Irwin Mitchell 1989 Pension Scheme

Statement of Investment Principles

Barnett Waddingham LLP

5 September 2020

Contents

1 Introduction

1.1 This Statement of Investment Principles ("the Statement") has been prepared by the Trustees of the Irwin Mitchell 1989 Pension Scheme ("the Trustees") and relates to the defined contribution (DC) benefits provided through the Irwin Mitchell 1989 Pension Scheme ("the Scheme"). The Statement sets down the principles which govern the decisions about the 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 and the Occupational Pension Schemes (Charges and Governance) Regulations 2015; and the Occupational Pension Schemes (Investment) (Amendment) Regulations 2018; and the Occupational Pension Schemes (Investment) (Amendment) Regulations 2019

1.2 In preparing this statement the Trustees have consulted Irwin Mitchell LLP, 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 and licensed by the Institute and Faculty of Actuaries for a range of investment business.

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

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 or the demographic profile of members.

1.5 The investment powers of the Trustees are set out in Clause Rule 36 of the Definitive Consolidated Trust Deed &and Rules, dated 20 September 2016. This statement is consistent with those powers.

2 Choosing investments

2.1 The Trustees carefully consider their Investment Objectives, shown in the appendix, when designing the range of investment options to offer to their members. The Trustees also acknowledge that members will have different attitudes to risk and different aims for accessing their retirement savings – and therefore, whilst seeking good member outcomes net of fees, they also consider the level of risk that is appropriate based on the anticipated needs of the membership profile of the Scheme.

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

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

2.4 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 their 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 and agreed key investment objectives in light of an analysis of the Scheme's membership profile as well as the constraints the Trustees face in achieving these objectives. These are set out in the Appendix.

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.

5 The balance between different kinds of investments

5.1 The Trustees have made available lifestyle strategies. Through these options members' assets are automatically invested in line with a pre-determined strategy that changes at different stages of membership. For example, whilst a member is a long way off accessing their retirement savings, emphasis is placed on medium to higher risk funds (i.e. investment largely in growth assets) in search of long-term, inflation-protected growth. As the member's target retirement date approaches, their retirement savings are progressively switched to hold a larger proportion of lower risk assets so as to protect the value of the retirement savings relative to the way in which they are expected to be accessed.

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

5.3 The Trustees consider the merits of both active and passive management for the various elements of the Scheme's portfolio and may select different approaches for different asset classes.

5.4 The Trustees are aware that the appropriate balance between different kinds of investments will vary over time and the asset allocation may change as the membership profile evolves.

6 Risks

6.1 Investment risk in a defined contribution scheme lies with the members themselves. The Trustees have considered a number of risks when designing and providing suitable investment choices to members. A comprehensive list of risks is set out in the Trustees risk register, however, the main investment risks affecting all members are:

Inflation risk	The risk that the investments do not provide a return at least in line with inflation, thus eroding the purchasing power of the retirement savings. The Trustees make available investment options that are expected to provide a long-term real rate of return.

Conversion risk	The risk that fluctuations in the assets held, particularly in the period before retirement savings are accessed, lead to uncertainty over the benefit amount likely to be received. In the lifestyle arrangements made available through the Scheme (see Appendix), the Trustees change the proportion and type of investments so that in the run up to retirement the investments gradually start to more closely match how the Trustees expect members to access their retirement savings. The Trustees keep under review the appropriateness of the strategies.
Retirement income risk	The risk that a member's retirement income falls short of the amount expected, whether this is due to lower investment returns than expected or insufficient contributions being paid. The Trustees periodically review the appropriateness of the investment options offered to ensure member outcomes can be maximised. Communications to members will seek to encourage them to regularly review the level of their contributions, but ultimately this is a risk which lies with each member.
Investment manager risk	The Trustees monitor the performance of the Scheme's investment managers on a regular basis in addition to having meetings with them from time to time as necessary.
Concentration/ Market risk	The investment managers are expected to manage properly diversified portfolios and to spread assets across a number of individual shares and securities.
Currency risk	The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management.
Loss of investment	The risk of loss of investment by the investment managers and custodian is assessed by the Trustees. This includes losses beyond those caused by market movements (e.g. default risk, operational errors or fraud).

