

# Chair's Annual Statement

## Sabre Pension Plan - UK

Plan year 1 September 2022 to 31 August 2023

### Introduction

Governance requirements apply to defined contribution pension arrangements such as the Sabre Pension Plan - UK ("the Plan"), to help members achieve a good outcome from their pension savings. The Trustees of the Plan are required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met in relation to:

- the options for how members' funds are invested (this means the default arrangement and other funds members can select or have assets in, such as self-select or legacy funds);
- the requirements for processing financial transactions;
- the charges and transaction costs borne by members;
- an illustration of the cumulative effect of these costs and charges;
- a 'value for members' assessment; and
- trustee knowledge and understanding.

This statement covers the period from 1 September 2022 to 31 August 2023. The Trustees continue to be committed to high governance standards and have regular meetings throughout the Plan year at which they monitor the controls and processes in place in connection with the Plan's investments and administration. The Trustees formally met on the following dates during the Plan year: 21 September 2022 and 28 February 2023. The Trustees also held several informal meetings and attended additional calls with their advisers during the year.

I welcome this opportunity to explain what the Trustees do to help to ensure the Plan is run as effectively as it can be. If you have any questions about anything that is set out below, or any suggestions about what can be improved, please do contact Leah Summers, Plan Consultant, using the following contact details:

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In 2017, the Trustees undertook an assessment of the Plan against the Pensions Regulator's updated 'governance and administration of occupational trust-based Plans providing money purchase benefits' Code of Practice. The assessment was reviewed and updated in 2018, with 100% of the standards met, resulting in the Trustees fully complying with the Code. The Trustees believe that the Plan continues to fully meet the standards set out in the code during the 2022/23 Plan year. The Pensions Regulator's new general code of practice, which applies to the Plan, is expected to be released in March 2024 and an assessment against the general code is due to be completed in the 2023/24 Plan year.

# Chair's Annual Statement

## 1. The funds that members can choose to invest in (this means the default arrangement and other funds members can select or have assets in)

### Default investment strategy

The Plan is used by Sabre Global Technologies Limited ("the Employer") as a Qualifying Workplace Pension Plan for automatic enrolment. Members who join the Plan and do not choose an investment option are placed into the "default arrangement". During the Plan year, approximately 90% of members had their contributions invested in the default arrangement.

### Setting an appropriate investment arrangement

The Trustees are responsible for the Plan's investment governance, which includes setting and monitoring the investment strategy for the Plan's default arrangement.

The default arrangement was last formally reviewed in in late 2020 and a new default strategy was implemented in Q2 2021. After careful consideration, and taking advice from their investment consultant, Quantum Advisory, the Trustees decided to switch to Target Date Funds ("TDFs"), which are accessed through an investment platform, Mobius Life.

TDFs are pooled funds designed so that the fund's asset allocation is adjusted as the member approaches their Selected Retirement Date ("SRD") moving from higher risk investments to lower risk investments, like a lifestyle strategy.

For simplicity and flexibility, the individual TDFs do not usually cover every retirement year, but are instead grouped into 'buckets'. The investment manager, State Street, offers different TDFs (called 'Timewise Target Retirement Sub-Funds') which are grouped into 5-year buckets i.e. 2023-2027, 2028-2032, 2033-2037 etc. By default, members are placed into the TDF 'bucket' closest to their SRD. For example, members who will reach their SRD in 2028 will be invested in the State Street Timewise 2030 TDF. Each bucket has a slightly different mix of investments and members' assets are de-risked automatically through the fund as they approach their SRD.

Further details of the current investment strategy and its objectives are recorded in a document called the Statement of Investment Principles ("SIP"). A copy of this document, as updated in July 2021, can be found in Appendix 1.

The primary objective of the Plan is to provide defined contribution ("DC") benefits for members on their retirement or benefits for their dependants on death before retirement. The Trustees look to achieve this by providing members with investment choices that reflect their:

- Attitude to investment risk;
- Likely level of dependency on the benefits to be drawn;
- Understanding of investment matters; and
- Range of ages, cognisant of:
  - members closer to retirement have less scope to absorb risk and need protection against short term fluctuation in asset values; and
  - members further from retirement have greater scope to absorb risk and short-term volatility in asset values, but also need protection against the erosion of the capital value of their assets by inflation.

# Chair's Annual Statement

## Reviewing the default investment arrangement

The Trustees review the objectives and investment performance of the underlying funds of the default arrangement on a biannual basis and take advice from Quantum Advisory, the Plan's investment advisers, as appropriate.

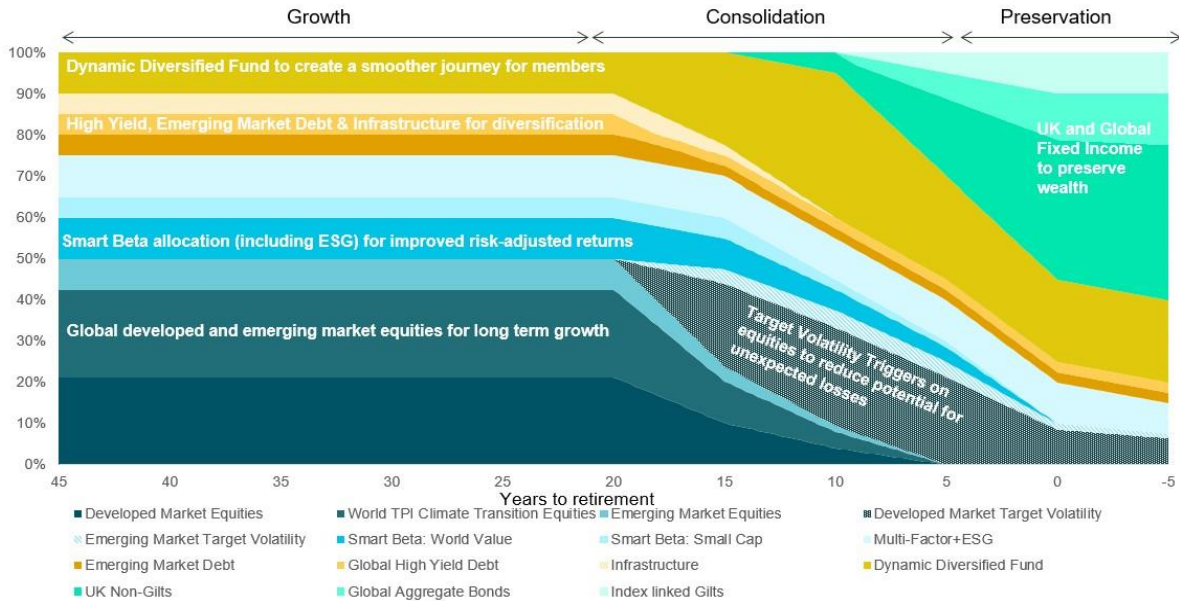
In addition to the biannual reviews of the default fund, the Trustees undertake a comprehensive review at least every three years, or sooner if there is a significant change in investment policy or the Plan's membership profile. The Trustees will be reviewing the default fund at their February 2024 meeting.

