LINCOLN ELECTRIC (UK) LIMITED RETIREMENT AND DEATH BENEFITS SCHEME

STATEMENT OF INVESTMENT PRINCIPLES

MARCH 2024

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1 INTRODUCTION

This Statement of Investment Principles (“the Statement”) has been prepared by the Trustee of the Lincoln Electric (UK) Limited Retirement and Death Benefits Scheme (“the Scheme”) in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Scheme and the activities undertaken by the Trustee to ensure the effective implementation of these principles.

In preparing the Statement, the Trustee has:

- obtained and considered written advice from a suitably qualified individual, employed by the investment consultants, Mercer, whom it believes to have a degree of knowledge and experience that is appropriate for the management of its investments; and
- consulted with the Sponsoring Employer, although it affirms that no aspect of its strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

The advice and the consultation process considered the suitability of the Trustee’s investment policy for the Scheme.

The Trustee will review the Statement formally at least every three years to coincide with the triennial Actuarial Valuation or other actuarial advice relating to the statutory funding requirements. Furthermore, the Trustee will review the Statement without delay after any significant change in investment policy. Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Sponsoring Employer.

2 INVESTMENT OBJECTIVES

The Trustee’s primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In order for the Trustee to ensure that it can meet its obligations to the beneficiaries both in the short and long term without further recourse to the Sponsoring Employer beyond the present agreement with the company for contributions of £969k pa until June 2025, the Trustee in consultation with the Employer decided to commission a feasibility of entering into a bulk annuity policy agreement with an insurance company. Hence, the objective is to minimise the chance of the deficit further increasing by implementing the relevant investment strategy.

3 INVESTMENT RESPONSIBILITIES

3.1 TRUSTEE'S DUTIES AND RESPONSIBILITIES

The Trustee is responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The duties and responsibilities of the Trustee include, but are not limited to, the following tasks and activities:

- The regular approval of the content of the Statement
- The appointment and review of the Investment Adviser
- The appointment and review of the investment platform provider
- The choice of appropriate funds to implement the agreed investment strategy
- The assessment and review of the performance of each investment fund
- The setting and review of the investment parameters within which the investment managers can operate
- The assessment of the risks assumed by the Scheme at a total scheme level and also manager by manager
- The approval and review of the asset allocation benchmark for the Scheme
- The compliance of the investment arrangements with the principles set out in the Statement

3.2 INVESTMENT ADVISER'S DUTIES AND RESPONSIBILITIES

The Trustee has appointed Mercer as the investment adviser to the Scheme. Mercer provides advice as and when the Trustee requires it, as well as raising any investment-related issues, of which it believes the Trustee should be aware. Matters on which Mercer expects to provide advice to the Trustee include the following:

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Determining funds and investment managers that are suitable to meet the Trustee's objectives when requested
- Monitoring the investment managers to ensure their continuing appropriateness to the mandates given
- Monitoring the Platform provider to ensure its continuing appropriateness for the Scheme
- Setting cashflow management (investment and withdrawal) policies (see Appendix 2)

The Trustee may seek advice from Mercer with regard to both strategic and tactical investment decisions (see Section 4 – Investment Strategy); however, it recognises that it retains responsibility for all such decisions, including those that concern investments and disinvestments relating to cashflows (see Appendix 2). Mercer may be proactive in advising the Trustee regarding tactical investment decisions; however, there is no responsibility placed on Mercer to be proactive in all circumstances.

The Trustee monitors the performance of the Scheme's investment managers against their benchmarks.

Mercer makes a fund based charge for its services. Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

In particular, Mercer does not receive commission or any other payments in respect of the Scheme that might affect the impartiality of its advice, and as noted below, any discounts negotiated by Mercer with the underlying investment managers are passed on in full to the Scheme.

The Trustee is satisfied that this is the most appropriate adviser remuneration structure for the Scheme.

Mercer is authorised and regulated by the Financial Conduct Authority ("FCA").

3.3 ARRANGEMENTS WITH INVESTMENT MANAGERS

The Trustee, after considering appropriate investment advice, has invested the assets through a Trustee Investment Policy (TIP) from Mobius Life Limited ("Mobius"), whose appointment foregoes the need for a Custodian. The Trustee first invested through the Mobius TIP in September 2015.

Mobius is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

The Mobius TIP facilitates investment into a range of underlying funds managed by third party investment managers and the value of the Mobius TIP is directly linked to the change in value in the underlying funds. All of the underlying investment managers used by the Scheme are authorised and regulated by the FCA.

