

## **Imperial Tobacco Pension Fund**

### **Statement of Investment Principles – Defined Contribution Section**

**January 2025**

#### **1. Introduction**

- 1.1 Imperial Tobacco Trustees Limited (“the Trustee”), as the Trustee of the Imperial Tobacco Pension Fund (the “Fund”), has drawn up this Statement of Investment Principles (the “Statement”) to comply with the requirements of the Pensions Act 1995 (the “Act”) and subsequent legislation. The Statement is intended to affirm the investment principles that govern the decisions about the Fund’s investments. The Trustee’s investment responsibilities are governed by the Fund’s Trust Deed and Rules.
- 1.2 In preparing this Statement, the Trustee has consulted a suitably qualified person by obtaining written investment advice from its Investment Consultant Isio Group Limited (“Isio”). In addition, consultation has been undertaken with Imperial Tobacco Ltd (“the Sponsor”) in agreeing this Statement and changes to it, the Fund’s investment arrangements and, in particular on the Trustee’s objectives.
- 1.3 This Statement applies to the Defined Contribution (DC) Section only. There is a separate Statement for the Defined Benefits Section.
- 1.4 This Statement is available to Fund members on request and is published publicly at [myimperialpension.com/library/](http://myimperialpension.com/library/).
- 1.5 The Trustee will monitor compliance with and review this Statement at least once every three years and will review it without delay if there are relevant, material changes to the investment arrangements, the Fund and/or the Sponsor. Any such review will be based on written expert investment advice and will be in consultation with the Sponsor.

**For and on behalf of Imperial Tobacco Trustees Limited, as Trustee of the Imperial Tobacco Pension Fund**

**Signed**

**H F Clatworthy**

**Date 31 January 2025**

## **2. Trustee Investment Objectives**

2.1 In relation to the DC Section, the Trustee views its role as the following:

- To establish a default investment option appropriate for the needs of the membership.
- To make available a range of pooled investment funds which serve to meet the needs and risk tolerances of the members in a DC pension arrangement. The Trustee recognises that members of the Fund have differing investment needs and that these may change during the course of members' working lives. They also recognise that members have different time horizons and attitudes to risk. The Trustee believes that members should be able to make their own investment decisions based on their individual circumstances.

## **3. Fund Governance**

3.1 The Trustee takes advice from its Investment Consultant and other professional advisers as appropriate. Fees for the Investment Consultant are based on an annually agreed retainer fee, with any work not covered by the retainer charged as a fixed fee or on a time costs basis as agreed in advance.

3.2 The Trustee is responsible for the investment of the Fund's assets and has ultimate control over the decisions on investment strategy. The Trustee decides what to delegate after considering whether it has the necessary internal skills, knowledge and professional support to make informed and effective decisions.

3.3 The Trustee is reviewing its current governance structure and continuing to develop an effective system of governance, in line with the applicable regulatory guidance. When considering governance, the Trustee recognises the benefits of dedicated oversight through establishing an Investment Committee. The Trustee has delegated certain investment powers to an Investment Committee with separate Terms of Reference. This governance structure is reviewed regularly.

## **4. Responsible Investment and Corporate Governance (Voting and Engagement)**

4.1 The Trustee believes 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 Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. The consideration of ESG matters (including climate factors) relating to the Fund's investments will be included within the effective system of governance.

4.2 The Trustee has given appointed Investment Managers full discretion in evaluating ESG factors, including climate change considerations, and exercising 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.

4.3 The Trustee considers how ESG, climate change and stewardship are integrated within investment processes in the selection and retention of new managers and monitoring existing Investment Managers. Monitoring is undertaken on a regular basis and is documented at least annually. In particular, the Trustee makes use of ratings provided by Isio, the Fund's Investment Consultant, to facilitate this.

- 4.4 A separate ESG Policy, which was last updated by the Trustee in June 2024, sets out the Trustee's ESG beliefs and clarifies how they will be incorporated into investment decision making.
- 4.5 The Trustee has not set any investment restrictions on the appointed Investment Managers in relation to particular products or activities but may consider this in future.

