XPS Investment

Statement of Investment Principles

For the Trustee Directors of the University of Dundee Superannuation & Life Assurance Scheme

May 2022

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 University of Dundee Superannuation & Life Assurance Scheme ('the Scheme'). It describes the investment policy being pursued by the Trustee Directors 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.

The Scheme Actuary is Gerry Devenney of XPS Pensions Group and the Investment Adviser is XPS Investment (collectively termed 'the Advisers').

The Trustee Directors have decided not to appoint an Investment Sub-Committee to deal with investment matters.

Advice and consultation

Before preparing this Statement, the Trustee Directors have sought advice from the Scheme's Investment Consultant, XPS Investment Limited. The Trustee Directors have also consulted the Principal Employer. The Trustee Directors will consult the Principal 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 Directors. This Statement is consistent with those powers. Neither this Statement nor the Trust Deed and Rules restricts the Trustee Directors' investment powers by requiring the consent of the Principal Employer.

In accordance with the Financial Services and Markets Act 2000, the Trustee Directors set 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 Directors 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 Directors 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 Directors or Principal Employer which it judges to have a bearing on the stated investment policy.

The Trustee Directors 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 Directors to manage investments on behalf of the Scheme;

Principal Employer – University of Dundee;

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

Scheme – The University of Dundee Superannuation & Life Assurance Scheme;

Statement - This document, including any appendices, which is the Trustee Directors' 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 7th April 2014 as subsequently amended;

Trustee Directors – 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 Directors rely on professional Investment Managers for the day-to-day management of the Scheme's assets. However, the Trustee Directors retain control over some investments. In particular, the Trustee Directors make decisions about pooled investment vehicles in which the Scheme invests and AVC investment vehicles.

The Trustee Directors' 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 Directors 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 Directors is to 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 Directors will seek to achieve a level of investment return which mitigates the cost of the Scheme to the employer over the long term.

Having regard to the primary investment objective and subject to the strength of the employer covenant, the Trustee Directors 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.

Having regard to the primary investment objective the Trustee Directors will seek to achieve a balance between return seeking asset assets and liability matching assets consistent with the profile of the members of the Scheme and the profile of the liabilities.

The Trustee Directors will adhere to the provisions contained within this SIP.

Expected returns

By undertaking the investment policy described in this Statement, the Trustee Directors expect 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 Directors have set the investment policy and objectives with regard to the Scheme's liabilities and funding level.

The Trustee Directors intend to achieve these objectives through investing in a diversified portfolio of return-seeking assets (e.g. equities, illiquid assets, multi asset credit, and multi asset funds) and liability matching assets (e.g. LDI). The Trustee Directors recognise 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 Directors, and an acceptable level of cost to the Principal Employer.

The investment policy the Trustee Directors have 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 Directors consider 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 Directors will ensure that the Scheme holds a suitably diversified range of securities in each category, avoiding an undue concentration of assets.

Strategic investment policy and objectives continued

Based on the structure set out in Appendix I, the Trustee Directors consider 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 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 set by the Trustee Directors or governing the pooled funds in which the Scheme is invested.

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

Investment managers are expected to perform in line with their mandate as Investment Managers for the Scheme's investment strategy. The fees they receive are dependent on them doing so. They are therefore subject to regular performance monitoring and reviews based on a number of factors, that are linked to the Trustee Directors' expectations, including investment criteria found in section 6.

The Trustee Directors encourage Investment Managers to make decisions in the long-term interests of the Scheme. The Trustee Directors expect the Investment managers to engage with those who issue debt or equity and actively exercise their voting rights on important issues. 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 Directors also require the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustee Directors believe these factors could have a material financial impact in the long-term. The Trustee Directors therefore make decisions about the retention of Investment Managers, accordingly.

03 Responsible investment

The Trustee Directors have considered their approach to environmental, social and corporate governance ("ESG") factors for the long term time horizon of the Scheme and believe there can be financially material risks relating to them. The Trustee Directors have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's Investment Managers. The Trustee Directors require the Scheme's Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest. Specifically, the Trustee Directors seek to consider the following key aspects of the Universities Ethical policy:

- Focus investments towards
  - Low carbon industries
  - Impact investments with wider social benefit
- Apply exclusions in relation to the following aspects:
  - Avoiding companies producing armament
  - Avoiding companies involved in tobacco manufacturing

The Trustee Directors will seek advice from the Investment Consultant on the extent to which their views on ESG and climate change risks may be taken into account in any future Investment Manager selection exercises. Furthermore, the Trustee Directors, with the assistance of the Investment Consultant, will monitor the processes and operational behaviour of the Investment Managers from time to time, to ensure they remain appropriate and in line with the Trustee Directors' requirements as set out in this Statement.

