Arval UK Employee Benefits Plan
June 2023

STATEMENT OF INVESTMENT PRINCIPLES

1. Introduction

This document describes the investment policy of Capital Cranfield Pension Trustees Limited (the "Trustee") in its capacity as trustee of the Arval UK Employee Benefits Plan (the "Scheme").

The purpose of the Statement of Investment Principles (the "Statement") is to document the principles and policies governing decisions about the investment of the assets of the Scheme. This Statement sets out the Trustee's policy for complying with the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 and subsequent legislation. The Trustee, in preparing this Statement, has consulted Arval UK Group Limited (the "Company") and has received written advice from the Scheme's DB and AVC investment consultant, Aon Investments Limited ("Aon"), which is regulated by the Financial Conduct Authority.

The Scheme is governed by its Trust Deed & Rules which sets out the benefits and specifies the Trustee's investment powers. The investment powers do not conflict with this statement.

Aon has confirmed in writing to the Trustee that it is appropriately qualified to give the advice required by the Pensions Act 1995, the Occupational Pension Schemes (Investment) Regulations 2005 and any subsequent legislation.

The Scheme's investment policy falls into two parts. The investment strategy is the responsibility of the Trustee acting on expert advice and is driven by their investment objectives as set out in Section 2 below. The investment arrangements are reviewed on a quarterly basis to ensure they remain consistent with meeting the investment objectives. The day to day management of the assets is delegated to professional investment managers, selected and appointed by reference to the investment strategy, as set out in Section 3.

The Statement of Investment Principles applies to the Scheme as a whole. Investment points which are pertinent to AVC arrangements are located in the Appendix.

2. Investment Objectives and Risk

2.1 Investment Objectives

The Trustee's main priority is to invest the Scheme's assets in the best interests of the members and beneficiaries. Within this framework, the Trustee has agreed objectives to help guide the setting and managing of investment strategy. The Trustee's primary objectives are as follows:

- To ensure that they can meet their obligation to the beneficiaries of the Scheme.
- To reach and maintain a fully funded position on a suitably prudent valuation basis over the long-term.

2.2 Risk Management and Measurement

All pension schemes are exposed to some degree of risk. The main risks that the Trustee considered when setting the Scheme's investment arrangements were:

- The mismatch between the Scheme's assets and its liabilities.
- Interest rate risk and inflation risk, which are two of the largest investment risks that arise due to the nature of the liabilities. These risks are substantially reduced within the Scheme by the use of interest rate and inflation hedging.
- Longevity risk, which is also a risk arising due to the nature of the liabilities. The Trustee is cognisant of this risk but recognises that the market for solutions to directly hedge longevity risk is less well-developed and less accessible than for hedging interest rate or inflation risk.
- The volatility of any return-seeking assets, such as equities, held by the Scheme. The Trustee recognises that whilst holding return-seeking assets increases expected returns over the long-term, it increases short-term volatility in the Scheme's funding position.
- The risks that may arise from a lack of diversification of investments. Subject to managing the risk arising from the mismatch of assets and liabilities, the Trustee aims to ensure the assets are appropriately diversified.
- The safe custody of the Scheme's assets: custody of the Scheme's assets is delegated to professional custodians (via the use of pooled vehicles).
- The risk of a manager under-performing its benchmark.
- The possibility of failure of the Scheme's sponsoring employer ("covenant risk"). The Trustee and its advisers considered this risk when setting investment strategy and consulted with the sponsoring employer as to the suitability of the proposed strategy.
- The risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.
- The risk arising from environmental, social and governance (ESG) factors – sources of risk which could be financially material to the Scheme's investments, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance.

The Trustee receives a manager monitoring report and investment performance report on a quarterly basis to help the monitor the continued suitability of the current investments.

Additional risks related to investment strategy include: currency risk (however, the Scheme is largely invested in Sterling denominated assets), illiquidity risk (however, the Scheme is invested in liquid asset classes), and legal and operational risks (which the Scheme mitigates by taking appropriate advice when putting in place legal documents and appointing providers capable of carrying out the required operational tasks).

Where there is a material change in the Scheme's circumstances, the Trustee will review the Scheme's investment arrangements to check whether they remain appropriate, having regard to the various risks set out above if the Trustee considers that they remain relevant.

2.3 Investment Strategy

The Trustee monitors the Scheme's performance against its investment objectives on a quarterly basis with the help of its advisor. This is done by monitoring the funding and asset position of the Scheme on an ongoing basis.

The Trustee has set the investment strategy to meet its objective. The investment objective it to achieve 100% solvency funding, establishing a buffer above the Technical Provision Liabilities. The Trustee will consider the expected return on investments, with advice from the investment consultant, when selecting and monitoring its investment strategy.

