# Fine Tubes Limited
# Retirement Benefits Scheme

## Statement of Investment Principles

Date: September 2020

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# 1. Introduction

1.1. This is the Statement of Investment Principles prepared by the Trustees of the Fine Tubes Limited Retirement Benefits Scheme (the "Scheme"). This statement sets down the principles which govern the decisions about investments that enable the Scheme to meet the requirements of:

- the Pensions Act 1995, as amended by the Pensions Act 2004; and
- the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010, the Occupational Pension Schemes (Investment) (Amendment) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

1.2. In preparing this statement the Trustees have consulted Fine Tubes Limited, the Principal Employer, and obtained advice from Barnett Waddingham LLP, the Trustees' investment consultants. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority.

1.3. This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates), and Scheme Funding legislation.

1.4. The Trustees will review this statement at least every three years or if there is a significant change in any of the areas covered by the statement.

1.5. The investment powers of the Trustees are set out in Clause 3.4 of the Definitive Trust Deed & Rules, dated 19 February 2010. This statement is consistent with those powers.

# 2. Choosing investments

2.1. The Trustees' policy is to set the overall investment target and then monitor the performance of their managers against that target. In doing so, the Trustees consider the advice of their professional advisers, who they consider to be suitably qualified and experienced for this role.

2.2. The day-to-day management of the Scheme's assets is delegated to one or more investment managers. The Scheme's investment managers are detailed in Appendix 1. The investment managers are authorised and regulated by the Financial Conduct Authority, and are responsible for stock selection and the exercise of voting rights.

2.3. The Trustees review the appropriateness of the Scheme's investment strategy on an ongoing basis. This review includes consideration of the continued competence of the investment managers with respect to performance within any guidelines set. The Trustees will also consult the employer before amending the investment strategy.

# 3. Investment objectives

3.1. The Trustees have discussed key investment objectives in light of an analysis of the Scheme's liability profile as well as the constraints the Trustees face in achieving these objectives. As a result, the Trustees' main investment objectives are:

- to ensure that the Scheme can meet the members' entitlements under the Trust Deed and Rules as they fall due; and,
- to manage the expected volatility of the returns achieved in order to control the level of volatility in the Scheme's required contribution levels.

3.2. The Trustees are 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 Trustees have obtained exposure to investments that they expect will meet the Scheme's objectives as best as possible.

# 4. Kinds of investments to be held

4.1. The Scheme is permitted to invest in a wide range of assets including equities, bonds, cash, property and alternatives.

4.2. The Scheme invests in Liability Driven Investment ("LDI") funds via an assurance contract. The objective of these funds is that their value moves closely in line with the value of the Scheme's liabilities. Their use of derivatives allows the Scheme to more accurately match the interest rate and inflation sensitivity of the liabilities than would be possible otherwise, reducing the overall level of investment risk taken. Any investment in derivative instruments is only made to contribute to a reduction in the overall level of risks in the portfolio and/or for the purposes of efficient portfolio management.

4.3. The Trustees monitor from time-to-time the employer-related investment content of their portfolio as a whole and will take steps to alter this should they discover this to be more than 5% of the portfolio.

# 5. The balance between different kinds of investments

5.1. The Scheme invests in assets that are expected to achieve the Scheme's objectives. The allocation between different asset classes is contained in Appendix 1.

5.2. The Trustees consider the merits of both active and passive management for the various elements of the portfolio and may select different approaches for different asset classes. The current arrangements are set out in Appendix 1.

5.3. From time to time the Scheme may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate any short-term cashflow requirements or any other unexpected items.

5.4. The Trustees are aware that the appropriate balance between different kinds of investments will vary over time and therefore the Scheme's asset allocation will be expected to change as the Scheme's liability profile matures.