7 Expected return on investments

7.1 The Trustees have regard to the relative investment return, net of fees, and risk that each asset class is expected to provide. The Trustees are advised by their professional advisors on these matters, whom they have deemed to be appropriately qualified. 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

8 Realisation of investments

8.1 The Trustees have delegated the responsibility for buying and selling investments to the investment managers.

9 Financially material considerations

9.1 The Trustee believe that environmental, social and governance ("ESG") factors, including climate change, are potentially financially material over the lifetime of the Scheme. However, these factors should be considered alongside other material factors, including but not limited to historical performance or fees.

9.2 The Trustees are cognisant that Scheme members have a long investment time horizon, of up to around 40 or 50 years.

9.3 The Trustees received training from their investment adviser and one of their investment managers on ESG factors. The Trustees considered the research findings presented at these training sessions in forming their views on the financial materiality of ESG factors as they apply to the Scheme's current investments.

9.4 As the Scheme's investments are held in pooled funds, ESG considerations are set by each of the investment managers.

9.5 The Trustees believe that ESG factors have the potential to be financially material to the risk-adjusted returns achieved by the Scheme's active fund holdings. These types of funds are actively managed to achieve their outperformance targets with low volatility, so the managers are therefore expected to consider all financially material considerations, including ESG factors, when managing the funds. Where the Trustees engage the services of an active manager, the Trustees will consider the manager's ability to assess ESG risks as part of the manager selection process. ESG risks will be considered alongside other material factors, including but not limited to historical performance and fees.

9.6 The Trustees believe that ESG factors have the potential to be financially material to the risk-adjusted returns achieved by the Scheme's passive fund holdings. The Trustees accept that for passively managed funds the manager must invest in line with the specified index and therefore may not be able to select, retain or realise investments based on ESG related risks and opportunities. Where the Trustees engage a manager to track an index, the Trustees will consider ESG risks as part of the selection of the index. ESG risks will be considered alongside other material factors, including but not limited to historical performance and fees.

10 Non–financial matters

10.1 The Trustees do not currently take into account members' views when selecting their investments, however they will keep this position under review.

11 Engagement and voting rights

11.1 The Trustees believe that good stewardship and positive engagement can lead to improved governance and better risk-adjusted investor returns. The Trustees delegate the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers, who are signatories of the UK Stewardship code or equivalent.

11.2 The Trustees also delegate undertaking engagement activities, which include entering into discussions with company management in attempt to influence behaviour, to the investment managers.

11.3 In selecting and reviewing their investment managers, where appropriate, the Trustees will consider investment managers' policies on engagement and how these policies have been implemented. The Trustees will monitor and engage with the investment managers on relevant matters (including matters concerning an issuer of debt or equity, including their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance), through the Scheme's investment consultant.

11.4 Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis. The Trustees will, with input from their investment consultant, monitor and review the information provided by the investment managers.

11.5 The Trustees expect all investment managers and their consultants to have a conflict of interest policy in relation to their engagement and ongoing operations. The Trustees will review these policies to manage the potential for conflicts of interest in the appointment of the investment manager and consultants and conflicts of interest between the Trustees investment manager and the investee companies.

12 Policy on arrangements with asset managers

Incentivising alignment with the Trustees' investment policies

12.1 When appointing and reviewing an investment manager, the Trustees consider the investment manager's benchmark, objectives, and approach to the management of ESG and climate related risks, and how they are aligned with the Trustees' own investment aims, beliefs and constraints.

12.2 The Trustees carry out a strategy review at least every 3 years where they assess the continuing relevance of the strategy in the context of the scheme and their aims, beliefs and constraints. The Trustees monitor the investment managers' approach to ESG and climate related risks on an annual basis.

12.3 In the event that the investment manager does not meet the Trustees' requirements, including the management of ESG and climate related risks, their appointment will be reviewed. The investment managers have been informed of this by the Trustees.

12.4 Investment manager ESG policies are reviewed in the context of best industry practice and feedback is provided to the investment manager where necessary.

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

12.5 When reviewing a managers performance against their objectives (including any ESG and climate risk objectives), the Trustees assess these over an agreed predetermined 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 a medium to long-term 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 to be sufficient to ensure an appropriate alignment of interests.

