Statement of Investment Principles

The Gifford Retirement Benefits Scheme

September 2020

Contents

1. Introduction

1.1. What is the purpose of this Statement of Investment Principles (“SIP”)?

This SIP sets out the Trustee’s policy on matters governing decisions about the investments of The Gifford Retirement Benefits Scheme (the “Scheme”).

The Scheme is a Registered Pension Scheme for the purpose of the Finance Act 2004. It has two Sections: a Defined Benefit (“DB”) Section and a Defined Contribution (“DC”) Section. It also has legacy Additional Voluntary Contribution (“AVC”) facilities.

1.2. What is the legal and statutory background to the SIP?

The SIP is designed to meet the requirements of Section 35 of the Pensions Act 1995 (the “Act”) and all subsequent legislation, Regulations and guidance from the Pensions Regulator applying to UK pension schemes.

1.3. Who has had input to the SIP?

This SIP has been formulated after obtaining and considering written professional advice from Quantum Advisory (“Quantum”), the Trustee’s investment adviser, and consulting Ramboll UK Limited (the “Sponsoring Employer”) as required by the Act and subsequently by the Regulations. Quantum has the knowledge and experience required under the Regulations to provide professional advice on the management of the Scheme’s investments.

2. DB Section objectives and strategy

2.1. Investment policy

The Scheme's assets are held in trust by the Trustee. The investment powers of the Trustee are set out in the Scheme's Trust Deed.

The Trustee is aware of the need to invest assets in the best and sole interest of the members and that the powers of investment must be exercised in a manner which supports the security, quality, liquidity and profitability of the Scheme as a whole.

The Trustee recognises that the assets of the Scheme must consist predominantly of investments admitted to trading on regulated markets and investment in assets which are not admitted to trading on such markets must, in any event, be kept to a prudent level.

2.2. Investment objective

The Trustee, with the help of its advisers and in consultation with the Sponsoring Employer, set the current investment strategy following a consideration of its objectives and other related matters in 2018.

The Trustee noted the need to invest in a manner which helps ensure that the benefits promised to members are provided. Over the long term, this requires that a rate of return is achieved which supports the long term funding plan which has been discussed with the Sponsoring Employer. In the short term, it means managing the volatility of assets relative to the value of liabilities, which have bond-like characteristics.

2.3. What risks were considered and how are they managed?

In order to achieve the objectives, the Trustee recognised the need to invest in both "liability matching" and "return seeking" assets (see 2.4). The Trustee identified the following investment risks:

- the risk that investment returns in general will not achieve expectations;
- the risk that an investment manager will not meet its targets;
- the risk that the value of liabilities may increase due to changes in actual and expected inflation and interest rates;
- the risk of mis-match between the value and timing of the Scheme's income and outgoings;
- the risk of a shortfall in the liquid assets held by the Scheme relative to its immediate liabilities;
- the risk that the performance of any single investment within the Scheme's assets may disproportionately affect the ability of the Scheme to meet its overall investment objectives;
- the risk of misappropriation, unauthorised use or mis-delivery of the Scheme's assets; and
- the risk that ESG factors, including climate change, adversely impact the value of the Scheme's assets if this is not given due consideration and/or misunderstood.

The Trustee recognises these different types of risk and seeks to minimise them as far as possible by the use of regular monitoring of investment performance; by a deliberate policy of diversification; by taking into account the timing of future payments; and by regularly reviewing the appropriateness of the prevailing strategy against the Scheme's objectives.

2.4. What is the investment strategy?

The investment strategy uses two key types of assets:

- "matching assets": which exhibit characteristics similar to those of the Scheme's liabilities. Typically, matching assets are low risk fixed income investments and the return from them is similar to the return on UK government bonds (referred to as the 'minimum risk' return);
- "return seeking assets": which target a rate of return in excess of the minimum risk return. Typically, these are equities or a diversified pool of other non-matching assets which, over the long term, might be expected to deliver 3% to 4% pa above the minimum risk return.