# 6. Risks

6.1. The Trustees have considered the following risks for the Scheme with regard to its investment policy and the Scheme's liabilities, and considered ways of managing/monitoring these risks:

| | |
|---|---|
| Risk versus the liabilities | The Trustees will monitor and review the investment strategy with respect to the liabilities in conjunction with each actuarial valuation. The investment strategy will be set with consideration to the appropriate level of risk required for the funding strategy as set out in the Scheme's Statement of Funding Principles. |
| Covenant risk | The creditworthiness of the employer and the size of the pension liability relative to the employer's earnings are monitored on a regular basis. The appropriate level of investment risk is considered with reference to the strength of the employer covenant. |
| Solvency and mismatching | This risk is addressed through the asset allocation strategy and ongoing triennial actuarial valuations. The Trustees are aware that the asset allocation required to minimise the volatility of the solvency position may be different from that which would minimise the volatility on the Scheme's funding basis. |
| Asset allocation risk | The asset allocation is detailed in Appendix 1 and is monitored on a regular basis by the Trustees. |
| Investment manager risk | The Trustees monitor the performance of each of the Scheme's investment managers on a regular basis in addition to having meetings with each manager from time to time as necessary. The Trustees have a written agreement with each investment manager, which contains a number of restrictions on how each investment manager may operate. |
| Concentration risk | Each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities. |
| Liquidity risk | The Scheme invests in assets such that there is a sufficient allocation to liquid investments that can be converted into cash at short notice given the Scheme's cashflow requirements. The Scheme's administrators assess the level of cash held in order to limit the impact of the cashflow requirements on the investment policy. |
| Currency risk | The Scheme's liabilities are denominated in sterling. The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management. Currency hedging is employed to manage the impact of exchange rate fluctuations. |
| Loss of investment | The risk of loss of investment by each investment manager and custodian is assessed by the Trustees. Each fund manager monitors counterparty credit risk and evaluates counterparty credit quality on a continuous basis. |
| Governance risk | Each asset manager is expected to undertake good stewardship and positive engagement in relation to the assets held. The Trustees monitor these and will report on the managers' practices in their annual Implementation Statement. |

| | |
|---|---|
| ESG/Climate risk | The Trustees have considered long-term financial risks to the Scheme, including ESG factors and climate risk. The Trustees believe these are potentially financially material and will continue to develop their policy to consider these, alongside other factors, when selecting or reviewing the Scheme's investments in order to avoid unexpected losses. |

# 7. Expected return on investments

7.1. The Trustees have regard to the relative investment return and risk that each asset class is expected to provide. The Trustees are advised by their professional advisors on these matters, who they deem to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the investment managers.

7.2. The Trustees recognise the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.

7.3. In considering the expected return from investments, the Trustees recognise that different asset classes have different long-term expected returns and expected volatilities relative to the liabilities.

7.4. Having established the investment strategy, the Trustees monitor the performance of each investment manager against an agreed benchmark as frequently as appropriate according to market conditions and the Scheme's funding position. The Trustees meet the Scheme's investment managers as frequently as is appropriate in order to review performance.

# 8. Realisation of investments

8.1. The Trustees have delegated the responsibility for buying and selling investments to the investment managers. The Trustees have considered the risk of liquidity as referred to above.

8.2. Ultimately, the investments will all have to be sold when the Scheme's life comes to an end. In this situation, the Trustees are aware of the fact that the realisable value of some investments, were there to be a forced sale, might be lower than the market value shown in the Scheme accounts.

# 9. Financially material considerations, non-financial matters, the exercise of voting rights, and engagement activities

9.1. The Trustees have set policies in relation to these matters. These policies are set out in Appendix 2.

# 10. Policy on arrangements with asset managers

## Incentivising alignment with the Trustees' investment polices

10.1. Prior to appointing an investment manager, the Trustees will discuss the investment manager's approach to the management of ESG and climate related risks with the Scheme's investment consultant, and how their policies are aligned with the Trustees' own investment beliefs.