12.6 The Trustees expect investment managers to vote and engage on behalf of the Scheme's holdings and the Scheme monitors this annually. The Trustees do not expect ESG considerations to be disregarded by the investment manager in an effort to achieve any short term targets.

Method and time horizon for assessing performance and remuneration

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

12.8 The Scheme invests exclusively in pooled funds. The investment manager is remunerated by the Trustees based on a fixed percentage of the assets under management. Details of the fee structures for the Scheme's investment managers are contained in Appendix 1.

12.9 The Trustees believe that this fee structure enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

12.10 The Trustees consider whether the asset management fee is in line with the market when a manager is selected, and the continued appropriateness of the annual management charges are considered from time to time when the manager arrangements are reviewed.

Portfolio turnover costs

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

12.12 During the investment manager appointment process, the Trustees consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated if this has contributed to the underperformance. The Trustees consider that portfolio turnover costs are within their targeted range where they reflect the market conditions and peer group practices.

Duration of arrangement with asset manager

12.13 For the open-ended pooled funds in which the Scheme invests, there are no predetermined terms of agreement with the investment managers.

12.14 The suitability of the Scheme's strategy and its ongoing alignment with the Trustees' investment aims, beliefs and constraints is assessed every three years, or when changes deem it 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.

13 Monitoring

13.1 **Investment Performance** The Trustees review the performance of each investment option offered through the Scheme against the stated performance objective and, in doing this, the Trustees receive a performance monitoring report on a regular basis. This monitoring takes into account both short-term and long-term performance. The investment manager's overall suitability for each mandate will be monitored as frequently as the Trustees consider appropriate in light of both its performance and other prevailing circumstances.

13.2 **Objectives** The Trustees monitor the suitability of the objectives for the Scheme (as detailed in the appendix) and performance (net of fees) against these objectives at least every three years and also when there is any significant change in the investment policy, underlying economic conditions or the profile of the members.

13.3 **Investment Choices** The Trustees monitor the ongoing appropriateness of the investment choices offered on a periodic basis.

14 Agreement

14.1 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.

Signed: ADRIAN BUDGEN **Date**: 5 SEPTEMBER 2020

Appendix 1 Note on the Scheme's investment policy

The balance between different kinds of investment

The Trustees' main investment objectives are:

- to provide a suitable default investment option that is likely to be suitable for a typical member;
- to offer an appropriate range of alternative investment options so that members who wish to make their own investment choices have the freedom to do so, recognising that members may have different needs and objectives;
- to seek to achieve good member outcomes net of fees and subject to acceptable levels of risk;
- to maximise member outcomes;
- to manage the expected volatility of the returns achieved in order to control the level of volatility in the value of members' pension pots;
- to ensure that the expected volatility of the returns achieved is managed through appropriate diversification of the use of asset types in order to control the level of volatility and risk in the value of members' pension pots; and
- to reduce the risk of the assets failing to meet projected retirement income levels.

The Trustees are responsible for the design of the default investment options and for choosing which investment options to make available to members. Members are responsible for their own choice of investment options (including where the default investment option is selected for them because they have not selected other funds).

The Trustees have made available various lifestyle arrangements, whereby a member's assets are automatically invested in line with a pre-determined strategy that changes as the member gets closer to accessing their retirement savings. Emphasis is placed on medium to higher risk funds (i.e. investment largely in growth assets) in search of long-term inflation-protected growth whilst the member is a long way off accessing their retirement savings, switching progressively to protection assets over the years preceding the member's target retirement date so as to protect the purchasing power of the retirement savings.

Default options

The Trustees acknowledge that members will have different attitudes to risk and different aims for accessing their retirement savings, and so it is not possible to offer a single investment option that will be suitable for each individual member. However, having analysed the Scheme's membership profile, the Trustees decided that the lifestyle arrangements set out below represent suitable default investment options for the majority of members who do not make a choice about how their contributions (and those made on their behalf by the employer) are invested.

The aims, objectives and policies relating to the default options are intended to ensure that assets are invested in the best interests of relevant members and their beneficiaries. The objectives are consistent with the Trustees' main investment objectives as set out in section 1 of this Appendix. The statements made in the main body of this Statement of Investment Principles also apply to the default arrangements.

The Scheme currently has three default strategies:

- The 2005 default strategy – this strategy was updated in 2010 and members then under the age of 50 were transferred across to the new strategy.

