements have been met in relation to:

- the investment options in which members can invest (this means the "default arrangement" and other funds members can select);
- the requirements for processing financial transactions;
- the charges and transaction costs borne by members;
- an illustration of the cumulative effect of these costs and charges;
- a 'value for members' assessment; and
- Trustee knowledge and understanding.

This Statement covers the period from 1 January 2018 to 31 December 2018.

2. Default arrangement

The TRP Drawdown Lifestyle Investment Programme, the default investment arrangement for the Plan (the "default arrangement") is designed for members who join the Plan and do not choose an investment option. The Trustees are responsible for investment governance, which this includes setting and monitoring the investment strategy for the default.

When deciding on the Plan's investment strategy, the Trustees recognise that most members do not take active investment decisions and instead invest in the default arrangement. After taking advice, the Trustees decided back in Q2 and Q3 2017 to make the default arrangement a lifestyle strategy targeting income drawdown at retirement, which was implemented in Q1 2018. A lifestyle strategy means that members' assets are automatically moved between different investment funds as they approach their retirement dates, such that the 'at retirement' asset allocation should be appropriate for members wishing to drawdown an income in retirement.

Details of the objectives and the Trustees' policies regarding the default arrangement can be found in a document called the 'Statement of Investment Principles' ("SIP"). The Plan's SIP covering the default arrangement is attached to this Statement.

The aims and objectives of the default arrangement, as stated in the SIP, is to provide those members who do not actively make their own investment choice with an investment strategy that aims to:

- optimise returns over the long term at an acceptable (medium) level of risk whilst a member is at least 15 years from retirement; and
- provide a gradual reduction in risk during the 15 years immediately leading up to a member drawing their Plan account. This includes an increasing allocation to cash in the period before the target retirement date to match the expectation that most members will elect to take their tax-free cash at the point of drawing their benefits.

The default arrangement was not reviewed during the period covered by this Statement. It was last reviewed over Q2 and Q3 2017, with the changes implemented at the start of 2018. The Trustees regularly monitor the performance of the default arrangement to ensure that the investment returns are consistent with the aims and objectives as stated in the SIP and that it remains appropriate for members.

The Trustees formally review both the performance of and the investment strategy for the default arrangement at least every three years or immediately following any significant change in investment policy or the Scheme's member profile.

On the strength of the above, the Trustees are satisfied that the default arrangement remains appropriate for its intended purpose.

The Trustees also offer alternative lifestyle strategies, one of which targets annuity purchase at retirement, the TRP Annuity Lifestyle Investment Programme. Following the default arrangement review in 2017, some members closest to retirement were not automatically switched to the TRP Drawdown Lifestyle Investment Programme in Q1 2018, instead they were switched to the TRP Annuity Lifestyle Investment Programme. As members did not make a choice to invest in this strategy, this is considered to be a default by the Trustees for the purpose of fulfilling legislative requirements. This strategy is designed to target annuity purchase at retirement and was last reviewed in Q2 and Q3 2017. Details of its objective are set out in the SIP.

3. Requirements for processing core financial transactions

Processing core financial transactions (such as the investment of contributions, processing transfers in and out of the Plan, fund switches and payments to members/beneficiaries) is carried out by the administrators of the Plan, Zurich Assurance Limited ("Zurich").

The Plan's administrators have confirmed to the Trustees that there are adequate internal controls to ensure that core financial transactions relating to the Plan are processed promptly and accurately.

The Plan has a service level agreement ("SLA") in place with the administrator which covers the accuracy and timeliness of all core transactions. The SLAs in place for the Plan have a specific timeframe in which to be addressed and completed and include (but are not limited to) the items in the table on the next page.

Service Type	Service Level
Individual Transfer In	Act on instruction by the end of the following business day
Investment Switches	Act on instruction by the end of the following business day
Retirements, Transfers, Short Service Refunds and Death Claims unit sales	Act on instruction to sell units within two business days
Retirements, Transfers, Short Service Refunds and Death Claims payments	Payment to follow within a further three business days
Member enquiries	5 business days for simple enquiries and up to 10 business days for more complex enquiries
Fund values and illustrations received in writing	5 business days
Calculation of tax-free cash	5 business days

Source: Zurich.

The key processes adopted by the administrator to help it meet the SLA are as follows:

- A task logging system is in place which is reviewed regularly for forthcoming workloads and tasks are allocated on a daily basis;
- A regular cash reconciliation is carried out by an SLA team;
- There is 100% checking set for all claim cases and there are levels of autonomy for payment authorisation.

The Trustees regularly monitor the administrators' performance, including the SLAs that the Trustees have in place, as follows:

- The quarterly reporting provided by the administrator provides a summary of the Plan and its members, as well as information on retirements, contributions and assets. Furthermore, it provides a detailed breakdown of all core administrative procedures, the number of cases received over the period and the percentage of procedures that were completed within the agreed SLAs.
- Reports are initially evaluated by the HR/Payroll teams at T. Rowe Price and the Trustees' administration sub-committee to verify that transactions are performed in line with the SLAs and to determine if there have been any administration errors or unreasonable delays.
- The Trustees' administration committee meets with Zurich on a quarterly basis to discuss service levels and any current issues.

- Zurich, in their quarterly governance reports throughout 2018, have highlighted that consistent underperformance over the period of review in relation to Manual Administration SLA's has stemmed from resourcing issues. This is largely as a result of a higher volume of general communication with members, and subsequent member queries, as part of Scottish Widow's acquisition of Zurich leading to resourcing shortages. The Trustees are rigorously monitoring developments and meet Zurich on a quarterly basis to discuss progress specifically against this SLA subsection. It is worth noting that no member complaints have arisen as a result of this slip in this service and the Trustees have been assured that now the acquisition has been completed, process improvements and staff levels have been reviewed to help mitigate further underperformance going forward. That said, the Trustees have requested that Zurich provide a recovery plan for service level improvements going forward. It is however worth noting that all time critical SLA's had a 100% completion rate over the calendar year 2018.
- Root cause analysis is also provided by Zurich to avoid reoccurrences.

The Plan's relationship manager at Zurich also attends regular Trustee meetings to discuss performance. To supplement this, the Trustees receive quarterly updates from their advisers on Zurich's wider service standards at a 'book level'.

In addition, the Trustees undertake an annual site visit at Zurich's offices to assess the ongoing administration quality standards, risk control measures and financial transaction procedures in place. The Trustees also review Zurich's annual AAF01/06 report on internal controls and raise any issues as appropriate.