As the Scheme invests in pooled funds, the Trustee Directors acknowledge 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 Directors encourage 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 Directors require the Investment Managers to report on significant votes made on behalf of the Trustee Directors.

The Trustee Directors expect that the investment managers will use their influence as major institutional investors to exercise the Trustee Directors' rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

If the Trustee Directors become 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 Directors' expectation then the Trustee Directors may consider terminating the relationship with that Investment Manager.

When considering the selection, retention or realisation of investments, the Trustee Directors have 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 views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future qualify of life of the members and beneficiaries of the Scheme (referred to as "non-financial matters" in the relevant Regulations) in the selection, retention and realisation of investments.

The Trustee Directors will review their policy on whether or not to take account of non-financial matters on an annual basis.

Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis. The Trustee Directors will, with input from their investment consultant, monitor and review the information provided by the investment managers. Where possible and appropriate, the Trustee Directors will, through the Scheme's investment consultant, engage with their Investment Managers for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.

04 Risk measurement and management

The Trustee Directors recognise a number of risks involved in the investment of the assets of the Scheme. The Trustee Directors measure and manage 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 Directors will consider (for example) the Value at Risk.

Strategy risk – The risk that the Investment Managers' asset allocation deviates from the Trustee Directors' investment policy is addressed through regular review of the asset allocation. In reviewing the investment strategy on a periodic basis, the Trustee Directors 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 Directors 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 Directors 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 Directors' 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 Directors is addressed through the Trustee Directors' 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 Directors measure the returns relative to the benchmark, objective and the volatility of returns. In addition, the Trustee Directors 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 Directors 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 Directors will consider the spread of assets across various geographic sectors, vintage years and property types. The Trustee Directors will also review how each fund operates within its own defined risk controls and limits;

> for multi asset credit funds, the Trustee Directors 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 Directors will consider the weightings within each fund to different asset classes;

> for liability driven investment (LDI) funds, the Trustee Directors 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 Directors 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 Directors have considered how easily investments can be realised for the types of assets in which the Scheme is currently invested. As such, the Trustee Directors believe that the Scheme currently holds an acceptable level of readily realisable assets. The Trustee Directors 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 Directors 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 Directors have established the following investment restrictions:

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

> Whilst the Trustee Directors recognise that borrowing on a temporary basis is permitted, this option will only be utilised where it is deemed absolutely necessary or where the Trustee Directors have 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.

> Stock lending is permitted at the discretion of the Scheme's Investment Managers in line with their overall investment objectives, policies and procedures.

The Investment Managers impose internal restrictions that are consistent with their house style. In some instances, the Trustee Directors 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 Directors have 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 Directors 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 Directors' investment policies.

The Trustee Directors receive, and consider, quarterly performance monitoring reports from the Investment Consultant which review 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 Directors may carry out a more in-depth review of a particular Investment Manager. Investment Managers will also attend Trustee Directors meetings as requested.

The Investment Consultant has also carried out a review of how well ESG factors are incorporated into each Investment Manager's processes and the Trustee Directors will re-assess progress on ESG issues periodically.

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 Directors' 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 Directors 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.

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;

Investment Manager Arrangements and fee structure continued

- > The Trustee Directors believe 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. In addition, a performance related fee may be payable. 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 Directors.

Portfolio turnover

The Trustee Directors require the Investment Managers to report on actual portfolio turnover at least annually, including detail of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence. The Trustee Directors do not believe it appropriate to set a specific turnover target or limit, but they expect their Investment Managers to keep turnover to a minimum and be able to justify any turnover in terms of improved performance or reduced risk.

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 Directors 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 Directors' objective was to provide vehicles that enabled members to generate suitable long-term returns, consistent with their reasonable expectations.

The investment funds are provided by Prudential.

The Trustee Directors selected these vehicles as they were believed to meet the Trustee Directors' 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 Directors in accordance with their responsibilities, based on the result of the monitoring of performance and process. The Trustee Directors 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 Trustee Directors of a pension scheme, they must have consulted with the principal 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 Directors that they have the appropriate knowledge and experience to give the advice required by the Act.