To meet and maintain its funding objective, the Scheme invests in return-seeking assets that have expected returns which, together with any contributions, are expected to provide sufficient asset returns to meet the stated funding objective. When selecting and appointing investment managers, the Trustee and investment consultant consider the desire to maintain a diversified portfolio as a contributing factor. Further, the investment consultant regularly reviews the range of investments held by the respective investment managers to ensure they remain appropriately balanced in the circumstances of the Scheme and given the overall level of investment risk that is appropriate at the time

To better align the interest rate and inflation sensitivities of the assets to those of the liabilities, the Scheme invests in Liability Driven Investment ("LDI") assets. These will include UK government bonds and may also include leveraged investments, for example, leveraged gilt exposure and interest rate and inflation swaps.

The Trustee will monitor the progress of the Scheme against its objective and will consider, with advice from the investment consultant, adjusting the investment strategy where the Scheme is not on track to meet its objectives.

3. Day to Day Management of the Assets

3.1 Main Assets

The Trustee regards the strategic asset allocation as the decision which has the most influence on the likelihood that the Scheme will achieve its objectives. In setting the investment strategy, the Trustee takes ongoing advice from the investment consultant and makes its decisions in consultation with the Company.

3.2 Rebalancing Policy and Cash Flow

The Trustee will typically review the performance of the Scheme against its objective on a quarterly basis. Where the Scheme is off-track against these objectives, the Trustee may decide to change the asset allocation with the aim of putting the Scheme in a better position to meet its objectives.

Cash flow policy is determined on an ad hoc basis following advice from the investment consultant on expected cash flows and asset allocation. Overall Scheme liquidity requirements are monitored and reported to the Trustee on a quarterly basis to ensure that prudent levels of liquidity are maintained.

The administrator ensures that sufficient cash balances are available in the Trustee bank account.

3.3 Realisation of Investments

The Scheme's investment managers have discretion in the timing of realisation of investments (i.e. the sale of assets) within their individual mandates.

The Trustee may decide, with advice from the investment consultant, when to sell or reduce their holding in a specific investment manager mandate. For example, the purpose may be to move funds to a different asset class due to a change in investment strategy, or to invest with a different manager in the same asset class where the Trustee believes the existing manager is no longer appropriate for the Scheme, or to generate cash to pay member benefits.

3.4 Asset Manager Policy

Due to the cost benefits and ease of implementation, the Trustee only invests in pooled investment vehicles. The Trustee recognises that due to the collective nature of these investments, there is less scope to directly influence how the investment manager invests. However, the Scheme's investment consultant ensures the investment objectives and guidelines of the manager are consistent with those of the Trustee. In circumstances where investing in alternative mandate structures is thought to bring additional benefits, these are considered and advised on by the Scheme's investment consultant.

Where relevant, the Trustee requires its investment managers to invest with a medium to long-term time horizon, and to use any rights associated with the investment to drive better long-term outcomes. For some asset classes, the Trustee does not expect the respective investment managers to make decisions based on long-term performance. These may include investments that provide risk reduction through hedging, consistent with the Trustee's strategic asset allocation.

The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Scheme's assets. When assessing a manager's performance, the focus is on longer-term outcomes, and the manager is assessed over a medium to longer-term timeframe, subject to a minimum of three years. The Trustee would not expect to terminate a manager's appointment based purely on short-term performance. However, a manager's appointment could be terminated within a shorter timeframe than three years due to other factors, such as a significant change in business structure the investment team, or a change in strategy.

Managers are paid a fee for a defined set of services, based on the size of the assets managed on behalf of the Scheme. The investment consultant assists the Trustee in reviewing fees periodically to confirm they are in line with market practice.

The external investment managers provide a written performance report each quarter to the Trustee through the investment consultant. The investment consultant will produce a manager report for the Trustee based on this information. The Trustee will meet the managers on an ad hoc basis to review the managers' actions and investment performance. The investment consultant will assist the Trustee in fulfilling their responsibility for monitoring the investment managers. The Trustee's policy towards monitoring non-financial performance is set out in Section 5.1: Environmental, Social and Governance Factors Policy.

The Trustee reviews the portfolio transaction costs and portfolio turnover range (i.e. the proportion of acquisitions / disposals made by each manager as a proportion of the total holding over a given period) of managers periodically where the data is disclosed and available. The Trustee will then determine whether the costs incurred were within reasonable expectations, with assistance from the investment consultant.