- The 2010 default strategy – this strategy targets the purchase of an annuity at retirement and remains the current default strategy for members who joined the scheme before 6 April 2015.
- The 2015 default strategy (the Irwin Mitchell Adventurous Tracker Lifestyle Strategy) – this strategy was introduced in 2015 following the introduction of Pensions Freedoms for members joining the Scheme on or after 6 April 2015.

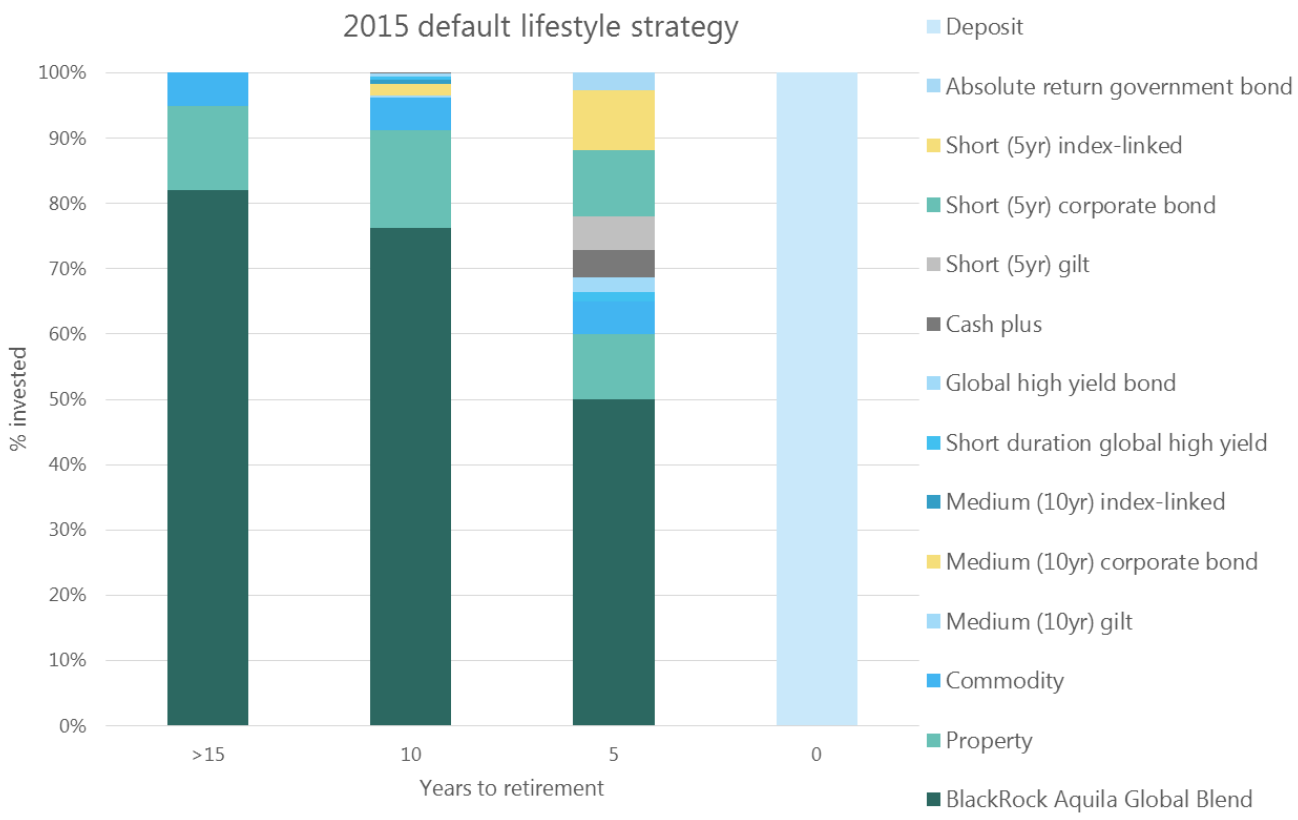
Further details on these strategies are set out below.

The 2015 default strategy (the Irwin Mitchell Adventurous Tracker Lifestyle strategy)

The 2015 default strategy was introduced following the introduction of Pension Freedoms in April 2015, recognising that members were no longer likely to purchase an annuity immediately on retirement. The strategy targets a 100% cash allocation at retirement.

