AUSTRALIAN HIGH COMMISSION BRITAIN - LOCALLY ENGAGED STAFF PENSION SCHEME

STATEMENT OF INVESTMENT PRINCIPLES

JANUARY 2024

TABLE OF CONTENTS

1 INTRODUCTION

This Statement of Investment Principles ("the Statement") has been prepared by the Trustees of the Australian High Commission Britain - Locally Engaged Staff Pension Scheme ("the Scheme") in accordance with Section 35 of the Pensions Act 1995 as amended by the Pensions Act 2004 and the subsequent regulations, and the Occupational Pension Schemes (Investment) Regulations 2005, as amended from time to time. It has been prepared in accordance with applicable guidance from the Pensions Regulator.

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 Adviser, Mercer Limited ("Mercer"), who represents a wealth 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

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.

To pay due regard to the interest of the Sponsoring Employer in relation to the funding of the Scheme.

3 INVESTMENT RESPONSIBILITIES

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 managers and 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 manager 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 as the investment adviser to the Scheme. 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 Mercer expects to provide advice to the Trustees include the following:

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Setting cashflow management (investment and withdrawal) policies (see Appendix 2)

The Trustees seek advice from Mercer with regard to both strategic and dynamic investment decisions (see Section 4 - Investment Strategy); however, they 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 dynamic investment decisions; however, there is no responsibility placed on Mercer to be proactive in all circumstances.

The Trustees monitor the performance of the Scheme's investment managers against their benchmarks. Mercer will provide performance-monitoring reports to aid the Trustees in this process. 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 Scheme 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.

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

3.3 ARRANGEMENTS WITH INVESTMENT MANAGERS

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

The Trustees, after considering appropriate investment advice, have decided to invest the Scheme assets through the Mobius Life (“Mobius”) platform (the “Platform”).

The underlying managers and funds invested in by the Scheme are determined by the Trustees using a written instruction to Mobius who will arrange for any changes to the investment arrangements to be implemented. The Trustees look to Mercer in its capacity as investment adviser for their forward looking assessment of an investment managers’ ability to deliver upon its stated objectives over a full market cycle. This view will be based on the adviser’s assessment of the investment managers’ idea generation, portfolio construction, implementation and business management, in relation to the particular investment that the Scheme invests in. Mercer's manager research ratings assist with due diligence and questioning managers during presentations to the Trustees. These ratings are used in decisions around selection, retention and removal of manager appointments.

The key duty of Mobius Life is to host investment funds on their Platform suitable to each mandate within the Trustees agreed asset allocation. Mobius Life will therefore contract with and appoint underlying investment managers to manage the Scheme’s assets on behalf of the Trustee. Mobius Life is authorised by the Prudential Regulation Authority (“PRA”) and regulated by the FCA and PRA. The details of investment managers held on the Mobius Life Investment Platform are set out in Appendix 3, together with the details of each manager’s mandate. All of the investment managers that are held via the Mobius Life Investment Platform will be authorised and regulated by the PRA, the FCA or both. If the investment objective for a particular investment manager changes, the Trustees will review the Scheme’s appointment to ensure it remains appropriate and consistent with the Trustees’ wider investment objectives. As the Scheme invests in pooled investment vehicles, they accept that they have no ability to specify the risk profile and return targets of the manager, but believe appropriate mandates can be selected to align with the overall investment strategy.

The pooled funds held are open-ended vehicles and the Trustees expect to retain them unless:

- There is a strategic change to the overall investment strategy that no longer requires exposure to that asset class or manager; or
- The investment manager appointed has been reviewed and the Trustees have decided to terminate the mandate

The details of each investment manager’s mandate are set out in Appendix 3. In particular, the 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 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.

All of the investment managers engaged by the Trustees are authorised and regulated by the FCA.

The Platform and the investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. None of the investment managers currently appointed by the Scheme receive a performance based fee. The Trustees believes that this is a reasonable basis for remuneration.

The Trustees consider that the method of remunerating investment managers to be 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, the Trustees believes 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.

