

LINCOLNSHIRE CO-OPERATIVE  
PENSION SCHEME  
STATEMENT OF INVESTMENT  
PRINCIPLES

AUGUST 2020

5<sup>TH</sup> EDITION

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# 1 INTRODUCTION

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This Statement of Investment Principles (“the Statement”) has been prepared by the Trustees of the Lincolnshire Co-operative Pension Scheme (“the Scheme”) in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

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

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

The advice and the consultation process considered the suitability of the Trustees’ investment policy for the Scheme.

The Trustees will review the Statement formally at least every three years to coincide with the triennial Actuarial Valuation or other actuarial advice relating to the statutory funding requirements. Furthermore, the Trustees will review the Statement without delay after any significant change in investment policy. Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Sponsoring Employer.

# 2 INVESTMENT OBJECTIVES

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

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

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

# 3 INVESTMENT RESPONSIBILITIES

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## 3.1. TRUSTEES' DUTIES AND RESPONSIBILITIES

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives. They carry out their duties and fulfil their responsibilities as a single body.

The duties and responsibilities of the Trustees include, but are not limited to, the following tasks and activities:

- The regular approval of the content of the Statement
- The appointment and review of the investment adviser
- The assessment and review of the performance of each Investment Manager
- The setting and review of the investment parameters within which the Investment Managers can operate
- The assessment of the risks assumed by the Scheme at total scheme level and by manager
- The approval and review of the asset allocation benchmark for the Scheme
- The compliance of the investment arrangements with the principles set out in the Statement

## 3.2. INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

The Trustees have appointed Mercer to provide them with investment advice. Mercer provides advice as and when the Trustees require it, as well as raising any investment-related issues, of which it believes the Trustees should be aware. Matters on which the Trustees may ask Mercer to provide advice include the following:

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Liaising with investment managers
- Assessing the performance of the Investment Manager

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

Services provided by Mercer will be remunerated primarily on a time-cost basis.

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

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

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

### 3.3. ARRANGEMENTS WITH INVESTMENT MANAGERS

The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis.

The Trustees, after considering appropriate investment advice, have appointed a professional, authorised investment manager to manage the assets of the Scheme.

The details of the manager's mandate and the basis of the contract between the Trustees and its investment manager are set out in Appendix 3.

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

The Investment Manager invests in pooled investment funds and the Trustees accept that they cannot specify the risk profile and return targets of the pooled funds. However, the pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

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

The Investment Manager engaged by the Trustees is authorised and regulated by the FCA and PRA.

None of the underlying pooled funds in which the Scheme's assets are invested have performance based fees which could encourage the Investment Manager to make short term investment decisions to hit their profit targets.

The Trustees therefore consider that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the Investment Manager to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Investment Manager is remunerated by a fee which is based on the value of the assets they manage on behalf of the Scheme. The Trustees accept that they cannot influence the charging structure of the pooled funds in which the Scheme is invested, but are satisfied that the ad-valorem charges for the different underlying pooled funds are clear and are consistent with each fund's stated characteristics. The Trustees are therefore satisfied that this is an appropriate basis for remunerating the Investment Manager and is consistent with the Trustees' policies as set out in this SIP.

### 3.4. SUMMARY OF RESPONSIBILITIES

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the administrators, so far as they relate to the Scheme's investments, is set out at Appendix 4.

# 4 INVESTMENT STRATEGY

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## 4.1. SETTING INVESTMENT STRATEGY

The Trustees have determined their investment strategy after considering the Scheme's liability profile and requirements of the Statutory Funding Objective, their own appetite for risk, the views of the Sponsoring Employer on investment strategy, the Sponsoring Employer's appetite for risk, and the strength of the Sponsoring Employer's covenant. The Trustees have also received written advice from their Investment Adviser.

Taking all of these factors into consideration, the Trustees have determined that the benchmark asset allocation, as set out in Appendix 1, is suitable for the Scheme. The Trustees have agreed in principle to allocate an initial 10% of the Scheme's assets to LDI (liability driven investment) funds which aim to hedge against changes in interest rates and expected inflation which impact the Scheme's liabilities. The Trustees will review this on a regular basis.

