

Tennants Consolidated Limited Pension Fund

Statement of Investment Principles

June 2023

Preface

Scheme background

This Statement of Investment Principles (the 'SIP') details the principles governing investment decisions for the Tennants Consolidated Limited Pension Fund (the 'Fund').

The Fund operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries, and provides benefits calculated on a defined benefit (DB) basis for members in the DB Section and benefits calculated on a defined contribution (DC) basis for members in the DC Section. The DB Section is closed to new entrants and to future accrual.

Regulatory requirements and considerations

Under the Pensions Act 1995 (the 'Act') and subsequent legislation, principally the Occupational Pension Schemes (Investment) Regulations 2005 (as amended) (the 'Investment Regulations'), the Trustee must secure that a written statement of the principles governing investment decisions is prepared and maintained for the Fund.

This SIP also reflects The Pensions Regulator's investment guidance for trustees running pension schemes that offer defined benefits that was issued in March 2017 and subsequently updated in September 2019 and the guidance for trustees running pension schemes that offer defined contribution benefits that was issued in July 2016 and subsequently updated in October 2021.

The Trustee is responsible for all aspects of the operation of the Fund including this SIP.

In agreeing its investment strategy, the Trustee has had regard to:

- The requirements of the Act concerning suitability and diversification of investments and the Trustee will consider those requirements on any review of this SIP or any change in the investment policy.
- The requirement of the Investment Regulations: in particular that assets held to cover the Fund's technical provisions must also be invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Fund.
- In respect of the DC section and additional voluntary contribution (AVC) arrangements provided on a money-purchase basis, the Trustee has taken into account the requirements and recommendations within The Pensions Regulator's current code of practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits and regulatory guidance.

Information on the Trustee's approach to investment matters within the AVC arrangements is included within this SIP.

Responsibilities and appointments

Only persons or organisations with the necessary skills, information and resources are actively involved in taking investment decisions affecting the Fund. The Trustee draws on the expertise of external persons and organisations including the investment consultant, investment managers and the Scheme Actuary. Full details are set out in this SIP.

Consultation

In accordance with the Act, the Trustee has obtained and considered written advice from Buck Consultants (Administration & Investment) Limited (the investment consultant) prior

to the preparation (or revision) of this SIP and has consulted Tennants Consolidated Limited ('the Sponsoring Employer'). However, it should be noted that neither the Trustee (nor any investment manager to whom it has delegated any discretion to make decisions about investments) shall require the consent of the Sponsoring Employer to exercise any investment power.

This SIP was provided to the Fund's investment managers for comment at the preparation stage and they are expected to act in line with the guidelines and constraints set out in their appointment documentation.

History and review

The Trustee will review this SIP at least every three years and without delay after each significant change in investment policy, taking note of any changes in the Fund's liabilities. Once agreed, and after consultation with the Sponsoring Employer, a copy of this SIP will be given to the Scheme Actuary and will be made available to Fund members on request and published on the following publicly available website:
<https://tennantspension.info/>

Previous versions of this SIP are dated:

June 2021

Contents

Statement of Investment Principles	1
Investment governance structure	1
Investment beliefs	1
Investment strategy and objectives for the DB Section.....	1
The Trustee’s policy in relation to the kinds of investments to be held	2
The Trustee’s policy in relation to the balance between different kinds of investments .	3
The Trustee’s policy in relation to the expected return on investments	3
The Trustee’s policy in relation to the realisation of investments.....	3
The Trustee’s policy in relation to financially material considerations.....	3
The Trustee’s policy in relation to the extent to which non-financial matters are taken into account	3
Investment strategy and objectives for the DC Section.....	3
The Trustee’s policy in relation to the balance between different kinds of investments in the DC Section	5
The Trustee’s policy in relation to the expected return on investments in the DC Section	5
Risk capacity and risk appetite	5
The Trustee’s policy in relation to risks (DB Section)	5
The Trustee’s policy in relation to risks (DC Section)	6
Stewardship in relation to the Fund’s assets	7
The Trustee’s policy in relation to engagement and monitoring (including peer to peer engagement)	7
The Trustee’s policy in relation to voting rights	7
Investment management monitoring	7
The Trustee’s policy in relation to its investment managers	8
Employer-related investments.....	10
Additional voluntary contributions (AVCs).....	10
Appointments and responsibilities	11
Compliance	13

Statement of Investment Principles

Investment governance structure

All investment decisions are taken by the Trustee Board as a whole. The Trustee believes that collective responsibility is the appropriate structure, given the size of the board, except for specific projects when an investment sub-committee may be set up. The Trustee will undertake training where appropriate to ensure the Trustee Directors have the necessary expertise to take the decisions required and to evaluate critically the advice received.

