Princes (1977) Pension Scheme

Statement of Investment Principles – September 2020

1. Introduction

The Trustees of the Princes (1977) Pension Scheme (the “Scheme”) have drawn up this Statement of Investment Principles (the “Statement”) to comply with the requirements of the Pensions Act 1995 (the “Act”) and associated legislation, including the Occupational Pension Schemes (Investment) Regulations 2005 (as amended).

The Statement is intended to affirm the investment principles that govern decisions about the Scheme’s investments. The Trustees’ investment responsibilities are governed by the Scheme’s Trust Deed and Rules, of which this Statement takes full regard.

In preparing this Statement the Trustees have consulted a suitably qualified person by obtaining written advice from Mercer Limited (“Mercer”). In addition, consultation has been undertaken with the sponsoring company, Princes Limited (the “Company”), to ascertain whether there are any material issues of which the Trustees should be aware in agreeing the Scheme’s investment arrangements and, in particular on the Trustees’ objectives.

In making decisions the Trustees seek professional advice. Following such advice, the Trustees undertake dialogue from which a decision is made. A sub-committee of the Trustees will be convened from time to time to discuss particular issues. The sub-committee has no decision making powers, but can recommend a course of action to the Trustees.

2. Investment and Funding Objectives

The Trustees understand that taking some investment risk, with the support of the Sponsor, is necessary to improve the Scheme’s current and ongoing solvency funding positions. The Trustees recognise that equity (and other growth asset) investment will bring increased volatility to the funding level, but in the expectation of improvements in the Scheme’s funding level through equity (and other growth asset) outperformance of the liabilities over the long term.

The Trustees’ primary objective is to act in the best interest of its members and ensure that the obligations to the beneficiaries of the Scheme can be met. To guide them in their strategic management of the assets and to help control the various risks to which the Scheme is exposed, the Trustees have identified the following long term funding objective:

- To target a funding position of 110% on a gilts +0.5% p.a. funding basis (the “lower risk basis”) by 2027-2031.

This objective was agreed as part of the 2019 strategy review, following the Scheme making better than expected progress through its de-risking journey plan. Previously the Scheme had been targeting a funded position of 110% on the lower risk basis by no later than 2035.

In order to achieve the ultimate “end game” objective to buy-out the liabilities with an insurance company, the Scheme will need to have a funding level surplus on the lower risk basis to cover the expected buyout premium. The target time horizon of 2027-2031 to the ultimate “end game” objective of buyout reflects the fact that there is uncertainty around buyout pricing in the future. The intention will be to obtain “live” buyout pricing as the Scheme approaches a “buyout zone” of 105%-110% funded on the target basis of gilts +0.5% p.a. This funding level range represents a current estimate of the surplus that is likely to be required around 2027-2031 and reflects the expected maturing of the Scheme’s membership. This target will be kept under review as part of future strategy review exercises.

The Trustees aim to achieve this objective by implementing measures to capture potential and sometimes opportunistic improvements in the Scheme’s funding level in a timely and affordable way.

The Scheme was in surplus on the Technical Provisions basis at the 2018 actuarial valuation date and therefore no deficit reduction payments are payable by the Company. The Trustees appreciate that the Company wishes to avoid the Scheme falling into deficit on the Technical Provisions basis at a subsequent actuarial valuation date which could then require a Recovery Plan to be reintroduced. However, the Trustees also recognise that some volatility in the Scheme’s funding level may result as a consequence of investing in “growth assets” (i.e. assets that are expected to outperform the growth in the liabilities over time) instead of “matching assets” (i.e. assets which are expected to move more closely in line with the movement of the liabilities) and other demographic risks.

The objectives set out above and the risks and other factors referenced in this Statement are those that the Trustees determine to be financially material considerations. Non-financial considerations are discussed in section 10.

3. Process For Choosing Investments

The Trustees believe that the greatest likelihood of achieving their funding and investment objectives and of managing the risks set out in sections 2 and 4 is via a comprehensive risk management framework. This takes the form of a dynamic approach to managing investment strategy, whereby the level of investment risk reduces if the Scheme’s funding level improves on the lower risk funding basis.

