



Paterson Enterprises Pension Scheme

Statement of Investment Principles

September 2019

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01 Introduction

This document constitutes the Statement of Investment Principles (“the SIP”) required under Section 35 of the Pensions Act 1995¹ for the Paterson Enterprises Pension Scheme (“the Scheme”). This SIP details the matters that are required to be covered under Section 2 of the Occupational Pension Schemes (Investment) Regulations 2005 (the “Regulations”). It also has been prepared in accordance with the Government’s voluntary code of conduct for Institutional Investment in the UK (“the Myners Principles”).

The Investment Adviser is XPS Investment Limited.

The Trustee confirms that, in preparing this SIP, they have consulted with Paterson Enterprises Limited (“the Employer”) and the Scheme Actuary and have obtained and considered written advice from the Investment Adviser. The Trustee believes the Investment Adviser to be qualified by their ability and practical experience of financial matters and to have appropriate knowledge of the investment arrangements that the Scheme requires.

The Trustee is responsible for the investment of the Scheme’s assets and arrange administration of the Scheme. In order to meet the requirements of S36 of the Pensions Act (choosing investments), where they are required to make an investment decision, the Trustee obtains written advice from the Investment Adviser. They consider this to be proper advice as such term is defined Pensions Act 1995 because the Investment Adviser is authorised and regulated by the Financial Conduct Authority.

Given the size of the Scheme, the Trustee has decided the most cost effective way of investing the Scheme assets is to invest in pooled funds, rather than directly appointing an individual investment manager. Decisions about which pooled funds to invest in are made after receiving investment advice from the Investment Adviser.

In accordance with the Regulations this SIP will be reviewed at least every three years or on a significant change of investment policy. It supersedes any previous SIP and reflects the investment policy agreed by the Trustee in respect of assets covering Defined Benefit (“DB”) liabilities, Defined Contribution (“DC”) assets and Additional Voluntary Contributions (“AVCs”).

¹ As amended 30th November 2018

01.01 Declaration

The Trustee confirms that this SIP reflects the Investment Strategy they have decided to implement. The Trustee acknowledges that it is their responsibility, with guidance from the Adviser, to ensure the assets of the Scheme are invested in accordance with these Principles.

Signed *J. Shelton* Date *27.09.2019*

Name *J.L. SHELTON - TRUSTEE*

Signed on behalf of the Trustee for the Paterson Enterprises Pension Scheme

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02 **Scheme Governance**

The Trustee is responsible for the governance and investment of the Scheme's assets. The Trustee considers that the governance structure set out in this SIP is appropriate for the Scheme as it allows the Trustee to make the important decisions on investment policy having obtained appropriate advice, while delegating the day-to-day aspects to the managers of pooled funds.

The Trustee has decided not to appoint an investment committee to delegate investment matters to.

03 Investment Objectives (DB Section)

The primary investment objective of the Trustee is to seek ensure the Scheme is able to meet the benefit payments promised as they fall due from a combination of investment returns and any planed contributions.

The Trustee has set the following secondary investment objectives:

1. to ensure that they can meet the members' entitlements under the Trust Deed and Rules as they fall due;
2. to achieve a long term positive real return
3. to manage the expected volatility of the returns achieved in order to control the level of volatility in the Scheme's required contribution levels;
4. to invest in assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from members and the participating employer, the cost of current and future benefits which the Scheme provides.
5. to reduce the risk of the assets failing to meet the liabilities over the long term;
6. to minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the above objectives.

The Trustee is aware of the relationship that exists between the particular investment portfolio that is held and the level of funding of the Scheme's liabilities. The Trustee has obtained exposure to investments that they expect will meet the Scheme's objectives as best as possible.

04 Asset Allocation Strategy (DB Section)

Having considered advice from the Investment Adviser, and also having due regard for the objectives, the liabilities of the Scheme, the risks of and to the Scheme and the covenant of the Employer, the Trustee has decided upon the following strategic target asset allocation:

Table 1

The Scheme invests in a split of 67% return seeking assets and 33% matching assets

Asset class	Benchmark Allocation %
Return seeking assets (i.e. on risk assets)	67%
Matching assets (i.e. off-risk assets)	33%
Total assets	100%

The Trustee in conjunction with the Investment Adviser will regularly monitor the actual asset allocation of the Scheme's assets in each asset class against this benchmark

The pooled funds that the Trustee has selected to achieve the investment objectives are detailed in Appendix A. If any changes are required to be made to the pooled funds, the Trustee will first consult with the Investment Adviser but for the avoidance of doubt any such change will not in and of itself constitute a change of investment policy requiring a revision to this SIP.