## 2. Charges and transaction costs paid by members

The Trustees are required to set out in this statement the on-going charges borne by members, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio ("TER"). The TER is borne by members and is reflected in the unit price of the funds. The stated charges exclude administration costs, since these are paid by the Employer.

The charges and transaction costs related to investments have a direct impact on investment performance and are, therefore, something in which members should be very interested. The charges and transaction costs have been supplied by Mobius Life, the Plan's investment platform.

The Plan's default funds are automatically adjusted by State Street as the member approaches their SRD, moving from higher risk investments to lower risk investments, like a lifestyle strategy. The level of charges and transaction costs payable will remain the same regardless of how close members are to their SRD and the bucket in which they are invested. A graph of the default strategy's 'Glide Path' to retirement is shown below:



Source: State Street

# Chair's Annual Statement

For the period covered by this statement, annualised charges and transaction costs are set out in the tables below. Default arrangements used by automatic enrolment pension schemes must comply with the charge cap, which is 0.75% per annum. The member-borne charges for the Plan's default arrangement complied with the charge cap for the year to 31 August 2023. The level of charges for each self-select fund (including those used in the default arrangement) and the additional costs over the period covered by this statement are set out in the table below. The funds used within the current default arrangement are shown in **bold**.

Fund	Fund code (1)	AMC (2)	Additional Expenses (3)	Total Charge (4)
<b>SSgA Timewise Target Retirement 2020 Sub-Fund</b>	<b>GB00BTDD0N16</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2025 Sub-Fund</b>	<b>GB00BTDD0P30</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2030 Sub-Fund</b>	<b>GB00BTDD0Q47</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2035 Sub-Fund</b>	<b>GB00BTDD0R53</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2040 Sub-Fund</b>	<b>GB00BTDD0S60</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2045 Sub-Fund</b>	<b>GB00BTDD0T77</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2050 Sub-Fund</b>	<b>GB00BTDD0V99</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2055 Sub-Fund</b>	<b>GB00BTDD0W07</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2060 Sub-Fund</b>	<b>GB00BTDD0X14</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
<b>SSgA Timewise Target Retirement 2065 Sub-Fund</b>	<b>GB00BDGS7741</b>	<b>0.250%</b>	<b>0.000%</b>	<b>0.250%</b>
L&G Life UK Equity Index Fund	N	0.090%	0.000%	0.090%
L&G Life North America Equity Index Fund	S	0.140%	0.000%	0.140%
L&G Life Future World Global Equity Fund	GPGE	0.145%	0.000%	0.145%
L&G Life Dynamic Diversified Fund	MAAC	0.430%	0.020%	0.450%
L&G Life Pre-Retirement Fund	EK	0.125%	0.000%	0.125%
L&G Life AAA-AA-A Corporate Bond — All Stocks Index Fund	CN	0.125%	0.000%	0.125%
L&G Life Over 5 Year Index-Linked Gilts Index Fund	AP	0.080%	0.000%	0.080%
L&G Life Cash Fund	AR	0.100%	0.000%	0.100%
L&G Life World (ex UK) Equity Index Fund	AE	0.175%	0.000%	0.175%

Source: Mobius Life

## Notes:

- (1) LGIM do not have International Securities Identification Number ("ISIN") codes, so their unique letter code is shown. The ISIN is shown for the State Street funds
- (2) This element of the total charge payable by members covers the investment manager's fees for investing the money and managing the investments in the fund, including the manager's pay.
- (3) This cost relates to the fund's operational expenses such as trading fees, legal fees, auditor fees, administration services, accounting fees, custodian and settlement charges for the investments the fund holds.
- (4) This is the total charge payable by members ((2)+(3)).

# Chair's Annual Statement

In addition, the Trustees are required by law to disclose information relating to transaction costs in respect of any investment vehicle available to Plan members. The transaction costs for the year to 31 August 2023 are shown below along with the average over the last 3 years.

Fund	Transaction Costs	3-year average Transaction Costs
SSgA Timewise Target Retirement 2020 Sub-Fund	0.260%	0.242%
SSgA Timewise Target Retirement 2025 Sub-Fund	0.300%	0.237%
SSgA Timewise Target Retirement 2030 Sub-Fund	0.340%	0.218%
SSgA Timewise Target Retirement 2035 Sub-Fund	0.320%	0.196%
SSgA Timewise Target Retirement 2040 Sub-Fund	0.220%	0.146%
SSgA Timewise Target Retirement 2045 Sub-Fund	0.240%	0.153%
SSgA Timewise Target Retirement 2050 Sub-Fund	0.240%	0.153%
SSgA Timewise Target Retirement 2055 Sub-Fund	0.240%	0.153%
SSgA Timewise Target Retirement 2060 Sub-Fund	0.240%	0.149%
SSgA Timewise Target Retirement 2065 Sub-Fund	0.220%	0.145%
L&G Life UK Equity Index Fund	0.049%	0.046%
L&G Life North America Equity Index Fund	0.088%	0.043%
L&G Life Future World Global Equity Fund	0.091%	0.071%
L&G Life Dynamic Diversified Fund	0.208%	0.116%
L&G Life Future World Annuity Aware Fund	0.108%	0.042%
L&G Life AAA-AA-A Corporate Bond — All Stocks Index Fund	0.100%	0.023%
L&G Life Over 5 Year Index-Linked Gilts Index Fund	0.229%	0.084%
L&G Life Cash Fund	0.065%	0.031%
L&G Life World (ex UK) Equity Index Fund	0.106%	0.048%