The underlying investment managers used by the Trustee through the Mobius platform are chosen based on advice from the Investment Adviser. This is based on the Investment Adviser's view of their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

Mercer monitors the underlying investment managers to ensure their continuing appropriateness to the mandates given. If a manager is significantly downgraded by Mercer, Mercer will notify the Trustee and the Trustee may, after appropriate consideration, replace that manager with a suitable alternative.

The Trustee only invests in pooled investment vehicles through the Mobius platform. The Trustee therefore accepts that it cannot specify the risk profile and return targets of the underlying investment managers, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy, including the policies set out in this Statement.

The underlying investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

In the case of multi-asset mandates, the underlying investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

Both Mobius and the underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. Where possible, discounts have been negotiated by Mercer and Mobius with the underlying managers on their standard charges and these discounts are passed on in full for the benefit of the Scheme.

Details of the funds used are set out in Appendix 3. If the investment objective for an investment manager changes, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

None of the underlying managers in which the Scheme's assets are invested have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustee therefore considers that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve its performance, and the performance of the underlying investee companies, over the medium to long-term.

The Trustee accepts that it has limited influence on the charging structure of the pooled funds in which the Scheme is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics. The Trustee is therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustee's policies as set out in this Statement.

3.4 SUMMARY OF RESPONSIBILITIES

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the scheme administrators, so far as they relate to the Scheme's investments, is set out at Appendix 4.

4 INVESTMENT STRATEGY

4.1 SETTING INVESTMENT STRATEGY

The Trustee has determined its investment strategy after considering the Scheme’s liability profile and requirements of the Statutory Funding Objective, its own appetite for risk, the views of the Sponsoring Employer on investment strategy, the Sponsoring Employer’s appetite for risk, and the strength of the Sponsoring Employer’s covenant. The Trustee has also received written advice from its Investment Adviser.

The basis of the Trustee’s strategy is to divide the Scheme’s assets between a “growth” portfolio, comprising assets such as multi asset funds, and a “stabilising” portfolio, comprising assets such as bonds. The growth-stabilising allocation is set having regard to the Scheme’s liability profile, i.e. the split of liabilities between active, deferred and pensioners and also the overall required return objective of the Scheme’s assets, which is determined by the funding objective and current funding level. Thus, the Trustee regards the basic distribution of the assets to be appropriate for the Scheme's objectives and liability profile. The Trustee has established a benchmark allocation to each asset class within each strategic asset allocation, which is set out in Appendix 1.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustee has decided on a policy consistent with its overall strategy. This policy is set out in Appendix 2.

4.2 INVESTMENT DECISIONS

The Trustee distinguishes between three types of investment decision: strategic, tactical and stock-level.

Strategic Investment Decisions

These decisions are long-term in nature and are driven by an understanding of the objectives, needs and liabilities of the Scheme.

The Trustee takes all such decisions itself. It does so after receiving written advice from its investment adviser and consulting with the Sponsoring Employer. Examples of such decisions and of tasks relating to the implementation of these decisions include the following:

- Setting investment objectives
- Determining the split between the growth and the stabilising portfolios
- Determining the allocation to asset classes within the growth and stabilising portfolios
- Determining the Scheme benchmark
- Reviewing the investment objectives and strategic asset allocation

Tactical Investment Decisions

These decisions are short-term and based on expectations of near-term market movements. Such decisions may involve deviating temporarily from the strategic asset allocation and may require the timing of entry into, or exit from, an investment market or asset class.

These decisions are the responsibility of the Trustee. However, where such decisions are made within a pooled fund, they are the responsibility of the investment manager of the fund.

Stock Selection Decisions

All such decisions are the responsibility of the investment managers of the pooled funds in which the Scheme is invested.

4.3 TYPES OF INVESTMENTS TO BE HELD

The Trustee is permitted to invest across a wide range of asset classes, including, but not limited to, the following:

- UK and overseas equities
- UK and overseas government bonds, fixed and inflation-linked
- UK and overseas corporate bonds
- Convertible bonds
- Property
- Commodities
- Hedge funds
- Private equity
- High yield bonds
- Emerging market debt
- Diversified growth
- Liability driven investment products
- Cash

All the funds in which the Scheme invests are pooled and unitised. The use of derivatives is permitted by the guidelines that apply to the pooled funds. Details relating to the pooled funds can be found in Appendix 3.

4.4 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustee considers many risks which it anticipates could impact the financial performance of the Scheme's investments over the Scheme's expected lifetime. Such risks are set out in the next section of this Statement.

The Trustee recognises that environmental, social and corporate governance ("ESG") factors, such as climate change, can influence the investment risk and return outcomes of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process.