04.01 Rebalancing Policy

The Trustee will review the allocation of assets between the pooled funds and between asset classes not less than once a year. If the allocation has moved significantly from that set out in this SIP, the Trustee will seek advice from the Investment Adviser as to whether it is appropriate to rebalance between pooled funds and how to rebalance.

04.02 Rates of Return and Fees

The benchmark and target rates of return expected together with the impact of fees and other expenses are detailed in Appendix A to this statement for each fund.

04.03 Diversification

The use of pooled funds with minimum diversification requirements is designed to ensure that the Scheme's investments are adequately diversified given the Scheme's circumstances. Diversification is further enhanced by investing in funds which invest

across multiple asset classes. The Trustees will monitor the strategy regularly to ensure that they are comfortable with the level of diversification.

04.04 Liquidity

The great majority of the assets are held in pooled funds with frequent redemption dates that are sufficiently liquid to be realised ahead of any planned or unexpected demand for cash. Furthermore the vast majority of underlying investments are traded regularly on a public exchange and accordingly there are no foreseeable circumstances in which redemption requests could not be met. Whenever the Scheme is invested in leveraged derivatives, where cash collateral may be required from time to time, the Trustee will ensure a policy is in place for such incidence.

05 Assessment of Performance (DB Section)

05.01 Investment Managers

The Trustee will monitor the performance of the investment managers of the pooled funds against the target performance of the pooled funds.

The Trustee invests in pooled funds managed by several investment managers to diversify their manager risks.

The Trustee, or the Investment Adviser on behalf of the Trustee, will regularly review the performance of the pooled funds to satisfy themselves that the funds selected are continuing to meet the investment objectives within a tolerable level of underperformance risk.

If the Trustee is not satisfied with the performance of one or more pooled funds they will ask the investment manager to justify any underperformance. If the investment manager is not able to offer a satisfactory explanation which gives comfort that the underperformance will be reversed, the Trustee will ask the Investment Adviser to advise on an alternative pooled fund that is likely to meet the investment objectives.

05.02 Advisers

The Trustee will monitor the advice given by their appointed advisers on a regular basis and will assess their performance on the basis of their ability to explain the expected return on investments, how the investments will help the Trustee meet their investment objectives and the risks that will impact on such return.

06 Risks

(DB Section)

The Trustee recognises a number of risks involved in the investment of assets of the Scheme:

- i. Interest rate risk – the risk that liabilities will increase as a result of a fall in interest rates is measured by reference to the percentage of liabilities that are interest rate hedged and addressed by holding a significant proportion of the Scheme in assets that are matching assets that will increase in value as interest rates fall and through leveraging such assets so as to enhance the level of hedging.
- ii. Inflation risk – the risk that liabilities will increase as a result of an increase in the expected rate of inflation is measured by reference to the percentage of liabilities that are inflation hedged and managed by holding pooled funds that invest in equities, that are expected to increase in value in the long term as a result of inflation and by holding index-linked gilts whose value increases as inflation expectations increase.
- iii. Diversification risk – the risk that the Scheme is exposed to a significant loss from esoteric factors relating to a single investment are measured by reference to the maximum exposure limits in each pooled fund and addressed by investing in pooled funds that have minimum diversification requirements and which invest across many asset classes.
- iv. Liquidity risk – the risk that liabilities cannot be met when due is considered too insignificant to measure and is addressed through the use of pooled funds, the majority of which have frequent redemption dates, and by ensuring the Scheme's investment is not disproportionate relative to the overall size of the pooled funds.
- v. Underperformance risk – the risk of pooled funds failing to achieve their target returns is measured by reference to how much discretion the manager of each pooled fund has relative to the benchmark and by regularly reviewing the asset allocation against the target. Underperformance risk is managed by investing in passive funds except where there is a reasonable expectation that a manager can add value and through the rebalancing policy and by investing in active funds with different approaches to investment.
- vi. Market risk – the risk of the Scheme failing to meet its investment objectives due to a general decline in markets is measured by reference to the expected volatility of return seeking assets relative to equity markets and is managed by investing across a diverse selection of return seeking assets which are expected to have uncorrelated returns.
- vii. Organisational risk – the risk of losses arising through operational mistakes or errors is measured by reference to the number of past such operational losses

and is managed by seeking to minimise the number of changes to the pooled funds.