## **5. Investment Policies**

- 5.1 The Trustee has made available a range of individual self-select fund options for investment in addition to the default investment option. When selecting the fund range, different demographics and needs of members are considered, such as the inclusion of a Shariah compliant fund for those with specific requirements. More details specifically related to the default investment option are provided in a separate section of this Statement.
- 5.2 The Trustee delegates the day-to-day investment decisions of the assets in the DC Section of the Fund to a range of Investment Managers through the DC service provider's (Legal & General) Platform. The Trustee is responsible for the selection, appointment, removal and monitoring of these external Investment Managers. The Trustee has taken steps to satisfy itself that the managers have the appropriate knowledge and experience for managing the Fund's investments and that the managers are carrying out their work competently.
- 5.3 In considering appropriate investments for the Fund, the Trustee has obtained and considered the written advice of its Investment Consultant, whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended) and subsequent legislation.
- 5.4 The Trustee's policies in relation to the Fund's investment management arrangements with the investment managers are set out in Appendix A.
- 5.5 In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All funds are daily-dealt pooled investment arrangements, with assets mainly invested on regulated markets and therefore should be realisable based on member demand. It is the Trustee's policy to offer both active and passive management options to members, depending on asset class.
- 5.6 A range of asset classes has been made available, including developed market equities, money market investments, index-linked gilts, diversified growth funds and annuity protection funds. The Trustee also makes available Shariah-compliant and sustainable fund options.
- 5.7 Members can combine the investment funds in any proportion in order to determine the balance between different kinds of investments. This will also determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerances.
- 5.8 In addition to the default, the Trustee has made available six different lifestyle investment options built to be suitable for a member who wishes to take either cash, an annuity (secured income) or follow income drawdown (variable income) at retirement. Three of the six offer members a more ESG focussed option, targeting the same three retirement outcomes listed above.

**Policy on Illiquid assets**

- 5.9 The Trustee considers all investment opportunities available to achieve best value for the Fund’s members. This includes investment in illiquid assets such as private equity, private debt, infrastructure and real estate. The Trustee believes, subject to effective implementation, that these assets can add value to members’ retirement savings.
- 5.10 The default arrangement for the Fund is structured as a range of Target Date Funds (TDFs) whose management is delegated to Legal & General Investment Management (LGIM) who have responsibility for the underlying asset allocation.
- 5.11 The default invests in illiquid assets as follows:

The amounts invested in illiquids during the growth phase differ depending on when a member expects to retire and how far the member is from retirement.

For members retiring before 2040, there is no exposure to illiquid assets in the growth phase. For members retiring after 2040, there is a c.1% allocation to the Private Markets Access Fund within the growth phase. This includes private equity, private debt, physical property, infrastructure and sustainable resources.

On the approach to retirement, members within the default investment strategy will hold illiquid assets via the Short Term Alternative Finance (STAF) fund, which holds private credit, and the Retirement Income Multi Asset (RIMA) fund, which holds private credit and physical property. Allocations to these two funds gradually increase during the years before retirement.

At the point of retirement, members will hold c.15% in illiquids, currently consisting of c.12.9% in private credit and c.2.4% in physical property (October 2024 data).

Legal & General will update these allocations over time. The Trustees will continue to engage with Legal & General’s progress in this space and review the ongoing suitability for the Fund’s members.

**Managing and measuring risks**

- 5.12 The Trustee has considered risks from a number of perspectives. The list below is not exhaustive but covers the main risks that the Trustee considers and how they are managed.

Risk	How it is managed	How it is measured
<p><b>Inflation Risk</b></p> <p>The real value (i.e. post inflation) value of members’ accounts decreases.</p>	<p>The Trustee provides members with a range of funds, across various asset classes, with the majority expected to keep pace with inflation (with the exception of the money market and fixed interest bond funds).</p> <p>Members are able to set their own investment allocations, in line with their risk tolerances.</p>	<p>Considering the real returns (i.e. return above inflation) of the funds, with positive values indicating returns that have kept pace with inflation</p>