In order to adopt such an approach, the Trustees have appointed Mercer to act as discretionary investment manager, by way of Mercer’s Dynamic De-risking Solution, to implement the Trustees’ strategy whereby the level of investment risk reduces as the Scheme’s funding level improves. In this capacity, and subject to agreed restrictions, the Scheme’s assets are invested in multi-client collective investment schemes (“Mercer Funds”) managed by a management company (Mercer Global Investments Management Limited (“MGIM”)). MGIM has appointed Mercer Global Investments Europe Limited (“MGIE”)) as investment manager of the Mercer Funds. In practice, MGIE delegates the discretionary investment management for the Mercer Funds to third party investment managers based in countries such as Ireland, UK and USA and those sub-investment managers will manage either a sub-fund or certain segments of a sub-fund. Mercer has expertise in identifying, selecting and combining highly rated fund managers who are best placed and resourced to manage the Scheme’s assets on a day to day basis.

In considering appropriate investments for the Scheme, the Trustees have obtained and considered the written advice of Mercer, whom the Trustees believe to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustees’ opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

4. Risk Management and Measurement

There are various risks to which any pension scheme is exposed. The Trustees have identified the following main investment risks:

- The risks that arise through a mismatch between the Scheme's assets and its liabilities. These are mainly the strategic investment risks. The key strategic investment risks inherent in the current investment strategy are as follows:

  - Equity and other growth markets risk (the risk that equity valuations and other growth oriented assets fluctuate in an uncorrelated way with the value of the liabilities)

  - Interest rate risk (the risk that the assets do not move in line with the value placed on the Scheme's liabilities in response to changes in interest rates)

  - Inflation risk (similar to interest rate risk but concerning inflation)

  - Credit risk (the risk that payments due to corporate bond investors may not be made)

  - Currency risk (the risk that exchange rate movements adversely affect the value of assets denominated in overseas currencies)

- There is a potential solvency risk, i.e. a risk that economic circumstances force the winding-up of the Scheme at a time when asset values are depressed and the Company cannot afford to make good the deficiency. The Trustees therefore monitor the financial strength of the Company and its commitment to the Scheme.

- The Trustees recognise that whilst increasing risk increases potential returns over a long period, it also increases the risk of a shortfall in returns relative to that required to cover the Scheme's accruing liabilities as well as producing more volatility in the Scheme's funding position. It is felt that this risk is acceptable in view of the potential benefits of the expected extra returns and considering the strength of the sponsor covenant. Meanwhile, the extra returns should work through ultimately to greater security for members of the Scheme.

- To control the risk outlined above, the Trustees, having taken advice, set the split between the Scheme's Growth and Matching Portfolio such that the expected return on the overall portfolio is expected to be sufficient to meet the objectives outlined in section 2. As the funding level improves, investments will be switched from the Growth Portfolio into the Matching Portfolio with the aim of reducing investment risk.

- Whilst moving towards the target funding level, the Trustees recognise that even if the Scheme's assets are invested in the Matching Portfolio there may still be a mismatch between the interest-rate and inflation sensitivity of the Scheme's assets and the Scheme's liabilities due to the mismatch in duration between assets in the Matching Portfolio and actuarial liabilities.

- The Trustees recognise the risks that may arise from the lack of diversification of investments. To control this risk the Trustees have delegated the asset allocation decisions within the Growth and Matching Portfolios to Mercer (subject to certain restrictions). Mercer aims to ensure the asset allocation policy in place results in an adequately diversified portfolio. Mercer provides the Trustees with regular monitoring reports regarding the level of diversification within the Trustees' portfolio.

- To help the Trustees ensure the continuing suitability of the current investments, Mercer provides the Trustees with regular reports regarding the performance of the underlying asset managers appointed within the relevant Mercer Funds to enable the monitoring of differences between the expected and experienced levels of risk and return.

- There is a risk that the day-to-day management of the assets will not achieve the rate of investment return expected by the Trustees. The Trustees recognise that the use of active investment managers involves such a risk. However, for specific asset classes it believes that this risk is outweighed by the potential gains from successful active management. Likewise, passive management will be used for one of a number of reasons, namely to diversify and reduce risk and when investing in certain asset classes where, due to relatively efficient markets, the scope for achieving added value is more limited. The Trustees have opted to access Mercer's diversified growth fund which is implemented in a predominantly passive (index tracking) basis, albeit with active asset allocation oversight.