Source: Mobius Life

Transaction costs are incurred as a result of buying, selling, lending or borrowing investments. The costs mainly arise as a result of delivering a fund's target investment return where a passive or active investment approach is used. As an example, a fund may need to buy or sell assets when members pay money into or take money out of a fund and the buying or selling of assets will incur costs.

Transaction costs arise as a result of participating in a financial market and are separate from any annual management charges. The transaction cost for buying or selling an investment includes all costs incurred by a buyer or seller from the point an order to transact is received to the point at which the transaction completes. These costs include all charges, commissions, taxes and other associated payments incurred directly or indirectly. These costs are ultimately borne by assets of the arrangement or of any investment in which the arrangement is directly or indirectly invested. Of these costs, some are easily identifiable as specific costs incurred, but some are less identifiable and may rely on the investment manager's judgement.

# Chair's Annual Statement

The costs for actively managed funds are generally higher than for passive funds. However, the fund manager will allow for this cost when taking positions, such that the cost would be expected to be offset through future performance.

## 3. Investment performance

The figures below are annualised net investment returns to 31 August 2023 for the default investment strategy:

Age of member in 2023 (years)	8 years (2015 to 2023)	5 years (2018 to 2023)
25	N/A	6.1%
35	8.3%	6.1%
45	8.3%	6.1%
55	7.5%	5.1%
65	4.6%	1.9%

12 years returns are not available as the earliest inception date of the SSgA TDFs is 24 November 2014.

The figures below are annualised net investment returns to 31 August 2023 for the self-select funds:

Fund	12 years (2011 to 2023)	8 years (2015 to 2023)	5 years (2018 to 2023)
L&G Life UK Equity Index Fund	7.6%	5.6%	4.4%
L&G Life North America Equity Index Fund	16.3%	16.0%	14.9%
L&G Life Future World Global Equity Fund	N/A*	N/A*	N/A*
L&G Life Dynamic Diversified Fund	N/A*	4.9%	3.1%
L&G Life Future World Annuity Aware Fund	2.4%	0.3%	-4.3%
L&G Life AAA-AA-A Corporate Bond — All Stocks Index Fund	2.5%	1.1%	-1.9%
L&G Life Over 5 Year Index-Linked Gilts Index Fund	3.1%	0.2%	-6.3%
L&G Life Cash Fund	0.6%	0.7%	1.0%
L&G Life World (ex UK) Equity Index Fund	13.1%	13.2%	11.6%

\*Information not available due to the fund's inception date.

# Chair's Annual Statement

## 4. Illustration of the cumulative effects of costs and charges

Over a period of time, the charges and transaction costs that are taken out of a member's pension savings will reduce the amount available to the member at retirement. Equally, administration costs and investment charges need to be met and the cheapest fund is not always the best value.

The Trustees have set out overleaf illustrations of the impact of charges and transaction costs on different investment options in the Plan. The illustrations have been prepared in accordance with the DWP's statutory guidance on "Reporting costs, charges and other information: guidance for trustees and managers of occupational pension schemes" on the projection of an example member's pension savings.

As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustees have had to make a number of assumptions about what these might be. The assumptions are explained below:

- The "Before charges" figures represent the savings projection assuming an investment return with no deduction of member-borne fees or transaction costs. The "After all charges & costs deducted" figures represent the savings projection using the same assumed investment return but after deducting member-borne fees.
- The illustration is shown for the current default fund with the most members invested in them, since this is the arrangement where members were automatically enrolled. The other funds shown in the illustration from the Plan's Freestyle Approach are:
  - The fund that has attracted the greatest volume of contributions over the Plan year – this is the L&G Life Dynamic Diversified Fund
  - The fund with the highest before costs expected return – this is the L&G Life UK Equity Index Fund
  - The fund with the lowest before costs expected return – this is the L&G Life Cash Fund.

# Chair's Annual Statement

## Active member illustration

Projected Pension Account in today's money:

Projected Pension Account in today's money								
	Fund/strategy choice							
	Default investment strategy - SSgA Timewise Target Retirement Funds		L&G Life Dynamic Diversified Fund		L&G Life UK Equity Index Fund		L&G Life Cash Fund	
Years to retirement	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
1	£48,300	£48,200	£48,100	£47,900	£48,900	£48,900	£47,300	£47,200
3	£69,800	£69,400	£69,100	£68,400	£72,200	£72,100	£66,000	£65,900
5	£91,700	£90,900	£90,200	£88,800	£96,700	£96,400	£84,200	£83,900
10	£148,000	£146,000	£144,000	£140,000	£163,000	£162,000	£127,000	£127,000
15	£208,000	£203,000	£199,000	£192,000	£238,000	£236,000	£168,000	£166,000
20	£270,000	£262,000	£256,000	£243,000	£323,000	£319,000	£205,000	£203,000
25	£335,000	£323,000	£314,000	£295,000	£418,000	£413,000	£240,000	£236,000
30	£403,000	£387,000	£373,000	£347,000	£526,000	£518,000	£272,000	£268,000
35	£475,000	£452,000	£434,000	£398,000	£648,000	£636,000	£302,000	£296,000
40	£550,000	£520,000	£496,000	£450,000	£785,000	£768,000	£329,000	£323,000

### Notes

- Projected pension fund values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
- The starting pension fund value is assumed to be £37,680 (which is the median pot size for active members).
- Inflation is assumed to be 2.50% each year.
- Contributions at the rate of 12.276% are assumed to continue to retirement age and increase in line with assumed earnings inflation of 2.50% each year. Contributions are based on a current salary of £83,100 pa (which is the average salary for active members).
- Values shown are estimates and are not guaranteed.
- The projected growth rates before charges for the strategies are as follows:
  - Default strategy: for the SSgA Timewise Target Retirement 2040 Fund: 3.47% pa.
  - L&G Life Dynamic Diversified Fund: 3.00% pa.
  - L&G Life UK Equity Index Fund: 5.00% pa.
  - L&G Life Cash Fund: 1.00% pa.