- viii. Sponsor risk – the risk that the Employer ceases to exist or otherwise is unable to fully support the Scheme is measured by reference to the strength of the Employer covenant and is managed by ensuring the asset allocation strategy takes into account the level of sponsor risk.
- ix. Currency risk – the risk of losses through depreciation of non-sterling currencies is measured by reference to the exposure of the Scheme to pooled funds with unhedged currency risk and is managed by investing predominantly in sterling assets and only taking currency risk where it increases the level of diversification.
- x. Credit risk – the risk that a bond issuer will default on its obligations is measured by reference to the exposure of pooled funds to corporate or emerging market debt and is managed by investing in pooled funds with a diversified list of credits.
- xi. Counterparty risk – the risk that a counterparty fails whilst owing money on a derivative contract is measured by reference to the exposure to such counterparties and is managed by ensuring the Investment Manager chooses counterparties with a strong credit rating.

The Trustee recognises that it is in the nature of return seeking assets that they may underperform liability matching assets in the short term and accordingly it is possible that the funding position could worsen from one actuarial valuation to the next. The Trustee is prepared to accept this risk because over the longer term the holding of return seeking assets is expected to improve the funding position.

The Trustee will keep these risks under regular review.

07 **Investment Objectives**

(DC Section)

The Trustee seeks to provide investment options that are appropriate in assisting member to address the risks they bear. Accordingly, the Trustee has identified the following objectives in the selection of investment funds to make available as options to members:

7. to provide a default option that is likely to be suitable for a typical member of the DC Section;
8. to consider the investment objectives, expected returns, risks and other relevant characteristics of each fund that is offered;
9. to take into account members' preferences, and ensure they are offering a wide enough range of options to satisfy the reasonable return and risk combinations appropriate for most members;
10. to provide a fund or funds, the characteristics of which are such that it is reasonable for members to expect to achieve rates of return over the long term in excess of salary inflation;
11. to provide a fund or funds, the characteristics of which are such that members can expect changes in the value of their investments to be similar in direction and magnitude to changes in the prices of annuities;
12. to provide a fund or funds that offer protection of the capital value of members' investments.

08 Investment Strategy (DC Section)

The Trustee is responsible for the design of the default investment option and for choosing which funds to make available to members

The Trustee intends to meet the investment objective by providing members with an appropriate range of investment options to enable them to reasonably expect to meet their retirement aspirations, together with guidance on those options, allowing members to make informed decisions on their pension savings. This will include a range of different choices with different return and risk characteristics.

The Trustee's policy is to offer a default investment arrangement suitable for the Scheme's membership profile plus a core range of investment funds into which members can choose to invest their contributions and those contributions made by the employer. In doing so, the Trustee considers the advice of their professional advisers, who they consider to be suitably qualified and experienced for this role.

The Trustee is responsible for the design of the default investment option and for choosing which funds to make available to members, however, members are responsible for their own choice of investment options.

The funds that the Trustee has selected to achieve the investment objectives are detailed in Appendix B. If any changes are required to be made to the funds, the Trustee will first consult with the Investment Adviser but for the avoidance of doubt any such change will not in and of itself constitute a change of investment policy requiring a revision to this SIP.

08.01 Asset Allocation

The Trustee offers investment funds to members that are expected to achieve the Scheme's objectives as set out above. The funds offered are shown in Appendix B of this Statement.

The Trustee considers the merits of both active and passive management for the various elements of the portfolio and may select different approaches for different asset classes. Currently, the majority of the assets of the Scheme are passively invested with actively managed funds only being selected where a passive fund is not available or appropriate.

DC Section members can choose to invest in any of the funds detailed in Appendix B or can elect to invest in the default lifestyle strategy. Where members do not choose where their contributions, and those made on their behalf by the employer, are invested, the Trustee will invest these contributions according to the default investment strategy set out in Appendix B.

The Trustee is aware that the appropriate balance between different kinds of investments will vary over time and therefore the asset allocation of the DC Section may change as the membership profile evolves.