The Trustees accepts that it cannot influence the charging structure of the Platform or investment managers with which the Scheme invests, but are satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each pooled fund's stated characteristics.

The Trustees are therefore satisfied that this the most appropriate basis for remunerating the Platform and the underlying investment managers and is consistent with the Trustee policies as set out in this Statement.

3.4 SUMMARY OF RESPONSIBILITIES

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

4 INVESTMENT STRATEGY

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.

The basis of the Trustees strategy is to divide the Scheme's assets between a "growth" portfolio, comprising of three Diversified Growth Funds ("DGFs"), and a "stabilising" portfolio which invests in UK Government Bonds, Fixed and Inflation-Linked and a Corporate Bond Fund.

The Trustees have established a benchmark allocation to each asset class within each strategic asset allocation, which is set out in Appendix 1.

The Trustees recognise the benefits of diversification across growth asset classes, as well as within them, in reducing the risk that results from investing in any one particular market. Where they consider it advisable to do so, the Trustees have appointed investment managers to select and manage the allocations across growth asset classes, in particular where it would not be practical (or appropriate) for the Trustees to commit the resources necessary to make these decisions themselves.

4.2 INVESTMENT DECISIONS

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

a 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's benchmark
- Reviewing the investment objectives and strategic asset allocation

b Dynamic and Tactical Investment Decisions

These decisions are medium or short-term and based on expectations of nearer-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 (Dynamic Asset Allocation).These decisions are the responsibility of the Trustees.

However, where such decisions are made within a pooled fund they can be short or medium term, they are the responsibility of the investment manager of the fund (Dynamic or Tactical Asset Allocation).

c Stock Selection Decisions

All such decisions are the responsibility of the investment managers 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, including, but not limited to, the following:

- UK Government Bonds, Fixed and Inflation-linked
- Diversified Growth Funds
- Corporate Bonds
- Cash

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

The Trustees recognise the benefits of diversification across growth asset classes, as well as within them, in reducing the risk that results from investing in any one particular market. The Trustees have decided to invest in DGFs, which are actively managed multi-asset funds. The managers of the DGFs invest in a wide range of assets in order to implement their market views.

4.4 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustees understand that they must aim to consider all factors that have the ability to impact the financial performance of the Scheme’s investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Trustees recognise that ESG factors, such as climate change, can 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.

As an investor in multi-client pooled funds the Trustees have limited ability to influence the investment manager’s investment decision making process. The Trustees delegate decisions around ESG directly to the investment managers and will consider the investment consultant’s assessment of how each manager embeds ESG considerations into their investment process.

The Trustees recognise that their views on the financial materiality of environmental, social, and corporate governance factors on risk and return are retained as a Trustee decision. If the Trustees wish to adopt a specific approach to incorporating these factors in the future then consultation with Mercer will be required in order to ensure effective implementation.

The Trustees have reviewed the ESG policies of each of the Scheme's underlying investment managers and note that each manager takes consideration of such risks within their respective funds. Each of the Scheme's Investment Managers believe that integrating ESG issues within the investment process leads to better long term outcomes and that the Trustees note that this is consistent with their own view. The Trustees note that none of the funds currently utilised adopt a specific ESG remit, e.g. low carbon.

The Trustees will periodically review the policies of their Investment Managers to ensure that these policies remain appropriate and consistent with their own beliefs.

4.5 NON-FINANCIAL CONSIDERATIONS

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

The views of the members of the Scheme will not be sought.

4.6 STEWARDSHIP, CORPORATE GOVERNANCE AND VOTING POLICY

The Trustees' policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting rights to the Scheme's investment managers. The Trustees expect the investment managers to use their discretion to act in the long-term financial interests of investors and exercise these rights in accordance with their respective published corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustees note that the investment managers' corporate governance policies are available on request and on their respective websites. The Trustees can review these policies and challenge manager decisions that appear out of line with the investment fund's objectives or the objectives/policies of the Scheme. 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. The Trustees reviewed the Scheme's stewardship priorities and agreed on selecting governance and financial outcomes as the Scheme's key stewardship priorities. The Trustees also agreed to define significant votes as any votes from the top ten holdings of the fund related to climate change, human rights and diversity, equity and inclusion. A summary of the significant votes are included in the Engagement Policy Implementation Statement.