Overall, based on the processes and quarterly information provided by the administrators as described above, the Trustees are satisfied that over the period covered by this statement:

- there have been no material administration errors in relation to processing core financial transactions; and
- all core financial transactions have been processed accurately and within a reasonable timeframe.

4. Member-borne charges and transaction costs

The Trustees are required to set out the on-going charges incurred by members in this Statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds.

The stated charges also include administration costs since members incur these costs.

The Trustees are also required to disclose the level of any transaction costs. These are incurred when the Plan's investment managers buy and sell assets within funds. These are shown as a percentage of the funds. Investment performance of the funds will be

after the impact of these transaction costs. The transaction costs stated below do not include any costs incurred when members choose to invest in and switch between funds.

The charges and transaction costs have been supplied by the Plan's platform provider, Zurich. When preparing this section of the Statement, including the illustration in 4.2, the Trustees have taken account of statutory guidance. Due to the way in which transaction costs have been calculated it is possible for figures to be negative; since transaction costs are unlikely to be negative over the long term the Trustees have shown any negative figure as zero.

4.1. Default arrangement

The default arrangement is the TRP Drawdown Lifestyle Investment Programme. The default arrangement has been set up as a lifestyle approach, which means that members' assets are automatically moved between different investment funds as they approach their retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to retirement and in which fund(s) they are invested.

For the 12 month period covered by this Statement, annual charges and transaction costs are set out in the table below.

Default arrangement charges and transaction costs

Years to retirement	TER (%)	Transaction costs (%)
15 or more years to retirement	0.40	0.03
10 years to retirement	0.38	0.02
5 years to retirement	0.36	0.02
At retirement	0.32	0.01

4.2. Self-select options

In addition to the default lifestyle, members also have the option to invest in two other lifestyles, targeting annuity purchase and cash withdrawal. The annual charges for these lifestyles during the 12 month period covered by this Statement are set out in the tables below.

TRP Annuity Lifestyle Investment Programme charges and transaction costs

Years to retirement	TER (%)	Transaction costs (%)
15 or more years to retirement	0.40	0.03
10 years to retirement	0.35	0.02
5 years to retirement	0.30	0.01
At retirement	0.24	0.01

TRP Lump Sum Lifestyle Investment Programme charges and transaction costs

Years to retirement	TER (%)	Transaction costs (%)
15 or more years to retirement	0.40	0.03
10 years to retirement	0.40	0.02
5 years to retirement	0.34	0.02
At retirement	0.27	0.02

The level of charges for each self-select fund (including those used in the default arrangement) and the transaction costs over the 12 month period covered by this Statement are set out in the following table. The underlying funds used within the default arrangement are shown in bold.

Data for the funds managed by Threadneedle and Fidelity was provided for a period shorter than a year and has therefore been annualised. BlackRock also do not provide transaction costs in the prescribed slippage cost methodology yet therefore the data is provided in compliance with MIFID II. BlackRock are working to provide this data which should be available for the next Plan year end (i.e. 31 December 2019).

Self-select fund charges and transaction costs

Manager – Fund name	TER (%)	Transaction costs(%)
T. Rowe Price Lifestyle Growth Blend	0.40	0.03
T. Rowe Price Lifestyle Fixed Income	0.22	0.00
Zurich Legal & General Diversified	0.41	0.00
Zurich BlackRock Sterling Liquidity	0.21	0.02
Zurich Baillie Gifford International	0.54	0.08
Zurich Baillie Gifford Managed	0.52	0.17
Zurich Henderson Global Sustainable Equity	1.10	*
Zurich Newton Global Equity	0.77	0.11
Zurich T. Rowe Price Focused Growth Equity	1.10	0.33
Zurich T. Rowe Price Global Growth Equity	1.10	0.29
Zurich T. Rowe Price Frontier Markets Equity	1.45	0.79
Zurich T. Rowe Price Emerging Markets Equity	1.35	0.18
Zurich Stewart Investors Global Emerging Market Leaders	1.04	0.17
Zurich Artemis UK Special Situations	0.98	0.46
Zurich Invesco High Income	1.09	0.14
Zurich UK Equity	0.62	0.09

Manager – Fund name	TER (%)	Transaction costs (%)
Zurich Threadneedle UK Smaller Companies	1.07	0.0
Zurich T. Rowe Price European Equity	0.96	0.15
Zurich JPM Continental Europe Equity	0.54	0.41
Zurich T. Rowe Price European Smaller Companies Equity	1.30	0.00
Zurich T. Rowe Price US Large Cap Equity	1.00	0.09
Zurich Threadneedle American	0.72	0.29
Zurich T. Rowe Price US Smaller Companies Equity	1.30	0.30
Zurich Stewart Investors Asia Pacific Leaders	0.98	0.08
Zurich T. Rowe Price Asian Ex-Japan Equity	1.10	0.26
Zurich T. Rowe Price Global Aggregate Bond	0.80	0.39
Zurich T. Rowe Price Global High Yield Bond	0.89	0.24
Zurich Fidelity Moneybuilder Income	0.71	0.14
Zurich UK Preference & Fixed Interest	0.43	0.05
Zurich Property	0.77	0.50
Zurich JPM Natural Resources	1.08	0.13
Zurich T. Rowe Price Global Natural Resources Equity	1.05	0.29
Zurich Passive Multi-Asset III	0.23	0.00
Zurich Aquila Corporate Bond All Stocks Index	0.22	0.00
Zurich Aquila Corporate Bond Over 15 Year Index	0.22	0.00
Zurich Aquila European Equity Index	0.22	0.00
Zurich Aquila Index-Linked Over 5 Year Gilt Index	0.21	0.00
Zurich Aquila Japanese Equity Index	0.22	0.00
Zurich Aquila Over 15 Years UK Gilt Index	0.21	0.00
Zurich Aquila Pacific Rim Equity Index	0.22	0.00
Zurich Aquila UK Equity Index	0.21	0.02
Zurich Aquila US Equity Index	0.21	0.00
Zurich Aquila World ex UK Equity Index	0.22	0.00

*There were no members invested in the Zurich Henderson Global Sustainable Equity Fund as at the end of the period of this Statement and therefore Zurich have been unable to provide transaction costs.

Due to the method of reporting transaction cost figures, market movements can offset or add to the explicit transaction costs incurred from trading. As expected, some of the actively managed funds have reported higher transaction costs than the passive funds. This will also vary depending on turnover within the funds.

Illustration of charges and disclosure costs

The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. All of the inputs have been provided by Zurich in their capacity as administrator.