The Trustee further recognises that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustee would seek to invest in funds which incorporate ESG principles.

In setting its investment strategy, the Trustee has prioritised funds which provide actively managed diversification across a wide range of investment markets and consider the financially significant benefits of these factors to be paramount.

The Trustee notes that ESG considerations are not paramount to the first level decision making process within the funds which provide actively managed diversification.

The Trustee will also receive ESG scores provided by the Investment Consultant in relation to the funds in which the Scheme is invested and will monitor how these develop over time.

The Trustee is therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

The Scheme's assets are invested in pooled funds, and therefore the Trustee accepts the fact that it has very limited ability to influence the ESG policies and practices of the companies in which its managers invest. However, the ESG policies of the pooled fund managers will be taken into account in the selection of future funds and managers and will be a factor in the selection process.

4.5 NON - FINANCIAL MATTERS

The Trustee has determined that the financial interests of the Scheme members are its first priority when choosing investments.

It has decided not to consider non-financial considerations, such as ethical views, or to take members' preferences into account when setting the investment strategy for the Scheme.

4.6 STEWARDSHIP

The Scheme is invested solely in pooled investment funds through the Mobius TIP and the Trustee therefore has no direct voting rights.

The Trustee's policy is therefore to invest with investment managers where Responsible Investment is embedded appropriately in its approach to investment; including monitoring and engaging with investee companies, and exercising voting rights appropriately.

Information on the investment managers' approach to responsible investment, voting and engagement with the investee companies is available at the following websites:

LGIM

https://www.lgim.com/uk/en/responsible-investing/

Payden

https://www.payden.com/ESG.aspx

Columbia Threadneedle:

https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-investment/

Mercer's annual reporting to the Trustee includes Mercer's ESG score for the funds in which the Scheme is invested. The ESG score incorporates an assessment of engagement and voting as part of the process.

Receipt of this score on an Annual basis enables the Trustee to monitor that these scores remain appropriate in the context of the fund mandates.

Taking all the above into consideration, the Trustee is satisfied that stewardship and responsible investment is embedded appropriately in the investment managers' approaches to investing. If the Trustee is specifically invited to vote on a matter relating to corporate policy, it would exercise its right in accordance with what it believes to be the best interests of the majority of the Scheme's membership.

If a new investment manager is selected, the Trustee will consider Mercer's ESG score for the fund, which incorporates an assessment of engagement and voting as part of the process.

5 RISK

The Trustee is aware, and seeks to take account of a number of risks in relation to the Scheme's investments, including the following:

Under the Pensions Act 2004, the Trustee is required to state its policy regarding the ways in which risks are to be measured and managed. These are set out below.

Solvency Risk and Mismatching Risk

- These are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
- These are managed by setting a scheme-specific strategic asset allocation with an appropriate level of risk.

Manager Risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process.
- It is managed through the diversification of the Scheme's assets across a range of funds with different investment styles, by monitoring and advice from the Investment Adviser where there have been significant changes to the managers' capabilities, and by using the Mobius Platform, which enables quick and efficient replacement of managers if appropriate.

Liquidity Risk

- This is monitored according to the level of cashflows required by the Scheme over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Scheme's assets are invested in pooled funds which are readily realisable.

Political Risk

- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through investing in funds which give a wide degree of diversification.

Corporate Governance Risk

- This is assessed by reviewing the Scheme's investment managers' policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the managers, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are available to the Trustee and take into account the financial interests of the shareholders, which should ultimately be to the Scheme's advantage.

Sponsor Risk

- This is assessed as the level of ability and degree of willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit.
- It is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor. Regular updates on employer covenant are provided to the Trustee by senior staff of the sponsor.

Legislative Risk

- This is the risk that legislative changes will require action from the Trustee so as to comply with any such changes in legislation.
- The Trustee acknowledges that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Credit Risk

- This is the risk that is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Trustee acknowledges that the assessment of credit risk on individual debt instruments is delegated to the investment manager. The Trustee will however ensure that it is comfortable with the amount of risk that the Scheme's investment manager takes.
- The Trustee has invested the assets of the Scheme via the Mobius Platform. Mobius carries out due diligence checks before making a new pooled fund available, and on an ongoing basis monitors changes to the regulatory and operating environments of the underlying pooled funds.

Currency Risk

- This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension scheme, the scheme may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.
- The Trustee manages currency risk by investing in funds with Sterling benchmarks, and by having no direct exposure to funds denominated in overseas currencies. The Trustee acknowledges that currency risk related to overseas investments is delegated to the underlying investment managers.