# Chair's Annual Statement

## Deferred member illustration

Projected Pension Account in today's money:

Projected Pension Account in today's money								
	Fund/strategy choice							
	Default investment strategy - SSgA Timewise Target Retirement Funds		L&G Life Dynamic Diversified Fund		L&G Life UK Equity Index Fund		L&G Life Cash Fund	
Years to retirement	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
1	£38,700	£38,600	£38,500	£38,400	£39,300	£39,200	£37,800	£37,700
3	£39,400	£39,200	£38,900	£38,400	£41,200	£41,100	£36,700	£36,600
5	£40,200	£39,700	£39,300	£38,400	£43,300	£43,100	£35,600	£35,400
10	£42,100	£41,100	£40,300	£38,500	£48,800	£48,400	£33,100	£32,800
15	£44,200	£42,600	£41,200	£38,600	£55,000	£54,300	£30,700	£30,300
20	£46,300	£44,100	£42,300	£38,700	£62,100	£61,000	£28,600	£28,000
25	£48,500	£45,700	£43,300	£38,800	£70,000	£68,600	£26,500	£25,900
30	£50,800	£47,300	£44,400	£38,900	£79,000	£77,000	£24,600	£23,900
35	£53,300	£49,000	£45,500	£39,000	£89,100	£86,500	£22,900	£22,100
40	£55,800	£50,700	£46,600	£39,100	£101,000	£97,100	£21,300	£20,400

### Notes

- Projected pension fund values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
- The starting pension fund value is assumed to be £38,345 (which is the median pot size for deferred members).
- Inflation is assumed to be 2.50% each year.
- No further contributions are assumed.
- Values shown are estimates and are not guaranteed.
- The projected growth rates for the fund choices are as follows:
  - Default strategy: for the SSgA Timewise Target Retirement 2040 Fund: 3.47%.
  - L&G Life Dynamic Diversified Fund: 3.00% pa.
  - L&G Life UK Equity Index Fund: 5.00% pa.
  - L&G Life Cash Fund: 1.00% pa.

# Chair's Annual Statement

## 5. The requirements for processing core financial transactions

The Trustees are required to report to members about the processes and controls in place in relation to the Plan's "core financial transactions". The law specifies that these include the following:

- investing contributions paid into the Plan;
- transferring assets related to members into or out of the Plan;
- transferring assets between different investments within the Plan; and
- making payments from the Plan to or on behalf of members.

The Trustees have received assurance from the Plan's administrator, Quantum Advisory, that there were adequate internal controls in place to ensure that core financial transactions relating to the Plan were processed promptly and accurately during the Plan year. This includes the processing of transfers out of the Plan, transfers of assets between different investments within the Plan, and payments to members/beneficiaries.

The Plan has a Service Level Agreement ("SLA") in place with the administrator which covers the accuracy and timeliness of all core financial transactions.

The Trustees receive two reports a year about Quantum's performance and compliance with the SLA. Using information provided by the administrator in the year the Trustees are satisfied that over the period covered by this statement:

- the administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA;
- there have been no material administration errors in relation to processing core financial transactions; and
- core financial transactions have been processed promptly and accurately during the Plan year.

## 6. 'Value for members' assessment

The Trustees are required by law to assess, on an annual basis, the extent to which member-borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of "good value", but the Trustees consider that it broadly means "that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Plan membership as a whole, when compared to other options available in the market". The assessment was undertaken taking account of the Pensions Regulator's Code of Practice No.13 (Governance and administration of occupational trust-based Plans providing money purchase benefits). The last review undertaken by the Trustees was finalised in February 2024, covering the period 1 September 2022 to 31 August 2023.

The Trustees note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment.

# Chair's Annual Statement

The Trustees' assessment in respect of charges confirms that the Plan performs very well compared to the comparator schemes. It should be noted that the administration and governance costs associated with running the Plan are met by the Employer. The only costs regularly borne by members are the fund charges (TER) and transaction costs.

This supports the value of the overall offering to members significantly. It is a key advantage to members of a trust-based arrangement.

In carrying out the assessment, the Trustees also considered the other benefits members receive from the Plan, which include:

- promptness and accuracy of core financial transactions;
- the quality of record keeping;
- the appropriateness of the default investment strategy;
- the quality of the Plan's investment governance;
- the level of trustee knowledge, understanding and skills to properly exercise their functions and operate the Plan efficiently;
- the quality of the communication with Plan members; and
- the effectiveness of the management of any conflicts of interest.

Based on the charges payable by members and the services that the Trustees provides, the Trustees believe that the Plan delivers good value to its members. In addition, the Trustees take comfort that members benefit from services such as regular member communications, good quality administration, professional advice (provided to the Trustees) and strong Plan governance and management at no cost to members.

A copy of the 2023 value for members review is available on request.

## 7. Trustee knowledge and understanding

The Trustees are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. Each Trustee must:

- be conversant with the Trust Deed and Rules of the Plan, the Plan's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustees relating to the administration of the Plan generally; and
- have, to the degree that is appropriate for the purposes of enabling the individual properly to exercise his or her functions as a Trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment of the assets of occupational pension schemes.