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne fees (ie the TER) and an allowance for transaction costs.
- The transaction cost figures used in the illustration are those provided by the managers over the past year subject to a floor of zero (ie the illustration does not assume a negative cost over the long term).
- The illustration is shown for the default option (the TRP Drawdown Lifestyle Investment Programme) since this is the arrangement with the most members invested in it, as well as four funds from the Plan's self-select fund range. The four self-select funds shown in the illustration are:
 - the fund with the highest after costs expected return** – this is the Zurich T. Rowe Price Emerging Markets Equity Index Fund
 - the fund with the lowest after costs expected return** – this is the Zurich BlackRock Sterling Liquidity Fund
 - the fund with highest annual member borne costs** – this is the Zurich T. Rowe Price Frontier Markets Equity Fund
 - the fund with lowest annual member borne costs** – this is the Zurich Aquila Index Linked Over 5 Year Gilt Index

Projected pension pot in today's money - default option

Years	Age Now 25		Age Now 35		Age Now 45		Age Now 55		Age Now 60	
	Before costs	After costs								
1	£53,000	£52,800	£53,000	£52,800	£53,000	£52,800	£52,700	£52,500	£52,400	£52,200
3	£80,200	£79,500	£80,200	£79,500	£80,200	£79,500	£78,800	£78,000	£77,300	£76,600
5	£109,000	£107,000	£109,000	£107,000	£109,000	£107,000	£105,000	£103,000	£102,000	£100,000
10	£187,000	£182,000	£187,000	£182,000	£185,000	£180,000	£170,000	£166,000	-	-
15	£278,000	£267,000	£278,000	£267,000	£263,000	£253,000	-	-	-	-
20	£381,000	£361,000	£375,000	£356,000	£335,000	£320,000	-	-	-	-
25	£499,000	£466,000	£471,000	£442,000	-	-	-	-	-	-
30	£624,000	£576,000	£552,000	£513,000	-	-	-	-	-	-
35	£742,000	£677,000	-	-	-	-	-	-	-	-
40	£835,000	£755,000	-	-	-	-	-	-	-	-

Projected pension pot in today's money - self-select funds

Years	Lowest cost		Highest cost		Lowest return		Highest return	
	Zurich Aquila Index Linked Over 5 Year Gilt Index		Zurich T. Rowe Price Frontier Markets Equity*		Zurich BlackRock Sterling Liquidity		Zurich T. Rowe Price Emerging Markets Equity	
	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£51,200	£51,100	£53,600	£52,500	£50,900	£50,800	£53,300	£52,600
3	£73,400	£73,100	£82,500	£78,300	£72,200	£71,800	£81,400	£78,600
5	£95,000	£94,300	£113,000	£105,000	£92,700	£92,000	£111,000	£105,000
10	£146,000	£145,000	£203,000	£175,000	£140,000	£138,000	£195,000	£177,000
15	£195,000	£192,000	£312,000	£252,000	£184,000	£180,000	£294,000	£255,000
20	£241,000	£235,000	£443,000	£335,000	£223,000	£218,000	£411,000	£340,000
25	£284,000	£276,000	£604,000	£425,000	£259,000	£251,000	£549,000	£433,000
30	£325,000	£314,000	£798,000	£523,000	£291,000	£282,000	£712,000	£535,000
35	£363,000	£350,000	£1,030,000	£629,000	£321,000	£309,000	£904,000	£646,000
40	£398,000	£383,000	£1,320,000	£744,000	£348,000	£333,000	£1,130,000	£768,000

* The Zurich T. Rowe Price Frontier Markets Equity Fund has both the highest expected investment return and the highest cost. To avoid duplication, the "Highest return" fund shown above, is the Zurich T. Rowe Price Emerging Market Equity Fund, which is the fund with the second highest expected investment return.

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
- Inflation is assumed to be 2.5% each year.
- The starting pot size used is £40,000 which is the median¹ member pot size of the Plan.
- Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line within inflation to allow for prudence in the projected values.
- Total contributions are assumed to be £1,000 per month which is the (rounded) median member contribution for the Plan.
- Retirement is assumed to be at age 65.
- The projected annual returns used are as follows:
 - Default option: 2.1% above inflation for the initial years, gradually reducing to a return of 0.4% above inflation at the ending point of the lifestyle.
 - Zurich T. Rowe Price Frontier Markets Equity Fund 3.9% above inflation
 - Zurich Aquila Index Linked Over 5 Year Gilt Index 1.3% below inflation
 - Zurich BlackRock Sterling Liquidity Fund 2.0% below inflation
 - Zurich T. Rowe Price Emerging Markets Equity Index Fund 3.3% above inflation

5. Value for members assessment

The Trustees have worked with their advisors, Lane Clark & Peacock LLP, to carry out a detailed assessment of the extent to which all key elements of the Plan represent value for money over the Scheme Year ending 31 December 2018.

The Trustees note that value for members does not necessarily mean the lowest fee, and the overall quality of the service received has been taken into account in the value for members' assessment. The Trustees' assessment included a rating of the Plan for the following eight criteria.

This summary sets out the Trustees' rating and the high-level rationale behind it. The Trustees have chosen a rating ranging across poor, fair, good to very good.

1. Charges – Good - Members bear the cost of administration charges but the Trustees' investment advisers have indicated that the fees are reasonably competitive. The Trustees will look for opportunities to negotiate lower fees for members as part of the self-select fund review later in 2019.

¹ The median is the number in the middle when all numbers are lined up in size order from smallest to largest.

2. Administration – Fair – The administration services provided by Zurich (soon to be Scottish Widows) is of a fair standard. Zurich have expressed that they expect services to pick up following the Part VII transfer to Scottish Widows in Q3 2019. The Trustees have increased its engagement with Zurich to push for improved services, for example by requesting Zurich provide a recovery plan for service levels.

3. Governance – Very good – The Trustees and pensions team are very committed to the Plan, demonstrated by the dedicated level of resources.

4. Communications – Good – The Trustees issue timely and relevant information to members via, for example, the annual newsletter which sets out topical articles and information. The Trustees will be revisiting the communications strategy following the Part VII transfer to Scottish Widows.

5. a) Default investment arrangement – Very good - The Trustees have implemented a new default strategy which targets drawdown at retirement and monitors the strategy's risk and return profile to ensure it remains appropriate.

6. b) Investment range – Very good – The self-select fund range provides access to all major asset classes, many specialist options and alternative lifestyle strategies. The Trustees did not review the range in the 2018 Plan Year but will be reviewing the self-select fund range later in 2019.