In making this decision, the Trustees have been satisfied that this is consistent with its investment objectives and is supported by both the Sponsoring Employer and the Sponsoring Employer's covenant.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustees have decided on a structured approach to rebalance the assets in accordance with the overall strategy.

## 4.2. INVESTMENT DECISIONS

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

### **Strategic Investment Decisions**

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

The Trustees take all such decisions themselves. They do so after receiving written advice from their investment adviser and consulting with the Sponsoring Employer. Examples of such decisions and of tasks relating to the implementation of these decisions include the following:

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

### **Tactical Investment Decisions**

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

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

### **Stock Selection Decisions**

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

### 4.3. TYPES OF INVESTMENTS TO BE HELD

The Trustees are permitted to invest across a wide range of asset classes.

All the funds in which the Scheme invests are pooled and unitised. The use of derivatives is as permitted by the guidelines that apply to the pooled funds. Details relating to the pooled funds can be found in Appendix 3.

### 4.4. SOCIAL, ENVIRONMENTAL AND ETHICAL POLICY

The Trustees understand that they must consider all financially relevant factors in making investment decisions on behalf of the Scheme. However, they may also consider any non-financial factors, to the extent that they have the ability to impact the financial results of the Scheme's investments over the duration of the Scheme, if they believe that such factors reflect the views of members.

The Trustees recognise that Environmental, Social and Governance (ESG) factors, including climate change, can all influence the investment performance of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process and that ESG risks are identified and avoided or mitigated as best as possible.

The Trustees believe that investing with a manager who approaches investments in a responsible way and takes account of ESG-related risks will lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken.

Therefore, the Trustees will work with the Investment Consultant to help select the investment managers that have passed the initial ESG screening. ESG screening will involve some of the following activities, but is not limited to: ensuring the managers are signatories to UNPRI, reviewing the managers' own ESG policies, investigating the extent to which these policies are integrated into their standard procedures of investment research and analysis etc. As part of the Mercer Manager Research Team appraisal process, investment managers are rated on a number of quantitative and qualitative factors, ESG considerations are taken into account in this process.

As noted earlier, the Scheme's assets are invested in pooled funds. The Trustees have identified that the influence it can have on the social, environmental and ethical policies and practices of the companies in which its managers invest, is limited. The Trustees will continue to review the available products and approaches in this space and strive for the Scheme to continue to deliver strong risk-adjusted returns, incorporating responsible investments principles into the process, where possible.

The Trustees are aware of their investment manager's attitude to social, environmental and ethical factors with respect to their selection of investments and are satisfied that they are taking a responsible approach, consistent with the long term financial interests of the Scheme and its members.

### 4.5. CORPORATE GOVERNANCE AND VOTING POLICY

The Trustees have concluded that the decision on how to exercise voting rights should be left with their investment managers, who will exercise these rights in accordance with their respective published corporate governance policies. These policies, which are provided to the Trustees from time to time, take into account the financial interests of shareholders and should be for the Scheme's benefit.

The Trustees note that the Investment Manager's corporate governance policies are available on request and on their respective websites.

Where the Trustees are specifically invited to vote on a matter relating to corporate policy, the Trustees will exercise their right in accordance with what they believe to be the best interests of the majority of the Scheme's membership.

## 4.6. STEWARDSHIP

The Trustees will monitor the performance, strategy, risks, ESG policies and corporate governance of the investment managers. If the Trustees have any concerns, they will raise them with the respective managers, verbally or in writing.

# 5 RISK

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Under the Pensions Act 2004, the Trustees are required to state their policy regarding the ways in which risks are to be measured and managed. These are set out below.

## **Solvency Risk and Mismatching Risk**

- These are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
- These are managed by setting a scheme-specific strategic asset allocation with an appropriate level of risk.

## **Manager Risk**

- This is assessed as the expected deviation of the prospective risk and return, as set out in the manager's objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process.

## **Liquidity Risk**

- This is monitored according to the level of cashflows required by the Scheme over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Scheme's assets are invested in pooled funds which are readily realisable.

## **Political Risk**

- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through investing in funds which give a wide degree of diversification.

## **Corporate Governance Risk**

- This is assessed by reviewing the Scheme's investment managers' policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the managers, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are available to the Trustees and take into account the financial interests of the shareholders, which should ultimately be to the Scheme's advantage.