The Trustees have measures in place to comply with the legal and regulatory requirements regarding conversance and knowledge and understanding. Details of how the conversance and knowledge and

# Chair's Annual Statement

understanding requirements have been met during the period covered by this statement are set out below. The Trustees take their training and development responsibilities seriously and maintain a Trustee training record.

This training record is reviewed twice a year to identify any gaps in the knowledge and understanding across the board. This allows the Trustees to work with professional advisers to address any areas where their knowledge is less than the Pensions Regulator would expect.

New Trustees are provided with induction training within six months of their appointment. All the Trustees have either completed the Trustee Toolkit made available by the Pensions Regulator or are working to do so.

The Trustees' investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustees' advisers would typically deliver training on such matters at Trustee meetings if they were material. During the year, the Trustees received training on the following topics:

- Climate change risks;
- Pension Wise guidance;
- New DC measures including a revised value for money framework, small pots, investment opportunities for DC schemes and member engagement.

All the Trustees are familiar with and have access to copies of the current Plan governing documentation, including the Trust Deed & Rules (together with any amendments), the SIP and key policies and procedures. In particular, the Trustees refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Plan and, where relevant, deciding individual member cases, and the SIP is formally reviewed at least every three years and as part of making any change to the Plan's investments.

Further, the Trustees consider that they have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties.

Taking into account the knowledge and experience of the Trustees with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisers (e.g. investment consultants, legal advisers), the Trustees believe they are well placed to exercise their functions as Trustees of the Plan properly and effectively.

**Mary Graham**

**Chair of the Trustees**

**27 February 2024**

# Statement of Investment Principles

Sabre Pension Plan - UK

July 2021

# Contents

- 1. Introduction..... 1
- 2. Investment policy ..... 3
- 3. Investment objectives ..... 4
- 4. Investment strategy ..... 5
- 5. Selection and monitoring of investment managers ..... 8
- 6. Investment risks ..... 10
- 7. Investments and disinvestments..... 12
- 8. Other matters..... 14
- 9. Review ..... 16
- Appendix 1 – Investment Strategies..... 17
- Appendix 2 – Fund details ..... 19

# 1. Introduction

## 1.1 What is a Statement of Investment Principles ("SIP")?

It is a document produced by the Trustees of a trust-based pension scheme, setting out the investment principles governing decisions about investments for the purpose of the pension scheme. This SIP has been produced by the Trustees (the "Trustees") of the Sabre Pension Plan - UK (the "Plan").

## 1.2 What does it cover?

Section 2 of the Occupational Pension Schemes (Investment) Regulations 2005 ("the Regulations") sets out those matters that must be covered in a SIP, and which include the Trustees' policy in relation to:

- the kinds of investments to be held;
- the balance between different kinds of investments;
- risks, including the ways in which risks are to be measured and managed;
- the expected return on investments;
- the realisation of investments; and
- the extent to which Environmental, Social and Governance ("ESG") considerations are taken into account in the selection, retention and realisation of investments.

## 1.3 What is the legal and statutory background to the SIP?

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

## 1.4 Who has had input to this SIP?

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

## 1.5 Who does it concern?

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

## 1.6 Plan details

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

The Plan is classed as a defined contribution pension scheme and is open to future contributions from existing and new members.

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

### 1.7 Duties and responsibilities

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

Trustees	Investment manager
Set structures and processes for carrying out their role.	Operates within the terms of the written contracts and agreements.
Select & monitor Plan’s investments.	Selects individual investments with regard to their suitability and diversification.
Select & monitor investment advisers and providers.	Investment adviser
Agree structure for implementing investment strategy.	Advises on all aspects of the investment of the Plan's assets, including implementation, when requested by Trustees.
Make ongoing decisions in line with the Plan’s Statement of Investment Principles.	Advises on this Statement.
Report annually on compliance with this Statement.	Provides required training.



## 2. Investment policy

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

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

All of the Plan's investments are in external collective investments.

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

It is the Trustees' policy not to hold any direct investment in the Sponsoring Employer.

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

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

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

## 3. Investment objectives

The Trustees' key objective is to provide a range of investment strategies that are suitable for meeting members' long and short-term investment needs. They have taken into account members' attitudes to risk and how they might vary with the length of time to retirement.

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

- range of ages, taking into account:
  - members closer to retirement have less scope to absorb risk and protect against short term fluctuation in asset values; and
  - members further from retirement have greater scope to absorb risk and short-term volatility in asset values, but also have to seek to protect against the erosion of the capital value of their assets due to inflation;
- attitude to investment risk;
- level of dependency on the benefits to be drawn;
- understanding of investment matters;
- level of interest and time available to devote to making investment decisions; and
- preference for other investment types (including those with greater ESG focus).

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

## 4. Investment strategy

### 4.1 What is the investment strategy?

#### 4.1.1 Pre-retirement

The Plan has a default investment strategy, and also offers members the option to “self-select” their investments from a range of funds. Members may invest across both of these strategies.

Members who do not make a specific selection, and employees who are automatically enrolled in the Plan, are placed in the default investment strategy. The default strategy uses Target Date Funds (“TDFs”), which are managed by State Street Global Advisors (“SSGA”). The funds are designed with a target retirement date in mind and the asset allocation is adjusted (moving from higher risk investments to lower risk investments), as the target retirement date approaches. Members are placed into the TDF ‘bucket’ which is closest to their target retirement date. The TDF provider is responsible for actively managing the asset allocation (to reflect their economic views and ageing profile of the underlying members across its life).

The self-select strategy provides members with the option to invest their Plan Account in a range of funds. Appendix 1 sets out the fund choices that are offered under this strategy.

#### 4.1.2 Post retirement

At retirement, members can withdraw their Plan Account as a one-off Uncrystallised Funds Pension Lump Sum (“UFPLS”) or as a series of UFPLS payments, purchase an annuity, or use an income drawdown solution.

Income drawdown is accessible via Quantum’s “*adapt*” solution. *adapt* has a different investment strategy, depending on the withdrawal rate the member has selected.

