

TOYOTA (GB) RETIREMENT BENEFITS
PLAN (1979) – MONEY PURCHASE
SECTION
STATEMENT OF INVESTMENT
PRINCIPLES

SEPTEMBER 2024

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1 INTRODUCTION

This Statement of Investment Principles (“the Statement”) has been prepared by the Trustees of the Toyota (GB) Retirement Benefits Plan (1979) – Money Purchase Section (“the Plan”) 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 Plan 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 its investment consultants, Mercer, whom they believe to have a degree of knowledge and experience that is appropriate for the management of the Plan’s investments; and
- Consulted with the Principal Employer, although the Trustees affirm that no aspect of this strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer, to ascertain whether there are any material issues which the Trustees should be aware of in agreeing the Plan’s investment arrangements.

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

The Trustees will review the Statement formally at least every three years to ensure its ongoing suitability.

Furthermore, the Trustees will review the Statement following 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 Principal Employer.

2 INVESTMENT RESPONSIBILITIES

2.1 Trustees' Duties and Responsibilities

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The Trustees 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:

- Setting of investment objectives and formulating investment strategy
- Selecting funds for member choices
- The regular approval of the content of the Statement
- The appointment and review of the investment managers and investment advisers
- The compliance of the investment arrangements with the principles set out in the Statement

2.2 Investment Adviser's Duties and Responsibilities

The Trustees have appointed Mercer as the investment adviser to the Plan. Mercer provides investment advice as required by the Trustees, as well as raising any investment-related issues, of which it believes the Trustees should be aware. Matters on which Mercer expects to provide advice to the Trustees include the following:

- Setting of investment objectives
- Determining investment strategy and structure of the default strategy
- Advising on appropriate member fund choices
- Framing manager mandates
- Liaising with Mobius Life Limited to select and replace investment managers

In considering appropriate investments for the Plan, the Trustees will obtain and consider written advice of Mercer, whom the Trustees believe to be suitability qualified to provide such advice. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995, as amended.

Mercer monitors the performance of the Plan's investment managers against their benchmarks. Section 2.3 describes the responsibilities of Mobius Life Limited as investment manager to the Plan.

Mercer will also advise the Trustees of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Plan is invested, such that in its view there exists a significant concern that any of these funds will not be able to meet their long-term objectives. If the investment manager and fund are not covered by Mercer's manager research process, Mercer will advise the Trustees accordingly.

Mercer makes a fund based charge. This charge covers the services as specified within the Implemented Investment Consultancy Services Agreement. Any additional 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 Plan that might affect the impartiality of their advice and any discounts negotiated with the underlying managers are to be passed on in full to the Plan.

The Trustees are satisfied that the investment arrangements, including the charging structure, are clear and transparent.

Both Mercer and the individual investment consultants who advise the Trustees are authorised and regulated by the Financial Conduct Authority (FCA).

2.3 Arrangements with Investment Managers

The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement. The fund range and default investment strategy are reviewed on at least a triennial basis. A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment strategy or general fund range.

After considering appropriate investment advice, the Mobius Life Limited was first appointed in 2014. The current Platform provider is Mobius Life Limited, whose appointment foregoes the need for a Custodian. Mobius Life Limited is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

The underlying investment managers were selected based on advice from Mercer. Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.

The Trustees look to its investment consultant for their forward-looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the scheme invests in. Mercer's Manager Research Team ratings assist with due diligence and questioning managers during presentations to the Trustees and are used in decisions around selection, retention and realisation of manager appointments.

As the Plan invest in pooled investment vehicles they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

The details of appointed investment managers are set out in Appendix 1, together with the details of each manager's mandate and annual management charges. Investment managers are selected having regard to their ability to provide one or more of the identified fund types and their potential to meet the investment objectives of the Plan.

In particular, the underlying investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage. In the case of multi-asset and multi-manager mandates, the investment managers are responsible for all decisions concerning the allocation to individual asset classes and to the underlying investment managers.