Following the investment strategy review in 2018, a strategic asset allocation was agreed. The strategy aims to deliver an appropriate mix of investments, which support the Scheme's investment objectives. Details of this are set out in Appendix 1.

The Trustee monitors the performance of the Scheme's investments on a quarterly basis. Written advice is received as required from its investment advisers.

It should be noted that; as part of the selection and review of investment managers for the strategy, the extent to which individual investment managers have in place appropriate policies and practices with respect to ESG has been considered. This specifically addresses **financially material considerations** (including, but not limited to, ESG (including climate change)) and **stewardship/voting policies**, and includes assessing screening practices and shareholder engagement, as well as a number of other areas. The Trustee also considers **non-financial factors**, when monitoring and selecting their investments. Further detail on these policies is provided in section 7.2.

2.5. Fund managers, style and target returns

The funds in which the Scheme invests are pooled funds, which the Trustee believes are appropriate given the size and nature of the Scheme. Details of the funds, managers, benchmarks and investment objectives used by the Scheme can be found in Appendix 1.

2.6. What is the Trustee's policy on investment in the Sponsoring Employer?

The Scheme does not directly hold any shares in the Sponsoring Employer. The Trustee's policy is to keep any holding below 5% of the Scheme's overall assets, in line with the Regulations.

2.7. Re-balancing

LGIM monitor the Scheme's asset allocation on a weekly basis. If the allocation to any of the funds is in breach of the pre-agreed tolerance ranges, LGIM will automatically re-balance the fund in question, as close as possible, to its central benchmark allocation. Appendix 1 sets out the strategic allocation for the Scheme and the tolerance ranges used by LGIM for this purpose.

2.8. Cash-flow management

The Scheme receives income from the Buy & Maintain Credit Fund on a monthly basis, which is used for cash flow purposes.

At the time of writing, the Trustee was constructing a Cashflow Driven Investment strategy to help the Scheme to meet its expected outflows over the coming years.

3. DC Section objectives and strategy

3.1 Investment policy

The Scheme's assets are held in trust by the Trustee. The investment powers of the Trustee are set out in the Scheme's Trust Deed.

The Trustee is aware of the need to invest assets in the best and sole interest of the members and that the powers of investment must be exercised in a manner which supports the security, quality, liquidity and profitability of the Scheme as a whole.

The Trustee recognises that the assets of the Scheme must consist predominantly of investments admitted to trading on regulated markets and investment in assets which are not admitted to trading on such markets must, in any event, be kept to a prudent level.

3.2 Investment objective

The primary objective of the DC Section is to provide, on a defined contribution basis, benefits for members on their retirement or benefits for their dependants on death before retirement.

3.3 Investment strategy

The Trustee sought advice from its investment adviser and consulted with the Sponsoring Employer, before setting the current investment strategy, following a consideration of their objectives and other related matters.

The Trustee uses an implementation solution to provide access to investments funds in which the assets of the DC arrangement are invested. Please see section 5 for further details on this.

Members are given the choice of investing in one or more lifestyle strategies and/or funds. The options are set out below.

- The default option targets income drawdown at retirement and the provision of a tax-free cash lump sum (if the member so chooses). The Trustee believes that this retirement outcome is appropriate based upon an assessment of the Scheme's membership.

  The default strategy invests using a life styling matrix, where assets are invested in growth funds (equity) when members are younger and are gradually switched to diversified growth funds and cash funds as members approach retirement.

  During retirement, income drawdown is offered through the Scheme using Quantum Advisory's ***adapt*** solution.

- Two alternative lifestyle strategies are offered which target the purchase of an annuity or an Uncrystallised Funds Pension Lump Sum ("UFPLS") at retirement, with the provision of a tax-free cash lump sum (if the member so chooses).

- Members can "self-select" their investments by choosing from the range of funds offered.