Risk	How it is managed	How it is measured
<p><b>Pension Conversion Risk</b></p> <p>Member's investments do not match how they would like to use their pots in retirement.</p>	<p>The Trustee makes available a universal default in addition to six lifestyle strategies for DC members, each targeting either cash, drawdown or annuity.</p> <p>These lifestyle strategies increase the proportion of assets that more closely match the chosen retirement destination as members approach retirement. This aims to reduce the risk of a substantial fall in the purchasing power of their accumulated savings near retirement.</p>	<p>Considering the returns of the funds used within the switching phase of the lifestyle strategy both in absolute terms as well as relative to inflation, cash or annuity prices (depending on their selected retirement destination).</p>
<p><b>Market Risk</b></p> <p>The value of securities, including equities and interest bearing assets, can go down as well as up.</p>	<p>The Trustee provides members with a range of funds, across various asset classes. Members are able to set their own investment strategy in line with their risk tolerances.</p> <p>For the multi-asset funds which are targetting non-market benchmarks this is delegated to Investment Managers.</p>	<p>Monitors the performance of investment funds regularly.</p>
<p><b>Counterparty Risk</b></p> <p>A counterparty, either an underlying holding or pooled arrangement, cannot meet its obligation.</p>	<p>Delegated to external Investment Managers.</p> <p>Members are able to set their own investment allocations, in line with their risk tolerances.</p>	<p>Monitors the performance of investment funds regularly.</p>
<p><b>Currency Risk</b></p> <p>The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.</p>	<p>The Trustee provides diversified investment options that invest in local as well as overseas markets and currencies.</p> <p>The currency risk management is delegated to Investment Managers.</p> <p>Members are able to set their own investment allocations, in line with their risk tolerances.</p>	<p>Monitors the performance of investment funds regularly.</p> <p>Considers the movements in foreign currencies relative to pound sterling in performance reporting.</p>
<p><b>Operational Risk</b></p> <p>A lack of robust internal processes, people and systems.</p>	<p>The Investment Consultant's ratings for fund managers include consideration of management of operational risk.</p>	<p>Concerns regarding operational risk are raised by the Investment Consultant.</p>

Risk	How it is managed	How it is measured
<p><b>Liquidity Risk</b></p> <p>Assets may not be readily marketable when required.</p>	<p>The Trustee accesses daily dealt and daily priced pooled funds through a unit-linked insurance contract from Legal &amp; General. Illiquid assets are accessed via a fund structure which is priced daily, with liquidity of the illiquid assets managed within this structure.</p>	<p>The pricing and dealing terms of the funds underlying the unit-linked insurance contract.</p>
<p><b>Valuation Risk</b></p> <p>The value of an illiquid asset is based on a valuer's opinion, realised value upon sale may differ from this valuation.</p>	<p>The majority of Investment Managers invest solely in liquid quoted assets. However, there is exposure to illiquid assets within some of the funds.</p> <p>The management of valuation risk is delegated to the appointed Investment Managers.</p>	<p>The Trustee monitors performance of funds.</p>
<p><b>Environmental, Social and Governance Risk</b></p> <p>ESG factors can have a significant effect on the performance of the investments held by the Fund e.g. extreme weather events, poor governance.</p>	<p>The Trustee has given appointed Investment Managers full discretion in evaluating ESG factors.</p> <p>A separate ESG Policy sets out the Trustee's ESG beliefs and clarifies how they will be incorporated into investment decision making.</p> <p>The Trustee makes available a range of sustainable focussed funds in the self-select range.</p>	<p>The Trustee reviews its Investment Managers' policies and actions in relation to this regularly. The Trustee also relies on its investment advisor for additional analysis and insights in assessing financial materiality of risks.</p>
<p><b>Manager Skill / Alpha Risk</b></p> <p>Returns from active investment management may not meet expectations, leading to lower than expected returns to members.</p>	<p>The Trustee makes available a number of actively managed funds to DC members where they deem appropriate.</p> <p>The actively managed funds made available are reviewed by its Investment Consultant, based on forward-looking expectations of meeting objectives.</p>	<p>The Trustee considers the view of their Investment Consultant during the selection process.</p> <p>Trustee monitors performance and rating of funds on an ongoing basis relative to the fund's benchmark and stated targets/objective</p>

The above items are in relation to what the Trustee considers 'financially material considerations'. The Trustee believes the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the member's age and their Selected Retirement Age. It is for this reason that a number of lifestyle options have been made available to members. In addition, member views, when expressed, relating to all financial and non-financial matters are considered.

## **DEFAULT INVESTMENT OPTION**

The Trustee recognises that not all members wish to make an active choice that is tailored to their individual circumstances. The vast majority of DC Fund members do not make an active investment decision and are, therefore, invested in the default option. However, it is expected that a proportion of members will actively choose the default option because they feel it is most appropriate for them.

Following a review of the default investment strategy, and a subsequent review of the provider, the Trustees have appointed Legal & General as the provider. Legal & General's off-the-shelf default and self-select range are used by the Trustee. As part of this appointment the Trustee has selected the Legal & General Target Date Funds (TDF) as the default strategy for the Fund.