7. At-retirement services – Good - Support and guidance offered to members are reasonable. The Trustees conducted a high-level review of possible at retirement services in the 2018 Plan Year and are considering this area further.

8. Plan design – Very good – The Plan design and contribution structure were updated for members joining on and after 1 January 2018. The design and structure are generous and encourage members to take advantage of the extra matching contributions.

Overall, based on this value for members' assessment, the Trustees believe that members of the Plan received good value for the Plan Year ending 31 December 2018. The Trustees will continue to monitor the Plan's ongoing charges to ensure these remain competitive.

6. Trustee knowledge and understanding

The Plan's Trustees are required to maintain appropriate levels of knowledge and understanding.

The Trustees have measures in place, including a training programme, to secure compliance with the legal and regulatory requirements regarding its knowledge and understanding including:

- Working knowledge of the trust deed and rules;
- Working knowledge of the current Statement of Investment Principles;
- Working knowledge of all documents setting out the Trustees' current policies;
- Sufficient knowledge and understanding of pensions and trust law; and

- Sufficient knowledge and understanding of the relevant principles relating to funding and investment of pension schemes. This, together with the advice available, enables the Trustees to exercise its functions and run the Plan properly and effectively.

A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it covers suitable topics for the Trustees.

During the period covered by this Statement, the Trustees have ensured their knowledge and understanding is up to date by attending the following training sessions:

- legal training provided by the Plan's legal advisors, covering General Data Protection Regulation ("GDPR") and the relevant Plan policies;
- training provided by the Plan's previous advisors' covering matters such as: DC Code of practice, member communications, DC administration requirements, State pension changes and DC market trends;
- in-house training including a presentation on embedding environmental, social and governance analysis into an investment approach; and
- training provided by the Plan's legal and investment advisors covering data protection and at retirement support.

In addition, the Trustees receive quarterly updates and training on hot topics in the DC market from their investment advisors. During 2018, these topics consisted of:

- New cost transparency regulations
- Proposed changes to the Statement of Investment Principles
- Money laundering requirements
- Brexit
- TPR guidance on cyber security principles.

Furthermore, the Trustees attend external forums and industry conferences throughout the year as appropriate, in order to enhance their knowledge of the DC market. Over the Scheme year the Trustees attended and/or participated in the following events:

- PLSA Investment Conference
- DC Strategic Summit (attended by two Trustees)
- The Chair of Trustees participated in two sessions with the Competition and Markets Authority in their review of Investment Consulting
- DC Investment Forum with particular focus on ESG (attended by two Trustees)

As well as learning, this provides an external perspective of what other Plans are doing and whether there are learnings which could be taken.

Two new Trustees were appointed towards the end of 2018. Every Trustee must complete the Pension Regulator's Trustee Toolkit within six months of becoming a

Trustee. The Trustee Toolkit is an online learning programme from the Pension Regulator aimed at trustees of occupational pension schemes and designed to help trustees meet the minimum level of knowledge and understanding required by law.

Taking into account the knowledge and experience of the Trustees with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (eg investment consultants, legal advisors), the Trustees believe they are well placed to exercise their functions as Trustees of the Plan properly.



Date: 25/7/2019

Signed by the Chair of Trustees of the TRP UK Retirement Plan

T. Rowe Price UK Retirement Plan

Statement of Investment Principles

July 2018

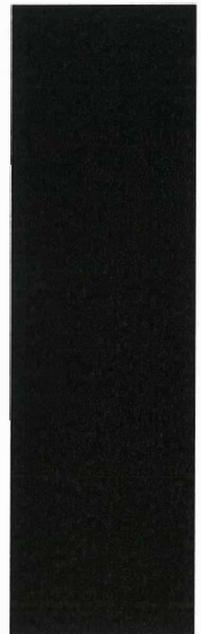
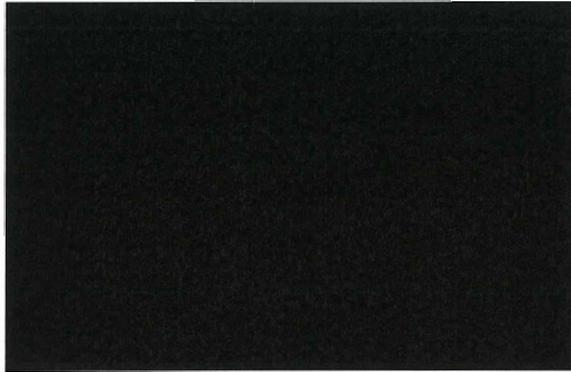


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Section 1: Introduction

Plan information

- 1.1 This document describes the investment policy pursued by the Trustees of the T. Rowe Price UK Retirement Plan (respectively, the "Trustees" and the "Plan").
- 1.2 The Plan operates for the exclusive purpose of providing Defined Contribution ("DC") retirement benefits and death benefits to eligible participants and beneficiaries.
- 1.3 The Plan is a registered pension scheme under the Finance Act 2004.
- 1.4 Zurich Assurance Limited ("Zurich") operates the Plan on a 'bundled' basis providing administration, investment and communication services.
- 1.5 Zurich is regulated under the Financial Services and Markets Act 2000 and authorised in the UK by the Financial Conduct Authority and the Prudential Regulation Authority.

Relevant legislation

- 1.6 The purpose of this Statement is to document those investment principles, guidelines and procedures which are appropriate for the Plan, in a manner consistent with the requirements of the Pensions Act 1995 ("the 1995 Act") and the Pensions Act 2004 ("the 2004 Act") and any other regulatory guidance or overriding principles that relate.
- 1.7 The Trustees of the Plan have received advice from their investment adviser (Willis Towers Watson) (the "Investment Adviser"). When preparing this Statement, the Trustees have also consulted its Sponsor, and T Rowe Price International Ltd (the "Principal Employer") and will consult the Principal Employer if revising this document in future as required by the 1995 Act. However, ultimate power and responsibility for deciding investment policy lies solely with the Trustees.
- 1.8 When choosing investments, the Trustees and the investment managers, to the extent delegated, are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 and the principles contained in this Statement.
- 1.9 In accordance with their duties under the Pensions Act 1995 and with the Financial Services and Markets Act 2000 ("FSMA"), the Trustees will set a general investment policy, but will delegate the responsibility for selection of specific investments to appointed investment managers authorised under FMSA, which may include an insurance company or companies. The investment managers shall provide the skill and expertise necessary to manage the investments of the Plan competently. With appropriate investment advice (as defined by Section 36 of Pensions Act 1995), the Trustees have chosen funds taking into account their high-level asset allocation and investment objectives. Investment choice within each fund is made by the managers subject to defined tolerances relative to their respective fund benchmarks.
- 1.10 New members are auto-enrolled into the Plan, so a default investment option is required in the event that members do not specify a preferred investment choice themselves.