4. Employer-related investments

It is possible that pooled investment vehicles in which the Scheme has invested may, in turn, invest in the shares of a company in the BNP Paribas Group or in another employer-related investment as a result of a decision taken by the pooled investment vehicle provider in question. The Trustee does not expect any such investment, even if it were to occur, to be material in relation to the Scheme and in any event the Trustee does not expect it to cause the Scheme to cease to comply with the restriction on employer-related investments under Section 40 of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005.

The Trustee includes the details of any employer-related investments in the annual report and accounts for the Scheme.

5. Responsible Investment

5.1 Environmental, Social and Governance Factors

The Trustee incorporates all financially material considerations into decisions on the selection, retention and realisation of investments through strategic asset allocation decisions and the appointment of investment managers, so far as possible.

The Trustee believes that environmental, social and governance factors (including but not limited to climate risk) will be financially material over the time horizon of the Scheme but will have varying levels of importance for different types of assets invested by the Scheme.

The Trustee may consider non-financial factors (such as ethical or moral beliefs) in its investment decision-making, but only to the extent that these do not have a negative financial impact. The Trustee appoints investment managers that consider these factors on the Scheme’s behalf.

5.2 Stewardship and Engagement

Direct engagement with underlying companies (as well as other relevant persons), of which the Trustee owns equity or debt, is carried out by the Scheme's investment managers.

This includes monitoring and engaging with issuers of debt or equity on financially material issues concerning strategy, capital structure, management of actual or potential conflicts of interest, risks, environmental impact, social considerations and corporate governance. Where relevant, the Trustee expects its managers to use voting rights to effect the best possible sustainable long-term outcomes in line with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustee expects all its investment managers to implement current best practice in relation to good stewardship, such as adhering to the UK Stewardship Code. When selecting new managers, the Trustee’s investment consultant assesses the ability of each investment manager to engage with underlying companies in order to promote the long-term success of the investments. When monitoring and de-selecting managers, engagement is factored into the decision-making process to the appropriate level for the specific asset class in question.

Although the Trustee chooses managers that align with its beliefs on stewardship, given the Scheme only invests in pooled funds, due to the collective nature of these investments, the Trustee has less direct influence over the managers’ policies on the exercise of investment rights. The Trustee requires its investment consultant to monitor and report on the voting behaviour carried out on its behalf.

The Trustee requires its investment consultant to report periodically on how its investment managers have acted with respect to the Trustee's policy on stewardship and engagement. The Trustee will disclose any highlights as part of this review annually in its implementation statement and the investment manager's performance in these respects will be considered as part of the Trustee's wider assessment of the ongoing suitability of each investment manager.

6. Fees

6.1 Investment Management Fees

The Trustee has policy documents with the Scheme's investment managers which set out the terms and conditions by and under which the Scheme's assets will be managed, including the fee structure.

As the Trustee invests in pooled fund arrangements, they are unable to calculate the trading costs incurred specifically by the Scheme.

6.2 Investment consultant's Fees

The fees for the investment consultant are largely based on a fixed scope of work but may also be based on fixed scopes of work for individual tasks or on a time-cost basis. The Trustee will formally assess the investment consultant against pre-agreed objectives on an annual basis.

7. Compliance and Review of Statement

The Trustee, the investment managers and the investment consultant each have duties to perform to ensure compliance with the Statement. These are:

- In line with the Occupational Pension Schemes (Investment) Regulations 2005, the Trustee will review the Statement at least every three years and without delay after a significant change in investment policy.
- The Trustee will review this Statement based on written expert advice, to be provided by the investment consultant, and will record compliance with it at a Trustee meeting.
- The Trustee will review this Statement where there is a material change to any aspect of the Scheme which they judge to have a bearing on the stated investment policy.
- The Trustee will consult the Company on any changes to the Statement.
- The investment managers will each prepare a written quarterly report for the Trustee, which will be provided through the investment consultant.

Appendix 1 - AVCs

The Trustee has also appointed FIL Life Limited (Fidelity) to offer a wide range of unit linked investment fund options that are outlined in the next section.

All the insurance contract providers and fund managers are remunerated through a percentage of fund charge. The charges have been negotiated to ensure competitiveness and are reviewed regularly.

In addition, fund managers may pay commissions to third parties on trades they undertake in the management of the assets.

The life companies and pooled fund manager have appointed custodians for each of the investment funds available. The custodians provide safekeeping for all the funds' assets and perform the administrative duties attached, such as the collection of interest and dividends and dealing with corporate actions.