All investment decisions relating to the Fund are under the control of the Trustee Board without constraint by the Sponsoring Employer. The Trustee will consult with the Sponsoring Employer when changing this SIP.

All day-to-day investment decisions are delegated to properly qualified and authorised investment managers of pension scheme portfolios. Investment management agreements and/or an insurance contract have been exchanged with the investment managers, and are reviewed from time-to-time to ensure that the manner in which they make investments on behalf of the Trustee Board is suitable for the Fund, and appropriately diversified.

Investment beliefs

The Trustee has agreed a set of investment beliefs used as a framework when making decisions and agreeing investment strategy. This includes environmental, social and governance ('ESG') issues. The investment beliefs are reviewed at least every three years or more frequently as decided by the Trustee.

Investment strategy and objectives for the DB Section

The Fund's investment strategy has been agreed by the Trustee having taken advice from the investment consultant in relation to the suitability of investments and the need to diversify and takes due account of the Fund's liability profile along with the level of disclosed surplus or deficit.

The agreed investment strategy is based on an analysis of the Fund's liability profile, the required investment return and the returns expected from the various asset classes over the long-term. Long-term returns from equities are expected to exceed the returns from bonds and cash, although returns and capital values may demonstrate higher volatility. The Trustee is prepared to accept this higher volatility in order to aim to achieve the overall investment objectives.

The Trustee's primary objectives are:

- To provide appropriate security for all beneficiaries.
- To achieve long-term growth sufficient to provide the benefits from the Fund.
- To achieve an appropriate balance between risk and return with regards to the cost of the Fund and the security of the benefits.

The Trustee has translated its objectives into a suitable strategic asset allocation benchmark for the Fund, details of which are included in a separate Summary of Investment Arrangements document ("SoIA").

In accordance with the Financial Services & Markets Act 2000, the Trustee is responsible for setting the general investment policy, but the responsibility for all day-to-day investment management decisions has been delegated to the investment managers authorised under the Act. Details are included in the SoIA.

The Trustee is responsible for reviewing both the Fund's asset allocation and investment strategy as part of each actuarial valuation in consultation with the Fund's investment consultant. The Trustee may also reconsider the asset allocation and the investment strategy outside the triennial valuation period where necessary.

The Trustee considers the Fund's current strategic asset allocation to be consistent with the current financial position of the Fund. The current asset allocation was updated with reference to the Technical Provisions set out in the Fund's Statement of Funding Principles from the 30 September 2022 actuarial valuation. "Technical provisions" is the value of the Fund's liabilities for funding purposes, as described in the actuarial valuation.

The Trustee's policy in relation to the kinds of investments to be held

The Trustee has full regard to its investment powers as set out in Clause 10 of the Trust Deed and Rules dated 30 April 2014.

The Fund may invest in quoted and unquoted securities of UK and overseas markets including:

- Equities.
- Fixed interest and index-linked bonds.
- Cash.
- Property.
- Private equity.
- Hedge funds and pooled investment vehicles considered appropriate for tax-exempt registered occupational pension schemes.

The Trustee has considered the attributes of the various asset classes (including derivative instruments), these attributes being:

- Security (or quality) of the investment.
- Yield (expected long-term return).
- Spread (or volatility) of returns.
- Term (or duration) of the investment.
- Exchange rate risk.
- Marketability/liquidity (i.e. the tradability on regulated markets).
- Taxation.

The Trustee considers all of the stated classes of investment to be suitable to the circumstances of the Fund. The Fund invests (mostly) in pooled funds, other collective

investment vehicles and cash. The Trustee has made the decision to invest the majority of assets in pooled funds because:

- The Fund is not large enough to justify direct investment on a cost-effective basis.
- Pooled funds allow the Trustee to invest in a wider range of assets, which serves to reduce risk.
- Pooled funds provide a more liquid form of investment than certain types of direct investment.

The Trustee's policy in relation to the balance between different kinds of investments

The appointed investment manager(s) will hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market each manager will maintain a diversified portfolio of securities. Full details are set out in the SoIA.

