Statement of Investment Principles

For the Trustee of the 1Life Management Solutions Limited Pension Scheme

March 2023

Contents

01 **Introduction**

Purpose

This document constitutes the Statement of Investment Principles ('the SIP') required under Section 35 of the Pensions Act 1995 for the 1Life Management Solutions Limited Pension Scheme ('the Scheme'). It describes the investment policy being pursued by the Trustee of the Scheme and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the Myners Principles"). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

Scheme details

The exclusive purpose of the Scheme is to provide retirement and death benefits to eligible participants and beneficiaries. It qualifies as a registered pension scheme, registered under Chapter 2 of Part 4 of the Finance Act 2004.

Advice and consultation

Before preparing this Statement, the Trustee has sought advice from the Scheme's Investment Consultant, XPS Investment Limited. The Trustee has also consulted the Employer. The Trustee will consult the Employer on any future changes in investment policy as set out in this Statement.

Investment powers

The Scheme's Trust Deed and Rules set out the investment powers of the Trustee. This Statement is consistent with those powers. Neither this Statement nor the Trust Deed and Rules restricts the Trustee's investment powers by requiring the consent of the Employer.

In accordance with the Financial Services and Markets Act 2000, the Trustee sets general investment policy but delegate responsibility for the selection of the specific securities and any financial instruments in which the Scheme invests to the Investment Managers.

Review of the Statement

The Trustee will review this Statement and their investment policy at least every three years in conjunction with each triennial valuation or immediately following any significant changes in investment policy.

The Trustee will also review this Statement in response to any material changes to any aspect of the Scheme, its liabilities, finances and attitude to risk of either the Trustee or Employer which it judges to have a bearing on the stated investment policy.

The Trustee will receive confirmation of the continued appropriateness of this Statement annually, or more frequently, if appropriate.

Definitions

Capitalised terms in this document mean the following:

Act - The Pensions Act 1995 (as amended by section 244 of the Pensions Act 2004);

AVCs - Additional Voluntary Contributions;

Investment Manager – An organisation appointed by the Trustee to manage investments on behalf of the Scheme;

Employer – 1Life Management Solutions Limited;

Recovery Plan - The agreement between the Trustee and the Employer to address the funding deficit;

Scheme – The 1Life Management Limited Pension Scheme;

Statement - This document, including any appendices, which is the Trustee's Statement of Investment Principles;

Technical Provisions - The amount required, on an actuarial calculation, to make provision for the Scheme's liabilities;

Trust Deed and Rules - the Scheme's Trust Deed and Rules dated 4 April 2011, as subsequently amended;

Trustee – the collective entity responsible for the investment of the Scheme's assets and managing the administration of the Scheme;

Value at Risk - a technique which uses historical correlations of asset class returns and volatilities to estimate the likely worst-case scenario loss for a given portfolio of assets.

02 Strategic investment policy and objectives

Choosing investments

The Trustee relies on professional Investment Managers for the day-to-day management of the Scheme's assets. However, the Trustee retains control over some investments. In particular, the Trustee makes decisions about pooled investment vehicles in which the Scheme invests and any AVC investment vehicles.

The Trustee's policy is to regularly review the investments over which they retain control and to obtain written advice about them when necessary. When deciding whether or not to make any new investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the Investment Managers. The written advice will consider suitability of the investments, the need for diversification and the principles within this Statement. The adviser will have the knowledge and experience required under Section 36(6) of the Act.

Long-term objectives

The primary investment objective of the Trustee is to seek ensure the Scheme is able to meet the benefit payments promised as they fall due from a combination of investment returns and planned contributions.

Having regard to the primary investment objective and subject to the strength of the employer covenant, the Trustee will seek to achieve a level of investment return which is consistent with that assumed in the Recovery Plan from the most recent Actuarial Valuation.

The Trustee will seek to keep the costs and the manager risk in implementing the investment strategy to a minimum. The Trustee will seek to utilise the skills of investment managers to enhance returns to the extent they reasonably expect that the manager will be able to add value in excess of the extra fees over time.