  At retirement, the member may purchase an annuity, start income drawdown, transfer their retirement account elsewhere, or take their account as a lump sum, or series of lump sums. If the member chooses the ***adapt*** income drawdown option, their retirement account will be invested in line with the ***adapt*** post-retirement investment strategy.

The funds underlying these strategies, and the respective lifestyle paths are detailed in Appendix 2.

The Trustee monitors the Scheme's DC investments on a quarterly basis. Written advice is received as required from its investment adviser. In addition, the range of funds to target retirement outcomes is reviewed on a periodic basis.

3.4 Choosing investments

The funds in which members invest are pooled funds, which the Trustee believes are appropriate given the size and nature of the DC Section. The managers of the pooled funds are given full discretion over the choice of individual stocks and are expected to maintain a diversified portfolio within each fund. The Trustee is satisfied that the assets held in each fund are suitable in relation to the needs of members.

As with the Scheme's DB Strategy, it should be noted that; as part of the selection and review of investment managers for the strategy, the extent to which individual investment managers have in place appropriate policies and practices with respect to ESG has been considered. This specifically addresses **financially material considerations** (including, but not limited to, ESG (including climate change)) and **stewardship/voting policies**, and includes assessing screening practices and shareholder engagement, as well as a number of other areas. The Trustee also considers **non-financial factors**, when monitoring and selecting their investments. Further detail on these policies is provided in section 7.2.

3.5 Balance between different kinds of investments

Each fund has a defined benchmark and the Trustee is satisfied that the benchmarks, in combination with other funds, are suitable for different categories of members.

3.6 Risk

The major component of risk is strategic risk which arises from the asset allocation of each individual member's portfolio. In selecting the funds made available to members, the Trustee has provided a range which can be tailored to members' individual requirements at different ages and terms to retirement.

For the lifestyle approaches, the Trustee is comfortable that the benchmark asset allocations of members' funds are appropriate to their ages and terms to retirement.

3.7 Fund managers, style and target returns

The funds in which the Scheme invests are pooled funds, which the Trustee believes are appropriate given the size and nature of the Scheme. These pooled funds are accessed through an implementation solution provider, Mobius Life Limited ("Mobius"). The Trustee's asset is a Trustee Investment Policy ("TIP") issued by Mobius and the Scheme does not hold direct investment units with the pooled fund providers.

4. AVCs – DB Section

4.1 Historic AVCs

Members have historically had the option to pay AVCs, however the AVC arrangement has now closed to future contributions. These assets are invested in line with the DC investment strategy (see section 3).

5. Implementation solution – DC Section

5.1 Implementation solutions

An implementation solution is a service that enables pension plans to buy, sell and hold their investments all in one place. This allows greater flexibility and efficiency when switching investments as the Scheme strategy changes or fund managers have to be replaced.

The centralisation of funds also allows consolidated reporting to be obtained more easily and more regularly, assisting in ensuring that an investment strategy and associated flight path can be effectively tracked and monitored. All of these features allow pension plans greater administrative efficiency, enhanced ease of strategy implementation and potential fee reductions.

5.2 Accessing the implementation solution

The DC Section of the Scheme utilises Mobius as the implementation solution provider. Mobius was appointed in November 2018.

The Scheme has entered into a unit linked life policy through a TIP. The policy's value is linked to the underlying investments, which Mobius has been directed to purchase. Mobius is responsible for investing into the underlying funds and takes responsibility for the relationship with the underlying fund managers. This includes transactions, reporting and governance. This differs from a traditional relationship that a pension plan would have had with their funds managers where they would have invested directly with these managers and maintained a number of these individual relationships.

5.3 Safeguarding and protection of Mobius assets

There are a number of regulatory layers of protection in relation to the Scheme's assets with Mobius. The key points to note are set out below.