### **6. Aims and Objectives**

- 6.1 The lifestyle strategy targeting a flexible retirement outcome has been chosen as the default investment option by the Trustee. This strategy initially aims to maximise returns, at an appropriate level of risk, for the majority of the members' working life before switching as retirement approaches into diversified funds, to target a flexible retirement outcome for members to decide how they would like to access their savings.
- 6.2 The lifestyle strategy's growth phase invests in equities and other growth-seeking assets that will provide growth with some downside protection and some protection against inflation erosion.
- 6.3 As a member's pot grows, investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that a default strategy which seeks to reduce investment risk as the member approaches retirement is appropriate.
- 6.4 An investment strategy that targets flexible outcomes at retirement reflects the fact that members may do a variety of different things at retirement. This is based on the Trustee's understanding of the Fund's membership profile. This does not mean that members have to take their benefits in a set format at retirement – it merely determines the default investment strategy that will be in place pre-retirement. Members who intend to take their retirement benefits through other, defined formats, have the option of switching to an alternative lifestyle strategy prior to retirement or choosing their own investment strategy. This default strategy is designed to provide flexibility to members at this stage.
- 6.5 The TDF structure allows members to invest in a specific fund vintage which is aligned with their target retirement date, and members can stay in that vintage for their entire savings journey. The underlying investments in each of the vintages change through time as members get closer to retirement.

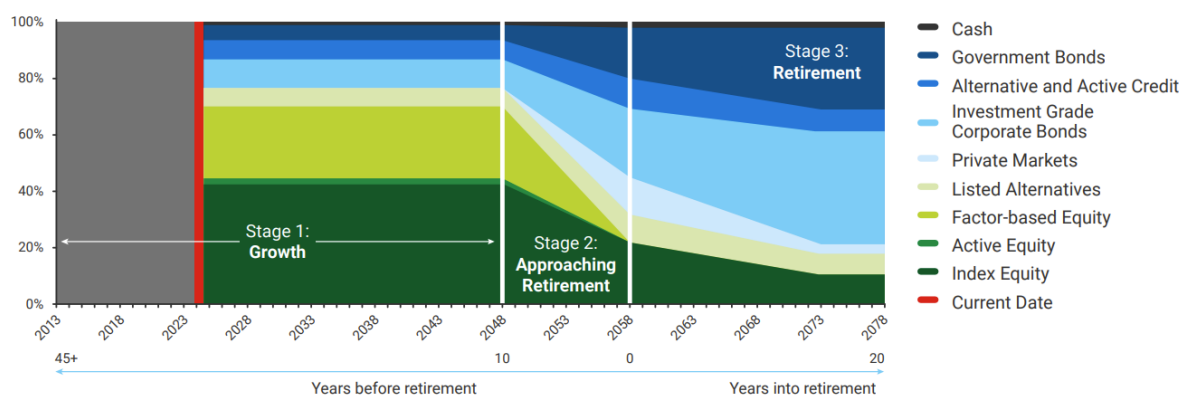
### **7. Investment Policies**

- 7.1 In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All funds are daily-dealt pooled investment arrangements, with assets mainly invested on regulated markets and therefore should be realisable based on member demand. The default investment option includes both active and passive management, depending on asset class.
- 7.2 The default TDF strategy aims to target an allocation which provides flexible retirement outcomes at retirement. The mix of assets within the fund changes over time to reflect the needs of scheme members as they approach and go beyond their target retirement date. During the growth phase, members will be invested primarily in equities, listed

property and listed infrastructure with a small allocation to private markets alongside some diversification into fixed income assets. They aim to grow the value of members' pension savings while members are a relatively long way from retirement. The strategy will then gradually reduce the level of risk members are exposed to as they get nearer to when they expect to retire. The strategy will do this by moving some of the equity holdings into more fixed income assets such as corporate bonds. The assets at this stage aim to provide a modest return, whilst providing a lower overall risk.

The Target Date Funds are constructed using five-year cohorts, and members' savings are invested in the fund that matches most closely when they expect to retire. Therefore, a member with target retirement date of 2058, for example, will use the 2055-2060 Fund.

An illustration of the underlying funds within the L&G PMC 2055 – 2060 Target Date Fund is shown below (as at October 2024) which shows the various stages of the investment strategy.



- 7.3 When choosing the current default lifestyle strategy, the Trustee explicitly considered the trade-off between risk and expected returns. Risk was not considered in isolation, but in conjunction with expected investment returns and outcomes for members. The default investment option allocates to a diversified strategic asset allocation consisting of traditional and alternative assets. The asset allocation is consistent with the expected amount of risk that is appropriate given the age of a member and their Selected Retirement Age.
- 7.4 The Trustee will continue to review the investment arrangement and ensure its ongoing suitability for the Fund's members. The last review of the default took place in 2023, with a provider review in 2024. The new default has been in place for all members since January 2025.
- 7.5 The Trustee has considered risks within the default from a number of perspectives. The list below is not exhaustive but covers the main risks that the Trustee considers and how they are managed.