The Trustee will seek to use the skills of investment managers to reduce volatility and to increase diversity across asset classes where prudent to do so given the other investment objectives.

The Trustee will seek to use the skills of investment managers and hedging strategies to reduce the interest rate risk and inflation risk of the Scheme so far as practicable.

Expected returns

By undertaking the investment policy described in this Statement, the Trustee expects future investment returns will at least meet the rate of return underlying the Recovery Plan.

Investment Policy

Following advice from the Investment Consultant, the Trustee has set the investment policy and objectives with regard to the Scheme's liabilities and funding level.

The Trustee intends to achieve these objectives through investing in a diversified portfolio of return-seeking assets (e.g. private markets, and multi asset funds) and liability matching assets (e.g. LDI, gilts and corporate bonds). The Trustee recognises that the return on return-seeking assets, whilst expected to be greater over the long-term than that on liability matching assets, is likely to be more volatile. A mixture across asset classes should nevertheless provide the level of returns required by the Scheme to meet its liabilities at an acceptable level of risk (of underperforming the liabilities) for the Trustee, and an acceptable level of cost to the Employer.

The investment policy the Trustee has adopted is detailed in Appendix I. The specific Investment Manager mandates against which performance of the assets will be assessed are specified in Appendix II.

Range of assets

The Trustee considers that the combination of the investment policy detailed in Appendix I and the specific manager mandates detailed in Appendix II will ensure that the assets of the Scheme include suitable investments that are appropriately diversified and provide a reasonable expectation of meeting the objectives. In setting out the mandates for the Investment Managers, the Trustee will ensure that the Scheme holds a suitably diversified range of securities in each category, avoiding an undue concentration of assets.

Incentives to align investment managers' investment strategy and decisions with the trustee's policies

Based on the structure set out in Appendix I, the Trustee considers the arrangements with the Investment Managers to be aligned with the Scheme's overall strategic objectives. Details of each specific mandate are set out in guidelines, agreements and pooled fund documentation with each Investment Manager. The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Managers' tactical asset allocation preferences at any time, within any scope given to them through the asset allocation parameters set by the Trustee or governing the pooled funds in which the Scheme is invested.

The Trustee will ensure that the Scheme's assets are predominantly invested in regulated markets to maximise their security.

Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Scheme's investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustee's expectations, including the selection / deselection criteria set out in Section 6.

Incentives for the investment manager to make decisions based on assessments about medium to long-term financial and nonfinancial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The Trustee encourages Investment Managers to make decisions in the long-term interests of the Scheme. The Trustee expects engagement with management of the underlying issuers of debt or equity and the exercising of voting rights. This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns. As covered in more detail in Section 3, the Trustee also requires the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustee believes these factors could have a material financial impact in the long-term. The Trustee therefore makes decisions about the retention of Investment Managers, accordingly.

03 **Responsible investment**

(i) Financially Material Considerations

The Trustee has considered its approach to environmental, social and corporate governance ("ESG") factors ("ESG Factors") and believes there could be financially material risks relating to them for the Scheme over the length of time during which the benefits to be provided by the Scheme to members and beneficiaries are required to be funded. This likely to be not less than five years from the date of the SIP.

The Trustees have elected to invest the Scheme's assets through pooled funds. The choice of underlying funds is made by the Trustee after taking written advice from the Investment Consultant.

Given the pooled funds' investment model, the Trustee has delegated the ongoing monitoring and management of ESG Factors to the pooled funds' Investment Managers. The Trustee looks to the pooled funds' Investment Managers (when they take decisions in relation to the selection, retention and realisation of investments) to take ESG Factors into consideration within their decision-making and to positively engage with the investee companies where there is scope to improve the way ESG Factors are taken into account when running the investee company. However, the Trustee recognises that how the pooled managers carry out such engagement activities (including the exercise of rights) will be dependent on factors including the characteristics of the asset classes in which they invest and it should be consistent with, and proportionate to, the rest of the investment process.