10.2. When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to invest according to their objectives, the Trustees also consider how ESG and climate risk are integrated into these. If the Trustees deem any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider using another manager for the mandate.

10.3. The Trustees carry out a strategy review at least every three years where they assess the continuing relevance of the strategy in the context of the Scheme's membership and their aims, beliefs and constraints. The Trustees monitor the investment managers' approach to ESG and climate related risks on an annual basis.

10.4. In the event that an investment manager ceases to meet the Trustees' desired aims, including the management of ESG and climate related risks, using the approach expected of them, their appointment will be terminated. The investment managers understand this.

10.5. Investment manager ESG policies are reviewed in the context of best industry practice and feedback will be provided to the investment manager.

### Incentivising assessments based on medium to long term, financial and non-financial considerations

10.6. The Trustees are mindful that the impact of ESG and climate change has a long-term nature. However, the Trustees recognise that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustees acknowledge this in their investment management arrangements.

10.7. When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustees assess these over a rolling timeframe. The Trustees believe the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustees expect this longer term performance target to be sufficient to ensure an appropriate alignment of interests.

10.8. The Trustees expect investment managers to be voting and engaging on behalf of the Scheme's holdings and the Trustees monitor this activity within the Implementation Statement in the Scheme's Annual Report and Accounts. The Trustees do not expect ESG considerations to be disregarded by the investment managers in an effort to achieve any short term targets.

### Method and time horizon for assessing performance

10.9. The Trustees monitor the performance of their investment managers over medium to long term periods that are consistent with the Trustees' investment aims, beliefs and constraints.

10.10. The Scheme invests exclusively in pooled funds. The investment manager is remunerated by the Trustees based on the assets they manage on behalf of the Trustees. As the funds grow, due to successful investment by the investment manager, they receive more and as values fall they receive less. In some instances, a performance fee may also be applied.

10.11. The Trustees believe that this fee structure, including the balance between any fixed and performance related element, enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

10.12. The Trustees ask the Scheme's investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered regularly as part of the review of the Statement of Investment Principles.

### Portfolio turnover costs

10.13. The Trustees acknowledge that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the quarterly investment monitoring process.

10.14. During the investment manager appointment process, the Trustees may consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices. The Trustees acknowledge that for some asset classes, such as LDI, a higher turnover of contracts such as repurchase agreements, can be beneficial to the fund from both a risk and cost perspective.

### Duration of arrangement with asset manager

10.15. For the open-ended pooled funds in which the Scheme invests, the duration of arrangement is not predetermined under the terms of agreement with the investment managers.

10.16. The suitability of the Scheme's asset allocation and its ongoing alignment with the Trustees' investment beliefs is assessed every three years, or when changes mean it is appropriate to do so more frequently. As part of this review, the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

## 11. Agreement

11.1. This statement was agreed by the Trustees, and replaces any previous statements. Copies of this statement and any subsequent amendments will be made available to the employer, the investment managers, the actuary and the Scheme auditor upon request.

**On behalf of the Fine Tubes Limited Retirement Benefits Scheme**

Keith Lewis
September 2020

# Appendix 1 Note on investment policy of the Scheme as at September 2020 in relation to the current Statement of Investment Principles

## 1. The balance between different kinds of investment

The Scheme has a strategic asset allocation as set out in the table below, which has been agreed after considering the Scheme's liability profile, funding position, the expected return of the various asset classes and the need for diversification.