Section 2: Division of responsibilities

- 2.1 The Trustees have put in place the following division of responsibilities for the efficient management of the Plan's investment arrangements.

The Trustees

- 2.2 The Trustees' core responsibilities are:
- a reviewing the content of this Statement of Investment Principles and modifying it if deemed appropriate at least every three years or without delay after any significant change in investment policy or, in relation to the default arrangement, after any significant change in the demographic profile of relevant members;
 - b monitoring and considering the appropriateness of the investment strategy (including having regard to the need for diversification of investments so far as is appropriate);
 - c monitoring investment choices made by members including fund choices, contribution rates, opt out rates and decisions made at retirement;
 - d reviewing the bi-annual performance monitoring reports from the Investment Adviser;
 - e monitoring, selecting and deselecting investment managers; and
 - f reviewing the administration and investment charges applied to members of the Plan including adherence to the charging controls for the default investment strategy.

Investment Sub-Committee (ISC)

- 2.3 An Investment Sub-Committee ("ISC") of the Trustees has been established to oversee the Trustees' core investment responsibilities in relation to the Plan (as set out above).
- 2.4 The ISC provides input and recommendations (where applicable) to the full Trustee Board. Overall decision-making power rests with the full Trustee Board.
- 2.5 The ISC's role and powers are documented in its Terms of Reference. This is reviewed periodically (at least every three years).

Investment Adviser

- 2.6 The Investment Adviser's core responsibilities are as follows:
- a making recommendations to the Trustees on:
 - I. the Statement of Investment Principles;
 - II. the DC investment strategy and range of investment funds; and

- III. the selection and deselection of investment managers;
- b supporting the Trustees in monitoring the Plan's investment arrangements including:
 - I. performance against key objectives; and
 - II. investment manager monitoring; and
- c supporting the Trustees and Zurich in implementing the Plan's investment strategy.

Zurich

2.7 Zurich's responsibilities include:

- a providing the Trustees with quarterly statements of the assets and fund factsheets;
- b ensuring the underlying funds are priced correctly;
- c provision and maintenance of the fund investment platform and review of the continued structural suitability of the underlying funds;
- d being available for meetings or discussions with the Trustees and/or their appointed advisers;
- e administration of member records; and
- f member communication materials and on-line services.

Investment managers

2.8 The underlying investment managers' responsibilities include:

- a at their discretion, but within any guidelines agreed by the Trustees for each individual fund, implementing changes to the asset mix and selecting securities within each asset class;
- b informing the Trustees and/or the provider of any planned changes in the internal performance objectives and guidelines of any pooled fund used by the Plan before they occur;
- c having the need for diversification of investments so far as appropriate and to the suitability of investments;
- d giving effect to the principles contained in this Statement as far as reasonably practicable.

Section 3: Investment objectives and policy

Objectives

- 3.1 The Trustees' general investment objectives for the Plan (including in relation to decisions about investments for the purposes of the default arrangement) are as follows:
- a to offer suitable funds and lifestyle strategies for members to have sufficient investment choice to satisfy their differing risk appetites and risk profiles;
 - b to offer an appropriate default investment option for those members who do not feel able to make decisions on how their fund should be invested;
 - c to offer a range of suitable funds for members to invest in whilst being able to mitigate the range of risks faced; and
 - d to monitor the fund choices to ensure they are consistent with the strategic objectives.
- 3.2 The Trustees are aware that members' investment needs change as they progress towards retirement age. Younger members have a greater need for real growth to attempt to ensure their investments keep pace with inflation and if possible, salary escalation. Younger members will also, all other things being equal, have a greater tolerance for volatility of returns, as they have a greater time to retirement in which markets may come back in line from any temporary low. Older members will have differing investment needs depending on how they wish to withdraw their retirement savings.
- 3.3 The Trustees are aware that different members will have different personal circumstances and different attitudes to risk. The Trustees therefore believe that members should be given freedom over the investment policy of their own pension accounts subject to reasonable practical constraints.
- 3.4 The Trustees' intention is that all members should understand the investment choices they make so that their chosen strategies are appropriate to their own circumstances.

Policy

- 3.5 The Trustees' policy is to seek to achieve its investment objectives through offering a suitable mixture of asset classes and funds. Pooled funds are made available across the main asset classes, reflecting the changing requirements of members as they progress towards retirement.
- 3.6 The Trustees make available three lifestyle investment programmes where members' investments are initially allocated to a 'Growth Blend' and are progressively switched into lower risk investments as retirement approaches. Each strategy is focussed towards a different retirement outcome – annuity purchase, lump sum withdrawal and drawdown, and reflect these target outcomes in their asset allocations at retirement.
- 3.7 As an alternative to the lifestyle strategies, members can elect to invest in a range of actively managed and passively managed funds covering the main asset classes.

- 3.8 Further details on the 'Growth Blend' and a full list of member investment options is contained in Appendix B.

Default investment strategy

- 3.9 Members of the Plan who do not make an explicit choice on how to invest their pension savings are automatically invested in the "TRP Drawdown Lifestyle Investment Programme" being the default investment strategy under the Plan.
- 3.10 The overall objective of the "TRP Drawdown Lifestyle Investment Programme" is to provide those members who do not actively make their own investment choice with an investment strategy that aims to:
- a optimise returns over the long term at an acceptable (medium) level of risk whilst a member is at least 15 years from retirement; and
 - b provide a gradual reduction in risk during the 15 years immediately leading up to a member drawing their Plan account. This includes an increasing allocation to cash in the period before the target retirement date to match the expectation that most members will elect to take their tax-free cash at the point of drawing their benefits.
- 3.11 The default strategy aims to generate a level of return that is expected to provide adequate retirement income for its target population. It also aims to manage a member's exposure to risk throughout their working life, ensuring that members are not unduly exposed to investment risk at any given point.
- 3.12 In designing both the default strategy and the other investment options under the Plan to ensure that assets are invested in the best interests of members, the Trustees in conjunction with their Investment Advisers gave in-depth consideration to the Plan's demographic profile and the retirement outcome needs and risk tolerance of the membership. Due consideration was also given to charge cap compliance.
- 3.13 The Trustees' wider investment policy and considerations as disclosed throughout this document apply equally to the design and construction of the default investment strategy.
- 3.14 Further details in relation to the default investment strategy are contained in Appendix A.