Appendix 2 – AVC investment options

The following Lifestyle options are available to members AVCs:

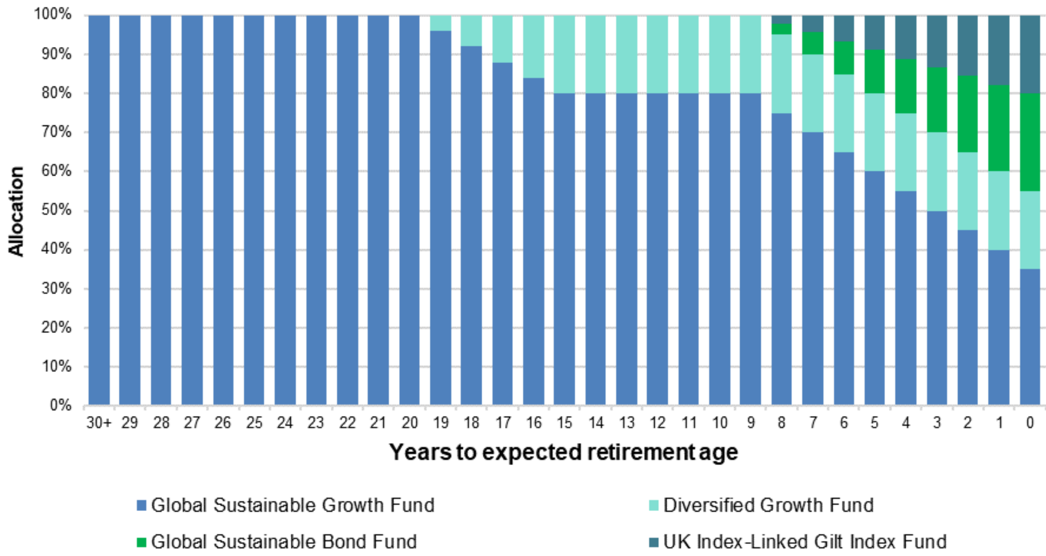
- **Lifestyle 1 – Drawdown:** invests 100% in the Global Sustainable Growth Fund until the member reaches the point 20 years before their expected retirement age, after which point a portion of the member's investment is gradually switched to the Diversified Growth Fund. Over the final 9 years, a portion of the member's investment is gradually switched to the UK Index-Linked Gilt Index Fund and the Global Sustainable Bond Fund. At the member's expected retirement date the investments will be split 35% in the Global Sustainable Growth Fund, 20% in the Diversified Growth Fund, 25% in the Global Sustainable Bond Fund and 20% in the UK Index-Linked Gilt Index Fund.

- **Lifestyle 2 – Annuity:** invests 100% in the Global Sustainable Growth Fund until the member reaches the point 20 years before their expected retirement age, after which point a portion of the member's investment is gradually switched to the Diversified Growth Fund. Starting from 9 years from the member's expected retirement age, a portion of the investment is gradually switched to the UK Index-Linked Gilt Index Fund and the Global Sustainable Bond Fund, and a further portion is switched to the Cash Fund: BlackRock managed over the final 5 years. At the member's expected retirement date, the investments will be split 75% in the UK Index-Linked Gilt Index Fund and 25% in the Cash Fund: BlackRock managed.

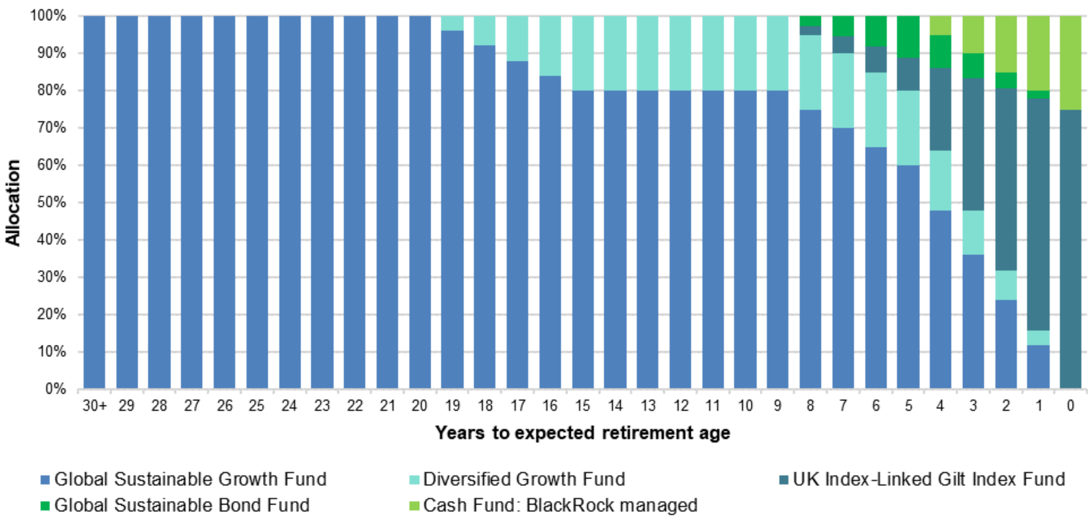
- **Lifestyle 3 – Cash (default arrangement):** invests 100% in the Global Sustainable Growth Fund until the member reaches the point 20 years before their expected retirement age, after which point a portion of the member's investment is gradually switched to the Diversified Growth Fund. Starting from 9 years from the member's expected retirement age, a portion of the member's investment is gradually switched to the UK Index-Linked Gilt Index Fund and Global Sustainable Bond Fund. Over the final 5 years the entire investment is gradually switched to the Cash Fund: BlackRock managed.

