Statement of Investment Principles

KAS Bank UK Retirement Benefit Scheme

September 2020

Contents

1. Introduction

1.1 Purpose of this Statement of Investment Principles ("SIP")

This SIP sets out the Trustees' policy on matters governing decisions about the investments of the KAS Bank UK Retirement Benefit Scheme (the "Scheme").

The investment of the Scheme's assets is the responsibility of the Trustees and the Scheme's Trust Deed & Rules give the Trustees broad powers on investment. There are no restrictions (however expressed) on any power to make investments by reference to the consent of KAS Bank N.V. (the "Sponsoring Employer").

1.2 Legal and statutory background

This SIP is designed to meet the requirement of Section 35 of the Pensions Act 1995 ("the Act") and all subsequent legislation, regulations and guidance from the Pensions Regulator, applying to UK pension schemes.

1.3 Input to this SIP

This SIP has been formulated after obtaining and considering written professional advice from the Scheme's previous investment adviser and their current investment adviser, Quantum Advisory ("Quantum"), and consulting the Sponsoring Employer as required by the Act and subsequently the Regulations. Quantum have the knowledge and experience required under Section 2 of the Regulations to provide professional advice on the management of the investments of such schemes.

1.4 Who it concerns

The document is produced as evidence of compliance with the Act and other relevant legislation, and to provide the opportunity for members, professional advisers, the investment managers and the Sponsoring Employer to understand and comment on the Trustees' policy on investment.

1.5 Scheme details

The Scheme is a registered pension scheme with HM Revenue & Customs under the Finance Act 2004. The Scheme's assets are held under trust which is administered by the Trustees. The investment powers of the Trustees are set out in the Scheme's trust deed.

The Scheme is classed as a hybrid pension scheme providing benefits on a defined contributions basis, with a defined benefit underpin. The Scheme is open to future contributions from existing and new members.

The Scheme is administered externally by Quantum. Investment advice is also provided by Quantum, who have advised the Trustees in preparing this SIP.

1.6 Duties and responsibilities

The Trustees have established the duties and responsibilities of various parties and this is outlined in the table below:

Trustees	Investment managers
Set structures and processes for carrying out their role.	Operate within the terms of the written contracts and agreements.
Select & monitor the Scheme's investments.	Select and monitor the suitability of individual investments in the context of the respective fund (including the capital structure of investee companies).
Select & monitor investment advisers and fund managers.	**Investment adviser**
Agree structure for implementing investment strategy.	Advises on all aspects of the investment of the Scheme's assets, including implementation, when requested by Trustees.
Make ongoing decisions relevant to the operational principles of the Statement of Investment Principles.	Advises on this statement.
Report annually on compliance with this Statement.	Provides required training.

2. Investment policy

It is the policy of the Trustees, after taking appropriate written advice from their investment advisers and in consultation with the Sponsoring Employer, to set the investment strategy for the Scheme, following a consideration of their objectives and other related matters.

The Trustees' policy is to review their objectives and investments, and to obtain written advice about them at regular intervals.

It is the Trustees' policy that the Scheme should only hold investments in derivative instruments in so far as they contribute to a reduction in risk or facilitates efficient portfolio management.

The Trustees' policy is not to hold any employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005.

When deciding whether or not to make any new investments, the Trustees will obtain written advice from the Scheme's investment adviser, and consider whether future decisions about those investments should be delegated to investment managers.

The written advice will consider the issues set out in the Regulations and the principles contained in this statement. The Regulations require all investments to be considered by the Trustees (or, to the extent delegated) by the investment managers against the following criteria:

- the best interests of the members and beneficiaries;
- security;
- quality;
- liquidity;
- profitability;
- tradability on regulated markets;
- diversification; and
- the use of derivatives.

3. Investment objectives

The objective of the Scheme is to provide the best possible risk-adjusted returns for the members, taking into account financially material Environmental, Social and Corporate Governance (“ESG”) factors.

The Trustees aim to provide a range of options that are suitable for meeting members' long and short-term investment needs. They have considered members' attitudes to risk and how they might vary with the length of time to retirement.