Expected level of return

- 3.15 The Trustees' policy is to make available a wide variety of funds across all the major asset classes, including equities, fixed interest, cash and multi-asset strategies. They also seek to ensure that these funds are diversified, in terms of objectives, sectors, investment styles and management approach (including active and passive options).
- 3.16 The differing characteristics of the asset classes ensures members have a broad access to market returns which are structured to cater for the evolving risks members face (as outlined in Section 4).
- 3.17 Appendix C lists each of the individual fund options and their expected level of returns by reference to their specific benchmark and objective (this information is also made available to members through the Plan's investment guide).

Section 4: Risk management

- 4.1 The Trustees recognise a number of risks involved in the investment of assets of the Plan, including:
- a **Capital risk** – the risk that the value of the investment will fall in value over any period of time. The Trustees have made available a cash fund for the purpose of managing this risk.
 - b **Inflation risk** – the risk that the contributions fail to provide an adequate amount of benefit. This could be by failing to achieve an adequate amount of return in excess of price inflation commensurate with the term of investment. The Trustees have made available a range of actively and passively managed equity funds for the purpose of managing this risk.
 - c **Manager risk** - addressed through offering manager choice and undertaking ongoing monitoring of the Managers.
 - d **Pension conversion risk** – the risk that the value of a member's account does not reflect the change in the cost of purchasing an annuity at retirement. The Trustees have made available an index-linked gilt fund (for those members wanting an annuity that increases during retirement) and a number of fixed interest bond and gilt funds as well as an annuity targeting lifestyle strategy for the purpose of managing this risk.
 - e **Currency risk** – where members invest in funds with an exposure to overseas securities, there will be an element of currency risk as these securities are converted back into Sterling. The Trustees offer a number of funds which aim to mitigate this risk through currency hedging.
 - f **Contribution shortfall risk** – the risk that members do not contribute sufficiently to the Plan and are therefore left with an inadequate pension at retirement. This is a difficult risk for the Trustees to address as all members' circumstances will be different, but where possible and appropriate, encouragement will be given to contribute adequately to the Plan.
 - g **Political risk** - the risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.
 - h **Liquidity risk** – the risk that assets are not easily realisable such that cash is not readily available to meet cash flow requirements. The Trustees have had regard to this in selecting appropriate funds.
- 4.2 The Trustees seek to offer investment funds which allow members to mitigate the above risks, however acknowledge that it is not possible to mitigate all of the risks at the same time. Therefore, members are encouraged to consider the risks that are most relevant to them and to invest so as to mitigate these risks.
- 4.3 The Trustees continue to monitor these risks on a regular basis.

Section 5: Monitoring and reviewing investments

- 5.1 The Trustees will monitor investment performance and review the nature of the Plan's investments periodically. In carrying this out, the Trustees will consider all relevant factors in determining whether this Statement and the associated risks remain appropriate.

Monitoring investment performance

- 5.2 Whilst the Trustees are not involved in each investment managers' day to day method of operation and therefore cannot directly influence attainment of the performance target, they will regularly assess performance and review appointments.
- 5.3 The Trustees have a framework in place for monitoring investment performance including key metrics and the process undertaken if a fund is underperforming. This is outlined in the 'Performance Review Process' document, which is maintained by the ISC.

Reviewing the investment options under the Plan

- 5.4 The Pensions Regulator expects trustees to regularly review their investment fund ranges and consider the demographics of the membership when doing so.
- 5.5 In light of the new pension flexibilities which became available from April 2015, and as part of the Trustees' ongoing governance of the Plan, the Trustees undertook a full review of the Plan's default investment strategy in 2017 and made a number of changes which were implemented in Q1 2018.
- 5.6 The Trustees periodically review the wider fund range and make changes where appropriate.

Investment manager monitoring

- 5.7 The continuing suitability of the Plan's investment managers will be reviewed by the Trustees at least bi-annually. The review will be based on the results of the Trustees' regular monitoring of the investment managers' performance and their compliance with the requirements of the 1995 Act concerning diversification and suitability of investments, where relevant.

Section 6: Other matters

Fee basis

- 6.1 Members bear the management charges on the funds in which they invest which cover the provision of administration and investment services. These fees are charged by an adjustment to the unit prices within the funds, calculated daily on the value that day. The Trustees believe the charging structure is appropriate and in line with standard market practice.

Corporate governance and social responsibility statement

- 6.2 The assets of the Plan are invested in pooled funds. As such, the day to day management of the Plan's assets are delegated to professional investment managers. Therefore, the exercise of the Plan's corporate governance powers, including engagement activities and voting rights, concerning the companies in which the Trustees invest is delegated to and directly carried out by the investment managers.
- 6.3 The extent to which social, environmental or ethical issues are taken into account in selecting, retaining and realising investments is currently left to the discretion of the investment managers in the exercise of their delegated duties.

Liquidity and realisation of investments

- 6.4 The investment managers have discretion over the timing of realisation of underlying investments within the funds that they manage and the liquidity of the underlying assets is considered when the Trustees decide which funds to offer to members.

Members' DC accounts are held in funds which offer frequent dealing to enable benefits to be realised on retirement, or earlier on transfer to another pension arrangement

Rights attaching to investments

- 6.5 The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers.

Compliance and review of this Statement

- 6.6 The Trustees will monitor compliance with this Statement annually.
- 6.7 The Trustees will review this Statement in response to any material changes to any aspects of the Plan, its membership profile and the attitude to risk of the Trustees, which they judge to have a bearing on the stated investment policy.
- 6.8 This review will occur no less frequently than every three years or at the time of any changes to the fund range or, in relation to the default strategy, member demographics. Any such review will be based on written expert investment advice and the Principal Employer will be consulted.