Charts showing the breakdown of the Lifestyle options by age are set out below.

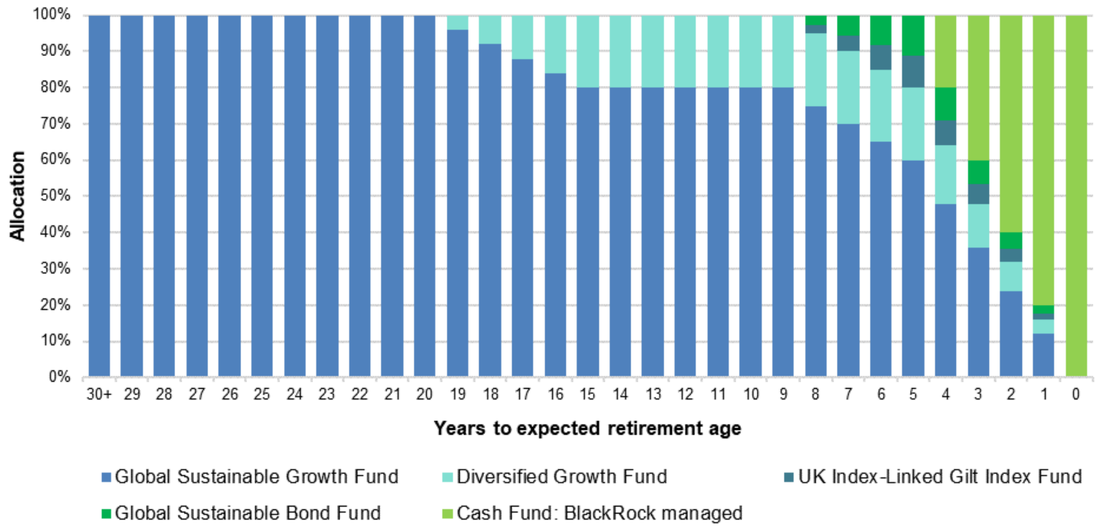
Lifestyle 1 – Drawdown Lifestyle



Lifestyle 2 – Annuity Lifestyle



Lifestyle 3 – Cash Lifestyle



Members may choose to invest ***either*** in one of the Lifestyle options ***or*** in a combination of individual funds, as set out below.

The Trustee is required to designate a default arrangement into which members who do not make an investment decision are invested. The Trustee has designated Lifestyle 3 - Cash as the default arrangement for the Scheme.

The default Lifestyle strategy will be reviewed periodically (and at least every three years) in the future with reference to the manner in which members are expected to take their benefits from the Scheme. This periodic review will also take into account any significant changes in the demographic profile of the relevant members.

In addition to this, the Trustee's policy is to provide suitable information for members so that they can make appropriate investment decisions. The range of funds was chosen by the Trustee after taking expert advice from the Trustee's investment advisers. In choosing the Scheme's investment options, it is the Trustee's policy to consider:

- A full range of asset classes.
- The suitability of the possible styles of investment management and the need for manager diversification.
- The suitability of each asset class for a defined contribution scheme.
- The need for appropriate diversification of asset classes.
- Integration of responsible investment issues within the investments.

The Trustee expects the long-term return on the investment options that invest predominantly in equities to exceed price inflation and general salary growth. The long term returns on the bond and cash options are expected to be lower than returns on predominantly equity options. However, bond funds are expected to broadly match the price of annuities, giving some protection in the amount of secured pension for members closer to retirement. Cash funds will provide protection against changes in short-term capital values, and may be appropriate for members receiving part of their retirement benefits in the form of tax-free cash.

Environmental, Social, and Governance considerations

In setting the Scheme's investment strategy, which extends to the Scheme's AVC arrangements and default arrangement, the Trustees' primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

Risk considerations include the risk that environmental, social and governance ("ESG") factors, including climate change, negatively impact the value of investments held if not understood and evaluated properly. The Trustees consider this risk by taking advice from their investment adviser when setting the Scheme's default investment strategy, when selecting managers and when monitoring their performance.