The *adapt* investment strategies use pooled investment vehicles, managed by Legal & General Investment Management (“LGIM”).

Further details on the investment strategies and funds are provided in Appendices 1 and 2.

### 4.2 What did the Trustees consider when deciding which strategies to make available to members?

In the course of constructing the strategies to be made available to members, the Trustees considered the investment risks identified in section 6.

The Trustees have also considered the charge cap of 0.75% p.a. on Member Borne Deductions. Further details on fund charges can be found in Appendix 2.

### 4.3. Financially material considerations, non-financial matters and stewardship policies

This section sets out the Trustees’ policies on financially material considerations, non-financial matters and stewardship.

If the Trustees feel that the fund managers are not assessing financial and non-financial performance adequately, or engaging with the companies they are investing in, it will use these factors in deciding whether to retain or terminate a manager.

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

#### **4.3.1 Financially material considerations**

The Trustees acknowledge the potential impact upon the Plan's investments and members arising from financially material matters. The Trustees define these as including, but not limited to ESG matters (including but not limited to climate change).

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

For the Plan's investments that are managed on an active basis, the Trustees have determined that ESG is built into the core of its investment managers' investment processes and continue to review the implementation of ESG by the active managers on an ongoing basis. This includes SSGA, who implement their passive holdings for the TDFs using indices that have ESG exclusions.

The Trustees acknowledge that some of the Plan's investments which are implemented on a passive basis have limited scope to take active decisions on whether to hold securities based on the investment managers consideration of ESG factors. The Trustees do however expect the incumbent managers, where relevant, to utilise their position to engage with companies on these matters.

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

#### **4.3.2 Stewardship policy**

The Trustees are aware the constraints that they face in terms of influencing change due to the size and nature of the Plan's investments. They do, however, acknowledge the need to be responsible stewards and exercise the rights associated with their investments in a responsible manner.

The Trustees, with the help of their investment advisers, consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the stewardship of their investments.

#### **4.3.3 Non-financial matters**

Members are given the opportunity to express their views during member roadshow presentations, and one to one meetings with the Plan's administrator. These comments are discussed during Trustees' meetings and considered when selecting, retaining and realising investments.

## 5. Implementation solution

The Plan accesses all of its investment funds through an implementation solution, Mobius Life Limited (“Mobius”). Further details on implementation solutions and Mobius is provided below.

### 5.1 Implementation solutions

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

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

### 5.2 Accessing an implementation solution

The Plan utilises Mobius as the implementation solution provider. Mobius were appointed in May 2021.

The Plan has entered into a unit linked life policy through a Trustee Investment Policy (“TIP”). The policy’s value is linked to the underlying investments, which the implementation solution provider, in this case Mobius has been directed to purchase. Mobius is responsible for investing into the underlying funds and takes responsibility for the relationship with the underlying fund managers. This includes transactions, reporting and governance. This differs from a traditional relationship that a pension scheme would have had with their funds managers where they would have invested directly with these managers and maintained a number of these individual relationships.

### 5.3 Safeguarding and protection of Mobius assets

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

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

## 6. Selection and monitoring of investment managers

### 6.1 How do the Trustees select investment managers?

The Trustees select investment managers and funds which are appropriate to implement the investment strategy. The Plan currently holds assets with two investment managers through Mobius and therefore the relationship with the investment managers are not direct ones.

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

### 6.2 What initial criteria must be met prior to the selection of an investment manager?

- The investment manager is suitably qualified to carry out the Plan's investment management on behalf of the Trustees, and is authorised under the Financial Services and Markets Act 2000.
- The collective fund must be regulated by an appropriate body.
- The investment manager's fund must be of an institutional nature.
- The investment manager must have in place appropriate asset allocation guidelines such that the likelihood of concentration risk is mitigated.
- The investment manager's fund must be sterling denominated.
- The following procedures are also undertaken as part of the selection process:
  - An assessment of the investment performance of the manager measured against its peers, accounting for the volatility sustained relative to the performance achieved (for active managers) and tracking error (for passive managers).
  - An examination of all charges levied by the investment manager relating to the management of the fund and comparison of these charges against those levied by comparative managers.
  - An examination to determine if the manager has sufficient processes in place to manage ESG and Stewardship in a manner that is consistent with the Trustees policies. This gives consideration to the managers' voting and engagement. The Trustees believe these factors can improve the medium to long-term performance of the investee companies.

### 6.3 Custodians

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

The Plan's assets are held by third party custodians who, although appointed by the investment managers, are separate business entities. The current custodians for each fund are listed in Appendix 2. Note that as assets are held through the implementation solution, the custody of assets is in the name of Mobius.

## 6.4 What formal agreements are in place?

The Trustees hold a TIP with Mobius, the Plan's implementation solution provider (see section 5 for further details).

The Trustees do not have any agreements in place with the underlying investment managers as the relationship is not direct.

## 6.5 How do the Trustees monitor the on-going suitability of each manager?

The Trustees, via Quantum, monitor the performance of each investment strategy against its target or benchmark on a biannual basis. The bi-annual investment monitoring report, prepared by Quantum, reports on the performance of each investment manager and fund, so that the Trustees can undertake appropriate due diligence.

The Trustees may decide to meet with the investment managers periodically in order to discuss performance or other changes which may impact on performance, or risk.

The appointment of any investment manager can be reviewed at any time if the investment manager, or fund, is considered by the Trustees to be no longer suitable for the mandate for which it was appointed.

A review of the investment managers is undertaken by the Trustees in conjunction with Quantum periodically to ensure "value of members", as set out in the Pensions Regulator's "Regulatory Guidance for Defined Contribution Pension Schemes".

## 7. Investment risks

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

In setting the Plan's investment strategy, the Trustees consider that the main risks facing members through their membership of the Plan are:

### 7.1 Inflation risk

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

### 7.2 Conversion risk

As members target an annuity purchase on retirement, there is the risk that relative market movements in the years just prior to retirement may lead to a substantial reduction in the pension and cash lump sum secured.