The Trustee's policy in relation to the expected return on investments

The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary's published actuarial valuation report in order to reach / maintain a fully funded status under the agreed assumptions.

The Trustee's policy in relation to the realisation of investments

In the event of an unexpected need to realise all or part of the assets of the portfolio, the Trustee requires the investment manager(s) to be able to realise the Fund's investments in a reasonable timescale by reference to the market conditions existing at the time the disposal is required and subject to the best interests of the Fund. The majority of the assets are not expected to take an undue time to liquidate.

The Trustee's policy in relation to financially material considerations

The Trustee expects its investment managers, where appropriate, to have taken account of financially material considerations, including environmental, social and governance (ESG) factors as part of their investment analysis and decision-making process.

The Trustee reviews, from time to time, each investment manager's policies in respect of financially material considerations.

The Trustee's policy in relation to the extent to which non-financial matters are taken into account

The Trustee's objective is that the financial interests of the Fund members is their first priority when choosing investments. The Trustee's will take members' preferences into account if it considers it appropriate to do so.

The Trustee makes available self-select options that are designed for DC members who wish to take non-financial matters into account.

Investment strategy and objectives for the DC Section

The Trustee believes all relevant policies detailed above apply to members in the DC Section. This is because many members are likely to be beneficiaries of both DB and DC Sections and should not be treated differently. Detailed below are the specific differences that the Trustee has considered for the DC Section.

The Trustee believes that fund selection is an important decision for all members since it is likely to have an important influence on the risk taken and return achieved on members' pension savings. The Trustee regularly communicates with members to enable them to understand the importance of this area and to provide them with education to help them to make informed choices about their selection of funds.

However, the Trustee also recognises that in practice many members do not actively make an investment choice and are instead invested in the default option. The Trustee therefore recognises the importance of designing an appropriate default strategy for the Fund's membership.

The Trustee's investment consultant provides advice regarding the suitability of both the default option and the self-select options available.

Details of the default and self-select options chosen (including the investment objectives of the individual funds), are shown in the SoIA.

Whilst the Trustee believes the chosen default option is a reasonable choice for a lot of the membership, ultimately each member should take into account their own personal circumstances when determining whether the default option or an alternative strategy would best meet their needs.

The default option has been designed having taken due regard to the membership profile of the Fund, including consideration of:

- The size of members' retirement savings within the Fund.
- Members' current level of income and hence their likely expectations for income levels post retirement.
- The fact that members may have other retirement savings invested outside of the Fund.
- The ways members may choose to use their savings to fund their retirement.

These factors have also been considered when setting the range of alternative investment options from which members can choose.

The objective of the default strategy is to provide a balanced investment strategy for members who do not make an active investment choice. The strategy aims to increase the level of return (net of fees) that a member could expect to receive from the Fund over the course of their working lifetime, while reducing the risk of them having income provision in retirement significantly below what may reasonably be expected.

The Trustee recognises that members using the default strategy are likely to be less financially aware than those using self-select options and have taken this into account in the strategy design.

The objective of the alternative investment options available is to allow members to tailor their investments based on their individual investment requirements, while avoiding complexity. The range should assist members in achieving the following:

- maximising the value of retirement benefits, to ensure a reasonable standard of living in retirement,
- protecting the value of benefits in the years approaching retirement against equity market falls and (should they decide to purchase an annuity) fluctuations in annuity costs, and

- tailoring a member's investments to meet his or her own needs, and to how the member intends to make use of their benefits at and through retirement.

Members are advised to take independent financial advice before choosing between these funds.

The Trustee is satisfied that the funds offered to members and the appointed investment managers are consistent with the objectives of the Fund, particularly in relation to diversification, risk, expected return and liquidity.

The Trustee's policy in relation to the balance between different kinds of investments in the DC Section

The investment managers will maintain a diversified portfolio of stocks or bonds within each of the funds offered under the Fund (both within the default and self-select options). In addition, the design of the default strategy provides further diversification through the use of multiple funds throughout a member's working lifetime.

The Trustee's policy in relation to the expected return on investments in the DC Section

The default option is expected to provide an appropriate return on members' investments, based on the Trustee's understanding of the Fund's membership and having taken into account the risk considerations set out below.