More specifically, the Trustees make available investment choices that reflect the members’:

- range of ages, considering:
    - members closer to retirement have less scope to absorb risk and protect against short term fluctuation in asset values; and
    - members further from retirement have greater scope to absorb risk and short-term volatility in asset values, but also have to seek to protect against the erosion of the capital value of their assets due to inflation;
- attitude to investment risk;
- level of dependency on the benefits to be drawn;
- understanding of investment matters; and
- level of interest and time available to devote to making investment decisions.

The Trustees review their investment objectives from time to time and amend them accordingly.

The Trustees considered the following specific objectives in setting the default investment strategy:

- meeting perceived needs of the membership ;
- the likelihood of the default strategy providing a reasonable return above inflation over the long term; and
- the balance of sufficient expected growth with the spread of returns and risk of capital loss.

4. Investment strategy

4.1 Investment strategy

The Trustees' policy is to seek professional advice on investment strategy. They decide on the investment strategy after considering recommendations from their investment adviser. The Trustees recognise that their level of investment expertise must be kept up to in order to be able to critically evaluate this advice.

The Scheme's investment strategy is implemented using the range of investment options/strategies, which are summarised below. Members may select any number of strategies. Further information on each of these is provided in Appendices 1 and 2.

Investment vehicle

The Trustees have decided to invest in pooled funds and cash, and delegate all day-to-day powers of investment to the investment managers who are authorised and regulated by the Financial Conduct Authority.

The Scheme does not invest directly in stocks, shares, bonds, derivatives etc.

The Trustees have decided to invest in pooled funds because:

- the Scheme is not large enough to justify direct investment in equities or bonds on a cost effective basis;
- pooled funds allow the Scheme to invest in a wider range of assets, which serves to reduce risk; and
- pooled funds provide a more liquid form of investment than certain types of direct investment.

The pooled funds employed are provided by BNY Mellon Investment Management ("BNY Mellon"), who were appointed in August 2009, and Legal & General Investment Management ("LGIM"), who were appointed in May 2020. The LGIM investment is accessed through Mobius Life Limited ("Mobius"), an implementation solution provider (see section 5 for further details on this).

The Trustees select investment managers and funds which are appropriate to implement the investment strategy.

Default investment strategy

Members who do not make a specific selection and employees who are automatically enrolled in the Scheme are automatically placed in the 'default' investment strategy. The default investment strategy maintains an exposure to growth assets, both pre- and post-retirement, and employs 'lifestyling' to reduce the risk of short-term volatility to the member's assets as the member nears retirement. This strategy targets income drawdown during retirement.

The Annual Management Charges at all terms in the default investment strategy are below the 0.75% charge cap and are reviewed by the Trustees annually.

Alternative investment options

Lifestyle strategies

The Trustees have made additional lifestyle arrangements available to cater for members that do not wish to be invested in the default investment strategy, but are seeking a pre-built strategy to automatically and progressively de-risk into appropriate investments as they approach retirement.

Further details are provided in Appendix 1.

Range of funds

The Trustees have selected a range of funds members may choose to “self-select” from.

The selection was chosen in order to assist members in meeting their personal needs. In choosing investment options, it is the policy of the Trustees to consider:

- an appropriate range of asset classes, including alternative assets;
- the suitability of the possible styles of investment management and the need for diversification;
- the suitability of each asset class for defined contribution schemes;
- the need for appropriate diversification; and
- individuals’ financial profiles and attitudes to risk may vary.

Further details are contained in Appendices 1 and 2.

The Trustees monitor the performance of the Scheme’s investments on a biannual basis. Written advice is received as required from its investment adviser.

4.2 Responsible investment

This section sets out the Trustees’ policies on responsible investment.

ESG comprises the following:

- environmental concerns include climate change, energy efficiency, waste and pollution, and scarcity of water and other resources;
- social concerns include human rights, health & safety at work, welfare and other working conditions, and responsibility for the wider community in which a business operates; and
- corporate governance concerns include audit quality, board structure, remuneration policy, shareholder and other stakeholder rights.