Appendix A: Lifestyle investment programmes



TRP Growth Blend
L&G Diversified



TRP Fixed income Blend
BlackRock Sterling Liquidity

Name	Objective	Chart
<p>Drawdown (default)</p>	<p>The Drawdown Lifestyle Investment Programme aims to generate capital growth over the long term through investing in a diversified portfolio comprising principally of equities that provides an appropriate balance between risk and return. In the 15 years prior to retirement, the strategy aims to reduce the volatility of the member's expected pension fund by gradually increasing asset diversification and reducing the overall risk profile. This option is predominantly designed for members looking to use their retirement account to draw their tax-free cash entitlement whilst at the same time maintaining investment growth to facilitate a transition to a drawdown arrangement, which allows members to take income as and when required.</p>	
<p>Annuity</p>	<p>The Annuity Lifestyle Investment Programme aims to generate capital growth over the long term through investing in a diversified portfolio comprising principally of equities that provides an appropriate balance between risk and return. In the 15 years prior to retirement, the strategy aims to gradually reduce the volatility of the annuity income level that can be secured by members through investing in assets (predominately in bonds and gilts) that are expected to rise and fall in value broadly in line with changes in annuity prices. This option is predominantly designed for members looking to use their retirement account to draw their tax-free cash entitlement and use the remaining balance to purchase an annuity (a pension income that provides a guaranteed level of income).</p>	

<p>Lump Sum</p>	<p>The Lump Sum Lifestyle Investment Programme aims to generate capital growth over the long term through investing in a diversified portfolio comprising principally of equities that provides an appropriate balance between risk and return. In the 15 years prior to retirement, the lifestyle aims to gradually reduce the absolute volatility of fund values by increasing investment in cash, whilst still maintaining some level of diversification. This option is predominantly designed for members looking to take their retirement account as a single cash lump sum(s), including the tax-free element.</p>	
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Appendix B: Growth and Fixed Income Blends

The TRP Growth and Fixed Income Blends are made up of a variety of underlying funds, selected by the Trustees to offer an appropriate blend of risk and return. They form a key component of the lifestyle options and also feature in the self-select range. The funds and asset allocations are tabled below.

TRP Growth Blend	Asset Allocation
BlackRock UK Equity Index Fund	20%
BlackRock Global Ex-UK Equity Index Fund	36%
Baillie Gifford International Fund	25%
TRP Global Emerging Market Fund	9%
BlackRock Corporate Bond All Stocks Index Fund	10%
Total	100%

The TRP Growth Blend:

TRP Fixed Income Blend	Asset Allocation
Zurich Aquila Over 15 Years UK Gilt Index	50%
Zurich Aquila Corporate Bond All Stock Index	50%
Total	100%

The Fixed Income Blend:

Appendix C: Self-select fund range

Asset class	Active / Passive	Fund	Objective	Benchmark	Total charge p. a.
Global equities	Active	Baillie Gifford International	To produce attractive returns, mainly through capital growth, over the long term. To invest mainly in shares of companies worldwide excluding the UK.	MSCI ACWI ex UK NR	0.540%
		Newton Global Equity	To achieve long-term growth by investing in stocks and shares quoted on major stock markets of the world, excluding the UK. The sub-fund may also invest in collective investment schemes.	MSCI World NR	0.770%
		T. Rowe Price Global Focused Growth Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a portfolio of stocks that have the potential for above average and sustainable rates of earnings growth. The companies may be anywhere in the world, including emerging markets.	MSCI ACWI NR	1.100%
		T. Rowe Price Global Growth Equity			
	Passive	Aquila World ex UK Equity Index	This fund invests in the shares of overseas companies, (Europe, Japan, Far East, US and Canadian markets) according to market capitalisation weightings. Within each of those markets, the fund aims to generate returns consistent with those of each country's primary share market. This fund aims to achieve a return in line with the FTSE All-World Developed ex-UK Index.	FTSE Developed Ex UK TR	0.215%
Global emerging markets	Active	T. Rowe Price Frontier Markets Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a diversified portfolio of stocks of frontier markets companies.	MSCI Frontier Markets NR	1.450%
		Stewart Investors Global Emerging Markets Leader	The fund aims to grow your investment. The fund invests in shares of companies in emerging markets or whose business is predominantly based in emerging markets. This includes companies that are listed on exchanges in developed markets. The fund invests in shares of large and mid sized companies in the region. These companies generally have a stock market value of at least US\$1 billion. Emerging markets typically have lower average income and standards of governance than developed markets.	MSCI EM NR	1.040%
		T. Rowe Price Emerging Markets Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a diversified portfolio of stocks of emerging market companies.	MSCI EM NR	1.350%

UK equities	Active	Artemis UK Special Situations	The investment objective of the fund is to provide long-term capital growth by exploiting special situations. The fund invests principally in UK equities and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK. The manager's investment policy may mean that at times it may be appropriate for the fund not to be fully invested but to hold cash or near cash.	FTSE AllSh TR	0.980%
		Invesco Perpetual High Income	The fund aims to achieve a high level of income, together with capital growth. The fund intends to invest primarily in companies listed in the UK, with the balance invested internationally. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions. The manager has the scope to invest outside the UK.	FTSE AllSh TR	1.090%
		Zurich UK Equity	A broad spread of UK equities are held, ranging from relatively secure, blue chip and high yielding stocks to more adventurous small companies	FTSE AllSh TR	0.621%
		Threadneedle UK Smaller Companies	The investment objective of the fund is to achieve capital growth. The investment policy is to invest primarily in equities of smaller companies in the UK.	Numis SC Ex Invnt Com TR	1.055%
	Passive	Aquila UK Equity Index	The fund invests in the shares of UK companies and aims to achieve a return that is consistent with the return of the FTSE All-Share Index. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in the UK.	FTSE AllSh TR	0.209%
Regional equities	Active	T. Rowe Price European Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a diversified portfolio of stocks of European companies	MSCI Europe NR	0.980%
		JPM Continental Europe Equity	The fund aims to achieve strong returns by investing in the shares of companies across Europe, excluding the UK.	FTSE AW Dv Europe Ex UK TR	0.570%
		T. Rowe Price European Smaller Companies Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a diversified portfolio of stocks of smaller publicly traded European companies.	MSCI Europe Small Cap GR	1.300%
		T. Rowe Price US Large Cap Value Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a diversified portfolio of stocks from large capitalization companies in the United States that are selling at discounted valuations relative to their historical average and/or the average of their industries.	Russell 1000 Value TR	1.00%