09 Risks

(DC Section)

For a DC Scheme, the members bear the investment risk. The Trustee has identified the following risks that members are subject to or risks that may affect the ability of member to meet their pension expectations:

- i. Inflation risk - The Trustee will offer funds that are expected to offer long term real returns to limit the risk that the value of a member's investment, and therefore, prospective pension, is eroded by inflation over the long term.
- ii. Conversion risk - The risk that fluctuations in the assets held, particularly in the period before retirement savings are accessed, lead to uncertainty over the benefit amount likely to be received. In the lifestyle arrangement made available to members (see Appendix B), the proportion of assets that more closely match how the Trustee expects members to access their retirement savings increases as they approach retirement. This lifestyle approach moves the assets into those which move more in line with the cost of purchasing an annuity and taking a cash tax-free lump sum.
- iii. Capital depreciation risk - A fall in the value of assets held to meet a member's expectation for a tax-free lump sum at retirement can be mitigated by holding cash in the period prior to retirement. The Trustee's lifestyle strategy involves increasing investment in cash as members approach their anticipated retirement age.
- iv. Loss of investment - The risk of loss of investment by each fund manager and custodian is assessed by the Trustee.
- v. Early retirement risk - The Trustee believes that the current lifestyle strategy under which assets in individual member accounts are invested increasingly in bonds over the period prior to normal retirement age makes appropriate allowance for the risk of unplanned early retirement.
- vi. Concentration risk - The Trustee has taken investment advice when setting the investment strategy for the Scheme and has decided to invest in pooled funds. The Trustee believes that these arrangements ensure that the assets held in individual members' accounts will be sufficiently diverse that the risk of failure of any individual investment will not significantly impact the level of pension.
- vii. Liquidity risk - The Scheme offers members funds that can easily be converted into cash at short notice should this be required.
- viii. Currency risk - The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management. The majority of the funds the Trustee has chosen are sterling denominated.

10 Other Issues

The Trustee has considered their approach to ESG factors and believes there are financially material considerations relating to such issues.

10.01 Statutory Funding Requirement

The Trustee will obtain and consider proper advice on the question of whether the investments are satisfactory having regard to both the investment objectives and the requirement to meet statutory funding requirements. The funding position is reviewed periodically by the Scheme Actuary, with a full actuarial valuation every three years.

The Trustee will consider with their appointed advisers whether the results of these actuarial valuations suggest that any change to investment strategy is necessary to ensure continued compliance with the statutory funding requirement.

10.02 Additional Voluntary Contribution (“AVC”) Arrangements

Some members of the Scheme obtain further benefits by paying AVCs to the Scheme. The liabilities in respect of these AVCs are equal to the value of the investments bought by the contributions. Details of the AVC providers and fund options are included in Appendix A to this statement.

The Trustee reviews the choice of investments available to members periodically to ensure that they remain appropriate to members’ needs.

10.03 Environmental, Social and Governance (ESG)

The Trustee has considered their approach to environmental, social and corporate governance (“ESG”) factors for the long term time horizon of the Scheme and believes there can be financially material risks relating to them. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme’s investment managers. The Trustee requires the Scheme’s investment managers to take ESG and climate change risks into consideration within their decision-making in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustee will seek advice from the Investment Adviser on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustee, with the assistance of the Investment Adviser, will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee’s requirements as set out in this Statement.

The Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the investment managers and

encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

When considering the selection, retention or realisation of investments, the Trustee has a fiduciary responsibility to act in the best interests of the beneficiaries of the Scheme, although they have neither sought nor taken into account the beneficiaries' views on risks including (but not limited to) ethical, social and environmental issues.

10.04 Voting rights

The Trustee will seek advice from the Investment Adviser on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustee, with the assistance of the Investment Adviser, will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this Statement.

The Trustee accepts that the decision on how to exercise voting rights should be left with the investment managers of the pooled funds who will exercise these rights in accordance with their respective published corporate governance policies.

The Trustee will seek to invest in pooled funds where the investment managers have signed up to the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholders and agents where practicable and consistent with the investment objectives.

10.05 Self-investment

The Scheme holds shares in the Employer. The value of these shares is regularly reviewed to ensure that it does not breach any legislative limits and the Trustee will take steps to alter this should they discover this to be more than 5% of the portfolio. Typically this check is carried out annually by the Scheme's auditors.