## **Sponsor Risk**

- This is assessed as the level of ability and degree of willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit.
- It is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor. Regular updates on employer covenant are provided to the Trustees by senior staff of the sponsor.

## **Legislative Risk**

- This is the risk that legislative changes will require action from the Trustees so as to comply with any such changes in legislation.
- The Trustees acknowledge that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

## **Credit Risk**

- This is the risk that is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.
- The Scheme's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.
- Indirect credit risk arises in relation to underlying bond investments held in the pooled funds. This risk is mitigated by investing in funds with diversified portfolios.

## **Market Risk**

- This is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following three types of risk; currency risk, interest rate risk and other price risk.

## **Currency Risk**

- This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension scheme, it may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.
- The Trustees acknowledge that currency risk related to overseas investments is delegated to the underlying investment managers.

## **Interest rate risk**

- This is the risk that an investment's value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.
- The Trustees recognise that the Scheme's liabilities are exposed to a significant level of interest rate risk and for this reason it is desirable for the Scheme's assets to be exposed to a similar level of interest rate risk. The Trustees manage the Scheme's interest rate risk by considering the net risk when taking account of how the liabilities are valued.

## **Other Price risk**

- This is the risk of volatility that principally arises in relation to the return seeking assets.
- The Trustees acknowledge that a scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets.

## **ESG Risk**

- This is the risk that Environmental, Social or Corporate Governance concerns, including climate change, have a financially material impact on the return of the Scheme's assets.
- The Trustees manage this risk by investing with well-respected investment managers where ESG principles are an established part of the investment decision making process and by regularly reviewing the ESG scoring of the investment consultant's scoring of the Scheme's managers.

# 6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

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## 6.1. INVESTMENT ADVISER

The Trustees assess and review the performance of their adviser in a qualitative way.

## 6.2. INVESTMENT MANAGERS

The Trustees receive quarterly investment reports from their Investment Manager, which present performance information over 3 months, 1, 3 and 5 years.

The reporting reviews the performance of the Scheme's individual funds against their benchmarks over the relevant time period. They also provide returns of market indices so that these can be used to help inform the assessment of the underlying managers' performance.

The reporting also reviews the performance of the Scheme's assets in aggregate against the Scheme's strategic benchmark.

The Trustees also receive an annual report from their Investment Adviser that reviews the development of the Scheme's assets relative to its liabilities.

Changes will be made to the underlying pooled funds if there is a strategic change to the overall strategy that no longer requires exposure to that asset class.

## 6.3 PORTFOLIO TURNOVER COSTS

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

The Trustees are also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

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

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

# 7 ADDITIONAL VOLUNTARY CONTRIBUTIONS (“AVC”)

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The Scheme has a facility for members to pay AVCs to enhance their benefits at retirement.

The Scheme has two AVC schemes for members:

- Royal London AVC Plan - Unit-linked pension plan
- Royal London AVC Pensions Extra Plan - Traditional with-profits money purchase scheme

The Trustees review the AVC schemes periodically.

# 8 CODE OF BEST PRACTICE

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The Trustees note that in March 2017, the Pensions Regulator released 'Investment Guidance for Defined Benefit Pension Schemes'.

The Trustees are satisfied that the investment approach adopted by the Scheme is consistent with the guidance so far as it is appropriate to the Scheme's circumstances.

The Trustees meet with its investment adviser on a regular basis, monitoring developments both in relation to the Scheme's circumstances and in relation to evolving guidance, and will revise the Scheme's investment approach if considered appropriate.

# 9 COMPLIANCE

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

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

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustees on 27 August 2020.

<b>Signed on behalf of the Trustees by</b>	S Parker .....	U Lidbetter .....
<b>On</b>	29th September 2020 .....	29th September 2020 .....
<b>Full Name</b>	Stuart W Parker .....	Ursula Lidbetter .....
<b>Position</b>	TRUSTEE .....	TRUSTEE .....