This is the default arrangement for members who joined the Scheme on or after 6 April 2015. It is also available for members in the 2005 and 2010 default strategy if they wish to switch.

For members more than 15 years from retirement, their funds are invested in a version of Royal London's Governed Portfolio 7. Members' funds will then automatically transfer across into Governed Portfolio 8, then Governed Portfolio 9 before finally investing in the Royal London Deposit Fund at retirement. The switching takes place each month, based on the member's time to retirement. The following chart and table show how the 2015 default strategy progressively changes as members get closer to retirement.



Investment manager	Fund/ portfolio	Stage	Objective
Royal London	Governed Portfolio 7	More than 15 years to retirement	This portfolio aims to deliver above inflation growth in the value of the fund at retirement, whilst taking a level of risk consistent with a moderately adventurous or adventurous risk attitude over a long time period.
	Governed Portfolio 8	Between 5 and 10 years to retirement	This portfolio aims to deliver above inflation growth in the value of the fund at retirement, whilst taking a level of risk consistent with an adventurous risk attitude over a medium time period.
	Governed Portfolio 9	Less than 10 years to retirement	This portfolio aims to deliver above inflation growth in the value of the fund at retirement, whilst taking a level of risk consistent with an adventurous risk attitude over a short time period.
	Deposit Fund	At the point of retirement	This is a liquid cash holding.

The current composition of each Governed Portfolio is summarised in the following table. Royal London periodically amend the composition of the portfolio based on their market views.

Governed Portfolio 7

Fund	% portfolio as at 11 July 2019
Aquila Global Blend	82%
Property	13.6%
Commodity	4.4%

Benchmark as at 11 July 2019	
FTSE All Share Index	40%
FTSE All World ex UK Index	40%
ABI UK - UK Direct Property	15%
Bloomberg Commodity Index	5%

Governed Portfolio 8

Fund	% portfolio as at 11 July 2019
Aquila Global Blend	75.5%
Property	15%
Commodity	4.25%
Medium (10yr) Gilt	0.47%

Benchmark as at 11 July 2019	
FTSE All Share Index	35%
FTSE All World ex UK Index	35%
ABI UK - UK Direct Property	15%
Bloomberg Commodity Index	5%

Medium (10yr) Corporate Bond	1.61%
Medium (10yr) Index Linked	1.67%
Global High Yield Bond	0.08%
Short Duration Global High Yield	1.05%
Cash Plus	0.37%

Various FTSE Actuaries UK conventional Gilt Indices that are blended together to reflect a 10-year investment horizon	1.66%
Various FTSE Actuaries UK Index-Linked Gilt Indices that are blended together to reflect a 10-year investment horizon	1.67%
Various Markit iBoxx Sterling Non Gilts Indices that are blended together to reflect a 10-year investment horizon	1.67%
LIBID GBP 7 Day Index	5%

Governed Portfolio 9

Fund	% portfolio as at 11 July 2019
Aquila Global Blend	49.5%
Property	10%
Commodity	4.25%
Short (5yr) Gilt	9.31%
Short (5yr) Corporate Bond	10.02%
Short (5yr) Index Linked	9.17%
Global High Yield Bond	2.35%
Short Duration Global High Yield	2.4%
Cash Plus	0.1%
Absolute Return Government Bond	2.9%

Benchmark as at 11 July 2019	
FTSE All Share Index	22.5%
FTSE All World ex UK Index	22.5%
ABI UK - UK Direct Property	10%
Bloomberg Commodity Index	5%
BofA Merril Lynch Global HY Constrained GBP Hedged Index	2.5%
Various FTSE Actuaries UK conventional Gilt Indices that are blended together to reflect a 5-year investment horizon	9.16%
Various FTSE Actuaries UK Index-Linked Gilt Indices that are blended together to reflect a 5-year investment horizon	9.17%
Various Markit iBoxx Sterling Non Gilts Indices that are blended together to reflect a 5-year investment horizon	9.17%
LIBID GBP 7 Day Index	10%

Royal London regularly review the composition of each portfolio and their respective benchmarks.

The benchmark and objective of each fund in the 2015 default strategy is summarised below.