- To help diversify manager-specific risk, within the context of each of the Growth and Matching Portfolios, the Trustees expect that the Scheme's assets are managed by appropriate underlying asset managers.

- By investing in the Mercer Funds, the Trustees do not make investments in securities that are not traded on regulated markets. However, should the Trustees Scheme's assets be invested in such securities, in recognition of the associated risks (in particular liquidity and counterparty exposure), such investments would normally only be made with the purpose of reducing the Scheme's mismatch risk relative to its liabilities or to facilitate efficient portfolio management. In any event, the Trustees would ensure that the assets of the Scheme are predominantly invested on regulated markets.

- The Trustees recognise the risks inherent in holding illiquid assets. The Trustees have carefully considered the Scheme's liquidity requirements and time horizon when setting the investment strategy and liquidity risk is managed by ensuring illiquid asset classes represent an appropriate proportion of the overall investment strategy.

- The Scheme is subject to currency risk because some of the investment vehicles in which the Scheme invests are denominated or priced in a foreign currency. Within the context of the Mercer Funds used in the Growth and Matching Portfolios, to limit currency risk, a target non-sterling currency exposure is set and the level of non-sterling exposure is managed using currency hedging derivatives such as forwards and swaps.

- The Trustees recognise that environmental, social and corporate governance concerns, including climate change, have a financially material impact on return. Section 10 sets out how these risks are managed.

- The Trustees acknowledge that the Scheme faces the risk that members live longer than expected and therefore benefits will need to be paid out beyond the level allowed for in the calculation of the of the liabilities. By targeting a funding level surplus on the lower risk basis, the Trustees are seeking to address this risk by building up a buffer which will help enable the Scheme to be positioned to buy out the liabilities with an insurance company at the end of the de-risking journey plan.

Should there be a material change in the Scheme's circumstances, the Trustees will advise Mercer, who will review whether and to what extent the investment arrangements should be altered; in particular whether the current de-risking strategy remains appropriate.

5. Investment Strategy

The Trustees decided to implement a comprehensive risk management framework to better manage the risks set out in Section 4. It was agreed that this framework would involve setting rules or funding level triggers to "de-risk" the Scheme's investment strategy over time when it is affordable to do so. Following an extensive review of the available options, in 2013 the Trustees decided to utilise MDDS as a framework to implement their de-risking strategy.

Following this, the Trustees, with advice from the Scheme's Investment Consultant and Actuary, have regularly reviewed the investment strategy. The latest review took place in June 2020 and the Trustees considered the appropriate investment and funding objectives, as set out in Section 2, along with their ability and willingness to take risk (the risk budget) and how this risk budget should be allocated and implemented.

Based on the results of the investment strategy reviews undertaken, in order to better manage and mitigate the investment risks inherent within the Scheme, the Trustees, with the assistance of Mercer, have designed a de-risking framework which assigns a target allocation to growth and matching assets to the funding level (as measured under the agreed funding basis – the "lower risk basis") via a number of funding level "Bands". The strategy sets out a de-risking "flight-path" that accelerates the pace of the Scheme's de-risking as the funding level objective of 110% approaches. The strategy sets out funding level targets that, if breached, would automatically trigger a reduction in the Scheme's exposure to growth assets and a proportionate increase in matching assets.

At inception of the MDDS arrangements with Mercer, the Scheme had a 50%/50% split between growth and matching assets. Since then, the Scheme has progressed through a number of funding level triggers and gradually de-risked the investment strategy. In the 2019 strategy review, it was agreed to reduce the target allocation to growth assets to 25% in order to reflect the material funding level improvements that had been experienced. In agreeing this strategy, the Trustees recognise that some investment risk needs to be taken to achieve the Scheme's ultimate "end game" funding target of buying out with an insurance company and ensure that the cost of securing members' future benefits is manageable from the Company's perspective. Following the 2020 strategy review, it was agreed to continue with the current investment strategy with a slight rephrasing of the triggers.