As part of ongoing monitoring of the Scheme's investment managers, the Trustee carries out an in-depth ESG review of the Scheme's AVC investment managers on an annual basis. To supplement this, the Trustee will also use ESG rating information provided by its investment consultant, where relevant and available, to monitor the level of ESG integration by the Scheme's investment managers on a quarterly basis.

Stewardship Policy – Voting and Engagement

As part of their delegated responsibilities, the Trustees expects the Scheme's investment managers to:

- Where appropriate, engage with investee companies with the aim of protecting and enhancing the value of assets; and
- exercise the Trustees' voting rights in relation to the Scheme's assets, while disclosing and managing any potential conflicts of interest that may arise.

The Trustee accepts responsibility for how managers steward assets on its behalf, including the casting of votes in line with each manager's individual voting policies.

The Trustee reviews the suitability of the Scheme's appointed investment managers at least every three years, particularly those used within the Scheme's default arrangement, and takes advice from the investment advisers with regard to any changes. As stated above, the Trustee also carries out an ESG specific review of the Scheme's managers on an annual basis The annual ESG review includes stewardship matters and the exercise of voting rights by the appointed managers. If an incumbent manager is found to be falling short of the standards the Trustee expects (set out above) the Trustee undertakes to engage with the manager and seek a more sustainable position (where possible, and with the assistance of their investment advisers) but may also look to replace the manager. The Trustee takes advice from the investment advisers on these matters. Prospective investment managers are also required to provide this information for the Trustee to review in advance of any new appointment. The Trustee takes advice from its investment consultant on these matters.

The Trustee also carries out an annual review of the managers' stewardship activities and expects managers to provide aggregate voting information at a fund level and voting rationale for significant votes. This information is included in the Trustee's annual Implementation Statement, which will be included in the Trustee's report and accounts and made available to members in a publicly accessible web location.

Given the pooled nature of the AVC investments, the Trustee does not have a direct relationship with investee companies. However, from time to time, the Trustee will consider the methods by which, and the circumstances under which, it would monitor and engage with an investment manager on matters concerning an issuer of debt or equity, an investment manager or another holder of debt or equity, and other stakeholders. The Trustee may engage on matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Members' Views and Non-Financial Factors

In setting and implementing the Scheme’s investment strategy the Trustees do consider the Scheme members and beneficiaries views in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors") but only to the extent that these do not have a negative financial impact. The Trustee appoints asset investment managers that consider these factors on the Plan’s behalf.

The Trustees have designed the lifestyle strategies, including the default (Cash Lifestyle) to incorporate an ESG focus across both the equity and bond investments. The Trustees also makes available in the self-select range Responsible Investment equity options (the Global Sustainable Growth Fund and the Responsible Investment Fund), a Responsible Investment fixed income option (the Global Sustainable Bond Fund), an ethical investment option (the Ethical Global Equity Index Fund) and a Shariah fund option (the Islamic Global Equity Index) for those members who would like to invest in funds with these specific considerations.

Details of funds available to members (Lifestyle funds noted)

Fund	Underlying fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Global Sustainable Growth Fund (Lifestyle fund)	Blend – see Table 2	0.23	Active	This fund aims to achieve long-term capital growth through investing in a diversified portfolio of global equities, incorporating both active and passive approaches. The fund has approximately 90% invested in the shares of developed global equities, with explicit consideration to environmental, social and governance (ESG) factors. The remaining 10% is invested into Emerging Markets Equities.
Cash Fund: BlackRock managed (Lifestyle fund)	BlackRock Cash Fund	0.05	Active	This fund aims to achieve an investment return that is in line with wholesale money market short-term interest rates. Specifically, the fund seeks to better the return of the Sterling Overnight Index Average Rate (SONIA). The underlying investments of the fund are a diversified portfolio of money market instruments. The instruments are of a high quality and have a minimum credit rating of A1 or an equivalent standing.
Diversified Growth Fund (Lifestyle fund)	Blend – see Table 2	0.55	Active	The fund aims to provide positive real long term returns by investing in a diversified range of asset classes and return drivers including equities, bonds, real estate, commodities, high yield debt and private equity. The fund also aims to reduce the risk and magnitude of falls in capital value.

Fund	Underlying fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
UK Index-Linked Gilt Index Fund (Lifestyle fund)	BlackRock Over 5 Years Index-Linked Gilt Fund	0.12	Passive	This fund invests in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked Over 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK index-linked gilt market.
Global Sustainable Bond Fund (Lifestyle Fund)	Robeco Global SDG Credit Strategy See Table 2 for further information	0.23	Active	This fund invests in a range of global fixed income securities, predominantly corporate bonds, with a focus on environmental, social and governance ("ESG") considerations. The fund is fully hedged into sterling and aims to outperform the Bloomberg Barclays Global Aggregate Corporates Index
Responsible Investment Equity Fund	Blend – see Table 2	0.53	Active	This fund aims to achieve long-term capital growth through investing in a globally diversified portfolio of global equities, which are expected to benefit either directly or indirectly from a focus on environmental, social and governance (ESG) considerations.