Guided by advice from the Investment Consultant, the Trustee will take ESG Factors into account in its future selection and retention of Investment Managers.

On a basis proportionate with the quantum and nature of the Scheme's pooled fund investment and/or other asset classes held, the Trustee will continue to monitor and assess ESG Factors, and risks and opportunities arising from them, as follows:

• as part of ongoing monitoring of the Scheme's Investment Managers, the Trustee will use any ESG ratings information available within the pensions industry or provided by the Investment Consultant, to assess how the Investment Managers take account of ESG Factors; and

•on an annual basis the Investment Consultant will request that all of the Investment Managers will provide information about their ESG policies, and details of how they integrate ESG Factors into their investment processes.

(ii) Stewardship

The Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the Investment Managers.

In doing so, the Trustee expects that the Investment Managers will use their influence as major institutional investors to exercise the Trustees' rights and duties as shareholders, including where appropriate engaging with the underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG Factors in their businesses. However, as the Scheme's assets are currently invested in pooled funds the Trustee recognises that it cannot require the pooled funds' Investment Managers to engage with investee companies or exercise voting and other investor rights in a particular way.

With assistance from the Investment Consultant, the Trustee will:

• monitor the Investment Managers and their engagement with investee companies on a regular basis by requesting information from the Investment Managers on their engagement with investee companies on relevant issues such as business performance, strategy, capital structure, management of conflicts of interest, ESG Factors and other governance matters;

• on an at least annual basis request that the Investment Managers: (i) provide details of their stewardship policies and engagement activities; and (ii) confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code; and

• monitor and review the information, referred to in the above bullets, provided by the Investment Managers.

(iii) Non-financially material considerations

However, the Trustee’s policy is that non-financial matters should not be taken into account in the selection, retention and realisation of investments nor does the Trustee require the Investment Managers to take no-financial matters into account in their selection, retention and realisation of investments.

As the Scheme invests in pooled funds, the Trustee acknowledges that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the Investment Managers. The Trustee encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustee requires the Investment Managers to report on significant votes made on behalf of the Trustee.

If the Trustee becomes aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustee’s expectation, then the Trustee may consider terminating the relationship with that Investment Manager.

When considering the selection, retention or realisation of investments, the Trustee has a fiduciary responsibility to act in the best interests of the beneficiaries of the Scheme, although they have neither sought, nor taken into account, the beneficiaries’ views on matters including (but not limited to) ethical issues and social and environmental impact. The Trustee will review this policy if any beneficiary views are raised in future.

04 Risk measurement and management

The Trustee recognises a number of risks involved in the investment of the assets of the Scheme. The Trustee measures and manages these risks as follows:

Solvency risk and mismatching risk - The risk that the assets do not respond to market changes in the same way as the liabilities, resulting in volatility in the funding position, is addressed through the strategic asset allocation and through ongoing triennial actuarial valuations. In setting the investment strategy, the Trustee will consider (for example) the Value at Risk.

Strategy risk - The risk that the Investment Managers' asset allocation deviates from the Trustee's investment policy is addressed through regular review of the asset allocation. In reviewing the investment strategy on a periodic basis, the Trustee will consider the current economic factors affecting the asset classes in which they have invested and the short to medium term outlook for performance by reference to e.g. current and historic yields, GDP growth forecasts and other relevant factors. The Trustee will also consider how far the actual asset allocation has drifted from the strategic asset allocation and take action to rebalance if necessary.

Liquidity risk - The risk that assets cannot be sold quickly enough to enable benefits to be paid or that the Trustee cannot exit a particular investment is addressed through the process by which the administrator estimates the benefit outgo and ensures that sufficient cash balances are available, and through the Trustee's policy on realisation of assets (see below).