If a member changes their retirement option, there is the risk that the strategy that has been used may be unsuitable for the new target option. Therefore, a potential mis-match could cause a shortfall in funds required.

### 7.3 Capital risk

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

### 7.4 Liquidity risk

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

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

### 7.5 Negligence risk

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

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

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

### 7.6 Mis-statement risk

This is the risk that the choice of wording used to describe investment choices to members is misleading. This risk is managed by taking appropriate advice and ensuring that member



communications are reviewed by an investment professional in order to confirm that all documents relating to investment choices, and charges, are clear, fair and not misleading.

## 7.7 ESG risk

The risk that ESG factors, including climate change, adversely impact the value of the Plan's assets, if this is not given due consideration and/or is misunderstood. This risk is managed by carefully monitoring the ESG and Stewardship processes of the incumbent investment managers to ensure they align with the Trustees' policies.

# 8. Investments and disinvestments

The Trustees have agreed that Quantum, acting as the Plan's administrator, should undertake investment and disinvestment according to the protocol outlined below.

The nature of such transactions will be considered as falling within the exemption granted to pension scheme administration companies under the Regulated Activities Order (Section 67) and will not be undertaken as a regulated transaction and will have exemption from being considered as a regulated activity.

These transactions are carried out on the assumption that an express request has been issued by the Trustees on each occasion that an investment or disinvestment has to be carried out.

## 8.1 Agreed protocol on investment

### 8.1.1 Investment of new contributions

- Self-select – in accordance with the member's last election.
- Default strategy – in accordance with the TDF which is closest to the member's target retirement date, specified in Appendix 1.
- New contributions will be paid by the Sponsoring Employer (directly to the Trustees' bank account).

### 8.1.2 Transfers in

Individual transfers into the Plan will be paid into the Trustees' bank account and then invested according to the member's election, or in line with the members current investments where a member has not made an election.

Bulk transfers into the Plan will be paid into the Trustees' bank account and then invested according to each member's election, or according to the default strategy where a member has not made an election.

## 8.2 Agreed protocol on disinvestment

### 8.2.1 Transfers out

Quantum will issue disinvestment instructions to Mobius following receipt of a valid member discharge and subject to confirmation from the receiving pension arrangement that it is a registered pension scheme and is able to accept the transfer payment. The transfer amount will, upon disinvestment, be paid into the Trustees' bank account before being transferred to the bank account specified by the receiving pension arrangement.

### 8.2.2 Retirement

If a member has chosen to purchase an annuity or to take an UFPLS, Quantum will issue disinvestment instructions to Mobius to disinvest the appropriate amount from the member's pension account. The proceeds will then be paid into the Trustees' bank account before being paid to the member and/or to the insurance company providing the annuity.

If a member has chosen to enter the **adapt** income drawdown solution, Quantum will issue a disinvestment instruction to Mobius to disinvest the appropriate amount from the member's

pension account. The proceeds will then be paid into the Trustees' bank account before being paid to the member. Quantum will also issue a further instruction to Mobius to switch remaining investments in line with their level of income and the corresponding strategy set out in the table in Appendix 1.

### **8.2.3 Death**

If a member dies, Quantum will issue a disinvestment instruction to Mobius, following receipt of proof of the member's death and a decision from the Trustees in selecting the beneficiaries, to disinvest all of the member's pension account. The proceeds will then be paid into the Trustees' bank account before being paid to the beneficiaries.

## **8.3 Agreed protocol on switching**

Where a member requests that some, or all, of their pension account is switched from one fund to another, Quantum will provide Mobius with the relevant instructions to process this, following receipt of the request to switch.

As a result of different settlement times of the underlying funds, members' assets may be out of the market for a short period when switching investments.

## 9. Other matters

### 9.1. What is the Trustees' policy on the realisation of investments?

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

### 9.2. How are various parties who are involved in the investment of the Plan's assets remunerated?

Quantum Advisory is remunerated on a fixed fee or time-cost fee basis, with budgets agreed in advance for ad hoc project work whenever possible.

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

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

The Trustees consider the fees and charges associated with each investment before investing.

The investment managers are remunerated on an ad valorem fee basis, which is calculated as a fixed percentage of the total value of the Plan's funds they hold under management.

In addition, the fund managers pay commissions to third parties on many trades they undertake in the management of the assets. The Trustees obtain an annual statement from the investment managers setting out all the costs of the investments of the Plan.

### 9.3. Direct investments

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

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

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

#### 9.4. Conflicts of interest

The Trustees consider any potential and actual conflicts of interest (subject to reasonable levels of immateriality) at the start of each Trustees' meeting and document these in the minutes. The investment managers report on any potential and actual conflicts of interest annually.

#### 9.5. Capital structure of investee companies

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

#### 9.6. Investment of Trustee Reserve

The invested Trustee Reserve holds assets which are not attributable to members of the Plan. Part of the Plan's Trustee Reserve is also held in the Trustees' bank account. The Reserve is held by the Trustees in order to meet ad hoc expenses, as set out in the Plan's Trust Deed and Rules, as agreed by the Trustees from time to time.

# 10. Review

## 10.1 How often are investments reviewed?

Investment return experience and the performance of individual funds is reviewed with assistance from Quantum on a semi-annual basis. Investment managers are reviewed against their agreed performance benchmarks and targets over both short-term and long-term time periods, to ensure they remain appropriate to implement the investment strategy for the Plan.

Strategy reviews for Plan are undertaken periodically. The last review was undertaken in 2020. Changes to the investment strategy may necessitate a change in investment managers, irrespective of the underlying performance of the funds.

## 10.2 How do the Trustees monitor portfolio turnover and costs?

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

The Trustees have not set a specific portfolio turnover target for each investment manager and recognise that portfolio turnover and costs may vary with market conditions. Each manager has ultimate responsibility for the underlying holdings within their funds and they are expected to change these underlying holdings to the extent required to achieve their investment objectives.