The target funding levels and associated investment strategies are summarised in the table overleaf:

Funding Level Band	Upside Trigger to move into Band (funding level %)	Target Growth Allocation (% of total assets)
9	-	23.0%
10	101.5%	21.0%
11	103.6%	19.0%
12	105.7%	17.0%
13	107.9%	15.0%
14	110.0%	0.0%

** If the Upside Trigger to move into Funding Level Band 13 is breached, the Scheme's allocation to growth assets will not be automatically reduced, rather, the Trustees will discuss the most appropriate course of action.*

Comments on table:

- *The Upside Trigger associated with each Funding Level Band indicates the funding level at which the Scheme would automatically de-risk and move into the next Funding Level Band.*
- *The target growth allocation indicates the target allocation to growth assets associated with each Funding Level Band.*
- *Example: In Funding Level Band 9, the target allocation to growth assets is 23.0%. The funding level is monitored on a daily basis and de-risking activity (i.e. moving into the next Funding Level Band) will be carried out if and when the funding level reaches 101.5% (the Upside Trigger to move into Funding Level Band 10). When this occurs, the Scheme moves to Funding Level Band 10, thereby reducing the target growth allocation to 21%. Further de-risking activity will be undertaken if and when the funding level hits 103.6% (the Upside Trigger to move into Funding Level Band 11).*

The Scheme's funding level is monitored on a daily basis against its expected path. Responsibility for monitoring the Scheme's asset allocation, and undertaking any rebalancing activity, is delegated to Mercer. Mercer reports quarterly to the Trustees on its rebalancing activities.

Once the funding level has moved through a band, the asset allocation will not be automatically "re-risked" should the funding level deteriorate. The investment strategy will be reviewed on an annual basis to ensure that the triggers set remain appropriate and amended if required.

Should there be a material change in the Scheme's circumstances the Trustees will advise Mercer, who will review whether and to what extent the investment arrangements in place at that time should be altered; in particular, whether the current de-risking strategy remains appropriate. The Trustees will, with Mercer, review the suitability of the prevailing strategy on broadly an annual basis and amend if appropriate.

5.1 Growth Portfolio

The Trustees delegate the asset allocation within the growth portfolio to Mercer, via the Mercer Diversified Growth Fund. This Fund was identified as the preferred delegated investment approach on the grounds of its diversified asset mix with predominantly passive implementation and a preference for low cost, liquid and relatively "simple" underlying investments. On advice from Mercer, the Trustees target an allocation of 80%/20% to sterling hedged and unhedged share classes of the Mercer Diversified Growth Fund in order to hedge approximately half of the Scheme's overseas currency risk. The Trustees have set +/- 2% parameters around the 80/20 split, as detailed in the table below, and these are stipulated in the Investment Management Agreement ("IMA").

In line with these parameters, the Trustees, on advice from Mercer, have set the following benchmark asset allocation:

Mercer Fund	Benchmark Index	Allocation (%)	Tolerance bands (%)
Mercer Diversified Growth Fund (Hedged)	FTSE GBP 1 Month Euro Deposit Index	80%	+/-2%
Mercer Diversified Growth Fund (Unhedged)	FTSE GBP 1 Month Euro Deposit Index	20%	+/-2%

The aim of these diversified growth funds is to outperform the benchmark index by 3.5% per annum over rolling three or five year periods, with an expected volatility range of 10%-12% per annum.

5.2 Matching Portfolio

Within the matching portfolio, the Trustees have delegated full discretion to Mercer to construct and manage a portfolio of bonds and bond-like instruments via its pooled funds, which aim to broadly match the Scheme's liabilities and mitigate the interest rate and inflation risks listed in Section 4. Within the matching portfolio, Mercer utilises gilt funds, corporate bond funds and Liability Driven Investment flexi funds, which invest in gilts and derivatives to achieve a closer hedging of liabilities than could be achieved by using gilts alone. These flexi funds, like the majority of Liability Driven Investment vehicles, use leverage to free up assets and extend the coverage of the liability hedge to better manage risk.

In delegating discretion to Mercer to construct and manage the matching portfolio, the Trustees note that Mercer may not initially target a full liability hedge, but rather use discretion to "build up" the liability hedge, as de-risking progresses and as and when opportunities arise to increase the liability hedge at what Mercer deem to be a reasonable price.

5.3 Expected Return

If the Scheme's strategy de-risks over time to capture funding level improvements, the expected return from the assets will decrease (this is appropriate as there will no longer be a need to target as a high a level of return if the funding level improves).