Inappropriate investments - The risk that an Investment Manager invests in assets or instruments that are not considered to be appropriate by the Trustee is addressed through the Trustee's policy on the range of assets in which the Scheme can invest (see section 2).

Counterparty risk - The risk that a third party fails to deliver cash or other assets owed to the Scheme is addressed through the Investment Managers' guidelines with respect to cash and counterparty management.

Political risk - The risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

Custodian risk - The risk that the custodian fails to provide the services expected is addressed through the agreement with the third party custodian and ongoing monitoring of the custodial arrangements. In pooled arrangements this is invariably delegated to the Investment Managers.

Manager risk - The risk that an Investment Manager fails to meet their stated objective is addressed through the performance objectives set out in Appendix II and through the monitoring of the Investment Managers as set out in section 6. In monitoring the performance of the Investment Managers, the Trustee measures the returns relative to the benchmark, objective and the volatility of returns. In addition, the Trustee will regularly review each Investment Manager's approach to risk within each fund in order to highlight any unintended risk being taken. For example:

> for equities, the Trustee will consider the spread of assets across various geographic and industry sectors, the concentration of investments in individual stocks and the active positions taken by the Investment Managers;

> for real estate secondary assets and property, the Trustee will consider the spread of assets across various geographic sectors, vintage years and property types. The Trustee will also review how each fund operates within its own defined risk controls and limits;

> for multi asset credit funds, the Trustee will consider the type and quality of the underlying assets and the volatility of each fund both in absolute terms and in comparison to the volatility of traditional credit markets;

> for multi-asset funds such as diversified growth funds (DGFs) and private markets, the Trustee will consider the weightings within each fund to different asset classes;

> for liability driven investment (LDI) funds, the Trustee will review risk through the type of instruments held and the risks associated with these investments.

Fraud/Dishonesty - The risk that the Scheme assets are reduced by illegal actions is addressed through restrictions applied as to who can authorise transfer of cash and the account to which transfers can be made.

Currency risk – The risk of losses through depreciation of non-sterling currencies is measured by reference to the exposure of the Scheme to pooled funds with unhedged currency risk and is managed by investing predominantly in sterling assets and only taking currency risk where it increases the level of diversification.

05 Realisation of assets and investment restrictions

Realisation of investments

In recognition of the fact that funds may need to be realised for a number of unanticipated reasons at any time, and the desirability of retaining as high a degree of flexibility as possible to cater for unexpected changes in circumstances, the Trustee will monitor closely the extent to which any assets not readily realisable are held by the Investment Managers and will limit such assets to a level where they are not expected to prejudice the proper operation of the Scheme.

The Trustee has considered how easily investments can be realised for the types of assets in which the Scheme is currently invested. As such, the Trustee believes that the Scheme currently holds an acceptable level of readily realisable assets. The Trustee will also take into account how easily investments can be realised for any new investment classes it considers investing in, to ensure that this position is maintained in the future.

The Trustee will hold cash to the extent that it considers necessary to meet impending anticipated liability outflows. A bank account is used to facilitate the holding of cash awaiting investment or payment.

Investment restrictions

The Trustee has established the following investment restrictions:

> The Trustee or the investment managers may not hold in excess of 5% of the Scheme's assets in investments related to the Employer;

> Whilst the Trustee recognises that borrowing on a temporary basis is permitted, this option will only be utilised where it is deemed absolutely necessary or where the Trustee has received advice from the Investment Consultant that the Scheme's overall exposure to risk can be reduced through temporary borrowing, e.g. during an asset transfer;

> Investment in derivative instruments may be made only insofar as they contribute to the reduction in risk or facilitate efficient portfolio management.

The Investment Managers impose internal restrictions that are consistent with their house style. In some instances, the Trustee may impose additional restrictions and any such restrictions are specified in Appendix II.

06 Investment Manager Arrangements and fee structure

Delegation to Investment Manager(s)

In accordance with the Act, the Trustee has appointed one or more Investment Managers and delegated to them the responsibility for investing the Scheme's assets in a manner consistent with this Statement.