The Trustees believe that in order to protect and enhance the value of the investments, over the time horizon during which the benefits are paid, they must act as a responsible asset owner.

The Trustees expect the Scheme’s investment managers to apply investment principles in line with the United Nations Principles for Responsible Investment (“UNPRI”). This will be monitored in conjunction with the investment adviser at appropriate intervals and at least annually.

The Trustees also expect the Scheme’s investment manager to adhere to and follow the best principles enshrined in the FRC UK Stewardship Code.

The Trustees do not offer explicit remuneration to the Scheme's investment managers for considering these factors specifically.

The Trustees expect the investment adviser to apply this oversight to the fund management company managing the Scheme's funds and at an individual fund level.

4.2.1 Financially material considerations

The Trustees believe that the consideration of financially material ESG factors (including climate risk) in investment decision making can lead to better risk adjusted investment returns.

The Trustees believe ESG is financially material across all asset classes and strategies and the Trustees work with the investment adviser to ensure ESG is factored into the entire investment strategy.

The Trustees expect their investment managers, when exercising discretion in investment decision making, to take financially material ESG factors into account. On an ongoing basis the Trustees (delegating to the investment adviser where appropriate) assess the ESG integration capability of their investment managers.

In doing this, the Trustees have determined that for the Scheme's investments that are implemented on an active basis, that ESG is built into the core of its investment managers' investment processes.

With specific regard to ESG factors, the Trustees consider how these are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the evaluation of ESG factors. The Trustees also periodically consider publicly available ESG related publications pertaining to the incumbent investment managers.

The Trustees also consider ESG factors when determining future investment strategy decisions. To date, the Trustees have not established any restrictions on the appointed investment managers but may consider this in future.

The Trustees periodically review the ESG policies and activities of their investment managers in the following ways:

- meeting with the investment managers;
- ESG reporting and advice from their investment adviser;
- reviewing their investment managers' publicly available ESG related publications; and
- reviewing the results provided by an independent ESG screening tool to identify and monitor ESG risks that may impact the Scheme's investments.

Furthermore, the Sponsoring Employer provides the Trustees with annual reports that highlight any equity investments, held through the pooled funds, that violate the United Nations Global Compact Principles. The Trustees discuss these breaches with the investment manager to understand the rationale for the holding. Should the views of the investment manager not be aligned with those of the Scheme, the Trustees will review whether the pooled fund should be retained.

4.2.2 Stewardship policy

The Trustees, with the help of their investment advisers, consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The Trustees have chosen to delegate their voting and engagement responsibilities to the appointed investment managers.

The Trustees cannot exercise their responsibilities directly as they do not hold investments in their name. The Trustees are aware of the constraints this has on influencing change. They do, however, acknowledge the need to be responsible stewards and exercise the rights associated with their investments in a responsible manner.

The Trustees monitor the investment managers' stewardship and engagement activity on an annual basis as they believe this can improve long term performance. This is carried out by reviewing the Investment Managers' voting and engagement policy, summary reports detailing the engagement and voting activity undertaken by the investment managers and asking questions directly to the investment managers. The Trustees expect their investment managers to make every effort to engage with the companies they invest in, and prior to investment where it is appropriate, and report on the implementation of, and any changes to, their policies on voting and engagement.

The Trustees acknowledge that in the short term, these policies may not improve the returns they achieve, but do expect those companies with better financial and non-financial performance over the long term will lead to better returns for the Scheme.

4.2.3 Non-financial matters

Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustees believe these should not drive investment decisions. The Trustees expect their investment managers, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a material reduction in the efficiency of the investment.

The Trustees consider non-financial factors (where members have been forthcoming with their views) however the Trustees do not employ a formal policy in relation to this when selecting, retaining and realising investments.

5. Implementation solution

5.1 Implementation solutions

An implementation solution is a service that enables pension schemes to buy, sell and hold their investments all in one place. This allows greater flexibility and efficiency when switching investments as the Scheme strategy changes or fund managers need to be replaced.