- The Scheme's assets are held in a Pooled Life Fund, which is held separately to Mobius's shareholder and other Company assets.
- Submissions are made to the Prudential Regulation Authority and Financial Conduct Authority on a regular basis, which require the Mobius Board and an independent qualified actuary, the Actuarial Function Holder, to monitor the solvency of the Mobius business in relation to regulatory capital requirements. Mobius have appointed an independent qualified actuary to carry out this function, and any regulatory capital calculations are audited by the independent auditors.
- Mobius undertakes an annual Own Risk and Solvency Assessment (ORSA) together with the Actuarial Function Holder, as part of regulatory requirements of running an insurance company.

In Mobius's Security of Assets document, they state that Mobius is a regulated life insurance company, the Scheme has access to the Financial Services Compensation Scheme ("FSCS") in the event of Mobius becoming either insolvent or liquidated. The level of cover provided by the FSCS is currently 100% of the policy value when investing in insurance policies, with no upper limit, if Mobius defaults.

6. Appointment of investment managers

6.1. How many investment managers are there?

The Scheme's DB assets are held directly with Legal and General Investment Management ("LGIM") and the DC assets are invested with underlying investment managers which are held through the Mobius implementation solution (see section 5 for further details).

The relationship with the implementation solution and investment managers is open ended. The date of the appointment of each investment manager is noted in Appendices 1 and 2.

6.2. What formal agreements are there with the investment managers?

The Trustee selects investment managers and funds which are appropriate to implement the investment strategy.

The Trustee has signed the appropriate policy documents, agreements and application forms with the investment managers (for the DB sections of the Scheme) and Mobius (for the DC sections of the Scheme), setting out in detail the terms on which the portfolio is managed, including the need for suitable and appropriately diversified investments.

The Trustee keeps the appointment of all investment managers under review and will seek to replace any managers, or funds, which no longer remain appropriate to implement the Scheme's investment strategy.

6.3. What are the investment managers' responsibilities?

The investment managers are responsible for the day-to-day management of the investments and are responsible for appointing custodians, if required.

The managers are authorised under the Financial Services and Markets Act 2000 to carry out such activities.

The performance requirements for the managers/funds are detailed in Appendices 1 and 2.

6.4. Custodians and administrators

The Scheme's investments are accessed through life policies (DB) and the Mobius implementation solution (DC). Therefore, there is no need for the Trustee to formally appoint a custodian as the investment comprises policy units rather than the underlying stocks and shares.

LGIM have appointed HSBC and Citibank for the safe custody of assets. Custody for the DB Section's assets is held in the Scheme's name. As the DC Section's assets are held with Mobius, custody of assets held with the underlying managers are held in Mobius' name.

7. Other matters

7.1. What is the Trustee's policy on the realisation of investments?

The Scheme's assets are held in pooled funds, most of which can be realised easily if the Trustee so requires.

Under the circumstances where the DB Section of the Scheme requires additional cash (that is not covered by the existing processes), the Trustee and its advisers will decide on the amount of cash required and disinvest this in a manner that helps to re-balance the Scheme's assets to its strategic benchmark allocation.

7.2. What is the Trustee's policy on financially material considerations, stewardship policies and non-financial factors?

7.2.1 Financially material considerations

The Trustee acknowledges the potential impact upon the Scheme's investments and members arising from financially material matters. The Trustee defines these as including, but not limited to, ESG matters (including climate change).

With specific regard to ESG factors, the Trustee considers how these are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers.

LGIM, the Scheme's investment manager has signed the United Nations-supported Principles for Responsible Investment. The Trustee has provided the appointed investment manager with full discretion concerning the evaluation of ESG factors. The Trustee reviews the investment manager's policies on ESG factors periodically in the following ways:

- direct engagement with its investment manager;
- ESG reporting and advice from their investment adviser; and
- reviewing its investment manager's publicly available ESG related publications.

In doing this, the Trustee has determined that whilst LGIM (who predominantly invest in index-tracking funds and so cannot exclude, or choose, any investments in their portfolio) use their market presence to actively engage with the companies they invest in and exercise their voting rights to support their ESG policies. The Trustee expects LGIM, where relevant, to utilise its position to engage with companies on these matters.