Risk capacity and risk appetite

The Trustee, after seeking appropriate investment advice, has selected a strategic asset allocation benchmark for the Fund's DB Section including control ranges for each asset class and or geographic region, and have selected individual funds and/or glidepath arrangements for the Fund's DC Section (see the SolA).

Subject to their respective benchmarks and guidelines shown in the SolA the investment managers are given full discretion over the choice of stocks and are expected to maintain a diversified portfolio.

The Trustee is satisfied that the investments selected are consistent with its investment objectives, particularly in relation to diversification, risk, expected return and liquidity.

The Trustee's policy in relation to risks (DB Section)

The Trustee consider the main risk to be that of the assets being insufficient to meet the Fund's liabilities as they fall due. The Trustee has assessed the likelihood of undesirable financial outcomes arising in the future.

Investment policies are set with the aim of having sufficient and appropriate assets to cover the Fund's Technical Provisions, and with the need to avoid undue contribution rate volatility.

In determining its investment strategy, the Trustee received advice from the investment consultant as to the likely range of funding levels for strategies with differing levels of investment risk relative to the Fund's liability profile.

The Trustee also takes into account the long-term expected returns underlying the most recent actuarial valuation.

Although the Trustee acknowledges that the main risk is that the Fund will have insufficient assets to meet its liabilities, the Trustee recognises other contributory risks, including the following. Namely the risks:

- Associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors.
- Of the Fund having insufficient liquid assets to meet its immediate liabilities.
- Of the investment managers failing to achieve the required rate of return.
- Due to a lack of diversification of investments.
- Of failure of the Fund's Sponsoring Employer to meet its obligations.

The Trustee manages and measures these risks on a regular basis via actuarial and investment reviews, and in the setting of investment objectives and strategy.

The Trustee undertakes monitoring of the investment managers' performance against their targets and objectives on a regular basis.

Each fund in which the Trustee invests has a stated performance objective against which investment performance will be measured. These are shown in the SoIA. Within each asset class, the investment managers are expected to maintain a portfolio of securities (or funds), which ensures that the risk being accepted in each market is broadly diversified.

The divergence of the actual distribution of the investments from the benchmark weighting for each fund will be monitored by the Fund's investment managers while the divergence from the overall benchmark will be monitored by the Trustee. Any deviation from the target asset allocations will be discussed periodically with the investment consultant.

The Trustee's policy in relation to risks (DC Section)

The Trustee has considered risk from a number of perspectives. These are the risks that:

- The investment return over members' working lives will not keep pace with inflation and does not, therefore, secure an adequate retirement income.
- Investment market movements in the period prior to retirement lead to a substantial reduction in the anticipated level of pension or other retirement income.
- Investment market movements in the period just prior to retirement lead to a substantial reduction in the anticipated cash lump sum benefit.
- The default option is not suitable for members who invest in it.
- Fees and transaction costs reduce the return achieved by members by an inappropriate extent.

The investment strategy for the default option has been chosen with the aim of reducing these risks. The self-select funds available have been chosen to provide members with the flexibility to address these risks for themselves.

To help address these risks, the Trustee also reviews the default option used and the fund range offered at least every three years, taking into account changes to the membership profile, developments within DC markets (including both product development and trends in member behaviour) and changes to legislation.

Stewardship in relation to the Fund's assets

The Trustee has a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through each investment manager.

The Trustee seeks to appoint managers that have strong stewardship policies and processes and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

The Trustee's policy in relation to engagement and monitoring (including peer to peer engagement)

The Trustee's policy is to delegate responsibility for engaging and monitoring investee companies to each investment manager and the Trustee expects the investment managers to use its discretion to maximise financial returns for members and others.

The Trustee recognises that each investment manager's ability to influence the companies in which it invests will depend on the nature of the investment.

The Trustee acknowledges that the concept of stewardship may be less applicable to some of its assets, particularly for short-term money market instruments, gilts and liability-driven investments.

The Trustee reviews each investment manager prior to appointment and monitors them on an ongoing basis through the regular review of the investment manager's voting and engagement policies, its investment consultant's ESG rating, and a review of each manager's voting and engagement behaviour. The Trustee will engage with an investment manager should they consider that manager's voting and engagement policy to be inadequate or if the voting and engagement undertaken is not aligned with the investment manager's own policies, policies or behaviour unacceptable, it may agree an alternative mandate with the manager or decide to review or replace the manager.