All of the investment managers that will be sub-contracted by the Plan will be authorised and regulated by the Prudential Regulation Authority ("PRA"), the FCA or both.

The underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Plan. These charges are set out in Appendix 1. None of the underlying managers in which the Plan's assets are invested have performance based fees which could encourage the 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 managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

Mobius Life Limited does not receive commission or any other payments in respect of the Plan that might affect the impartiality of its actions and any discounts negotiated with the underlying managers are passed on in full to the Plan.

The Trustees accept that they cannot influence the charging structure of the pooled funds in which the Plan is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics. The Trustees are therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustees' policies as set out in this SIP.

2.4 Summary of Responsibilities

A summary of the responsibilities of all relevant parties, insofar as they relate to the Plan's investments, is set out in Appendix 2.

3 INVESTMENT OBJECTIVES

3.1 Overall Investment Objectives

The Trustees aim to provide suitable investment options that are aligned to the needs of their members. They also aim for these options to enable members to achieve good outcomes at retirement as well as ensuring that members receive value for money.

The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default strategy. They recognise that in a defined contribution arrangement, members assume the investment risks themselves and that members are exposed to different types of risk at different stages of their working lifetimes.

Details of the default approach the Trustees have taken to meet these investment objectives are set out in Section 4.

The Trustees have determined their investment policy in such a way as to address the risks set out in Section 6 of this Statement. To help mitigate the most significant of these risks, the Trustees have:

- Made the lifestyle option available, which transitions members' investment from higher risk investments to lower risk investments as members approach retirement, and
- Offered a range of self-select funds across various asset classes.

When deciding on the investment options available to members, the Trustees took into account the expected return on such investments and were mindful to offer a range of funds with varying levels of expected returns for members to choose from.

When it comes to realisation of investments, the Trustees consider the impact of transaction costs before making any changes

The Trustees will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.

The items set out in this Statement are in relation to what the Trustees deem as 'financially material considerations' for the Plan. The Trustees believe the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the members' age and when they expect to retire. It is for this reason that the default is a lifestyle strategy.

3.2 Self-Select Fund Choices

Members can opt out of the default lifestyle strategy and choose to invest in self-select funds instead. The range of investment options allows members to achieve adequate diversification and provides appropriate strategic choices for members' different savings objectives, risk profiles and time horizons.

When self-selecting, the balance between funds and asset classes is the member's decision. This balance will determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerance.

The Trustees have made the following 8 funds available to self-select:

- LGIM Global Equity Fixed Weights (60:40) Index Fund
- LGIM UK Equity Index Fund
- LGIM World Emerging Markets Equity Index Fund
- Nordea Diversified Return Fund (DRF)
- LGIM Over 5 Year Index-Linked Gilts Index Fund
- LGIM Over 15 Year Gilts Index Fund

- LGIM Pre-Retirement Fund
- LGIM Cash Fund

More information on these funds can be found in Appendix 1.

The Trustees will continue to keep the fund range under review, and will make changes if appropriate.

3.3 Types of Investments to be Held

The Trustees are permitted to invest across a wide range of asset classes including developed market equities, index-linked gilts, gilts and money market instruments. With the exception of the LGIM Cash Fund, the funds available are passively managed. All of the funds in which the Plan invests are pooled and unitised. Details of each fund can be found in Appendix 1.

3.4 Additional Voluntary Contributions

The Plan provides a facility for members to pay additional voluntary contributions to enhance their benefits at retirement. Members are offered the opportunity to invest additional contributions in the same way as the main scheme investments.

4 DEFAULT INVESTMENT STRATEGY

4.1 Aims and Objectives

The lifestyle strategy operates as a default if a member does not wish to make their own selection of funds, and is designed to be appropriate for a typical member of the Plan.

The Trustees have assumed responsibility for setting the default investment strategy that provides a broad level of protection against the key risks identified in Section 6. This is achieved using a lifestyle arrangement, whereby assets are moved into less risky investments as members approach their selected retirement age.