The centralisation of funds also allows consolidated reporting to be obtained more easily and more regularly, assisting in ensuring that an investment strategy and associated flight path can be effectively tracked and monitored. All of these features allow pension schemes greater administrative efficiency, enhanced ease of strategy implementation and potential fee reductions.

5.2 Accessing the implementation solution

The Scheme utilises Mobius as the implementation solution provider, for the LGIM Cash Fund. Mobius was appointed in March 2020.

The Scheme has entered into a unit linked life policy through a TIP. The policy's value is linked to the underlying investments, which Mobius has been directed to purchase. Mobius is responsible for investing into the underlying funds and takes responsibility for the relationship with the underlying fund managers. This includes transactions, reporting and governance. This differs from a traditional relationship that a pension scheme would have had with their funds managers where they would have invested directly with these managers and maintained a number of these individual relationships.

5.3 Safeguarding and protection of Mobius assets

There are a number of regulatory layers of protection in relation to the Scheme's assets with Mobius. The key points to note are set out below.

- The Scheme's assets are held in a Pooled Life Fund, which is held separately to Mobius's shareholder and other Company assets.
- Submissions are made to the Prudential Regulation Authority and Financial Conduct Authority on a regular basis, which require the Mobius Board and an independent qualified actuary, the Actuarial Function Holder, to monitor the solvency of the Mobius business in relation to regulatory capital requirements. Mobius have appointed an independent qualified actuary to carry out this function, and any regulatory capital calculations are audited by the independent auditors.
- Mobius undertakes an annual Own Risk and Solvency Assessment (ORSA) together with the Actuarial Function Holder, as part of regulatory requirements of running an insurance company.

In Mobius's Security of Assets document, they state that Mobius is a regulated life insurance company, the Scheme has access to the Financial Services Compensation Scheme ("FSCS") in the event of Mobius becoming either insolvent or liquidated. The level of cover provided by the FSCS is currently 100% of the policy value when investing in insurance policies, with no upper limit, if Mobius defaults.

6. Selection and monitoring of investment managers

6.1 Selection of investment managers

Prior to the appointment of an investment manager, the Trustees will seek appropriate advice from their investment adviser, and may, in certain circumstances, feel it necessary to undertake a manager selection exercise to better inform any decision.

6.2 Criteria that must be met prior to the selection of an investment manager

- The investment manager is suitably qualified to carry out the Scheme's investment management on behalf of the Trustees, and is authorised under the Financial Services and Markets Act 2000 to carry out such activities.
- The investment manager must be able to accept the level of assets which the Scheme may wish to invest with them.
- The collective fund must be FCA authorised.
- The investment manager's fund must be of an institutional nature.
- The investment manager must have in place appropriate asset allocation guidelines such that the likelihood of concentration risk is mitigated.
- The investment manager must have a robust investment philosophy and process.
- Must be signatories to the UNPRI
- Must adhere to and follow the best principles enshrined in the FRC UK Stewardship Code.
- The following procedures are also undertaken as part of the selection process:
    - An assessment of the investment performance of the manager. This is measured against its objectives, performance of its peers, accounting for the volatility sustained relative to the performance achieved (for active managers) and tracking error (for passive managers).
    - An examination of all charges levied by the investment manager relating to the management of the fund and comparison of these charges against those levied by comparative managers.
    - The manager has sufficient processes in place to manage ESG and Stewardship in a manner that it consistent with the Trustees' policies. This gives consideration to the managers' voting and engagement. The Trustees believe these factors can improve the medium to long-term performance of the investee companies.

6.3 Custodians

The Scheme's assets are held by third party custodians who, although appointed by the investment managers, are separate business entities. The current custodians for each fund are listed in Appendix 2.

The custodians provide safekeeping for all the Scheme's assets and perform the relevant administrative duties, such as the collection of interest and dividends and dealing with corporate actions.

It should be noted that custody of the LGIM Cash Fund is held in the Mobius name, as this fund is accessed through the implementation solution.

