Statement of Investment Principles

Sabre Pension Plan - UK

July 2024

Contents

1. Introduction 1
2. Investment policy 3
3. Investment objectives 4
4. Investment strategy 5
5. Implementation solution 8
6. Selection and monitoring of investment managers 9
7. Investment risks 11
8. Investments and disinvestments 13
9. Other matters 15
10. Review 17

Appendix 1 – Investment Strategies 18

Appendix 2 – Fund details 20

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.

2.1 Policy on illiquid investments

Due to costs and complexity reasons, the Trustee does not directly invest in illiquid investments as part of the default investment strategy. With regards to indirect illiquid investments, the Target Date Funds ("TDF's") and Diversified Growth Fund ("DGF") that the Plan uses in its default investment strategy can invest in illiquid investments if the investment managers decide to. As at the date this SIP was prepared, the DGF had a small allocation to illiquid assets.

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 ,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, including alignment with their priorities, 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.

The Trustees undertook a review of their stewardship priorities in 2023 and decided to focus on:

- managing climate-related risks, as it recognises that a rise in global temperatures could have an adverse effect on the Plan's investments; and

- board structure, as they recognise that a good level of diversity and independence in company boards can help improve long-term returns for investors.

Furthermore, the Trustees recognise that investment managers commonly provide voting information on these two areas, which will allow the Trustees to assess whether or not their voting activity aligns with the Trustees' priorities. The Trustees will monitor and discuss instances where the investment managers' voting activity does not align with their priorities, and seek to understand the reasons for this in the first instance. The Trustees will then escalate the matter and may review their holding if the issue persists.

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 it 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 Investment Consultant reviews the portfolio turnover and the associated costs of all funds on behalf of the Trustees at least on an annual basis.

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.

On behalf of the Trustees, the Investment Consultant 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.

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
At and post-retirement ***adapt*** (dependent on withdrawal type/rate chosen by members)	**Cautious (3% p.a.):** 60% LGIM Dynamic Diversified Fund ("DDF") and 40% LGIM Cash Fund
	Standard (4% p.a.) or no income: 80% LGIM DDF and 20% LGIM Cash Fund
	Adventurous (5% p.a.): 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[1]
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	Active	LGIM Future World Annuity Aware	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

[1] 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[1]	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 Future World Annuity Aware	FTSE Annuities Index	To provide diversified exposure to assets that reflect the investments underlying a typical traditional level annuity product, whilst incorporating ESG considerations.	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[1]	To perform in line with the 7 Day GBP LIBID	CitiGroup & HSBC	May 2021	0.100

[1] 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.