In determining the investment strategy, the Trustees undertook extensive investigations and have received formal written investment advice from their investment consultants. The Trustees have explicitly considered the trade-off between risk and expected returns when establishing the balance between different kinds of investments. The expected amount of risk is considered appropriate for the typical member and will differ by member depending on their age and their expected retirement age. Further information is set out below.

Members can opt out of the default strategy, and invest in any of the investment funds made available in the self-select fund range as described in Sections 3.2.

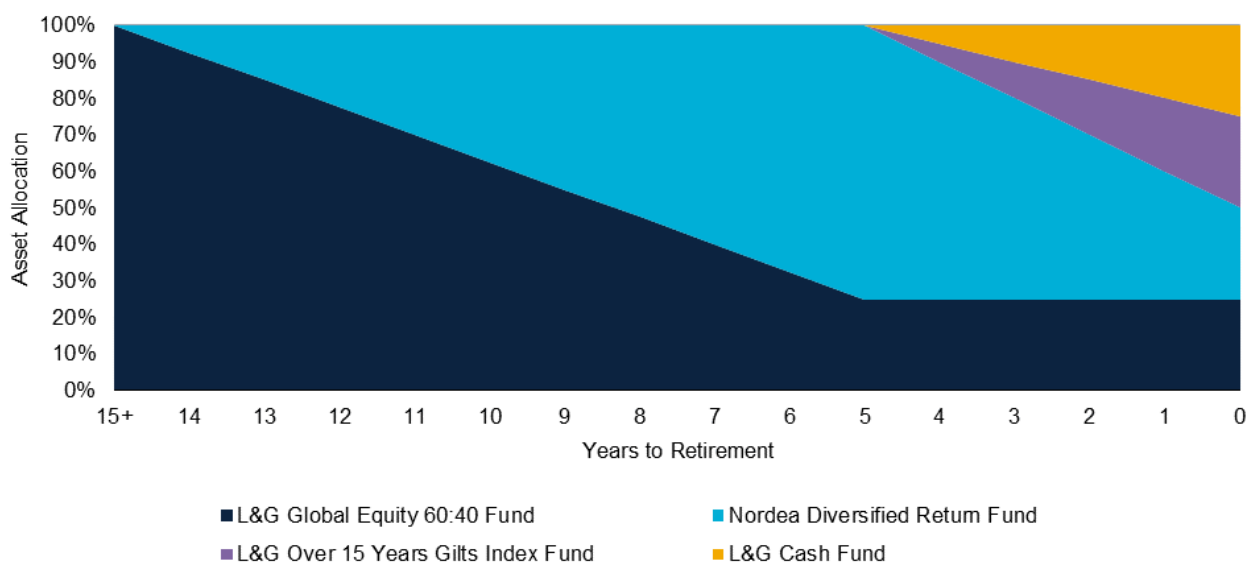
4.2 Default Strategy

Under the Lifestyle Strategy, a member's contributions are fully invested in the Growth Fund for the majority of a member's working life, with an aim of maximising investment growth in employment.

The current default strategy is a white labelled lifestyle, with all underlying funds managed by Legal and General Investment Management (LGIM), with the exception of the Nordea Diversified Return Fund. Up until 15 years from selected retirement age, members' savings are fully invested in the "Growth Fund", which invests entirely in the LGIM Global Equity 60:40 Fund.

Investments then begin to gradually switch into the "Diversified Fund" which invests in the Nordea Diversified Return Fund from 15 years to 5 years away from the selected retirement age. At 5 years prior to the selected retirement age the default introduces the "Secure Fund" which invests in the LGIM Over 15 Year Gilts Index Fund, in order to reduce risk as retirement approaches. Assets are also moved into the LGIM Cash Fund, over the same 5 year period to retirement.