The Investment Managers are authorised and regulated to provide investment management services to the Scheme. Within the UK, the authorisation and regulation of the Investment Managers falls under the Financial Conduct Authority (FCA). Specific products in which the Scheme invests may also be regulated by the Prudential Regulatory Authority (PRA). For non-UK Investment Managers, authorisation and regulation is undertaken by the home state regulator.

Where Investment Managers are delegated discretion under section 34 of the Pensions Act 1995, the Investment Managers will exercise their investment powers with a view to giving effect to the principles contained in this Statement so far as reasonably practicable. In particular, the Investment Managers must have regard to the suitability and diversification of the investments made on behalf of the Scheme.

The Investment Managers will ensure that suitable internal operating procedures are in place to control individuals making investments for the Scheme.

Performance objectives

The individual benchmarks and objectives against which each investment mandate is assessed are given in Appendix II.

Review process

Appointments of Investment Managers are expected to be long-term, but the Trustee will review the appointment of the Investment Managers in accordance with their responsibilities. Such reviews will include analysis of each Investment Manager's performance and processes and an assessment of the diversification of the assets held by the Investment Manager. The review will include consideration of the continued appropriateness of the mandate given to the Investment Manager within the framework of the Trustee's investment policies.

The Trustee receives quarterly performance monitoring reports from the Investment Consultant which consider performance over the quarter, one and three year periods. In addition, any significant changes relating to the criteria below that the Investment Consultant is aware of will be highlighted, which may lead to a change in the Investment Consultant's rating for a particular mandate. These ratings help to determine an Investment Manager's ongoing role in implementing the investment strategy. If there are concerns, the Trustee may carry out a more in-depth review of a particular Investment Manager. Investment Managers will also attend Trustee meetings as requested.

Fund manager remuneration is considered as part of the manager selection process. It is also monitored regularly with the help of the Investment Consultant to ensure it is in line with the Trustee's policies and with fee levels deemed by the Investment Consultant to be appropriate for the particular asset class and fund type.

Selection / Deselection Criteria

The criteria by which the Trustee will select (or deselect) the Investment Managers include:

- Parent - Ownership of the business;
- People - Leadership/team managing the strategy and client service;
- Product - Key features of the investment and the role it performs in a portfolio;
- Process - Philosophy and approach to selecting underlying investments including operational risk management and systems;
- Positioning - Current and historical asset allocation of the fund;
- Performance - Past performance and track record;
- Pricing - The underlying cost structure of the strategy;
- ESG – Consistency and extent to which ESG analysis is incorporated into the process of selecting underlying investments.

Investment Manager Arrangements and fee structure continued

An Investment Manager may be replaced, for example (but not exclusively), for one or more of the following:

> The Investment Manager fails to meet the performance objectives set out in Appendix II;
> The Trustee believes that the Investment Manager is not capable of achieving the performance objectives in the future;
> The Investment Manager fails to comply with this Statement.

Investment Managers' fee structure

The Investment Managers are remunerated by receiving a percentage of the Scheme's assets under management and, in some cases, through the application of a flat fee. Details of the fee arrangements are set out in Appendix II. It is felt that this method of remuneration provides appropriate incentives for the Investment Managers to target the agreed level of outperformance whilst adhering to the level of risk specified by the Trustee.

Portfolio turnover

The Trustee requires the Investment Managers to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence.

Investment Consultant's fee structure

The Investment Consultant is remunerated for work completed on a fixed fee basis, a time-cost basis or via a project fee. It is felt that this method of remuneration is appropriate because it enables the Investment Consultant to provide the necessary advice and information to facilitate the Trustee in undertaking their responsibilities.

07 Additional Voluntary Contribution arrangements

Provision of AVCs

The Scheme provided a facility for members to pay additional voluntary contributions (AVCs) to enhance their benefits at retirement. The Trustee's objective was to provide vehicles that enabled members to generate suitable long-term returns, consistent with their reasonable expectations.