Fund	Underlying fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Diversified Growth Fund: BlackRock managed	BlackRock Dynamic Allocation Fund	0.45	Active	This fund targets a consistent investment return of 3.5% above the Bank of England base rate measured over rolling three year periods by utilising a multi-asset flexible investment approach. The focus on getting the asset mix “right” in order to achieve the target means this fund will generally hold a variety of different types of assets at any one time.
Emerging Markets Active Equity Fund: Fidelity managed	Fidelity Emerging Markets Equity Pensions Fund	0.57	Active	The fund’s investment objective is to achieve long-term capital appreciation. The fund will invest primarily in securities of countries experiencing rapid economic growth including, without limitation, Africa, the Indian sub-continent, Latin America, South East Asia, Europe and the Middle East. There is no policy to restrict investment to particular economic sectors.
Global Bond Fund: M&G managed	M&G Total Return Credit Fund	0.57	Active	The fund aims to maximise total return through prudent investment in a diversified pool of debt and debt like assets with a focus on credit. The fund will seek to preserve capital by allocating to cash and government bonds from time to time.

Fund	Underlying fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Diversified Growth Fund: Nordea managed	Nordea Diversified Return Fund	0.57	Active	The fund aims to preserve shareholders' capital (over a three year investment horizon) and provide a stable, positive rate of return on investment. Investments are made globally in equities, bonds (including bonds convertible in equity shares) and money market instruments denominated in various currencies.
Diversified Growth Fund: Schroders managed	Schroder Diversified Growth Fund	0.59	Active	The objective of the Schroder Life Intermediated Diversified Growth Fund (IDGF) is to achieve a return of ICE BoA Sterling 3-month (i.e. cash) + 4.5% per annum over a full market cycle, which is typically five to seven years. It aims to achieve this objective with approximately a one third reduction in the level of volatility associated with an all equity portfolio.
Diversified Growth Fund: Standard Life managed	Standard Life Managed Fund	0.62	Active	The fund aims to provide long term growth whilst investing in a diversified portfolio of assets (including equities, bonds, property, cash deposits and money-market instruments) in order to reduce the risk associated with being solely invested in any one asset class. These assets can be from both the UK and overseas. The fund is predominantly equity based and is actively managed by our investment team, who will vary the proportions held in each asset class to try to take advantage of opportunities they have identified.

Fund	Underlying fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Property Fund	Threadneedle Pensions Property Fund	0.87	Active	To invest primarily in direct UK commercial property. It aims to generate total returns (from income and capital appreciation) that are above its benchmark, over rolling three year periods.
World (ex-UK) Equity Index Fund	BlackRock World (ex UK) Equity Index Fund	0.15	Passive	This fund invests in shares of companies outside the UK and aims to achieve a return that is consistent with the return of the FTSE Developed ex-UK Custom ESG Screened Index.
UK Equity Index Fund	BlackRock UK Equity Index Fund	0.12	Passive	This fund invests in the shares of UK companies and aims to achieve a return that is consistent with the return of the FTSE All-Share Custom ESG Screened Index.
US Equity Index Fund	BlackRock US Equity Index Fund	0.14	Passive	This fund invests in the shares of US companies and aims to achieve a return that is consistent with the return of the FTSE USA Custom ESG Screened Index.
European Equity Index Fund	BlackRock European Equity Index Fund	0.14	Passive	This fund invests in the shares of companies in Europe and aims to achieve a return that is consistent with the return of the FTSE Developed Europe ex-UK Custom ESG Screened Index.
Japanese Equity Index Fund	BlackRock Japanese Equity Index Fund	0.14	Passive	This fund invests in the shares of Japanese companies and aims to achieve a return that is consistent with the return of the FTSE Japan Custom ESG Screened Japan Index.