Risk	How it is managed	How it is measured
<p><b>Inflation Risk</b></p> <p>The real value (i.e. post inflation) value of members' accounts decreases.</p>	<p>During the growth phase of the default investment option the Trustee invests in a diversified range of assets which are likely to grow in real terms. The Trustee monitors the performance of the growth phase against the change in CPI.</p> <p>The default investment option invests in a diversified range of assets which are considered likely to grow in excess of inflation.</p>	<p>Considering the real returns (i.e. return above inflation) of the funds, with positive values indicating returns that have kept pace with inflation</p>
<p><b>Pension Conversion Risk</b></p> <p>Member's investments do not match how they would like to use their pots in retirement.</p>	<p>The default investment option is a lifestyle strategy which targets flexible outcomes as a retirement destination.</p> <p>The Trustee believes that a strategy targeting flexible retirement provides optionality for members reflecting the fact that members can do a variety of things at retirement. More targeted lifestyles targeting specific benefits are available.</p>	<p>Considering the returns of the funds used within the switching phase of the lifestyle strategy both in absolute terms as well as relative to inflation (the retirement destination).</p> <p>As part of the triennial default strategy review, the Trustee ensure the default destination remains appropriate.</p>
<p><b>Market Risk</b></p> <p>The value of securities, including equities and interest bearing assets, can go down as well as up.</p>	<p>The default investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.</p> <p>For the diversified growth funds which are targeting non-market benchmarks this is delegated to Investment Managers.</p>	<p>Monitors the performance of the default investment strategy regularly.</p>
<p><b>Counterparty Risk</b></p> <p>A counterparty, either an underlying holding or pooled arrangement, cannot meet its obligation.</p>	<p>In line with the main DC section.</p> <p>Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.</p>	<p>Monitors the performance of the default investment strategy regularly.</p>

Risk	How it is managed	How it is measured
<p><b>Currency Risk</b></p> <p>The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.</p>	<p>The allocations within the default investment option are a mixture of currency hedged and unhedged. The currency risk management is delegated to appointed Investment Managers.</p> <p>Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.</p>	<p>Monitors the performance of the default investment strategy regularly.</p> <p>Considers the movements in foreign currencies relative to pound sterling in performance monitoring.</p>
<p><b>Operational Risk</b></p> <p>A lack of robust internal processes, people and systems.</p>	<p>The Investment Consultant's ratings for fund managers within the default include consideration of management of operational risk.</p>	<p>In line with the main DC Section.</p>
<p><b>Liquidity Risk</b></p> <p>Assets may not be readily marketable when required.</p>	<p>The Trustee accesses daily dealt and daily priced pooled funds through a unit-linked insurance contract from Legal &amp; General. Illiquid assets are accessed via a fund structure which is priced daily, with liquidity of the illiquid assets managed within this structure.</p>	<p>In line with the main DC Section.</p>
<p><b>Valuation Risk</b></p> <p>The value of an illiquid asset is based on a valuer's opinion, realised value upon sale may differ from this valuation.</p>	<p>The majority of the default invests solely in liquid quoted assets. However, within the default there is exposure to illiquid assets.</p> <p>The management of valuation risk is delegated to the appointed Investment Managers.</p>	<p>In line with the main DC Section.</p>
<p><b>Environmental, Social and Governance Risk</b></p> <p>ESG factors can have a significant effect on the performance of the investments held by the Fund e.g. extreme weather events, poor governance.</p>	<p>The Trustee has given appointed Investment Managers full discretion in evaluating ESG factors.</p> <p>A separate ESG Policy sets out the Trustee's ESG beliefs and clarifies how they will be incorporated into investment decision making.</p>	<p>The Trustee reviews its Investment Managers' policies and actions in relation to this regularly.</p>

Risk	How it is managed	How it is measured
<p><b>Manager Skill / Alpha Risk</b></p> <p>Returns from active investment management may not meet expectations, leading to lower than expected returns to members.</p>	<p>In line with the main DC Section.</p> <p>The default investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.</p>	<p>In line with the main DC Section.</p>

7.6 The above items listed in this section of this Statement are in relation to what the Trustee considers ‘financially material considerations’. The appropriate time horizon for which to assess these considerations is the same as for the main DC Section.