Interest rate and Inflation risk

- This is the risk that an investment's value will change due to a change in the level of interest rates and expected inflation rates. This affects debt instruments more directly than growth instruments.
- The Trustee acknowledges that the interest rate and inflation rate risk related particularly to liability driven instruments (LDI), is managed by the underlying investment managers through a combination of strategies, such as diversification, duration and yield curve management, and hedging via swaps, particularly where LDI is involved.

ESG Risk

- This is the risk that Environmental, Social or Corporate Governance concerns, including climate change, have a financially material impact on the return of the Scheme's assets.
- The Trustee manages this risk by investing in well-respected investment managers where ESG principles are an established part of the investment decision making process and by regularly reviewing Mercer's ESG scoring of the Scheme's managers.

6 MONITORING OF INVESTMENT ADVISER AND MANAGERS

6.1 INVESTMENT ADVISER

The Trustee continually assesses and reviews the performance of its adviser in a qualitative way, and undertakes a formal review annually. In doing so, the Trustee considers the objectives it sets for the investment adviser, which it reviews on an ongoing basis and at least every three years.

6.2 INVESTMENT MANAGERS

The Trustee receives monitoring reports on the performance of the investment managers from Mercer on an annual basis, which presents performance information over 3 months, 1 year and 3 years. The reports show the absolute performance, performance against the manager's stated target performance (over the relevant time period) on a net of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance.

The Trustee in conjunction with advice from its Investment Adviser, have the role of replacing the underlying investment managers where appropriate. They take a long-term view when assessing whether to replace the underlying investment managers, and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of the investment manager by Mercer. This in turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.

Changes will also be made to the underlying managers if there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.

6.3 PORTFOLIO TURNOVER COSTS

The Trustee does not currently monitor portfolio turnover costs for the funds in which the Scheme is invested, although note that the performance monitoring which it receives is net of all charges, including such costs. Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending or borrowing of investments.

The Trustee is also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Scheme and is satisfied that this is appropriate.

7 CODE OF BEST PRACTICE

The Trustee notes that in March 2017, the Pensions Regulator released ‘Investment Guidance for Defined Benefit Pension Schemes.

The Trustee meets with its investment adviser on a regular basis, monitoring developments both in relation to the Scheme’s circumstances and in relation to evolving guidance, and will revise the Scheme’s investment approach if considered appropriate.

8 COMPLIANCE

The Scheme's Statement and annual report and accounts are available to members on request. The Statement is also published on the Sponsoring Employer's website.

A copy of the Scheme's current Statement plus Appendices is also supplied to the Sponsoring Employer, the Scheme's auditors and the Scheme Actuary.

This Statement, taken as a whole with the Appendices, supersedes all others and was approved by the Trustee.

Approved by the Trustee on 26 March 2024

APPENDIX 1: ASSET ALLOCATION BENCHMARK

The Scheme's strategic asset allocation benchmark is set out below.

Asset Class	Strategic Allocation (%)
Stabilising Assets	**100.0**
Liability Driven Investments (LDI)	10.0
Gilts	32.5
Index Linked Gilts	42.5
Absolute Return Bond	15.0

There are no guideline ranges as the actual asset allocation percentages will change as investment market conditions change. The Trustee, along with its advisor, will assess the allocations on an ongoing basis and make adjustments as, and when, it sees fit based on the strategic allocations set out above and the magnitude of any deviations from above.

The liability driven investment holdings are designed to hedge the valued placed on the liabilities. Hence, like the liabilities, their values will float as interest and expected inflation rates change. Alterations to the actual percentage allocation may take place from time to time which will be driven by the actual interest and inflation hedge ratios relative to their targets (rather than simply the percentage held).

The policy for rebalancing and investment / disinvestment of cashflows is set out in Appendix 2.

Appendix 3 provides information about the funds in which the assets are invested.

APPENDIX 2: CASHFLOW AND REBALANCING POLICY

Rebalancing Policy

The Trustee is satisfied that there should be no automatic rebalancing policy in place. Instead, the Trustee will use the reporting provided by Mercer to determine if the strategic asset allocation has significantly deviated from the strategic allocation, and if so consider taking appropriate action.

Cashflows Policy

Where possible, cash outflows will be met from cash balances held by the Scheme in order to minimise transaction costs.

Investments or disinvestments up to £150,000 are applied in conjunction with the central benchmark asset allocation. Any amount above this will be dealt with on an ad hoc basis.

The Trustee will review the cashflow policy from time to time to ensure that it remains appropriate taking into account changes in the Scheme’s cashflow requirements.

For avoidance of doubt, this Statement will not be revised purely in relation to a change in cashflow policy.