The investment fund is provided by LGIM.

The Trustee selected this vehicle as they are believed to meet the Trustee's objective of providing investment options that enabled AVC members to generate suitable long-term returns, consistent with their reasonable expectations.

Review process

The appointment of the AVC providers and the choice of AVC funds offered to members will be reviewed by the Trustee in accordance with their responsibilities, based on the result of the monitoring of performance and process. The Trustee will review the appointment of the AVC providers periodically in the light of their performance.

Where possible, performance of the AVC providers will be measured relative to the individual benchmarks and objectives for the funds offered and/or to other providers offering similar fund options as measured in industry AVC surveys.

08 **Compliance Statement**

Confirmation of advice

Before a Statement of Investment Principles, as required by the Pensions Act 1995, is prepared or revised by the trustees of a pension scheme, they must have consulted with the Employer and obtained and considered the written advice of a person who is reasonably believed by it to be qualified by his ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes.

The Investment Consultant hereby confirms to the Trustee that they have the appropriate knowledge and experience to give the advice required by the Act.

Signatures

On behalf of XPS Investment Limited:

Fraser Weir

Fraser Weir

Consultant – Investment

Date: 27 March 2023

Trustee's declaration

The Trustee confirms that this Statement of Investment Principles reflects the Investment Strategy they have decided to implement. The Trustee acknowledges that it is their responsibility, with guidance from the Advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

On behalf of the Trustee, Vidett:

Date: 2 May 2023

On behalf of the Trustee, Vidett:

Date:

Appendix I
Investment Strategy & Structure

Overall strategy

The Trustee has adopted a strategy where assets are invested in liability matching assets along with growth assets (private markets and multi asset funds).

As part of the objectives of the Scheme, the assets are invested to deliver a return of at least gilts + 1.1% p.a. This is to support the technical provisions basis of gilts + 0.6% p.a., with an additional 0.5% p.a. allowance as assumed under the Recovery Plan.

The Trustee has identified the following long term structure as appropriate to meet the objectives of the Scheme:

Asset Class	Long term Target Allocation (%)
Matching Assets	**60.0**
Liability Driven Investments (LDI) Funds	30.0
Corporate Bonds	20.0
Buy & Maintain Credit	10.0
Return Seeking Assets	**40.0**
Private Markets	10.0
Multi Asset	30.0
Total	**100.0**

The best estimate expected return from this strategy as at 31 December 2022 is gilts + 2.1% p.a.

Liability matching assets

The Scheme invests in leveraged LDI funds, gilts and corporate bonds to provide a partial hedge against the Scheme's interest rate and inflation sensitivities. The type of LDI funds are leveraged in order to increase the degree of hedging.

The leveraged nature of some of these funds means that there is an expectation that additional collateral will be required to be paid into these funds from time to time (and any excess collateral repaid to the Trustee). Where any additional collateral payments are required it is the Trustee's intention that these will be met through disinvestments from the Scheme's return seeking assets or cash.

The Scheme's liability matching assets are designed to achieve liability hedging of 100% of the interest rate and inflation risk, as a proportion of the Scheme's total liabilities, as assessed against the current technical provisions basis.

Return-seeking assets

In order to achieve the required rate of investment return with a lower level of expected volatility, the Trustee has decided to invest in a diversified range of return seeking assets comprising traditional asset classes (e.g. private markets and multi-asset).

Private Markets - The Scheme invests in private markets to diversify the growth portfolio, both in terms of asset classes and regions.

Multi Asset Fund - The Trustee has decided to invest in this asset class in order to provide additional diversification and/or return. Multi asset funds are expected to provide a long term return similar to equities but with a lower degree of volatility.

Rebalancing and cashflow

The Trustee reviews the asset allocation on a periodic basis to ensure that the Scheme assets are allocated in a manner that is consistent with the objectives as detailed in this Statement.