At retirement, members' savings are split so that 25% remains in the Growth Fund, 25% in the Diversified Fund, 25% in the Secure Fund and 25% are in the Cash Fund. This split is appropriate for members opting for income drawdown rather than annuity purchase at retirement. This strategy can be illustrated using the following graph:



The objectives set out above and the risks and other factors referenced in this Statement are those that the Trustees consider to be financially material considerations in relation to the default investment strategy. The Trustees believe that the appropriate time horizon within which to assess these considerations should be viewed at the membership level. This will be dependent on the members' age and when they expect to retire.

4.3 Members' Best Interests

The Trustees will carry out investment reviews following any significant change in membership or in legislation, covering not only the performance of the default strategy, but also its design to ensure that it continues to remain appropriate for the membership profile. This is in addition to performance monitoring, which takes place quarterly. The Trustees strive to ensure the strategy evolves in line with the Plan's membership characteristics in order to ensure that assets are invested in the best interests of the members in the default investment strategy.

4.4 Policy in relation to Illiquid Assets

The Trustees consider illiquid assets as assets of a type which cannot easily or quickly be sold or exchanged for cash; including where such assets are invested as a component of a daily-dealing multi-asset fund. The Plan's default arrangement includes no direct allocation to illiquid investments or to investments via a collective investment scheme.

Trustees understand the potential for higher returns and benefits of diversification benefits relative to more traditional asset classes (such as bonds or equities) that illiquid assets can offer. While these potential benefits are recognised by the Trustees, they are also aware of the risks of illiquid assets to members. Given the potential for valuations of illiquid assets to not reflect their true value at a given time, as well as concerns over liquidity management and platform compatibility; the Trustees consider direct investment into an illiquid asset fund as not currently suitable for members of the Plan. The Trustees remain comfortable with the funds used in the default, and annually assess whether the funds used provide value for members.

In selecting investments for the default arrangement, the Trustees use both qualitative and quantitative analysis to consider the expected impact of different strategic allocation mixes. For any future investment, the Trustees carefully consider whether the investment provides value for members, taking account of the return potential and associated risks. It is the Trustees' policy to review the allocation of the default investment strategy on at least a triennial basis. Such reviews will include whether the incorporation of illiquid asset investments is appropriate.

5 RESPONSIBLE INVESTING

5.1 Financially Material Considerations

The Trustees understand that it must consider all financially relevant factors in making investment decisions on behalf of the Plan. However, it will also consider any non-financial factors to the extent that they have the ability to impact the financial results of the Plan's investments over the medium to long term.

The Trustees believe that Environmental, Social and Corporate Governance ("ESG") issues may have a material impact on investment risk and return outcomes, thereby affecting the performance of investment portfolios and should therefore be considered as part of the Plan's investment process.

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 advisers to help select the platform provider and 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.

The Trustees will continue to review the available products and approaches in this space and strive for the Plan to continue to deliver strong risk-adjusted returns, incorporating responsible investments principles into the process, where possible.

5.2 Non-Financial Considerations

The Trustee's objective is that the financial interests of the Plan members are its first priority when choosing investments.

It has decided not to consider non-financial considerations, such as ethical views, or to take members' preferences into account when setting the investment strategy.

However, the Trustees believe that they have a good understanding of membership demographics, behaviours and preferences and, where appropriate, strive to provide a fund range that meets both financial and non-financially relevant member needs.

5.3 Stewardship Policy

The Trustees believe that good stewardship can create and preserve value for companies and markets as a whole and can therefore enhance long-term portfolio performance and is therefore in the best interests of the Plan's beneficiaries and aligned with fiduciary duty.

The Trustees have designated stewardship priorities in each of Environmental, Social and Governance areas, which are summarised as below:

- Environmental: Climate change related to low-carbon transition and physical damages resilience;
- Social: Human rights related to modern slavery, pay (minimum/living wage etc.) and safety in workforce and supply chains, abuses in conflict zones;
- Governance: Diversity, Equity and Inclusion (DEI) - inclusive & diverse decision making

As the Plan invests in pooled funds via an investment platform, the Trustees' scope to vote on the Plan's shares directly is currently limited. The Trustees' policy is to delegate responsibility for engaging with, monitoring investee

companies and exercising voting rights to the pooled fund investment managers and expects the investment managers to use their discretion to act in the long term financial interests of investors.