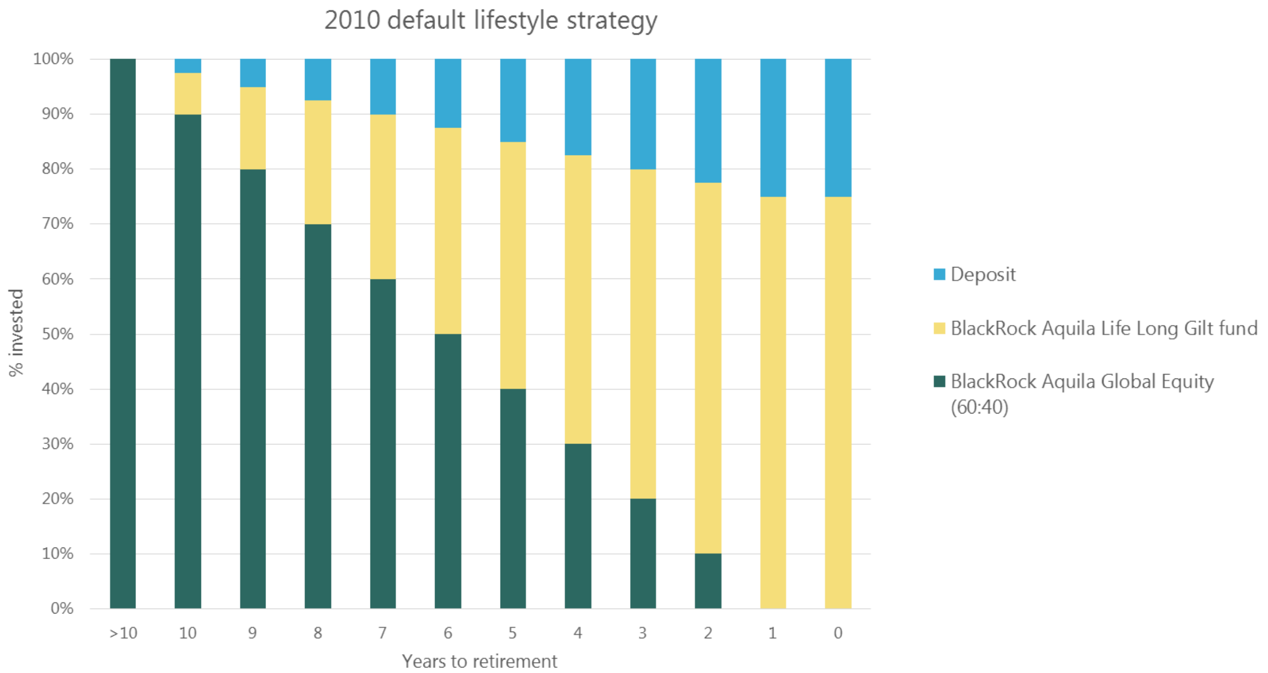
Investment manager	Fund	Benchmark	Objective
BlackRock	Aquila Global Blend	55% FTSE All Share Index 45% FTSE A World (ex. UK) Index	Track the benchmark to within +/- 1%
Royal London	Property	ABI UK Direct Property Sector Average	To outperform its benchmark
	Deposit	LIBID 7-Day Index	To outperform the benchmark
	Commodity	Bloomberg Commodity Total Return Index (USD)	To track the benchmark
	Short (5yr) Gilt	Combination of FTSE A British Government Gilt Indices with five-year time horizon, reviewed quarterly	To maximise returns over the benchmark with a five-year time horizon
	Short (5yr) Corporate Bond	Combination of Markit iBoxx Sterling Non-Gilts indices with five-year time horizon, quarterly reviewed	To maximise returns over the benchmark with a five-year horizon
	Short (5yr) Index Linked	Combination of FTSE A (Index-Linked) British Government Gilt Indices with five-year time horizon, quarterly reviewed	To provide returns linked to the rate of inflation with a five-year investment term
	Global High Yield Bond	BofA Merrill Lynch BB-B Global Non-Financial High Yield Constrained Index	To outperform its benchmark
	Short Duration Global High Yield	LIBOR GBP 3-month index	To outperform its benchmark by 2% p.a. over rolling three-year periods
	Cash Plus	LIBID 7-Day Index	To outperform its benchmark by 0.75% gross of fees
	Absolute Return Government Bond	Sterling Overnight Cash Rate (SONIA)	To outperform its benchmark by between 2,5% and 3% p.a. over rolling three-year periods and to provide positive performance over 12-month periods