The Trustee also considers ESG factors when determining future investment strategy decisions. To date, the Trustee has not established any restrictions on the appointed investment managers but may consider this in future.

7.2.2 Stewardship

The Trustee acknowledges the constraints that it faces in terms of influencing change due to size and nature of the Scheme's investments. It does, however, acknowledge the need to be responsible stewards and exercise the rights associated with its investments in a responsible manner.

The Trustee considers how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The Trustee has provided the appointed investment managers with full discretion concerning the stewardship of their investments.

The Trustee reviews their investment manager's policies on the exercise of voting rights and monitor their engagement practice and proxy voting activity via their annual reports.

7.2.3 Non-financial factors

The Trustee considers non-financial factors (where members have been forthcoming with their views) when selecting, retaining and realising investments, however the Trustee does not employ a formal policy in relation to this when selecting, retaining and realising investments.

7.3. How are various parties who are involved in the investment of the Scheme's assets remunerated?

Quantum is remunerated on a fixed fee or time-cost fee basis, with budgets agreed for projects where possible.

The Scheme invests in pooled funds. The Trustee notes that the investment strategy and decisions of the fund managers cannot be tailored to the Trustee's policies and the manager is not remunerated directly on this basis. However, the Trustee, with the help of Quantum, sets the investment strategy for the Scheme and select appropriate managers and funds to implement the strategy.

The Trustee does not directly incentivise the investment manager to engage with the issuers of debt or equity to improve their performance. The Trustee does, however, expect the investment managers to participate in such activities as appropriate and necessary to meet the investment objectives of the respective fund. The funds utilised typically include an objective that is expected to result in a positive return over the medium-to-longer term and, as such, the investment managers engagement with the issuers of debt or equity is expected to be undertaken so as to target medium-to-long term value creation.

The Trustee considers the fees and charges associated with each investment before investing.

The investment managers are remunerated on an ad valorem fee basis, which is calculated as a fixed percentage of the total value of the Scheme's funds they hold under management. This structure has been chosen to align the fund managers' interests with those of the Scheme.

In addition, the fund managers pay commissions to third parties on any trades they undertake in the management of the assets. The Trustee can seek to obtain an annual statement from the investment managers setting out all the costs of the investment of the Scheme.

7.4. Direct investments

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager with a written contract and those where a product is purchased directly e.g. the purchase of an insurance policy or units in a pooled vehicle. The latter are known as direct investments.

The Trustee's policy is to review its direct investments and to obtain written advice about them at regular intervals. When deciding whether to make any new direct investments or terminate any direct investments, the Trustee will obtain written advice from the Scheme's investment adviser. If the Trustee believes that an investment is no longer suitable for the Scheme, he or she will withdraw the assets from the arrangement deemed to be unsuitable and select a suitable alternative.

The written advice will consider suitability of the investments, the need for diversification and the principles contained in this SIP. The adviser will have the knowledge and experience required under Section 36(6) of the Pensions Act to provide this advice.

7.5. Does the Trustee take any investment decisions on its own?

The Trustee is responsible for the investment of the Scheme's assets. The Trustee takes some decisions itself, delegates others and seeks appropriate advice on investment matters, in line with the mandatory requirements.

When deciding which decisions to take, and which to delegate, the Trustee takes into account whether it has the appropriate training and expertise in order to make an informed decision.

The Trustee has established the following decision-making structure:

Trustee

- Set structure and processes for carrying out its role.
- Agree structure for implementing investment strategy.
- Select and monitor planned asset allocation.
- Select and monitor investment advisers and fund managers.
- Select and monitor direct investments.
- Prepare and maintain the SIP.
- Report on compliance with this Statement.

Investment adviser will, when requested by the Trustee:

- Advise on all aspects of the investment of the Scheme's assets, including implementation.
- Advise on this Statement.
- Provide required training.