Signatures

On behalf of XPS Investment Limited:

Partner – Investment

Date:

Trustee Directors' declaration

The Trustee Directors confirm that this Statement of Investment Principles reflects the Investment Strategy they have decided to implement. The Trustee Directors acknowledge 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 Directors:

Date:

Appendix I
Investment Strategy & Structure

Overall strategy

The Trustee Directors have adopted a strategy where assets are invested in liability matching assets along with growth assets (equities, multi asset credit, multi asset funds, and illiquid assets which include private markets and real estate secondaries).

The Trustee Directors have identified the following long term structure as appropriate to meet the objectives of the Scheme.

Asset Class	Long term Target Allocation (%)
Matching Assets	**28**
LGIM Matching Core Funds	28.0
Return Seeking Assets	**72**
LGIM Synthetic Equity Funds	7.0
LGIM Dynamic Diversified Fund	20
Partners Group Partners Fund	15
Baillie Gifford Diversified Growth Fund	20
abrdn Multi Sector Private Credit Fund	10
Total	**100.0**

Liability matching and leveraged assets

The Scheme invests in the LGIM Matching Core LDI Fund range to provide a partial hedge against the Scheme's interest rate and inflation sensitivities. These LDI funds are leveraged in order to increase the degree of hedging.

The Scheme also invests in the LGIM Synthetic Equity Fund to access leveraged equity exposure.

The leveraged nature 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 Directors). Where any additional collateral payments are required it is the Trustee Directors' intention that these will be met through disinvestments from the Scheme's return seeking assets or cash.

Return-seeking assets

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

Equities - Equities are managed on a passive global basis. Exposure to equities is also gained through the investments in the Synthetic Equity funds and the Diversified Growth Funds.

Property – The Scheme has a small exposure to property funds through the Diversified Growth Funds, and the Partners Fund.

Multi Asset Funds - The Trustee Directors have 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.

Secure Income – The Trustee Directors have decided to invest in this asset class as it provides attractive liability-matching characteristics and to provide further diversification due to exposure to a wide range of high-quality credit and real assets.

Illiquid Assets – With the objective of achieving a higher rate of return, the Trustee Directors have allocated some of the Scheme's assets to private equity, real estate secondaries and a private markets multi-asset fund through the Partners Fund. The illiquid assets are expected to provide a higher return than a similar investment in quoted markets.

Rebalancing and cashflow

The Trustee Directors review 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 Directors will periodically review the position and take action to rebalance if considered appropriate.

Appendix II
Fund benchmarks, objectives & fees

abrdn

Multi Sector Private Credit Fund

Benchmark n/a

Objective To provide a yield of 4.0-5.0% p.a

Fees AMC: [redacted]

Baillie Gifford

Dynamic Growth Fund

Benchmark Bank of England base rate

Objective To outperform the index by 3.5% p.a. net of fees over rolling five year periods with an annual volatility of less than 10%

Fees AMC: [redacted]

LGIM

Matching Core Funds

Benchmark Index produced in conjunction with Markit – designed to include both swaps and gilts.

Objective To move broadly in line with the movements of the Scheme's liabilities.

Fees AMC: [redacted]

Synthetic Leveraged Equity Fund

Benchmark Markit MSCI World Index

Objective To provide leveraged exposure to equities.

Fees AMC: [redacted]

Synthetic Leveraged Equity Fund (GBP Hedged)

Benchmark Markit MSCI World Index - GBP Hedged

Objective To provide leveraged exposure to equities.

Fees AMC: [redacted]

Dynamic Diversified Fund

Benchmark Bank of England base rate

Objective To outperform the index by 4.5% p.a. gross of fees over a full market cycle (typically 5 years)

Fees AMC: [redacted]

Partners Group

Partners Fund

Benchmark n/a

Objective Return target of 8 -12% p.a. net of all fees

Fees AMC: [redacted]

Additional Fees [redacted]

Note: AMC: Annual Management Charge

Any execution costs and OCFs stated above are the latest available at the time of writing and are subject to change

High Water Mark *"The "High Water Mark" equals the higher of (i) NAV per Unit (including any paid-out distributions and before deduction of the Performance Fee) at the end of such period when the Performance Fee was paid the last time, and (ii) the initial Subscription Price (including any paid-out distributions and before deduction of the Performance Fee)."*

NAV *Net Asset Value – The fund's per share market value*

Contact us
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