Appendix A: (DB Section) Investment Implementation Policy

This Investment Implementation Policy sets out both the Trustee's current investment strategy, and how the Trustee intends to implement the Statement of Investment Principles (the "attached Statement").

This Investment Policy has been established in order to provide asset allocation and investment guidelines against which the assets of the Scheme can be measured. It also provides additional information on the investments made by the Scheme. The details are laid out below:

Long Term Asset Allocation Strategy

The Trustee has agreed to target the following long term asset allocation strategy:

Table 2

Asset Class	Asset allocation (%)
Return Seeking Assets	67%
Matching Assets	33%
Total	100%

Investment Management Arrangements

The Trustees employ three investment managers to manage the assets of the Scheme:

- Baillie Gifford & Co Limited ("Baillie Gifford")

The Scheme invests in the Baillie Gifford Multi Asset Growth Fund and the Diversified Growth Fund. The Multi Asset Growth and Diversified Growth Funds invest in a range of asset classes to diversify risk. The Multi Asset Growth Fund's benchmark is the Bank of England Base Rate, which it seeks to outperform by 3.5% per annum (net of fees), over a 5 year rolling period. The Diversified Growth Fund aims to outperform the UK Base Rate by 3.5% per annum (net of fees) over 5 year rolling period.

- Aberdeen Standard Investments ("Aberdeen Standard")

The Scheme invests in the Aberdeen Standard Liability Aware Absolute Return III Nominal Profile Fund and Real Profile Fund ("ILPS"). These funds aim to achieve a level of protection against inflation and interest changes through matching liabilities. These funds also aim to provide a growth element within the fund which has a target to outperform the 6 month LIBOR rate by 5% over 3 year rolling periods (gross of fees).

- Fidelity Investment Services (UK) Limited ("Fidelity")

The Scheme invests in the Fidelity Global Special Situations Fund. This fund invests in a range of global equity with a target to outperform the MSCI AC World benchmark by 4% per annum across rolling 5 year periods (gross of fees).

- Tilney Investment Management Services Limited ("Tilney")

The Scheme also has a residual holding with Tilney which will be disinvested from over the coming years. Due to the illiquid nature of these assets, the Trustees will sell portions of this holding as and when available. Based on the size of the holding and the planned disinvestments over the coming years, the Tilney Private Equity Funds have not been included in the strategy below.

The tables below show the long term strategic allocation for each asset class within the Matching portfolio and Return Seeking portfolio respectively:

Table 3: Matching Assets

Investment Manager	Fund name	Benchmark	Portfolio Benchmark Weight
Aberdeen Standard	Liability aware Absolute Return III Nominal Profile Fund	Matching Target: Composite Liability Benchmark Growth Target: 6 month LIBOR +5% pa	33%
	Liability aware Absolute Return III Real Fund	Matching Target: Composite Liability Benchmark Growth Target: 6 month LIBOR +5% pa	
	Total		33%

Table 4: Return Seeking Assets

Investment Manager	Fund name	Benchmark	Portfolio Benchmark Weight
Baillie Gifford	Multi Asset Growth Fund	UK Base Rate + 3.5% pa (net of fees)	34%
	Diversified Growth Fund	UK Bank Base Rate + 3.5% pa (net of fees)	
Fidelity	Global Special Situations Fund	MSCI AC World + 4% pa	33%
Total			67%

Cash balances

A working balance of cash is held for imminent payment of benefits, expenses etc. Under normal circumstances it is not the Trustees' intention to hold a significant cash balance and this is carefully monitored by the Scheme's administrator.

Re-balancing arrangements

In order to ensure the assets are re-balanced in line with the Asset Allocation Strategy, the Trustee will review the allocation of assets on a regular basis, following which appropriate corrective action is taken. There is currently no automatic rebalancing arrangement between the portfolio of return seeking portfolio and matching portfolio.

Fee structure for advisers

The Trustee's investment advisers charge an annual retainer fee to cover regular advice (e.g. quarterly monitoring reports and attendance at two Trustees meetings per year). For other, less frequent projects (e.g. investment strategy reviews and manager selection exercises), the Trustee will endeavour to agree a project budget. These arrangements recognise the bespoke nature of the advice given and that no investment decisions have been delegated to the adviser.