Regional equities (cont.)	Active (cont.)	Threadneedle American	The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund in equities of companies domiciled in North America or which have significant North American operations. If the Authorised Corporate Director (ACD) considers it desirable, it may further invest in other securities (including fixed-interest securities, other equities and money market securities).	S&P 500€R	0.720%
		T. Rowe Price US Smaller Companies Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a widely diversified portfolio of stocks from smaller capitalization companies in the United States.	Russell 2500 NR	1.300%
		Stewart Investors Asia Pacific Leaders	The fund aims to achieve long-term capital growth and invests in the shares of large and medium sized companies in the Asia Pacific region (excluding Japan, including Australasia).	MSCI AC Asia Pac Ex JPN NR	0.990%
		T. Rowe Price Asian Ex-Japan Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a diversified portfolio of stocks of companies in Asia (excluding Japan).	MSCI AC Asia Ex Japan NR	1.100%
	Passive	Aquila European Equity Index	This fund invests in the shares of companies in Europe and aims to achieve a return that is consistent with the return of the FTSE All World Developed Europe ex-UK Index. This index is widely regarded as the benchmark for UK pension fund investment in European company shares.	FTSE AW Dv Europe Ex UK€R	0.220%
		Aquila US Equity Index	The fund invests in the shares of US companies with the return of the FTSE All-World USA Index. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in the US.	FTSE USA TR	0.213%
		Aquila Pacific Rim Equity Index	This fund invests in the shares of Pacific Rim companies and aims to achieve a return that is consistent with the return of the FTSE All-World Developed Asia Pacific ex-Japan Index. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in the Pacific Rim.	FTSE AW Dv AP Ex JPN TR	0.220%
		Aquila Japanese Equity Index	This fund invests in the shares of Japanese companies and aims to achieve a return that is consistent with the return of the FTSE All-World Japan Index. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in Japan.	FTSE Japan TR	0.216%
Ethical	Active	Henderson Global Sustainable Equity	The fund aims to provide long-term capital growth by investing in a worldwide spread of equities, convertibles and fixed-interest stock. The fund will only invest in companies whose products and practices are considered by the Authorised Corporate Director to enhance the environment and the life of the community.	MSCI World NR	1.095%

Property	Active	Zurich Property	Invests in a spread of business properties, mainly in the UK, but also overseas, let on long term leases to good quality tenants with regular rent reviews; some properties are acquired with the intention of carrying out development. Aim to combine the prospects of good capital growth with a secure and rising rental income	IPD UK All Property TR	0.771%
Multi-asset	Active	Baillie Gifford Managed	The fund has a balanced strategy and invests in equities, fixed-interest securities and cash, either directly, or through other Baillie Gifford pooled funds. The fund aims to outperform its benchmark by 1% – 1.5% p.a. (before fees) over rolling 3-year periods.	(ABI) Mixed Investment 40%-85% Shares (Pen)	0.530%
		Legal & General Diversified	The investment objective of the fund is to provide long-term investment growth through exposure to a diversified range of asset classes.	ICE LIBOR 6 Month + 3.5%	0.410%
		TRP Growth Blend	The Growth Fund aims to provide capital and dividend growth from primarily investing in a diversified portfolio of equity-based investments and an allocation to fixed income at a tolerable risk level through the use of a series of underlying funds. The performance and volatility of the Growth Fund at the overall fund level should be consistent with the benchmarks of the underlying funds that make up the Growth Fund. The underlying funds are as follows: Baillie Gifford International CS1 – 25%, Zurich Aquila UK Equity Index CS1 – 20%, Zurich Aquila World Ex-UK Equity Index CS1 – 36%, Zurich Aquila Corporate Bond All Stocks Index CS1 – 10%, Zurich T. Rowe Price Global Emerging Market Equity CS1 – 9%.	Composite	0.398%
	Passive	Zurich Passive Multi-Asset III	The fund aims to achieve capital growth over the long term. The fund sits in a range of 5 funds labelled I,II,III,IV,V. The lowest risk, lowest expected return profile of the five funds in the suite is I and the highest risk, highest expected return profile is V.	(ABI) Mixed Investment 40%-85% Shares (Pen)	0.226%
Commodity and energy	Active	JPM Natural Resources	To invest primarily in the shares of companies throughout the world, engaged in the production and marketing of commodities. The fund aims to provide capital growth over the long term.	Euromoney Global Mining Gold & En NR	1.075%
		T. Rowe Price Global Natural Resources Equity	To increase the value of its shares, over the long term, through growth in the value of its investments. The fund invests mainly in a widely diversified portfolio of stocks of natural resources or commodities-related companies. The companies may be anywhere in the world, including emerging markets.	MSCI World Select Natural Resources Index	1.040%
Bond	Active	T. Rowe Price Global High Yield Bond	To maximise the value of its shares through both growth in the value of, and income from, its investments. The fund invests mainly in a diversified portfolio of high yield corporate bonds from issuers around the world, including emerging markets	JPM Global High Yield Index	0.890%

Bond (cont.)		T. Rowe Price Global Aggregate Bond	To maximise the value of its shares through both growth in the value of, and income from, its investments. The fund invests mainly in a diversified portfolio of bonds of all types from issuers around the world.	BBGBarc Global Aggregate TR	0.800%
		Fidelity Moneybuilder Income	The Fund's investment objective is to achieve an attractive level of income. The Fund will obtain exposure primarily to sterling-denominated (or hedged back to Sterling) fixed interest securities	ICE BofAML Euro-Sterling TR	0.710%
	Active (cont.)	Zurich UK Preference & Fixed Interest	This fund should achieve a balance between maximising investment returns and achieving capital security. The core investment holding will predominantly be in British Government securities. Other sterling fixed interest securities, including preference shares and index-linked bonds, may also be held.	FTSE Index Linked All Stocks TR	0.434%
		TRP Fixed Income Blend	The Fixed Income fund invests in an equal combination of government and investment grade corporate bonds through the use of two underlying funds. The fund's objective is to achieve a return comprising of interest income and capital appreciation with low volatility. It aims to achieve a return consistent with its underlying benchmarks. The underlying funds are as follows: Zurich Aquila Over 15 Years UK Gilt Index CS1 – 50%, Zurich Aquila Corporate Bond All Stocks Index CS1 – 50%.	Composite	0.215%
	Passive	Aquila Corporate Bond All Stocks Index	This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx £ Non-Gilts Index. This index covers the broad spectrum of investment grade corporate bonds in issue.	Markit iBoxx NonGilts TR	0.220%
		Aquila Corporate Bond Over 15 Year Index	This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx £ Non-Gilts Over 15 Years Index. This index consists of bonds with maturity periods of 15 years or longer.	Markit iBoxx NonGilts 15+ TR	0.220%
		Aquila Index-Linked Over 5 Year Gilt Index	This fund invests in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked Over 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK index-linked gilt market	FTSE Index Linked Over 5 Yr TR	0.209%
		Aquila Over 15 Years UK Gilt Index	This fund invests in UK government fixed-income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK gilt market.	FTSE Gilts Over 15 Yr TR	0.209%

Cash	Active	BlackRock Sterling Liquidity Fund	The fund aims to achieve an investment that is in line with wholesale money market short-term interest rates. Specifically, the fund will aim to better the return of Seven Day LIBID before fees.	7 Day LIBID	0.210%
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