6.4 Formal agreements

The Trustees have signed policy documents (i.e. manager agreements) with the investment managers and implementation solution provider. The following elements are set out in detail within additional documentation provided by the investment managers:

- the investment manager's fund objective;
- the benchmark;
- the performance target;
- risk parameters & controls; and
- the manager's approach in achieving the objective.

The Trustees keep the appointment of all investment managers under review and will seek to replace any managers, or funds, which no longer remain appropriate to implement the Scheme's investment strategy.

The relationship with each investment manager is open ended and is reviewed on a periodic basis. The date of each appointment is noted in Appendix 1.

7. Risk management

The investment risks associated with the Scheme's investment strategies are borne wholly by the individual members and not by the Sponsoring Employer or the Trustees.

The principle risks that members face and that the Trustees consider when setting the investment strategy are set out below.

7.1 Inflation risk

This is the risk that the investment return over members' working lives does not keep pace with inflation.

7.2 Capital risk

This is the risk that the funds in which members invest fall in value in absolute terms. This includes the capital risk that assets may be exposed to in the funds if investment managers do not properly consider ESG factors when choosing investments.

7.3 Liquidity risk

This is the risk of a suspension of the realisation of units when a member reaches retirement, or wishes to transfer their funds.

This risk is managed through, as far as is practicable and necessary, the Trustees investing in liquid assets which can be quickly realised as required; and, from time-to-time, reviewing the investment manager's policy on liquidity.

7.4 Negligence risk

This is the risk that the Trustees fail in their duties to:

- provide appropriate investment choices;
- select appropriate investment managers to underpin the investment strategies; and
- effectively monitor those managers to ensure they remain appropriate.

Negligence risk is managed by taking regular investment advice encompassing both the appointment and monitoring phases and the Trustees taking steps to ensure that they are conversant with investment policies.

7.5 Mis-statement risk

This is the risk that the choice of wording used to describe investment choices to members is misleading.

This risk is managed by taking appropriate advice and ensuring that member communications are reviewed by an investment professional in order to confirm that all documents relating to investment choices, and charges, are clear, fair and not misleading.

7.6 Annuity conversion risk

This is the risk that relative market movements in the years just prior to retirement may lead to a substantial reduction in the pension and cash lump sum secured, where that pension is provided by means of an annuity.

This risk is managed by providing members with alternative investment options that could be used to better align their assets with their preferred retirement options, in advance of their retirement date.

7.7 Manager risk

The risk that the investment managers fail to achieve the rates of investment return assumed.

This risk is managed by regular monitoring of the pooled funds the Scheme uses, which includes performance and strategy.

7.8 Concentration risk

The risk that the performance of any single investment that constituted a large proportion of the assets would disproportionately influence the overall level of assets.

This risk is managed by holding a portfolio of diversified investments.

7.9 Political risk

The financial risk that a country's government will suddenly change its policies

This is managed, to some extent, by delegating management of the assets, which actively take into account political risks. Furthermore, the Trustees, with its investment adviser, consider political risks at Trustees' meetings.

7.10 Covenant risk

The possibility of failure of the Scheme's Sponsoring Employer.

The Trustees review the covenant strength of the Sponsoring Employer, as well as the funding position of the underpin it supports, periodically to assess the level of risk and to manage this appropriately.

7.11 Counterparty risk

The risk that other parties in any trade or position will default, i.e. will renege on their contractual obligations, resulting in a financial loss to the Scheme.

This risk is managed by investing in pooled funds (diversifying the risk), and through active management by the Scheme's investment managers that consider this risk as part of their mandate.

7.12 ESG risk

This is the risk that ESG factors, including climate change, adversely impact the value of the Scheme's assets if they are not given due consideration and/or misunderstood.

This is managed by frequent review of the investment managers' ESG policies and the implementation of these. Please see section 4.2 for further details on this.

8. Other matters

8.1 Additional Voluntary Contributions

The Scheme enables members to pay Additional Voluntary Contributions (“AVC”) to enhance benefits at retirement. Members are offered the same choice of pooled funds arrangements used for the main Scheme’s contributions. However, these investments are recorded separately into the individual member’s AVC account.