5 RISK

Under the Pensions Act 2004, the Trustees are required to state its 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 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, and by Mercer's manager research 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.

Environmental

- This risk that improper, or inadequate, consideration of environmental factors could lead to adverse investment performance and / or reputational damage to the Scheme.
- The day-to-day management of environmental risk is the responsibility of the companies in which the Scheme's underlying managers have invested. Given the use of pooled funds the Trustees will rely on the investment manager to ensure that these companies have sufficient procedures and processes in place in order to mitigate this risk as far as is reasonably possible.

Social Risk

- This is the risk that social factors are not properly considered within the investment decision-making process. Social risks can arise both within and external to a company, e.g. internal factors could include workplace health & safety whilst external factors may include a company's impact on the area surrounding their place of business.

- The day-to-day management of social risk is also the responsibility of the companies in which the Scheme's underlying managers invest. It is the responsibility of the investment manager to ensure that these companies have sufficient procedures and processes in place in order to mitigate these risks as far as is reasonably possible.

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 appropriate sponsor Delegates.

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 one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- The Trustees acknowledge that the assessment of credit risk on individual debt instruments is delegated to the investment manager. The Trustees will however ensure that they are comfortable with the amount of risk that the Scheme's investment manager take.

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.
- For currency hedged funds, the Trustees acknowledge that currency risk related to overseas investments is hedged appropriately by the underlying investment managers. In this respect, the Scheme holds no such currency hedged funds.

- For funds where the currency risk is separately managed by the manager, the Trustees acknowledge that currency risk is delegated to the underlying investment managers where the manager is responsible for the decision of whether or not to hedge.

Interest rate (and inflation) risk

- This is the risk that an investment's value will change due to a change in the level of interest and/or market-implied inflation 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 and inflation risk and for this reason it is desirable for the Scheme's assets to be exposed to this risk too. The Trustees manage the Scheme's interest rate and inflation risks 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 and has therefore invested a large proportion of the Scheme's return seeking assets in DGFs in order to achieve a diversified exposure to different investment markets and manage this risk.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1 INVESTMENT ADVISER

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

6.2 ENGAGEMENT WITH INVESTMENT MANAGERS

The policy in relation to the Trustees' arrangements with their investment managers are set out below.

- Performance reporting

The Trustees receive biannual monitoring reports on the performance of the underlying investment managers from Mercer. This presents performance information over 3 months, 1 year and 3 years. The reports show the absolute performance, performance against the manager's stated target performance (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 reporting also reviews the performance of the Scheme's assets in aggregate against the Scheme's strategic benchmark.

- Incentivising the asset manager to align its investment strategy and decisions with the Trustee policies:

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. The consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustees are used in decisions around selection, retention and realization of manager appointments.

If the investment objective of a particular fund changes, the Trustees will review the fund appointment to ensure it remains appropriate and consistent with the Trustees' wider investment objectives.

Some appointments are actively managed and the managers are incentivised through remuneration and performance targets (an appointment will be reviewed following period of sustained underperformance or significant outperformance). The Trustees will review the appropriateness of using actively managed funds (on an asset class basis) on an ad-hoc basis.

As the Trustees 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.

When considering replacing managers, a long-term perspective is adopted and such decisions would not be made based solely on short-term performance concerns. Instead, changes could be driven, for example, by a significant downgrade of the investment manager by Mercer's Manager Research Team. Such an event might occur 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. If the investment objective of a particular fund changes, the Trustees will review the fund appointment to ensure it remains appropriate and consistent with the Trustees wider investment objectives. Changes will also be made to the underlying managers if there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.

As the Trustees 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.