Investment (or fund) managers

- Operate within the terms of the written contracts and agreements.
- Select individual investments with regard to their suitability and diversification for the individual pooled vehicles.
- Ensure the suitability of the chosen benchmark for the respective investment vehicle.

7.6. Conflicts of interest

The Trustee considers any potential and actual conflicts of interest (subject to reasonable levels of immateriality) at the start of each Trustee's meeting and document these in the minutes.

7.7. Capital structure of investee companies

The responsibility for monitoring the capital structure of investee companies (including any relevant developments) is delegated to the investment managers. Investment managers are expected to partake in a sufficient level of monitoring and action that is appropriate to the nature of the mandate.

8. Review

8.1. How often are investments reviewed?

The Trustee reviews the investment strategy for the DB section alongside triennial actuarial valuations of the Scheme, in line with the Pensions Regulator's Integrated Risk Management approach; but more frequent reviews can occur in light of a material change of circumstances, or if required by the Pensions Regulator. Any change in investment strategy may necessitate a change in investment managers, regardless of the underlying performance of the funds.

The Trustee reviews the default arrangements of the DC section at least every three years and without delay following any significant change in investment policy, or the demographic profile of relevant members. The Trustee considers the extent to which the return on the investments relating to the default arrangement (after deduction of investment charges) is consistent with the Trustee's aims and objectives for the default arrangement.

Investment return experience and the performance of both DB section and DC section funds and the DC section default arrangement are reviewed with assistance from the Scheme's investment adviser each quarter. Managers are reviewed against their agreed performance benchmarks and targets over both short-term and long-term time periods, to ensure they remain appropriate to implement the investment strategies for the DB and DC Sections of the Scheme.

The Trustee also reviews the DC section annually to assess "Value for Members".

8.2. How does the Trustee monitor portfolio turnover and costs?

The Trustee has delegated the selection of holdings to the appointed investment managers. The Trustee receives an annual report from the investment managers setting out portfolio turnover and the associated costs.

The Trustee has not set a specific portfolio turnover target for each investment manager and recognise that portfolio turnover and costs may vary with market conditions. Each manager has ultimate responsibility for the underlying holdings within their funds and they are expected to change these underlying holdings to the extent required to achieve their investment objectives.

The Trustee will compare the annual turnover and associated costs for each fund with previous years to ensure each investment manager's process and philosophy remain consistent.

The transaction charges for the DC Section are reviewed annually and reported in the Chair's Statement.

8.3. How often is this SIP reviewed?

The Trustee will review this SIP at least every three years and without delay after any significant change in investment policy. Any change to this SIP will only be made after a) having obtained and considered the written advice of someone who the Trustee reasonably believes to be qualified by their ability in, and practical experience of, financial matters, and to have the appropriate knowledge and experience of the management of pension scheme investments; and b) consulting the Sponsoring Employer.

Agreed by the Trustee of the Gifford Retirement Benefits Scheme in September 2020.

Appendix 1 – DB Section strategic asset allocation & fund details

Managers and asset allocation

The following table shows the strategic asset allocation for the DB Section of the Scheme and pre-agreed tolerance ranges.

Asset class	Manager	Fund	Asset allocation (%)	Tolerance range (+/-) (%)
Return seeking assets			**30.0**	**--**
Diversified Growth	LGIM[1]	Dynamic Diversified Fund	30.0	+/-2.00
Matching assets			**70.0**	**--**
Gilts	LGIM	Over 15 Year Gilts Index Fund	28.0	+/-2.00
Index-Linked Gilts	LGIM	Over 5 Year Index-Linked Gilts Index Fund	7.0	+/-0.75
Corporate Bonds	LGIM	Buy and Maintain Credit Fund	35.0	+/-2.25
Total			**100.0**	--

Managers and fund details

The table below shows the benchmarks and outperformance targets for each fund the Scheme is invested in. Performance is reviewed periodically, with assistance from the Scheme's investment adviser as required.