LDI Recapitalisation

The Trustee notes that the LDI manager may require additional assets (or may release assets) from time to time in order to support the operation of the LDI fund. The Trustee has put in place a policy regarding this recapitalisation/release procedure with Mobius Life.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

The Scheme invests with through a Trustee Investment Policy with Mobius which enables managers to be appointed for different mandates.

The tables below show the details of the mandate(s) with each manager.

STABILISING ASSETS

Manager / Fund	Benchmark	Objective	Dealing Frequency	Date First Invested
Liability Driven Investments (LDI)				
CT Nominal Dynamic LDI	The liability profile of a typical UK DB pension scheme	To provide hedging by offering interest rate exposure which replicates the liability profile of a typical UK DB pension scheme.	Daily	June 2021
Gilts				
L&G AA All Stocks Gilts Index Fund	FTSE Actuaries UK Conventional Gilts All Stocks Index	Track the performance of the FTSE Actuaries UK Conventional Gilts All Stocks Index to within +/-0.25% p.a. for two years out of three.	Daily	June 2023
L&G AF Over 15 Year Gilts Index Fund	FTSE Actuaries UK Conventional Gilts Over 15 Years Index	Track the performance of the FTSE Actuaries UK Conventional Gilts Over 15 Years Index to within +/-0.25% p.a. for two years out of three.	Daily	June 2023
Index Linked Gilts				
L&G Y All Stocks Index Linked Gilts Index Fund	FTSE Actuaries UK I-L Gilts All Stocks Index	Track the performance of the FTSE Actuaries UK Index Linked Gilts All Stocks Index within	Daily	June 2023

		+/-0.25% p.a. for two years out of three.		
L&G AP Over 5 Year Index Linked Gilts Index Fund	FTSE Actuaries UK I-L Gilts Over 5 Years Index	Track the performance of the FTSE Actuaries UK Index Linked Gilts Over 5 Years Index within +/-0.25% p.a. for two years out of three.	Daily	June 2023
Absolute Return Bond				
Payden Absolute Return Bond	ICE BOFA SOFR OVERNIGHT RATE INDEX	To outperform the benchmark by 2% to 3% p.a., gross of fees, over a rolling 3 year period	Daily	June 2023

For avoidance of doubt, this Statement will not be updated solely in response to a replacement of one of the underlying investment managers.

APPENDIX 4: RESPONSIBILITIES OF PARTIES

TRUSTEE

The Trustee's responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate
- Reviewing the investment strategy following the results of each actuarial review, in consultation with the Investment Adviser and Scheme Actuary
- Appointing the platform provider and custodian (if required)
- Selecting appropriate investment managers and appropriate funds
- Assessing the quality of the performance and processes of the investment manager(s) by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser
- Consulting with the sponsoring employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis

INVESTMENT ADVISER

The Investment Adviser’s responsibilities include the following:

- Participating with the Trustee in reviews of this Statement
- Production of performance monitoring reports
- Advising the Trustee, at its request, on the following matters:
  - Through consultation with the Scheme Actuary, how any changes within the Scheme’s benefits, membership, and funding position may affect the manner in which the assets should be invested
  - How any significant changes in the underlying investment managers’ organisations could affect the interests of the Scheme
  - How any changes in the investment environment could present either opportunities or problems for the Scheme
- Undertaking project work, as requested, including:
  - Reviews of asset allocation policy
  - Research into and reviews of Investment Managers
- Advising on the selection of new managers and/or custodians
- Informing the Trustee of any significant changes or concerns in relation to the Platform provider’s suitability for the Scheme

INVESTMENT MANAGERS

The responsibilities of the underlying investment managers through the Mobius Platform include:

- Informing the Platform provider of any changes in the internal performance objectives and guidelines of their funds
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments
- Managing their funds in accordance with their stated mandates

The underlying investment managers for the Scheme are not directly appointed by the Trustee and therefore do not have any direct responsibility to the Trustee.

SCHEME ACTUARY

The Scheme Actuary's responsibilities include the following:

- Liaising with the Investment Adviser regarding the suitability of the Scheme's investment strategy given the financial characteristics of the Scheme
- Assessing the funding position of the Scheme and advising on the appropriate response to any shortfall
- Performing the triennial (or more frequent, as required) valuations and advising on the appropriate contribution levels

ADMINISTRATOR

The Administrator's responsibilities include the following:

- Ensuring there is sufficient cash available to meet benefit payments as and when they fall due
- Paying benefits and making transfer payments
- Investing contributions not required to meet benefit payments with the Investment Managers according to the Trustee's instructions.