### Rebalancing

At the date of signing the Scheme has a strategic asset allocation as set out below.

| Portfolio | Asset class | | Allocation (%) |
|---|---|---|---|
| Growth portfolio | **Equities** | **20.0** | |
| | LGIM UK Equities | | 5.0 |
| | LGIM World (ex-UK) Equities (GBP currency hedged) | | 15.0 |
| | **Multi asset funds** | **35.0** | |
| | LGIM Dynamic Diversified Fund | | 10.0 |
| | Columbia Threadneedle Dynamic Real Return Fund | | 12.5 |
| | Baillie Gifford Multi Asset Growth Fund | | 12.5 |
| | **Multi Asset Credit funds** | **15.0** | |
| | Henderson Multi Asset Credit Fund | | 15.0 |
| Protection portfolio | **LDI Portfolio** | **30.0** | |
| | LGIM Matching Core LDI and Sterling Liquidity funds | | 30.0 |
| **Total** | | **100.0** | |

The Trustees recognise that the asset allocation of investments in different asset classes will vary over time as a result of market movements. The Trustees seek to maintain a balance between maintaining the asset allocation in line with its benchmark and limiting the costs of rebalances. They also seek to preserve the level of interest rate and inflation hedging provided by the LDI portfolio, which may require that the allocation to the LDI portfolio moves away from its benchmark allocation.

The Trustees monitor the overall asset allocation on a quarterly basis and periodically rebalances if the asset allocation has materially deviated from the target allocation.

# 2. Choosing investments

The Trustees have appointed the following investment managers to carry out the day-to-day investment of the Scheme:

- Legal and General Investment Management ("LGIM")
- Columbia Threadneedle Investments ("Columbia Threadneedle")
- Janus Henderson Investors ("Henderson")
- Baillie Gifford

The Trustees also have an AVC contract with Aviva for the receipt of members' Additional Voluntary Contributions (AVCs). The arrangement is reviewed from time to time.

The investment managers and AVC providers are authorised and/or regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Trustees have appointed Barnett Waddingham LLP to advise on investment matters.

The investment benchmarks and objectives for each investment manager are given below:

| Investment manager | Fund | Benchmark | Objective |
|---|---|---|---|
| **LGIM** | UK Equity Index | FTSE All-Share Index | To track the performance of the benchmark to within +/-0.25% p.a. for two years out of three |
| | World (ex UK) Equity Index – GBP Currency hedged | FTSE World ex UK (less withholding tax) Index – GBP Hedged* | To track the performance of the benchmark to within +/-0.5% p.a. for two years out of three |
| | Dynamic Diversified Fund | Bank of England Base Rate | To outperform the benchmark by 4.5% p.a. over a full market cycle |
| | Matching Core Fixed Short Series 1 | n/a | To control the interest rate and inflation exposure relative to the agreed portfolio |
| | Matching Core Fixed Long Series 1 | n/a | |
| | Matching Core Real Short Series 1 | n/a | |
| | Matching Core Real Long Series 1 | n/a | |
| | Sterling Liquidity Fund | 7 Day LIBID | To provide diversified exposure and a competitive return in relation to the benchmark |
| **Columbia Threadneedle** | Dynamic Real Return Fund | UK Consumer Price Index | To outperform the benchmark by 4% p.a. (gross of fees) over 3-5 years (with volatility equal to 2/3rds of equity market volatility) |
| **Baillie Gifford** | Multi Asset Growth Fund | Bank of England Base Rate | To outperform the benchmark by 3.5% p.a. (net of fees) while limiting volatility to less than 10% p.a. over rolling 5 year periods |
| **Janus Henderson** | Multi Asset Credit Fund | 3 Month GBP LIBOR | To outperform the benchmark by 5% p.a. (gross of fees) over 3-5 years |

*with the exception of advanced emerging markets

The performance of the investment managers will be monitored as frequently as the Trustees consider appropriate in light of the prevailing circumstances. The monitoring takes into account both short-term and long-term performance.

The fee arrangements for the Scheme are detailed in Appendix 3.

# 3. Hedging policy

The Trustees keep the level of hedging under review and expect to increase the hedging as the funding level improves further.

# 4. Investments and disinvestments

## Realisation of investments to meet cashflows

Regular disinvestments needed to meet cashflow requirements are usually taken from the growth assets such that the asset allocations between the growth assets are rebalanced in line with the growth asset allocation benchmark.