Asset class	Fund	Benchmark	Objective / Outperformance target	Annual Management Charge	Date of appointment
Return seeking assets					
Diversified Growth	LGIM Dynamic Diversified	Bank of England Base Rate	The investment objective of the fund is to provide long-term investment growth through dynamic exposure to a diversified range of asset classes. The long-term expected annualised rate of return for this fund is the Bank of England Base Rate +4.5% per annum, over a full	0.50%	April 2019
Matching assets					
Gilts	LGIM Over 15 Year Gilts Index	FTSE Actuaries UK Conventional Gilts Over 15 Years Index	The investment objective of the fund is to track the performance of the benchmark to within +/-0.25% p.a. for two years out of three.	0.10%	April 2019
Index-Linked Gilts	LGIM Over 5 Year Index-Linked Gilts Index	FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	The investment objective of the fund is to track the performance of the benchmark to within +/-0.25% p.a. for two years out of three.	0.10%	April 2019
Corporate Bonds	LGIM Buy and Maintain Credit	--	The fund aims to capture the credit risk premium within a globally diversified portfolio of predominantly investment grade credit and to preserve value over the course of the credit cycle by avoiding defaults and securities experiencing a significant deterioration in credit quality.	0.15%	April 2019

Appendix 2 – DC Section investment funds and lifestyle strategies

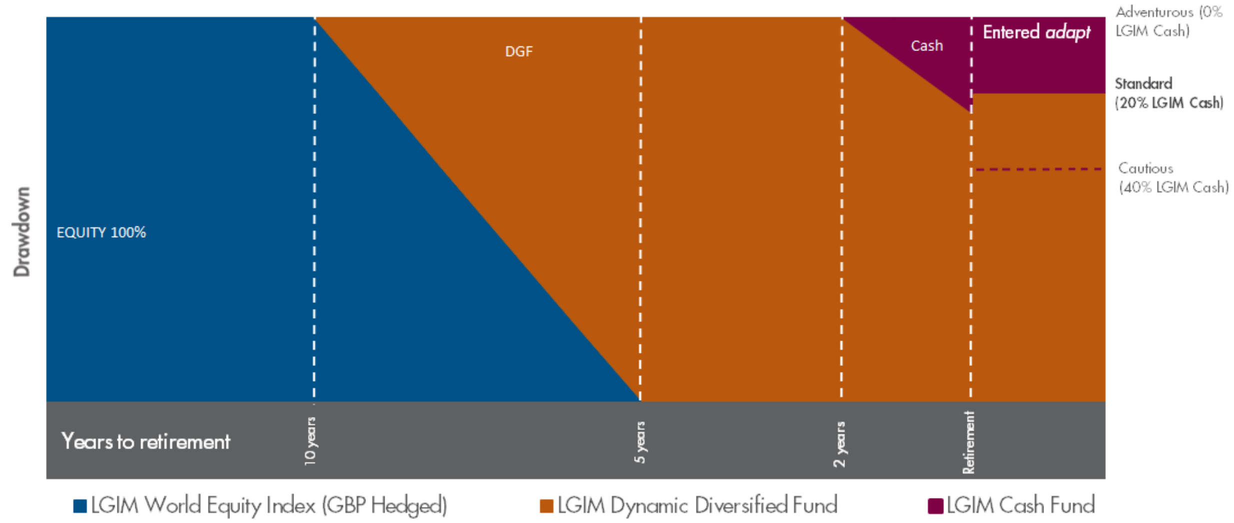
Investment funds

The table below shows the investments funds used/offered within the DC Section of the Scheme and their respective benchmarks and investment objectives. The funds shown in bold are those used within the default investment strategy.