There is no automatic rebalancing back to the target, however the Trustee will periodically review the position and take action to rebalance if considered appropriate.

Where assets need to be realised, the Trustee will consult with the Investment Consultant regarding the source and timing of disinvestments. It is envisaged that where assets need to be realised, the source of disinvestments will be the return-seeking assets held.

Insurance arrangements

In addition to the above assets, the Trustee secured the benefits for the then, uninsured current pensioners through the purchase of an insurance policy with Canada Life, Friends Life and Prudential. This was achieved through a buy-in arrangement whereby the insurer reimburses the Scheme for payments made to the insured pensioners in return for a premium paid by the Scheme.

Appendix II
Fund benchmarks, objectives & fees

LGIM

LGIM AAA-AA-A Corporate Bond All Stocks Index Fund

Benchmark	Markit iBoxx £ Non-Gilts (ex-BBB) Index
Objective	Track the performance of the Markit iBoxx £ Non-Gilts (ex-BBB) Index to within +/- 0.50% pa for 2 out of 3 years
Fees	AMC: 0.15% p.a. OCF: 0.15% p.a.
Execution cost	Bid / Offer Spread 0.7%

LGIM 2058 Index-Linked Gilt

Benchmark	Treasury 0.125% 2058 Index-Linked Gilt
Objective	Track the market of UK government inflation-protected bonds
Fees	AMC: 0.10% p.a. OCF: 0.11% p.a.
Execution cost	No explicit transaction costs

LGIM Matching Core Fixed Long Fund

Benchmark	N/A
Objective	Achieve a return that tracks an independently calculated liability-based gilt or swap benchmark
Fees	AMC: 0.24% p.a. OCF: 0.32% p.a.
Execution cost	Bid / Offer Spread 0.1%

LGIM Matching Core Real Long Fund

Benchmark	N/A
Objective	Achieve a return that tracks an independently calculated liability-based gilt or swap benchmark
Fees	AMC: 0.24% p.a. OCF: 0.32% p.a.
Execution cost	Bid / Offer Spread 0.1%

AVC fund

LGIM Dynamic Diversified Fund (charges included)

Benchmark Bank of England Base Rate

Objective Achieve a target return of Bank of England Base Rate + 4.5% (gross of fees)

Fees AMC: 0.38% p.a.
OCF: 0.39% p.a.
(management fees are incorporated into the unit price and not met by encashment of units)

Execution cost Dealing / Mid Spread 0.4%

Partners Group

Partners Group Partners Fund

Benchmark N/A

Objective Deliver notional absolute return of 8-12% p.a. (net of fees)

Fees AMC: 1.5%
Performance fee: 12.5%

Execution cost No explicit transaction costs

LGIM Matching Core Real Short Fund

Benchmark N/A

Objective Achieve a return that tracks an independently calculated liability-based gilt or swap benchmark

Fees AMC: 0.24% p.a.
OCF: 0.32% p.a.

Execution cost Bid / Offer Spread 0.3%

LGIM Dynamic Diversified Fund

Benchmark Bank of England Base Rate

Objective Achieve a target return of Bank of England Base Rate + 4.5% (gross of fees)

Fees AMC: 0.38% p.a.
OCF: 0.39% p.a.

Execution cost Bid / Offer Spread 0.6%

LGIM Buy & Maintain Credit 2020-2024 Fund

Benchmark N/A

Objective Provide credit risk exposure through investing principally in a globally diversified portfolio of non-government bonds and avoiding investment in bonds which are likely to default

Fees AMC: 0.13% p.a.
OCF: 0.16% p.a.

Execution cost Bid / Offer Spread 0.2%

LGIM Sterling Liquidity Fund

Benchmark 7 Day LIBID

Objective To provide capital stability and a return in line with money market rates whilst providing daily access to liquidity and providing an income.

Fees AMC: 0.13%
OCF: 0.14% p.a.

Execution cost No explicit transaction costs

Contact us
xpsgroup.com