The Trustee notes that the investment managers' corporate governance policies are available on request and on their respective websites. 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 Plan's benefit. The Trustees believe that choosing the right managers who fully engage with issuers of equity or debt instruments in their portfolios will lead to better financial results for members. The Trustees review the investment managers' policies and engagement activities (where applicable) on an annual basis.

The Trustees are supportive of the UK Stewardship Code published by the Financial Reporting Council and encourage the Plan's underlying managers who are regulated by the Financial Conduct Authority to comply with the UK Stewardship Code. Such managers are expected to report on their adherence to the Code on an annual basis.

The Trustees, via their investment consultant, request annual reports on the voting undertaken by the Plan's underlying investment managers during the period and review the voting to ensure it remains broadly consistent with the Trustees' view of good stewardship standards.

5.4 Member Views

The Trustees do not explicitly take account of member views when selecting investments for the Plan. However, the Trustees are committed to reviewing this policy on an ongoing basis.

6 RISK

The Trustees are aware, and seek to take account, of a number of risks in relation to the Plan's investments, including those set out below. 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 also set out below.

The Trustees recognise that in a defined contribution arrangement, members assume the investment risks themselves. The Trustees further recognise that members are exposed to different types of risk at different stages of their working lifetimes. The main types of investment risk are noted below:

Type of Risk	Risk	Description	How is the risk monitored and managed?
Market Risk	Inflation Risk	The risk that a member's investments will not grow quickly enough to sufficiently outpace inflation (the cost of living).	<p>The Trustees make available a range of funds across various asset classes, with many expected to keep pace with inflation.</p> <p>Members are able to set their own investment allocations, in line with their risk tolerances.</p> <p>The growth phase of the default strategy invests in equities which are expected to outpace the rate of inflation. The default strategy is designed with the intention of diversifying market risk to reach a level of risk deemed appropriate given the objectives. This is set with the advice from the investment adviser.</p> <p>The Trustees acknowledge that the assessment of credit risk on individual debt instruments is the responsibility of the investment manager. The Trustees will however ensure that they are comfortable with the amount of risk that the Plan's investment managers take.</p>
	Interest Rate Risk	<p>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.</p> <p>Changes to Interest Rates will affect the market price of annuities, which therefore affects the amount of guaranteed pension that members of the DC section will be able to purchase with their savings at retirement.</p>	
	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, the scheme 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.	
	Credit Risk	This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.	

	Other Price Risk	This is the risk that principally arises in relation to the return seeking assets such as equities.	
Environmental and social and governance (“ESG”) risks		<p>This is the risk that ESG factors, including climate change, have a financially material impact on the return of the Plan’s assets.</p> <p>These risk factors can have a significant effect on the long-term performance of the assets the Plan holds.</p>	<p>Where applicable these factors will be considered in the investment process but is considered the responsibility of the investment managers.</p> <p>Please see Section 5 for the Trustees’ responsible investment statement.</p>
Pension Conversion Risk		This is the risk that member is invested in a strategy that does not reflect the way in which they intend to access their savings at retirement.	<p>The Trustees make available a wide range of funds which enable members to manage this risk.</p> <p>The default is a lifestyle strategy which automatically and gradually switches member assets into investments whose value is expected to be less volatile compared with annuity prices. The fund allocated to at retirement is considered suitable for members who intend to purchase an annuity upon reaching retirement.</p> <p>The Trustees will review the default strategy at least triennially to assess whether the targeted destination remains appropriate.</p>
Manager risk		This is assessed as the expected deviation of the prospective risk and return, as set out in the managers’ 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 through the quarterly performance updates provided by Mercer, and by appointing Mercer to monitor and replace any managers where concerns exist over their continued ability to deliver the investment mandate.
Liquidity risk		The risk that the Plan’s assets cannot be realised at short notice in line with member or Trustees’ demand.	It is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.