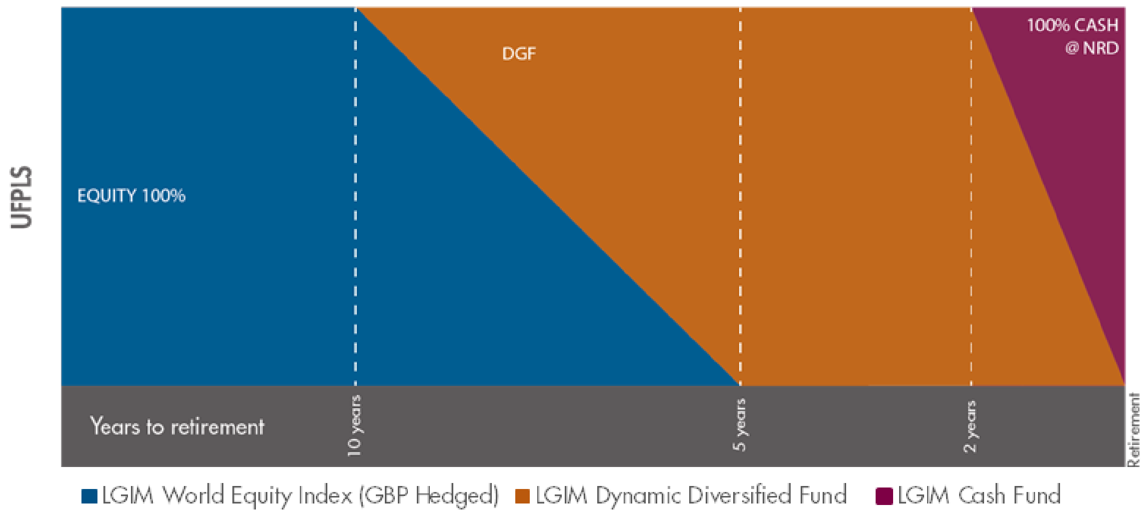
Asset class	Manager	Fund	Benchmark	Performance Target	Annual Management Charge	Date of appointment
Equity	**LGIM**	**World Equity Index – GBP Hedged**	**FTSE World Index (less withholding tax where applicable) - GBP Hedged (with the exception of advanced emerging markets), which is a customised index.**	**The investment objective of the fund is to track the performance of the benchmark to within +/-0.5% p.a. for two years out of three.**	**0.170%**	**March 2019**
Equity	LGIM	World (ex UK) Equity Index	FTSE World (ex UK) Index (less withholding tax where applicable)	The investment objective of the fund is to track the performance of the benchmark to within +/-0.5% p.a. for two years out of three.	0.175%	March 2019
Equity	LGIM	UK Equity Index	FTSE All-Share Index (less withholding tax where applicable)	The investment objective of the fund is to track the performance of the benchmark to within +/-0.25% p.a. for two years out of three.	0.090%	March 2019
Diversified Growth	**LGIM**	**Dynamic Diversified**	--	**The investment objective of the fund is to provide long-term investment growth through dynamic exposure to a diversified range of asset classes. The long-term expected annualised rate of return for this fund is the Bank of England Base Rate +4.5% per annum, over a full market cycle.**	**0.430%**	**March 2019**
Bonds	LGIM	Over 5 Years Index-Linked Gilt Index	FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	The investment objective of the fund is to track the performance of the benchmark to within +/-0.25% p.a. for two years out of three.	0.080%	March 2019
Bonds	LGIM	Pre-Retirement	Composite of gilts and corporate bond funds.	The fund aims to provide diversified exposure to assets that reflect the investments underlying a typical traditional level annuity product.	0.125%	March 2019
Bonds	LGIM	Active Corporate Bond - All Stocks	Markit iBoxx £ Non-Gilts Index	The fund aims to exceed the benchmark return by 0.75% p.a. (before fees) over a three year rolling period.	0.240%	March 2019
Cash	**LGIM**	**Cash**	**7 Day GBP LIBID**	**The fund aims to perform in line with 7 Day GBP LIBID, without incurring excessive risk.**	**0.100%**	**March 2019**

Lifestyle strategies

Default investment strategy – Income drawdown Lifestyle strategy (*adapt*)



Uncrystallised Funds Pension Lump Sum Lifestyle strategy



Annuity purchase lifestyle strategy