8.2 Realisation of investments

The Scheme’s assets are held in pooled funds, most of which can be realised easily if the Trustees so require.

8.3 Remuneration of the various parties involved in the investment of the Scheme’s assets

Quantum is remunerated on a fixed fee or time-cost fee basis, with budgets agreed for projects where possible.

The Scheme invests in pooled funds. The Trustees note that the investment strategy and decisions of the fund managers cannot be tailored to the Trustees’ policies and the manager is not remunerated directly on this basis. However, the Trustees, with the help of Quantum, sets the investment strategy for the Scheme and select appropriate managers and funds to implement the strategy.

The Trustees do not directly incentivise the investment manager to engage with the issuers of debt or equity to improve their performance. The Trustees do, however, expect the investment managers to participate in such activities as appropriate and necessary to meet the investment objectives of the respective fund. The funds utilised typically include an objective that is expected to result in a positive return over the medium-to-longer term and, as such, the investment managers engagement with the issuers of debt or equity is expected to be undertaken so as to target medium-to-long term value creation.

The Trustees consider the fees and charges associated with each investment before investing and review these as set out in Section 9.

The investment managers are remunerated on an ad valorem fee basis, which is calculated as a fixed percentage of the total value of the Scheme’s funds they hold under management. This structure has been chosen to align the fund managers’ interests with those of the Scheme.

In addition, the fund managers pay commissions to third parties on any trades they undertake in the management of the assets. The Trustee can seek to obtain an annual statement from the investment managers setting out all the costs of the investment of the Scheme.

8.4 Direct investments

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager with a written contract and those where a product is purchased directly. The latter are known as direct investments.

The Trustees’ policy is to review its direct investments (if any) and to obtain written advice about them at regular intervals. When deciding whether to make any new direct investments or terminate any direct investments, the Trustees will obtain written advice from the Scheme’s investment adviser. If the Trustees believe that an investment is no longer suitable for the Scheme, they will withdraw the assets from the arrangement deemed to be unsuitable and select a suitable alternative.

The written advice will consider suitability of the investments, the need for diversification and the principles contained in this SIP. The adviser will have the knowledge and experience required under Section 36(6) of the Pensions Act to provide this advice.

8.5 Conflicts of interest

The Trustees consider any potential and actual conflicts of interest (subject to reasonable levels of materiality) at the start of each Trustees' meeting and document these in the minutes.

8.6 Capital structure of investee companies

The responsibility for monitoring the capital structure of investee companies (including any relevant developments) is delegated to the investment managers. Investment managers are expected to partake in a sufficient level of monitoring and action that is appropriate to the nature of the mandate.

9. Review

9.1 How often are investments reviewed?

The Trustees meet regularly and ensure that adequate time is set aside to discuss investment issues. In determining their investment strategy, the Trustees address the following:

- the need to consider a full range of asset classes;
- the risks and rewards of a range of alternative asset allocation strategies;
- the suitability of each asset class;
- the need for appropriate diversification; and
- the Scheme's Investment and Funding Objectives.

The Trustees review the investment strategy at least every three years and without delay following any significant change in investment policy, or the demographic profile of relevant members. The Trustees consider the extent to which the return on the investments is consistent with the Trustees' aims and objectives.

Investment return experience and the performance is reviewed with assistance from the Scheme's investment adviser biannually. Managers are reviewed against their agreed performance benchmarks and targets over both short-term and long-term time periods, to ensure they remain appropriate to implement the Scheme's investment strategy.

The Trustees review the charges applicable to each fund on an annual basis to ensure these continue to provide value for members.

9.2 How do the Trustees monitor portfolio costs and turnover?

The Trustees have delegated the selection of holdings to the investment managers. The Trustees receive an annual report from the investment managers setting out portfolio turnover and the associated costs.

The Trustees have not set a specific portfolio turnover target for each investment manager and recognise that portfolio turnover and associated costs may vary with market conditions. Each manager has ultimate responsibility for the underlying holdings within their funds.