Given the current investment strategy adopted, on a "best estimate" basis (as opposed to the Actuary's more prudent estimate), the Trustees expect to generate a return over the long term (on all of the Scheme's investments) of c. 1.1% p.a. (net of underlying manager and Mercer fees) above that which would have been achieved had no investment risk been taken within the portfolio (i.e. had the portfolio been invested solely in a portfolio of long dated government debt, which can be used as a proxy for the growth of the Scheme's liabilities). It is recognised that over the short term performance may deviate significantly from the long term target, and there are no guarantees that such a return will be achieved.

It is recognised that the expected return will vary over time, purely due to changing market conditions and assumptions, with no change to the underlying assets held.

6. Realisation of Investments

The Trustees on behalf of the Scheme hold shares in the Mercer Funds. In its capacity as investment manager to the Mercer Funds, MGIE, and the underlying third party asset managers appointed by MGIE, within parameters stipulated in the relevant appointment documentation, have discretion in the timing of the realisation of investments and in considerations relating to the liquidity of those investments

7. Cash Flow Management and Rebalancing Policy

Cash flows, whether positive or negative, are taken into account by Mercer when it rebalances the Scheme's assets in line with the Scheme's strategic allocation. Mercer is responsible for raising cash flows to meet the Scheme's requirements.

As noted, responsibility for monitoring the Scheme's asset allocation and any rebalancing activity is undertaken by Mercer. Mercer reviews the balance between the Growth and the Matching portfolio allocations on an ongoing basis. If at any time the actual balance between the Growth and Matching portfolios is deemed to be outside an agreed tolerance range, Mercer will seek to rebalance these allocations back towards the target allocations. Although Mercer has discretion to vary the tolerance range, it is the intention that the Growth Portfolio allocation will not drift more than 5%, in absolute terms, away from the relevant target allocation.

The ranges have been designed to ensure that unnecessary transaction costs are not incurred by frequent rebalancing.

In the event of a funding level trigger being breached, assets will be rebalanced to bring the strategy in line with the reduced growth portfolio weighting, under the new de-risking band, as defined in section 5.

Rebalancing takes place in accordance with the provisions of the discretionary investment management agreement entered into between the Trustees and Mercer, and unless specifically agreed, any assets outside of the Growth and Matching Portfolios will not be part of such rebalancing.

.8. Additional Assets

Assets in respect of members' Additional Voluntary Contributions are invested in a range of unit linked funds or With Profits funds managed by Friends Provident, Equitable Life and Clerical Medical.

9. Trustees' policies with respect to arrangements with, and evaluation of the performance and remuneration of, asset managers and portfolio turnover costs

When engaging Mercer as discretionary investment manager to implement the Trustees' investment strategy outlined in section 5, the Trustees are concerned that, as appropriate and to the extent applicable, Mercer is incentivised to align its strategy and decisions with the profile and duration of the liabilities of the Scheme, in particular, long-term liabilities.

As Mercer manages the Scheme's assets by way of investment in Mercer Funds, which are multi-client collective investment schemes, the Trustees accept that they do not have the ability to determine the risk profile and return targets of specific Mercer Funds but the Trustees expect Mercer to manage the assets in a manner that is consistent with the Trustees' overall investment strategy as outlined in section 5. The Trustees have taken steps to satisfy themselves that Mercer has the appropriate knowledge and experience to do so and keeps Mercer's performance under ongoing review.

Should Mercer fail to align its investment strategies and decisions with the Trustees' policies, it is open to the Trustees to disinvest some or all of the assets invested managed by Mercer, to seek to renegotiate commercial terms or to terminate Mercer's appointment.

To evaluate performance, the Trustees receive, and consider, investment performance reports produced on a quarterly basis, which presents performance information and commentary in respect of the Scheme's funding level and the Mercer Funds in which the Trustees are invested. Such reports have information covering fund performance for the previous three months, one-year, three years and since inception. The Trustees review the absolute performance and relative performance against a portfolio's and underlying investment manager's benchmark (over the relevant time period) on a net of fees basis. The Trustees' focus is on the medium to long-term financial and non-financial performance of Mercer and the Mercer Funds.