Investment manager	Fund	Benchmark	Objective
	Medium (10yr) Gilt	Combination of FTSE A British Government Gilt Indices with ten-year time horizon, reviewed quarterly	To maximise returns over the benchmark with a ten-year time horizon
	Medium (10yr) Corporate Bond	Combination of Markit iBoxx Sterling Non-Gilts indices with ten-year time horizon, quarterly reviewed	To maximise returns over the benchmark with a ten-year horizon
	Medium (10yr) Index Linked	Combination of FTSE A (Index-Linked) British Government Gilt Indices with ten-year time horizon, quarterly reviewed	To provide returns linked to the rate of inflation with a ten-year investment term

The 2010 default strategy

The 2010 default strategy was introduced in January 2010, targeting the purchase of an annuity at retirement. New joiners after the introduction of this strategy and before the introduction of the 2015 default strategy were automatically invested in the 2010 default strategy. Members aged under 50 in January 2010 were automatically transferred across to this strategy.

The below chart and table summarise the asset allocation of the 2010 default strategy through a member's journey to retirement. The strategy is designed to reduce the risk of large changes in the value of a member's assets relative to the expected price of an annuity as the member approaches retirement.



Years to retirement	%BlackRock Aquila Global Equity 60:40 Fund	%BlackRock Aquila Long Gilt Fund	% Deposit Fund (Cash)
More than 10	100%	0%	0%
10	90%	7.5%	2.5%
9	80%	15%	5%
8	70%	22.5%	7.5%
7	60%	30%	10%
6	50%	37.5%	12.5%
5	40%	45%	15%
4	30%	52.5%	17.5%
3	20%	60%	20%
2	10%	67.5%	22.5%
1	0%	75%	25%
0	0%	75%	25%

The following table shows each fund's benchmark and objective.

Investment manager	Fund	Benchmark	Objective
BlackRock	Aquila Global Equity 60:40	60% FTSE All Share Index and 40% FTSE A World (ex. UK) Index	Track the benchmark to within +/- 1%
	Aquila Long Gilt	FTSE A over 15 years Gilt Index	Track the benchmark
Royal London	Deposit	LIBID 7-Day Index	To outperform the benchmark

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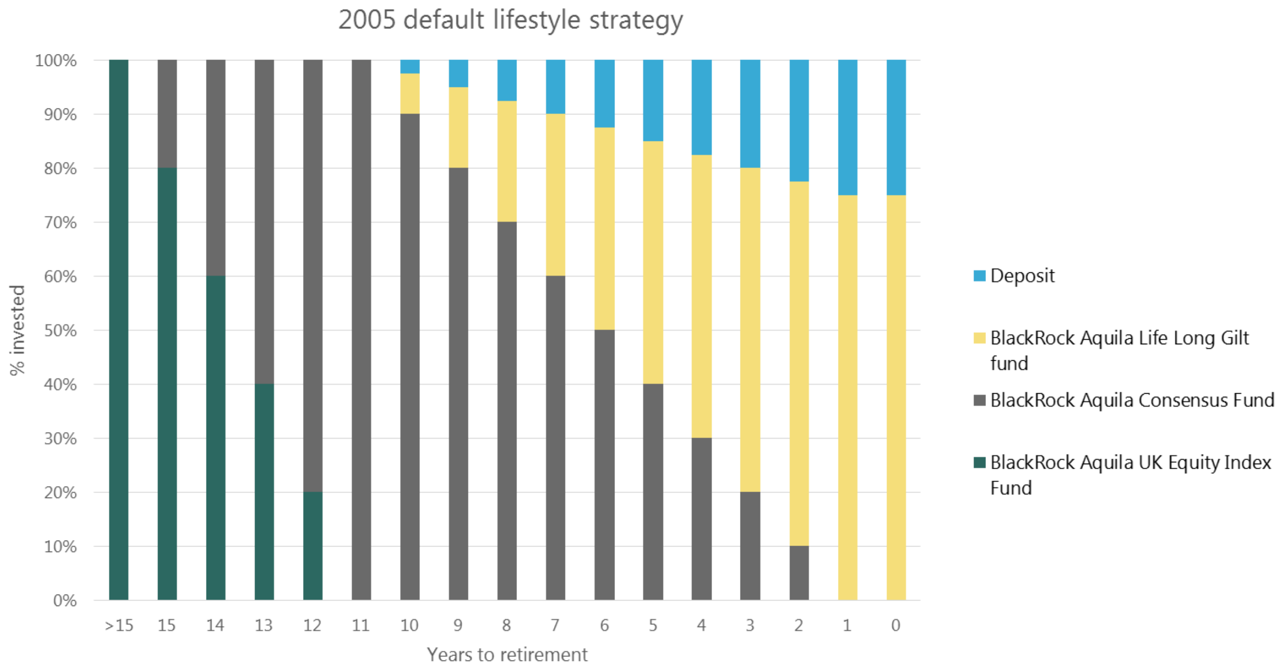
beyond the expected