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

## 10.3 How often is this SIP reviewed?

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

Mary Graham  
(Trustee)

19<sup>th</sup> July 2021  
Date

For and on behalf of the Trustees of the Sabre Pension Plan – UK

# Appendix 1 – Investment Strategies

The Plan has two investment strategies; a default strategy and a self-select strategy.

## Default investment strategy

The default arrangement uses TDFs. Members are placed into the TDF which is closest to their target retirement date. At retirement, members will be given the option to purchase an annuity, take an UFPLS, use the **adapt** income drawdown solution or transfer their Plan Account to another Arrangement.

The Plan uses Quantum’s **adapt** offering for income drawdown in retirement. Under the **adapt** solution, the amount invested across growth and cash assets vary across the withdrawal types to reflect members’ chosen level of income.

The table below outlines the default strategy at various retirement stages/options:

Retirement stage	Funds
Pre-retirement	SSGA Timewise Target Retirement Date Funds or self-select funds
At and post-retirement <b>adapt</b> (dependent on withdrawal type/rate chosen by members)	<b>Cautious (3% p.a.):</b> 60% LGIM Dynamic Diversified Fund (“DDF”) and 40% LGIM Cash Fund
	<b>Standard (4% p.a.) or no income:</b> 80% LGIM DDF and 20% LGIM Cash Fund
	<b>Adventurous (5% p.a.):</b> 100% LGIM DDF

Further details on each of the funds is provided in Appendix 2.

## Self-select strategy

Members can choose to invest their assets across the following funds.

Asset class	Active / Passive	Fund	AMC (% p.a.)	TER (% p.a.)
TDF	Active	SSGA Timewise Target Retirement funds	0.250	0.250 <sup>1</sup>
Global equity (ex UK)	Passive	LGIM World (ex UK) Equity Index	0.175	0.175
UK Equity	Passive	LGIM UK Equity Index	0.090	0.090
North American Equity	Passive	LGIM North American Equity Index	0.140	0.140
Global equity - ESG	Passive	LGIM Future World Global Equity Index	0.145	0.145
Diversified Growth	Blend	LGIM Dynamic Diversified	0.430	0.440
Corporate bonds	Passive	LGIM AAA-AA-A Corporate Bond All Stocks Index	0.125	0.125
Annuity targeting bonds	Passive	LGIM Pre-Retirement	0.125	0.125
Government bonds	Passive	LGIM Over 5 Year Index-Linked Gilts Index	0.080	0.080
Cash	Passive	LGIM Cash Fund	0.100	0.100

<sup>1</sup> The AMCs/TERs of the SSGA Timewise Target Retirement Funds are fixed, whilst the remaining funds AMCs/TERs can vary over time.

Further details on these funds is provided in Appendix 2.



## Appendix 2 – Fund details

Fund	Benchmark / target	Objective	Custodian	Date of appointment	TER (% p.a.)
SSGA Timewise Target Retirement Funds	Custom benchmarks based on strategic asset allocation of TDFs <sup>1</sup>	To provide either capital growth, capital preservation or a combination of both, reflecting SSGA's view of what investments it believes are appropriate for an investor in a UK pension fund retiring on the target retirement date of the TDF	State Street Bank and Trust Company	May 2021	0.250
LGIM World (ex UK) Equity Index	FTSE World (ex UK) Index	To track the performance of the FTSE World (ex UK) Index (less withholding tax where applicable) to within +/-0.5% p.a. for two years out of three	CitiGroup & HSBC	May 2021	0.175
LGIM UK Equity Index	FTSE All-Share Index	To track the performance of the FTSE All-Share Index (less withholding tax where applicable) to within +/- 0.25% p.a. for two years out of three.	CitiGroup & HSBC	May 2021	0.090
LGIM North American Equity Index	FTSE North America Index	To track the performance of the FTSE North America Index (less withholding tax where applicable) to within +/- 0.5% p.a. for two years out of three.	CitiGroup & HSBC	May 2021	0.140
LGIM Future World Global Equity Index	Solactive L&G ESG Global Markets Index	To track the performance of the Solactive L&G ESG Global Markets Index (less withholding tax where applicable) to within +/- 0.6% p.a. for two years out of three.	CitiGroup & HSBC	May 2021	0.225
LGIM Dynamic Diversified	Bank of England base rate +4.5% p.a.	To provide long-term investment growth through dynamic exposure to a diversified range of asset classes.	CitiGroup & HSBC	May 2021	0.440
LGIM AAA-AA-A Corporate Bond All Stocks Index	Markit iBoxx £ Non-Gilts (ex-BBB) Index	To track the performance of the Markit iBoxx £ Non-Gilts (ex-BBB) Index (less withholding tax where applicable) to within +/- 0.5% p.a. for two years out of three.	CitiGroup & HSBC	May 2021	0.125
LGIM Pre-Retirement	Composite of gilts and corporate bonds	To provide diversified exposure to assets that reflect the investments underlying a typical traditional level annuity product.	CitiGroup & HSBC	May 2021	0.125
LGIM Over 5 Year Index-Linked Gilts Index	FTSE Actuaries UK Index-Linked Gilts Over 5 Year Index	To track the performance of the FTSE Actuaries UK Index-Linked Gilts Over 5 Year Index (less withholding tax where applicable) to within +/- 0.25% p.a. for two years out of three.	CitiGroup & HSBC	May 2021	0.080
LGIM Cash Fund	7 Day GBP LIBID <sup>1</sup>	To perform in line with the 7 Day GBP LIBID	CitiGroup & HSBC	May 2021	0.100

<sup>1</sup> The benchmarks for performance measurement purposes are custom benchmarks based on the strategic asset allocations of the TDFs. The compositions of the benchmarks will be updated on a quarterly basis, in line with changes made to the strategic asset allocations of the TDFs as they move along the glide path towards the target retirement date.