7.7 Member views, when expressed, relating to all financial and non-financial matters are considered.

**8. Member’s Best Interests**

8.1 Taking into account recent and accurate demographics of the Fund’s membership and the Trustee’s views of how the membership will behave at retirement, the Trustee believes that the default strategy outlined in this document is appropriate. These demographics include the split of membership across the following cohorts:

- Actives / Deferred
- Age profile
- How and when members access their benefits if such data is available

8.2 In order to ensure this remains appropriate the Trustee will undertake a review of the default investment option, at least triennially, or after significant changes to the Fund’s demographic, if sooner. As referenced in Section 7.4, the Trustee has reviewed the default investment option.

## Appendix A

The Trustee has the following policies in relation to the investment management arrangements for the Fund:

<p><b>How the investment managers are incentivised to align their investment strategy and decisions with the Trustee’s policies.</b></p>	<ul style="list-style-type: none"> <li>• The Fund is invested in pooled funds, there is no scope for these funds to tailor their strategy and decisions in line with the Trustee’s policies. However, the Trustee invests in a portfolio of pooled funds that are aligned to the Fund’s strategic objective.</li> </ul>
<p><b>How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.</b></p>	<ul style="list-style-type: none"> <li>• The Trustee reviews the investment managers’ performance relative to medium and long-term objectives as documented in the investment management agreements.</li> <li>• The Trustee monitors the investment managers’ engagement and voting activity on an annual basis as part of their ESG monitoring process.</li> <li>• The Trustee does not incentivise the investment managers to make decisions based on non-financial performance.</li> </ul>
<p><b>How the method (and time horizon) of the evaluation of investment managers’ performance and the remuneration for their services are in line with the Trustee’s policies.</b></p>	<ul style="list-style-type: none"> <li>• The Trustee reviews the performance of all of the Fund’s investments on a net of cost basis to ensure a true measurement of performance versus investment objectives.</li> <li>• The Trustee evaluates performance over the time period stated in the investment managers’ performance objective, which is typically 3 to 5 years.</li> <li>• Investment manager fee rates are reviewed annually to ensure that they remain competitive.</li> </ul>
<p><b>The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.</b></p>	<ul style="list-style-type: none"> <li>• The Trustee does not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis. The investment managers are required to provide transaction cost information on an annual basis, on the slippage cost methodology, for disclosure to members within the annual Chair Statement.</li> </ul>
<p><b>The duration of the Fund’s arrangements with the investment managers</b></p>	<ul style="list-style-type: none"> <li>• The Fund invests in pooled funds, the duration of which is flexible, and the Trustee will from time-to-time consider the appropriateness of the fund range and whether they should continue to be held.</li> </ul>
<p><b>Environmental, Social, Corporate Governance factors and the exercising of rights</b></p>	<ul style="list-style-type: none"> <li>• The Trustee receives information from their investment advisers on the investment managers’ approaches to engagement.</li> <li>• The Trustee will engage, via their investment adviser where appropriate, with investment managers and/or other relevant persons</li> </ul>

	<p>about relevant matters at least annually. For example, if:</p> <ul style="list-style-type: none"> <li>○ The manager has not acted in accordance with their policies and frameworks.</li> <li>○ The manager's stewardship policies and priorities are not in line with any policies the Trustee has set and any priorities in this area, when appropriate.</li> </ul> <ul style="list-style-type: none"> <li>● Through the engagement described above, the Trustee will work with the investment managers to improve their alignment with the above policies. Where sufficient improvement is not observed, the Trustee will review the relevant investment manager's appointment and will consider terminating the arrangement.</li> </ul>
<p><b>Performance, Strategy and Risk</b></p>	<ul style="list-style-type: none"> <li>● The Trustee receives a quarterly performance report which details information on the underlying investments' performance, strategy and overall risks, which is considered at the Trustee and Investment Committee meetings.</li> <li>● The Fund's investment managers are invited from time to time to present to the Investment Committee on their performance, strategy and risk exposures.</li> <li>● Additional engagement with managers may be required if: <ul style="list-style-type: none"> <li>○ There are significant changes made to the investment strategy.</li> <li>○ The risk levels within the assets managed by the investment managers have increased to a level above and beyond the Trustee's expectations.</li> <li>○ Underperformance vs the performance objective over the period that this objective applies.</li> </ul> </li> </ul>