The 2005 default strategy

The 2005 default strategy was the default arrangement from April 2005 until the 2010 default strategy was introduced. This strategy targets the purchase of annuity at retirement. In January 2010, members under the age of 50 were transferred to the 2010 default strategy, but members who were over 50 remained in the 2005 strategy, unless they elected to move to the 2010 default strategy.

The below chart and table summarise the asset allocation of the 2005 default strategy through a member's journey to retirement. The strategy is designed to reduce the risk of large changes in the value of a member's assets relative to the expected price of an annuity as the member approaches retirement.



Years to retirement	%BlackRock Aquila UK Equity Index Fund	%BlackRock Aquila Consensus Fund	%BlackRock Aquila Long Gilt Fund	%Royal London Deposit Fund
More than 15	100%	0%	0%	0%
15	80%	20%	0%	0%
14	60%	40%	0%	0%
13	40%	60%	0%	0%
12	20%	80%	0%	0%
11	0%	100%	0%	0%
10	0%	90%	7.5%	2.5%
9	0%	80%	15%	5%

Years to retirement	%BlackRock Aquila UK Equity Index Fund	%BlackRock Aquila Consensus Fund	%BlackRock Aquila Long Gilt Fund	%Royal London Deposit Fund
8	0%	70%	22.5%	7.5%
7	0%	60%	30%	10%
6	0%	50%	37.5%	12.5%
5	0%	40%	45%	15%
4	0%	30%	52.5%	17.5%
3	0%	20%	60%	20%
2	0%	10%	67.5%	22.5%
1	0%	0%	75%	25%
0	0%	0%	75%	25%

The following table summarises the benchmark and objective of each fund in the 2005 default strategy.

Investment manager	Fund	Benchmark	Objective
BlackRock	Aquila UK Equity Index	60% FTSE All Share Index and 40% FTSE A World (ex. UK) Index	Track the benchmark to within +/- 1%
	Aquila Consensus	ABI Mixed Investment (40-85% Shares) Sector Average	Performing consistently in line with the benchmark
	Aquila Long Gilt	FTSE A over 15 years Gilt Index	Track the benchmark
Royal London	Deposit	LIBID 7-Day Index	To outperform the benchmark

Alternative investment options

Acknowledging the challenge of identifying the best solution for different groups of members, and in focusing on its key objective, the Trustees have focused on the default strategies. Alongside the default investment options, members can also choose any of the funds available via Royal London's platform.

The funds that form part of the 2005, 2010 and 2015 default strategies are also available for members who wish to self-select their investments.

The investment managers are authorised and regulated by the Financial Conduct Authority.

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 performances.

Fee arrangements

The funds are available through Royal London's platform and the fee arrangements were agreed with Royal London. The funds that are part of the default strategies have an annual management charge of 0.45%. For members who wish to select their own investments, the annual management charge is 0.45% p.a. if the annual management charge (AMC) of the selected funds is 1% p.a. or less, and if the AMC of the selected funds is more than 1% p.a., it is calculated by the AMC of the selected fund, minus 0.55% p.a. For example, for a fund with 1.5% AMC, the AMC for this Scheme's member would be 1.5%-0.55% = 0.95%.

The Trustees review these charges periodically as part of the Value for Money assessments.