The Trustees will compare the annual turnover and associated costs for each fund with previous years to ensure each investment manager's process and philosophy remain consistent.

The transaction charges are reviewed annually and reported in the Chair's Statement.

9.3 How often is this SIP reviewed?

The Trustees will review this SIP at least every three years and without delay after any significant change in investment policy. Any change to this SIP will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in, and practical experience of, financial matters, and to have the appropriate knowledge and experience of the management of pension scheme investments; and consulting the Sponsoring Employer.

10. Agreement of SIP

This document is an accurate reflection of the investment policies we have agreed and employ.

Agreed by the Trustees of the KAS Bank UK Retirement Benefit Scheme on 21 September 2020.

Appendix 1 – Investment strategies

Default investment strategy

The default investment strategy arrangement has been designed to automatically and progressively de-risk members as they approach retirement. This strategy is shown in the following table. The actual allocation may differ from that shown above due to market movements.

Fund/Years to Retirement	5+	4	3	2	1	0
BNY Mellon Global Balanced Exempt	100%	80%	60%	40%	20%	--
BNY Mellon Multi Asset Income	--	15%	30%	45%	60%	75%
LGIM Cash	--	5%	10%	15%	20%	25%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Additional lifestyle strategies

The Trustees have made additional lifestyle arrangements available to cater for members that do not wish to be invested in the default strategy but are seeking a pre-built strategy to automatically and progressively de-risk into appropriate investments as they approach retirement. These strategies are shown in the following tables. The actual allocation may differ from that shown due to market movements.

Targeting annuity purchase at retirement

Fund/Years to Retirement	5+	4	3	2	1	0
BNY Mellon Global Balanced Exempt	100%	80%	60%	40%	20%	--
BNY Mellon Long Gilts	--	15%	30%	45%	60%	75%
LGIM Cash	--	5%	10%	15%	20%	25%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Targeting cash at retirement

Fund/Years to Retirement	5+	4	3	2	1	0
BNY Mellon Global Balanced Exempt	100%	80%	60%	40%	20%	--
LGIM Cash	--	20%	40%	60%	80%	100%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Pure multi-asset (no lifestyling)

Fund/Years to Retirement	5+	4	3	2	1	0
BNY Mellon Global Balanced Exempt	100%	100%	100%	100%	100%	--
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Self-select strategy

Members may choose to invest their assets in any of the following funds:

- BNY Mellon Global Balanced Exempt Fund
- BNY Mellon Multi-Asset Income Fund
- BNY Mellon Long Gilt Fund
- BNY Mellon Long Corporate Bond Fund
- LGIM Cash Fund

Appendix 2 – Fund details

The following table summarises the key details for the pooled funds used/offered by the Scheme.

Fund	Benchmark	Investment objective	Custodian	Annual Management Charge	Date of appointment
BNY Mellon Global Balanced Exempt	Composite index: 37.5% FTSE All-Share Index, 37.5% FTSE World (ex UK) Index, 20% FTSE Government All Stocks and 5% LIBID 7 day cash	Outperform the benchmark by 1-2% p.a. over rolling 5-yearperiods.	BNY Mellon	0.45%	March 2009
BNY Mellon Multi-Asset Income	IA Flexible Investment Index Reference yield: 60% MSCI AC World Index and 40% ICE BofA Global Broad Market GBP Hedged Index	Provide income with the potential for capital growth over the longer term. Aims to yield 30% more than the reference yield.	BNY Mellon	0.45%	March 2009
BNY Mellon Long Gilt	FTSE Actuaries Government Securities Over 15 Years Index	Marginally outperform the benchmark over rolling 5-year periods.	BNY Mellon	0.20%	March 2009
BNY Mellon Long Corporate Bond	Merrill Lynch Non-Gilt Over 10 Years Investment Grade Index	Marginally outperform the benchmark over rolling 5-year periods.	BNY Mellon	0.40%	March 2009
LGIM Cash	7 day LIBID	Perform in line with benchmark, without incurring excessive risk.	HSBC & Citibank	0.10%	May 2020