# APPENDIX 1: ASSET ALLOCATION BENCHMARK

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

Asset Class	Strategic Allocation %	Control Ranges %
<b>Growth Assets</b>	<b>75</b>	
Global Equities (50:50) – GBP Currency Hedged	30	+/- 3
Overseas Equities Unhedged	20	+/- 2
Infrastructure Equities	10	+/- 1.5
Emerging Markets Equities	5	+/- 1
<i>Property</i>	10	+/- 2
Property Equities	7	
Property	3	
<b>Stabilising Assets</b>	<b>25</b>	
Corporate Bonds	25	+/- 2.5
<b>Total</b>	<b>100</b>	

The policy for rebalancing and investment / disinvestment of cashflows is set out in Appendix 2.

# APPENDIX 2: CASHFLOW AND REBALANCING POLICY

Investments and disinvestments are applied to maintain the Scheme's asset distribution as close as possible to the strategic allocation.

**On a quarterly basis**, should the Scheme's weightings fall outside of the control ranges, the Investment Manager will rebalance the assets that have moved outside the control range back towards the strategic allocation, undertaking switches between the assets sections as necessary such that the resulting distribution is as close as practicable to the strategic allocation.

# APPENDIX 3: INVESTMENT MANAGER INFORMATION

The Scheme invests with the following investment manager:

- Legal & General Assurance (Pensions Management) Limited (“LGIM”)

The tables below show the details of the mandate of each fund.

## Growth Assets

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
<b>Equities</b>				
<b>LGIM</b> Global Equity Fixed Weights (50:50) Index Fund – GBP Currency Hedged	Composite of 50/50 distribution between UK and overseas	To provide diversified exposure to UK and overseas equity markets while minimising foreign currency exposure. The Fund invests 50% in the UK and 50% overseas. The Fund's overseas asset distribution is fixed with 17.5% in North America, 17.5% in Europe (ex-UK), 8.75% in Japan and 6.25% in Asia Pacific (ex-Japan).	Weekly	(b) / 2
<b>LGIM</b> World (ex UK) Developed Equity Index	FTSE Developed (ex UK) Index	To track the performance of the FTSE Developed (ex UK) Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three/	Weekly	(b) / 2
<b>LGIM</b> World Emerging Markets Equity Index Fund	FTSE Emerging Index	To track the performance of the FTSE Emerging Index (less withholding tax if applicable) to within +/-1.5% p.a. for two years out of three.	Weekly	(b) / 2

## Infrastructure

<b>LGIM</b> FTSE Developed Core Infrastructure Index Fund	FTSE Developed Core Infrastructure Index	To track the performance of the FTSE Developed Core Infrastructure Index (less withholding tax if applicable) to within +/-1.0% p.a. for two years out of three.	Weekly	(b) / 2
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## Property

<b>LGIM</b> Global Real Estate Equity Index Fund	FTSE EPRA/NAREIT Developed Real Estate Index	To track the performance of the FTSE EPRA/NAREIT Developed Real Estate Index (less withholding tax if applicable) to within +/-1.0% p.a. for two years out of three.	Weekly	(b) / 2
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<b>LGIM</b> Managed Property Fund	AREF/IPD UK Quarterly All Balanced Property Funds Index	To outperform the AREF/IPD UK Quarterly All Balanced Property Funds Index over three and five year periods.	Monthly	(c) / 3
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## STABILISING ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
<b>Corporate Bonds</b>				
<b>LGIM</b> Active Corporate Bond – Over 10 Year - Fund	Markit iBoxx £ Non-Gilt 10 Year+ Index	To exceed the benchmark by 0.75% p.a. (before fees) over a three year rolling period.	Weekly	(b) / 2

# APPENDIX 4: RESPONSIBILITIES OF PARTIES

## TRUSTEES

The Trustees' responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate
- Reviewing the investment strategy following the results of each actuarial review, in consultation with the Investment Adviser and Scheme Actuary
- Appointing the Investment Managers and custodian (if required)
- Assessing the quality of the performance and processes of the Investment Managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser
- Consulting with the sponsoring employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis

## INVESTMENT ADVISER

The Investment Adviser's responsibilities include the following:

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

## INVESTMENT MANAGERS

The Investment Manager's responsibilities include the following:

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

## SCHEME ACTUARY

The Scheme Actuary's responsibilities include the following:

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

## ADMINISTRATOR

The Administrator's responsibilities include the following:

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