As all of the investments are held in pooled vehicles, the Trustee does not envisage being directly involved with peer-to-peer engagement in investee companies.

The Trustee's policy in relation to voting rights

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The Trustee has not set out its own voting policy but follows that of the investment managers. Each investment manager is expected to provide regular reports for the Trustee detailing their voting activity.

Investment management monitoring

In addition to the stewardship activities described above, the Trustee will assess the performance, processes and cost effectiveness of the investment managers by means of regular, but not less than annual, reviews of the results and other information, in consultation with the investment consultant.

All investment decisions, and the overall performance of the investment managers, are monitored by the Trustee with the assistance of the investment consultant.

The investment managers will provide the Trustee with quarterly statements of the assets held along with a quarterly performance report. The investment managers will also report orally on request to the Trustee.

The investment managers will inform the Trustee of any changes in the internal performance objective and guidelines of any pooled funds used by the Fund as and when they occur.

The Trustee will assess the quality of the performance and processes of the investment managers by means of a review at least once every three years in consultation with the investment consultant.

The Trustee receives an independent investment performance monitoring report from the investment consultant on a quarterly basis.

Appropriate written advice will be taken from the investment consultant before the review, appointment or removal of the investment managers.

The Trustee's policy in relation to its investment managers

In detailing below the policies on the investment manager arrangements, the over-riding approach of the Trustee is to select investment managers that meet the primary objectives of the Trustee. As part of the selection process and the ongoing review of the investment managers, the Trustee considers how well each investment manager meets the Trustee's policies and provides value for money over a suitable timeframe.

- **How the arrangement incentivises the investment manager to align its investment strategy and decisions with the Trustee's policies**

The Trustee has delegated the day-to-day management of the Fund's assets to investment managers. The Fund's assets are invested in pooled funds which have their own policies and objectives and charge a management fee, agreed with the investment manager, for their services. Such fees incentivise the investment managers to adhere to their stated policies and objectives, which is standard market practice.

- **How the arrangement incentivises the investment manager to engage and take into account financial and non-financial matters over the medium to long-term**

The Trustee, in conjunction with its investment consultant, appoints its investment managers and chooses the specific pooled fund to use in order to meet specific Fund policies. It expects that its investment managers makes decisions based on assessments about the financial and non-financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Fund's performance) over an appropriate time horizon.

The Trustee also expects its investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

- **How the method (and time horizon) of the evaluation of the investment manager's performance and the remuneration for asset management services are in line with the Trustee's investment policies**

The Trustee expects its investment managers to invest the assets within its portfolio in a manner that is consistent with the guidelines and constraints set out in its appointment documentation. The Trustee reviews the investment managers periodically. These reviews incorporate benchmarking of performance and fees. Reviews of performance focus on longer-term performance (to the extent that is relevant), e.g. looking at five years of performance.

If the Trustee determines that the investment manager is no longer managing the assets in line with the Trustee policies it will make its concerns known to the investment manager and may ultimately disinvest.

The Trustee pays its investment managers a management fee which is a fixed percentage of assets under management.

Prior to agreeing a fee structure, the Trustee, in conjunction with its investment consultant, consider the appropriateness of this structure, both in terms of the fee level compared to that of other similar products and in terms of the degree to which it will incentivise the investment manager.

- **How the Trustee monitors portfolio turnover costs incurred by the investment manager, and how they define and monitor targeted portfolio turnover or turnover range**

The Trustee, in conjunction with its investment consultant, has processes in place to review investment turnover costs incurred by the Fund on an annual basis. The Trustee receives a report which includes the turnover costs incurred by the investment managers used by the Fund.

The Trustee expects turnover costs of the investment managers to be in line with its peers, taking into account the style adopted by the investment manager, the asset class invested in and prevailing market conditions.

The Trustee does not explicitly monitor turnover, set target turnover or turnover ranges. The Trustee believes that the investment managers should follow its stated approach with a focus on risk and net return, rather than on turnover. In addition, the individual mandates are unique and bespoke in nature and there is the potential for markets to change significantly over a short period of time.

- **The duration of arrangements with investment managers**

The Trustee does not in general enter into fixed long-term agreements with its investment managers and instead retains the ability to change investment manager should the performance and processes of the investment manager deviate from the Trustee's policies. However, the Trustee expects its manager appointments to have a relatively long duration, subject to the manager adhering to its stated policies, and the continued positive assessment of its ability to meet its performance objective.