Neither Mercer or MGIE make investment decisions based on their assessment about the performance of an issuer of debt or equity. Instead, assessments of the medium to long-term financial and non-financial performance of an issuer are made by the underlying third party asset managers appointed by MGIE to manage assets within the Mercer Funds. Those managers are in a position to engage directly with such issuers in order to improve their performance in the medium to long term. The Trustees are, however, able to consider Mercer's and MGIE's assessment of how each underlying third party asset manager embeds ESG into their investment process and how the manager's responsible investment philosophy aligns with the Trustees' own responsible investment policy. This includes the asset managers' policies on voting and engagement.

Section 10 provides further details of the steps taken, and information available, to review the decisions made by managers, including voting history and the engagement activities of managers to identify decisions that appear out of line with a Mercer Fund's investment objectives or the objectives/policies of the Scheme.

The asset managers are incentivised as they will be aware that their continued appointment by MGIE will be based on their success in meeting MGIE's expectations. If MGIE is dissatisfied then it will, where appropriate, seek to replace the manager.

The Trustees are long-term investors and are not looking to change their investment arrangements on an unduly frequent basis. However, the Trustees do keep those arrangements under review, including the continued engagement of Mercer using, among other things, the reporting described above.

The Trustees monitor, and evaluate, the fees it pays for asset management services on an ongoing basis taking into account the progress made in achieving its investment strategy objectives as outlined in section 5. Mercer's, and MGIE's, fees are based on a percentage of the value of the Scheme's assets under management which covers the design and annual review of the de-risking strategy, and investment management of the assets. In addition, the underlying third party asset managers of the Mercer Funds also charge fees based on a percentage of the value of the assets under management. In some instances, some of the underlying managers may also be entitled to charge fees based on their performance.

MGIE reviews the fees payable to third party asset managers managing assets invested in the Mercer Funds on a regular basis with any negotiated fee savings passed directly to the Scheme. Mercer's, MGIE's, and the third party asset managers', fees are outlined in a quarterly investment strategy report prepared for the Trustees, excluding performance-related fees and other expenses involved in the Mercer Funds not directly related with the management fee.

Details of all costs and expenses are included in the Mercer Funds' Supplements, the Report & Accounts and within the Scheme's annualized, MiFID II compliant Personalised Cost & Charges statement. The Scheme's Personalised Cost & Charges statement also include details of the transaction costs associated with investment in the Mercer Funds.

The Trustees do not have an explicit targeted portfolio turnover range, given the de-risking mandate, but rebalancing ranges have been designed to avoid unnecessary transaction costs being incurred by unduly frequent rebalancing. Performance is reviewed net of portfolio turnover costs, with the review of portfolio turnover of the underlying investment managers undertaken by MGIE.

10. ESG, Stewardship, and Climate Change

The Trustees believe that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

As noted above, the Trustees have appointed Mercer to act as discretionary investment manager in respect of the Scheme's assets and such assets are invested in a range of Mercer Funds managed by MGIE. Asset managers appointed to manage the Mercer Funds are expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustees consider how ESG, climate change and stewardship is integrated within Mercer's and MGIE's investment processes and those of the underlying asset managers in the monitoring process. Mercer and MGIE is expected to provide reporting to the Trustees on a regular basis, at least annually, on ESG integration progress, stewardship monitoring results, and climate-related metrics such as carbon foot printing for equities and/or climate scenario analysis for diversified portfolios.

Member views are not taken into account in the selection, retention and realisation of investments.

The Trustees have not set any investment restrictions in relation to particular Mercer Funds.

11.0 Compliance with this Statement and Reporting Requirements

The Trustees monitor compliance with this Statement on a regular basis. The Trustees undertake to advise Mercer promptly and in writing of any material change to this Statement.

Mercer prepares quarterly reports to the Trustees including:

- Valuation of all investments held for the Scheme.
- Details of how the Scheme's assets are performing relative to the Scheme's liabilities as well as against the benchmarks.
- The Scheme's funding level progression and information regarding funding level trigger breaches over the quarter.
- Any areas where Mercer has concerns with the underlying managers and details about what actions Mercer is under taking to ensure the ongoing appropriateness of each manager.
- Quantitative and qualitative information about the performance of the underlying investment managers with respect to each segment of the portfolio.

In addition, the Trustees can access online, via a portal, the developments of the Scheme's funding level against its targets and relative to the de-risking triggers set. This information is updated on a daily basis.

12.0 Review of this Statement

The Trustees will review this Statement regularly and without delay after any significant change in investment policy. Any change to this Statement 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.