Fee structure for managers

The investment managers are remunerated as an Annual Management Charge ("AMC") in keeping with market practice plus any additional charges.

Details of the fees charged by the investment managers are set out in the table 5 below:

Realisation of investments

The Scheme's cashflow requirements are expected to be met by the Employer's contributions, however where this is insufficient the Trustee may disinvest some of its investments. As per new investments, this is usually to move the overall asset allocation in line with the asset allocation described above

Table 5: Management Fees

Investment Manager	Fund	AMC (% p.a.)	Additional Charges (% p.a.)	Ongoing Charges Figure (AMC + additional charge) (% p.a.)
Aberdeen Standard	Liability aware Absolute Return III Nominal Profile Fund	0.70	0.10	0.80
	Liability aware Absolute Return III Real Fund	0.70	0.10	0.80
Baillie Gifford	Multi Asset Growth Fund	0.50	0.10	0.60
	Diversified Growth Fund	0.65	0.13	0.78
Fidelity	Global Special Situations Fund	0.73	0.18	0.91

*There is also an additional 0.5% management fee applied to the small holding within Tilney Private Equity Funds.

Additional Voluntary Contributions (“AVCs”)

AVCs are currently invested with Legal and General Investment Management. These arrangements are reviewed from time to time by the Trustees to ensure that the investment performance achieved is acceptable, and the investment profile of the funds remains consistent with the objective of the Trustees and needs of the members.

Appendix B: (DC Section) Investment Strategy

The Investment Strategy set out below details the current arrangements within the DC section of the Scheme. It describes default arrangement set by the Trustees and the choice of funds in which members can invest their contributions.

Default arrangement

The Trustee has determined that the lifestyle strategy is the DC Section's default investment strategy. The default strategy which comprises of a number of funds, will gradually transition from a growth portfolio, which targets long-term capital growth, to a less risky and more conservative approach as members approach retirement.

This strategy:

- Invests in the Global Equity 50:50 Index Fund up to 10 years from retirement;
- Switches gradually to the Over 5 year Index Linked Fund and the Cash Fund as members approach their retirement age

The default investment strategy has been designed for members looking to take the maximum tax free cash at retirement (i.e. 25%) and use the balance of their fund to purchase an annuity. The Trustee regularly reviews the Scheme's default investment arrangements, their performance, and the extent to which they have achieved their aims and objectives.

A full review assessing the appropriateness of the default arrangement was last undertaken in October 2014.

Other arrangements

Individual members may elect to follow their own investment strategy by investing in a range of funds. The Trustee has made the following funds available to members:

Table 1: DC Funds

Investment Manager	Fund	Objective	Ongoing Charges Figure (OCF)
LGIM	Global Equity Fixed Weights (50:50) Index	Provide diversified exposure to the UK (50%) and overseas (50%) equity markets by investing in index tracking funds	0.20%
	UK Equity Index	Provide a combination of income and growth by tracking the	0.15%

	performance of the FTSE All-Share Index	
Ethical UK Equity Index	Track the performance of the FTSE4Good UK Equity Index within +/- 0.5% pa	0.25%
North America Equity Index GBP Hedged	Track the performance of the FTSE North America Index within +/-0.5% pa	0.20%
Europe (ex UK) Equity Index	Track the performance of the European equity market, excluding the UK, as represented by the MSCI Europe Ex. UK Index	0.20%
Japan Equity Index	Track the performance of the FTSE Japan Index within +/-0.5% pa	0.20%
Asia Pacific (ex Japan) Equity Index	track the performance of the Asia Pacific ex.Japan equity markets as represented by the MSCI Pacific ex. Japan Index	0.25%
Global Emerging Markets Equity Index	track the performance of the S&P/IFCI Composite Global Emerging Markets Index within +/-1.5% pa	0.33%
AAA-AA Fixed Interest Over 15 Year Target Duration	Produce a total return in line with the performance of a subset of the FTSE Actuaries UK Conventional Gilts Over 15 Years Index	0.25%
Over 5 Year Index-Linked Gilts	track the performance of the FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index to within +/-0.25% p.a	0.20%
Overseas Bond Index	track the performance of the J.P. Morgan Global Government (ex-UK) Traded Bond Index to within +/-0.5% p.a	0.20%
Cash Fund	The fund aims to perform in line with 7 Day GBP LIBID	0.20%



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