Employer-related investments

The Trustee will not make direct investments in the Sponsoring Employer's own securities. The amount of the Sponsoring Employer's securities, owned by pooled investment vehicles invested in, are monitored. The Trustee has delegated the responsibility for the exercising of any voting rights attached to any Sponsoring Employer investment held to the investment managers.

Additional voluntary contributions (AVCs)

The Trustee has full discretion as to the appropriate investment vehicles made available to members of the Fund for their voluntary contributions. Only investment vehicles normally considered suitable for voluntary contributions will be considered by the Trustee, having taken appropriate written advice from their investment advisers.

In selecting this range of funds offered the Trustee has taken advice from its professional advisers on:

- The risks faced by members in investing on a money purchase basis.
- The Trustee's responsibilities in the selection and monitoring of the investment options offered.
- The Trustee will continue to manage the AVC arrangements having taken professional advice on these matters.
- The Trustee will monitor the performance of AVC providers periodically.
- Members are directed to seek independent financial advice when considering their AVC arrangements.

Appointments and responsibilities

This section sets out the key appointments and responsibilities with respect to the investment aspects of the Fund.

A full list of the Fund's advisers is provided at the front of the Fund's Annual Report and Financial Statements. However, at the time of writing this SIP:

- The DB Section investment consultants are Buck Consultants (Administration & Investment) Limited.
- The DC Section investment consultants are Buck Consultants (Administration & Investment) Limited.
- The investment managers are detailed in the SolA.
- For pooled funds, custodial duties are undertaken by the relevant investment manager and, therefore, are not detailed in this SIP.
- The Scheme Actuary is Mike Bartlet of Buck.

Trustee

The Trustee's primary responsibilities include:

- The preparation of this SIP, reviewing its contents and modifying it if deemed appropriate, in consultation with the Sponsoring Employer and the investment consultant, at least every three years. The SIP will also be reviewed following a significant change to investment strategy and/or the investment managers.
- Appointing investment consultants and investment managers as necessary for the good stewardship of the Fund's assets.
- Reviewing the DB Section investment strategy as part of each triennial actuarial valuation, and/or asset liability modelling exercise, and/or significant changes to the Fund's liabilities, taking advice from the investment consultant.
- Reviewing the DC Section investment strategy and default option at least every three years, and/or after any significant changes to the membership profile, taking advice from the investment consultant.
- Reviewing the stewardship / voting policies of the investment managers and undertaking the ongoing monitoring and engagement with their investment managers as appropriate.
- Assessing the processes and the performance of the investment managers by means of regular, but not less than annual, reviews of information obtained (including investment performance).
- Monitoring compliance of the investment arrangements with this SIP and with the relevant sections of the Act, the Investment Regulations and any regulatory guidance on a regular basis.
- Monitoring risk and the way in which the investment managers have cast votes on behalf of the Trustee in respect of the Fund's equity holdings.

Investment consultant

The main responsibilities of the investment consultant include:

- Assisting the Trustee in the preparation and periodic review of this SIP in consultation with the Sponsoring Employer.
- Undertaking project work including the development and review of investment strategy, investment performance and manager structure as required by the Trustee.
- Advising the Trustee on the selection and review of the investment managers.
- Providing training or education on any investment related matter as and when the Trustee sees fit.
- Monitoring and advising upon where DB Section contributions should be invested or disinvested on a periodic basis.

Investment managers

The investment managers' main responsibilities include:

- Investing the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation.
- Ensuring that the investment of the assets within their portfolio is compliant with prevailing legislation.
- Providing the Trustee with quarterly reports and a review of the investment performance of their portfolio.
- Meetings with the Trustee as and when required.
- Informing the Trustee of any changes in the fee structure, internal performance objectives and guidelines of any pooled fund within their portfolio as and when they occur.
- Considering financially material risks affecting investments within their portfolio.
- Exercising voting rights on shareholdings within their portfolio in accordance with their voting policy.

Scheme Actuary

The Scheme Actuary's main responsibilities in respect of investment policy include:

- Commenting on the suitability of the Fund's DB Section investment strategy given the financial characteristics of the Fund.
- Performing the triennial (or more frequently as required) actuarial valuation and advising on the Fund's funding level and therefore the appropriate level of contributions in order to aid the Trustee in balancing short-term and long-term investment objectives.