Disinvestments of less than £300,000 will be taken from a single fund. Disinvestments of £300,000 or over will be made from the growth funds as necessary to rebalance the growth assets towards the growth portfolio benchmark.

However, due regard will also be given to the liquidity of the funds in which the Scheme is invested and the speed with which a disinvestment must be made to meet cashflow. For instance, the Henderson MAC fund is dealt monthly so there may not be sufficient time to disinvest from here to meet cashflow even where the fund is overweight versus the growth portfolio benchmark. The Trustees accept that this may lead to deviations from the strategic benchmark from time-to-time.

## LDI collateralisation calls

The Trustees have an automated process in place with LGIM for handling LDI collateralisation calls.

In the case of a "re-leveraging" event (where cash is distributed from the LDI funds without any change to the level of hedging provided by the LDI funds), the distributed cash will be invested in the LGIM Sterling Liquidity Fund in the first instance, to be held as a source of collateral for any future collateral calls.

In the case of a "de-leveraging" event (where LGIM require additional funds to maintain the level of hedging provided by the LDI funds), the additional funds will be taken first from the LGIM Sterling Liquidity Fund and then, if there are insufficient funds in the Sterling Liquidity Fund, from the LGIM Dynamic Diversified Fund.

## Investment of deficit contributions

Contributions received in relation to the Recovery Plan (net of any cash retained to meet cashflow needs) are typically invested rebalance the portfolio broadly in line with the current split between growth and protection assets.

# Appendix 2 Note on financially material considerations, the exercise of rights and engagement activities, and non-financial matters

## Policy on financially material considerations

The Trustees are comfortable that the funds currently invested in by the Scheme are managed in accordance with their views on financially material factors, as set out below, in particular with regards to the selection, retention, and realisation of the underlying investments held.

This position is monitored periodically, at least annually. As part of the monitoring process, the Trustees have access to updates on governance and engagement activities by the managers and input from their investment advisors on Environmental, Social, and Governance (ESG) matters. In the future, the views set out below will be taken into account when appointing and reviewing managers.

The Trustees acknowledge that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their fund managers given they are investing in pooled funds.

The Trustees believe that ESG factors are financially material – that is, they have the potential to impact the value of the Scheme's investments from time-to-time over the Scheme's investment horizon. This view includes an appreciation for climate risk to impact on the values of the Scheme's investments. The Scheme's investment horizon is considered to be long-term, noting the maturity of the liability profile and the Trustees' objective to pay benefits under the Trust Deed & Rules in full as they fall due.

The Trustees appreciate that the method of incorporating ESG in the investment strategy and process will differ between asset classes. A summary of the Trustees' views for each asset class in which the Scheme invests is outlined below.

The Trustees received training on financially material considerations from its investment advisor and considered the research presented during the training in order to form this policy.

### Passive equities

The Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's passive equities. The Trustees accept that fund managers must invest in line with the specified index and, therefore, may not be able to disinvest if they have concerns relating to ESG. The Trustees therefore require that the fund manager takes into account ESG considerations by engaging with companies and by exercising voting rights. However, the exercise of rights and engagement activities should be consistent with, and proportionate to, the rest of the investment process.

### Diversified growth funds

The Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's diversified growth fund managers. The investment process for any diversified growth fund manager used by the Scheme should take ESG issues into account. The Trustees also support engagement activities and, where relevant, the exercise of rights attaching the investments by the Scheme's diversified growth fund manager. However, the incorporation of ESG issues, the exercise of rights and engagement activities should be consistent with, and proportionate to, the rest of the investment process.

### Multi-asset credit funds

The Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's multi asset credit manager. The investment process for the multi asset credit manager should take ESG into account when selecting holdings. Within this, however, ESG factors are deemed more material for corporate credit than asset-backed securities, given the nature of the underlying assets. The Trustees also support engagement activities, although they appreciate that fixed income assets do not typically provide voting rights. The process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

### LDI and money market

The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in these asset classes because of the nature of the instruments used within the LDI funds and the fact that money market investments are short term.