Fund	Underlying fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Pacific Rim Equity Index Fund	BlackRock Pacific Rim Equity Index Fund	0.14	Passive	This fund invests in the shares of companies in the Pacific Rim and aims to achieve a return that is consistent with the return of the FTSE All-World Developed Asia Pacific ex-Japan Index.
UK Fixed Gilt Index Fund	BlackRock Over 15 Years UK Gilt Index Fund	0.12	Passive	This fund invests in UK government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index.
Islamic Global Equity Index Fund	HSBC Islamic Fund	0.12	Passive	The fund aims to create long-term appreciation of capital through investment in a diversified portfolio of securities as defined by a relevant world index, which meets and is consistent with Islamic Shariah principles.
Ethical Global Equity Index Fund	L&G Ethical Global Equity Index Fund	0.32	Passive	To track the performance of the FTSE4Good Global Equity Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.
Emerging Markets Equity Index Fund	L&G World Emerging Markets Equity Index Fund	0.44	Passive	The investment objective of the Fund is to track the performance of the FTSE Emerging Index (less withholding tax if applicable) to within +/-1.5% p.a. for two years out of three.

Details of the White-labelled Funds used:

Diversified Growth Fund

Fund	Benchmark/ Investment Objective	Allocation (%)	AMC (% p.a.)
Schroder Diversified Growth Fund	The objective of the Schroder Life Intermediated Diversified Growth Fund (IDGF) is to achieve a return of ICE BoA Sterling 3-month (i.e. cash) + 4.5% per annum over a full market cycle, which is typically five to seven years. It aims to achieve this objective with approximately a one third reduction in the level of volatility associated with an all equity portfolio.”	25	
BlackRock Dynamic Allocation Fund	This fund targets a consistent investment return of 3.5% above the Bank of England base rate measured over rolling three year periods by utilising a multi-asset flexible investment approach. The focus on getting the asset mix “right” in order to achieve the target means this fund will generally hold a variety of different types of assets at any one time.	25	
Nordea Diversified Return Fund	The fund aims to preserve shareholders' capital (over a three year investment horizon) and provide a stable, positive rate of return on investment. Investments are made globally in equities, bonds (including bonds convertible in equity shares) and money market instruments denominated in various currencies.	50	
Overall	100% SONIA + 4%		**0.55%**

Responsible Investment Fund

Fund	Benchmark/ Investment Objective	Allocation (%)	AMC (% p.a.)
Impax Leaders Strategy	This fund seeks to achieve sustainable, above market returns over the longer term by investing globally in companies active in the growing resource efficiency and environmental markets.	50	
Nordea Global Climate and Environmental Strategy	This fund aims to achieve long-term capital growth through a diversified portfolio of equity or equity related investments in companies, which are expected to benefit either directly or indirectly from developments related to environmental challenges such as climate change.	50	
Overall	100% MSCI World Index		**0.53%**

Global Sustainable Growth Fund

Fund	Benchmark/ Investment Objective	Allocation (%)	AMC (% p.a.)
BlackRock World ESG Equity Tracker Fund (50% hedged)	This fund aims to provide returns on investments (generated through an increase to the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the MSCI World ESG Focus Low Carbon Screened Index.	40	
BlackRock World MultiFactor ESG Equity Tracker Fund (50% hedged)	This fund aims to provide returns on investments (generated through an increase to the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the MSCI World Select Multiple Factor ESG Low Carbon Target Index.	40	
Impax Leaders Strategy	This fund seeks to achieve sustainable, above market returns over the longer term by investing globally in companies active in the growing resource efficiency and environmental markets.	5	
Nordea Global Climate and Environmental Strategy	This fund aims to achieve long-term capital growth through a diversified portfolio of equity or equity related investments in companies, which are expected to benefit either directly or indirectly from developments related to environmental challenges such as climate change.	5	
Loomis Sayles Global Emerging Markets Equity Fund	This fund aims to achieve long-term capital growth through investing in a portfolio of high-quality companies (as well as those transitioning to become high-quality companies) that are currently trading at a discount and are based in industries experiencing secular growth.	5	
Sands Capital Emerging Markets Growth Strategy	This fund aims to achieve long-term capital growth through investing in a portfolio of growth businesses benefiting and driving secular change, including digitalisation, industry consolidation and formalisation, and life sciences innovation.	5	

Fund	Benchmark/ Investment Objective	Allocation (%)	AMC (% p.a.)
Overall	40% MSCI ESG Focus Low Carbon Screened Index 40% MSCI World Select Multiple Factor ESG Low Carbon Target Index 10% MSCI Global Emerging Markets Index 10% MSCI AC World Index		**0.23%**

Global Sustainable Bond Fund

Fund	**Benchmark/ Investment Objective**	**Allocation (%)**	**AMC (% p.a.)**
Robeco Global SDG Credit Strategy	This fund invests in a range of global fixed income securities, predominantly corporate bonds, with a focus on environmental, social and governance ("ESG") considerations. The fund is fully hedged into sterling and aims to outperform the Bloomberg Barclays Global Aggregate Corporates Index.	100	
Overall	100% Bloomberg Barclays Global Aggregate Corporates		**0.23%**