6.3 MONITORING OF PORTFOLIO TURNOVER COSTS

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

In future, the Trustees may ask managers to report on portfolio turnover cost. They may assess this by comparing portfolio turnover across the same asset class, on a year-on-year basis for the same manager fund, or relative to the manager's specific portfolio turnover range in the investment guidelines or prospectus.

The Trustees recognises that portfolio turnover and associated transaction costs are a necessary part of portfolio management and therefore expect mercer to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the scheme's investment mandates.

The Trustees do not currently set a portfolio turnover target - being the frequency with which the assets are expected to be bought/sold - because the investment managers do not provide the Scheme with sufficient information to monitor and compare. As noted above, the Trustees will continue to monitor industry improvements and may look to set a target in the future.

7 CODE OF BEST PRACTICE

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

The Trustees have received training in relation to this guidance and 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 their 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.

8 COMPLIANCE

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 investment managers, the Scheme's auditors and the Scheme Actuary as well as being available on the Sponsoring Employer's website.

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustees in August 2023

Signed on behalf of the Trustees by S. W. [signature]

On 6TH FEBRUARY 2024

Full Name STEPHEN WILLIAM MUNFORD

Position SCHEME TRUSTEE CHAIR

APPENDIX 1: ASSET ALLOCATION BENCHMARK

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

Asset Class	Strategic Allocation
Growth Assets	**20%**
Nordea Diversified Return Fund	5%
Baillie Gifford Diversified Growth Fund	7.5%
Threadneedle Life Multi Asset Fund	7.5%
Matching Assets	**80%**
LGIM 5-15 Year Index-Linked Gilts Index Fund	29%
LGIM Over 15 Year Gilts Index Fund	31%
LGIM Active Corporate Bond – Over 10 Year Fund	20%
Total	**100.0%**

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

Appendix 3 provides information about the funds in which the assets are invested.

APPENDIX 2: CASHFLOW AND REBALANCING POLICY

CASHFLOWS

Where possible, cash outflows will be met from cash balances held by the Scheme in order to minimise transaction costs.

Investments or disinvestments where necessary should be applied in such a way as to bring the actual asset allocation back towards the Scheme’s central benchmark asset allocation, as set out in Appendix 1

The Trustees will review the cashflow policy from time to time to ensure that it remains appropriate taking into account changes in the Scheme’s cashflow requirements.

For avoidance of doubt, this Statement will not be revised purely in relation to a change in cashflow policy.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

The tables below show the details of the mandate(s) with each manager.

GROWTH ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
Growth				
Baillie Gifford Diversified Growth Fund	Bank of England Base Rate	To outperform the benchmark by +3.5% p.a. net of fees	Daily	Level 2
Threadneedle Multi Asset Fund	Bank of England Base Rate	To outperform the benchmark by 4.0% p.a. gross of fees over an economic cycle (expected to be 5-7 years)	Daily	Level 2
Nordea Diversified Return Fund	Cash (1 Month GBP LIBOR)	Long term strategic target of Cash +4% (gross of fees) over a rolling 3 year horizons with volatility between 4% and 7%.	Daily	Level 2

STABILISING ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	SORP / IFRS Class
Stabilising				
LGIM 5-15 Year Index-Linked Gilts Index Fund	FTSE Actuaries UK Conv Gilts 5-15 Years Index	The investment objective of the fund is to track the performance of the FTSE Actuaries UK Conventional Gilts 5-15 Years Index to within +/-0.25% p.a. for two years out of three.	Daily	Level 2

LGIM Over 15 Year Index-Linked Gilts Index Fund	FTSE Actuaries UK I-L Gilts Over 15 Years Index	The investment objective of the fund is to track the performance of the FTSE Actuaries UK Index Linked Gilts Over 15 Years Index to within +/-0.25% p.a. for two years out of three.	Daily	Level 2
LGIM Active Corporate Bond – Over 10 Year Fund	Markit iBoxx £ Non-Gilts Over 10 Years Index	The fund aims to exceed the Markit iBoxx £ Non-Gilts Over 10 Years Index by 0.75% p.a. (before fees) over a three year rolling period	Daily	Level 2

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