It is worth noting that when transacting in LDI and money market funds, the Trustees require due diligence is undertaken to assess the credit worthiness of the counterparty both at the start of and throughout any investment, whilst at the same time looking to achieve best execution. The Trustees believe this is more relevant for longer term trades compared to shorter term trades and should incorporate ESG factors where these assist with the credit worthiness assessment.

## Policy on the exercise of voting rights and engagement activities

The Scheme currently invests in pooled investment funds only. The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the relevant fund managers. The Trustees also expect managers to engage with companies in relation to ESG matters.

The Trustees are comfortable with the fund managers' strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor.

The Trustees will review this position periodically, usually annually, and engage with the investment managers to the extent that any issues or questions are identified and the Trustees believe that remedial action is required to ensure their investments continue to be managed in line with this policy.

The Trustees acknowledge the importance of ESG and climate risk within their investment framework. When delegating investment decision making to their investment managers, they provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

The Trustees are of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities, i.e. that they apply to equity, credit and property instruments or holdings. The Trustees also recognise that ESG and climate related issues are constantly evolving and along with them so too are the products available within the investment management industry to help manage these risks.

The Trustees consider it to be a part of their investment managers' roles to assess and monitor developments in the capital structure for each of the companies in which the managers invest on behalf of the Scheme or as part of the pooled fund in which the Scheme holds units.

The Trustees also consider it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme.

Should an investment manager be failing in these respects, this should be captured in the Scheme's regular performance monitoring.

The Scheme's investment managers are granted full discretion over whether or not to invest in the Principal Employer's business. Through their consultation with the Principal Employer when setting this Statement of Investment Principles, the Trustees have made the Principal Employer aware of their policy on ESG and climate related risks, how they intend to manage them and the importance that the pensions industry as a whole, and its regulators, place on them.

The Scheme's investment consultant is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustees confident that the investment manager recommendations they make are free from conflict of interest.

The Trustees expect all investment managers to have a conflict of interest policy in relation to their engagement and ongoing operations. In doing so, the Trustees believe they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustees/investment manager and the investee companies.

In selecting and reviewing their investment managers, where appropriate, the Trustees will consider investment managers' policies on stewardship and engagement and how these policies have been implemented.

## Policy for taking into account non-financial matters

The Trustees do not consider any non-financial matters when constructing the investment strategy and/or when selecting or reviewing fund managers. These non-financial matters include, without limitation, members' and beneficiaries' views on ethical considerations and social and environmental impact, and the present and future quality of life of the members and beneficiaries of the Scheme.

# Appendix 3 Fee arrangements dated September 2020

The fee arrangements with the investment managers are summarised below:

| Investment manager | Fund | Annual Management Charge (p.a.) |
|---|---|---|
| **LGIM** | UK Equity Index | 0.10% |
| | World (ex UK) Equity Index – GBP Currency hedged | 0.243% for the first £5m & 0.213% for the next £10m |
| | Dynamic Diversified Fund | 0.38% |
| | Matching Core Fixed Short Series 1 | 0.24% |
| | Matching Core Fixed Long Series 1 | |
| | Matching Core Real Short Series 1 | |
| | Matching Core Real Long Series 1 | |
| | Sterling Liquidity Fund | 0.125% on the first £5m & 0.100% for the next £5m |
| **Columbia Threadneedle** | Dynamic Real Return Fund | 0.50% |
| **Baillie Gifford** | Multi Asset Growth Fund | 0.50% |
| **Janus Henderson** | Multi Asset Credit Fund | 0.50% |

The Trustees have appointed Barnett Waddingham LLP to advise on investment matters. Barnett Waddingham provides agreed services on a fixed fee basis. Any work outside of the fixed fee scope is normally remunerated on a time-cost basis, although fixed fees may be agreed for specific tasks.