Realisation of Investments

The funds are daily-dealt pooled investment arrangements, with assets mainly invested in regulated markets, and therefore should be realisable at short notice, based on either Trustees’ or member demand. The selection, retention and realisation of investments within the pooled arrangements are the responsibility of the relevant investment manager.

7 MONITORING OF INVESTMENT ADVISER AND MANAGERS

7.1 Investment Adviser

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

7.2 Investment Managers

The Trustees receive quarterly monitoring reports on the performance of the underlying investment managers from Mobius Life Limited, which presents performance information over 3 months, 1 year and 3 years. The reports show the absolute performance (discrete and calendar year, over the relevant time period) on a net of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance.

The Trustees, with the assistance of Mercer, as Investment Manager has the role of replacing the underlying investment managers where appropriate. It takes a long-term view when assessing whether to replace the underlying investment managers, and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of the investment manager by Mercer's Manager Research Team. This in turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.

The Trustees also monitor the stewardship track record of the Plan's underlying investment managers on an annual basis and will take action if this is found inconsistent with appropriate long-term return generation.

7.3 Portfolio Turnover Costs

The Trustees consider portfolio turnover costs as part of the annual value for members assessment and asks investment managers to include portfolio turnover and turnover costs in their presentations and reports to the Trustees.

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

Given that the Plan 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 Plan.

8 CODE OF BEST PRACTICE

The Pensions Regulator has published a code on standards for DC schemes and this came into effect in November 2013 as part of a wider initiative to get DC right. This was updated further on 28 July 2016 and this revised version is shorter and simpler than its predecessor and has been updated to include the DC flexibilities and governance legislation introduced from April 2015.

The Code of Practice 13 on the governance and administration of occupational DC trust based schemes places bigger than ever emphasis on good quality investment arrangements and stricter requirements for reviewing these on the Trustees. Particular attention has to be paid to the design of default strategies and on-going monitoring of their continuing suitability for scheme membership. The Code can be found here:

<https://www.thepensionsregulator.gov.uk/en/document-library/codes-of-practice/code-13-governance-and-administration-of-occupational-trust-based-schemes-providing-money-purchase>

When formulating their investment policy, the Trustees have acted in line with the Code of Practice 13.

9 COMPLIANCE

The Plan's Statement of Investment Principles is available to members on request and is, together with the Chair's Statement.

A copy of the Plan's current Statement plus Appendices is also supplied to the Principle Employer, the Plan's investment managers, auditors and administrators.

This Statement of Investment Principles, taken as a whole with the Appendices was approved by the Trustees on

Approved on behalf of the Toyota (GB) Retirement Benefits Plan (1979) – Money Purchase Section

APPENDIX 1: INVESTMENT MANAGER INFORMATION AND DEFAULT LIFESTYLE STRATEGY

For members who are invested in the Default Lifestyle Strategy the following table sets out the switches between the funds that will be carried out on a member's behalf up to their retirement date:

Years to Retirement	Growth Fund (%)	Diversified Fund (%)	Secure Fund (%)	Cash Fund (%)
15+	100	0	0	0
14	92.5	7.5	0	0
13	85	15	0	0
12	77.5	22.5	0	0
11	70	30	0	0
10	62.5	37.5	0	0
9	55	45	0	0
8	47.5	52.5	0	0
7	40	60	0	0
6	32.5	67.5	0	0
5	25	75	0	0
4	25	65	5	5
3	25	55	10	10
2	25	45	15	15
1	25	35	20	20
0	25	25	25	25

The Plan invests with Mobius Life Limited. The table overleaf shows the details of the current mandates with each underlying investment manager:

Default Strategy Funds

Fund Name	Underlying fund	Fund benchmark	Objective	Total Expense Ratio (TER)
Growth Fund	LGIM Global Equity Fixed Weights (60:40) Index Fund	Composite consisting of: <ul style="list-style-type: none"> • 60% UK Equity • 14% in North America Equity • 14% in Europe (ex-UK) Equity • 7% in Japan Equity • 5% Asia Pacific (ex-Japan) Equity 	To perform in line with the composite benchmark	0.130% p.a.
Diversified Fund	Nordea Diversified Return Fund	Three month GBP LIBOR	To achieve returns equivalent to cash +3.3% p.a. net of fees, over a rolling 3 year investment horizon.	0.650% p.a.
Secure Fund	LGIM Over 15 Year Gilts Index Fund	FTSE Actuaries UK Conventional Gilts Over 15 Years Index	To track the performance of the benchmark to within +/-0.25% p.a. for two years out of three.	0.098% p.a.
Cash Fund	LGIM Cash Fund	LIBID 7 Day GBP	To perform in line with the benchmark, without incurring excessive risk.	0.125% p.a.

Self-Select Funds

Fund	Fund benchmark	Objective	Total Expense Ratio (TER)
Growth Fund (<i>LGIM Global Equity Fixed Weights (60:40) Index Fund</i>)	Composite consisting of: <ul style="list-style-type: none"> 60% UK Equity 14% in North America Equity 14% in Europe (ex-UK) Equity 7% in Japan Equity 5% Asia Pacific (ex-Japan) Equity 	To perform in line with the composite benchmark	0.130% p.a.
LGIM UK Equity Index Fund	FTSE All Share Index	To track the performance of the FTSE All-Share Index (less withholding tax where applicable) to within +/-0.25% p.a. for two years out of three	0.099% p.a.
LGIM World Emerging Market Equity Fund	FTSE Emerging Index	To track the performance of the FTSE Emerging Index (less withholding tax where applicable) to within +/-1.5% p.a. for two years out of three.	0.330% p.a.
Diversified Fund (<i>Nordea Diversified Return Fund</i>)	Three month GBP LIBOR	To achieve returns equivalent to cash +3.3% p.a. net of fees, over a rolling 3 year investment horizon.	0.650% p.a.
LGIM Over 5 Year Index – Linked Gilts Index Fund	FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	To track the performance of the benchmark to within +/-0.25% p.a. for two years out of three.	0.098% p.a.
LGIM Pre-Retirement Fund	Gilts/Corporate Bond Composite	To provide a diversified exposure to assets that reflect the investments underlying a typical traditional level annuity product	0.090% p.a.
Secure Fund (<i>LGIM Over 15 Year Gilts</i>)	FTSE Actuaries UK Conventional Gilts Over 15 Years Index	To track the performance of the benchmark to within +/-0.25% p.a. for two years out of three.	0.098% p.a.
Cash Fund (<i>LGIM Cash Fund</i>)	LIBID 7 Day GBP	To perform in line with the benchmark, without incurring excessive risk.	0.125% p.a.

The assets for the underlying managers are hosted on an investment platform provided by Mobius Life Limited.

For avoidance of doubt, this SIP will not be updated solely in response to a replacement of one of the underlying investment managers.

APPENDIX 2: 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
- Selecting the Investment Managers
- 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 Principal Employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis
- Publishing this Statement on a publically available website and informing members of the location

Investment Adviser

The Investment Adviser's responsibilities include the following:

- Participating with the Trustees in reviews of the Statement of Investment Principles
- Production of quarterly independent performance monitoring reports
- Advising of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Plan is invested, such that in its view there is a significant concern that any of these funds will not be able to meet its long term objectives.
- Updating the Trustees on changes in the investment environment, and advising the Trustees, at their request, on how such changes could present either opportunities or problems for the Plan
- Undertaking project work, as requested, including:
 - Reviews of the default strategy and fund range; and
 - Research into and reviews of Investment Managers.
- Advising on the selection of new managers and/or custodians

Investment Managers

As noted in this SIP, Mobius Life Limited has been appointed as Investment Manager and will sub-contract with underlying investment managers on behalf of the Trustees.

Mobius Life Limited'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 in which the Plan is directly invested 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
- Managing their funds in accordance with their stated mandates

The underlying investment managers contract with Mobius Life Limited and therefore do not have any direct responsibility to the Trustees.