



Forth Ports Group Pension Scheme

Statement of Investment Principles

May 2024

Contents

01 Introduction	3
02 Scheme Governance	4
03 Investment Objectives	5
04 Asset Allocation Strategy	7
05 Strategy Implementation	9
06 Monitoring	10
07 Fees	11
08 Risks	12
09 Other Issues	13
Appendix A Responsibilities	15
Appendix B Performance Objectives	18
Appendix C Fund Allocation	20
Appendix D Investment Managers' Fees	21

Disclaimers, confidentiality and non-disclosure

This report is up to date as of December 2023.

We do not accept any responsibility or liability to any third party. We retain all copyright and intellectual property rights.

01 Introduction

This document constitutes the Statement of Investment Principles ('the SIP') required under Section 35 of the Pensions Act 1995 for the Forth Ports Group Pension Scheme. It describes the investment policy being pursued by the Trustees of the Scheme and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ('the Myners Principles'). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

The Scheme Actuary is Nicola MacKay of Willis Towers Watson and the Investment Adviser is XPS Investment (collectively termed 'the Advisers').

The Trustees confirm that, before preparing this SIP, they have consulted with the employer, Forth Ports Group ('the Employer') and the Advisers and have obtained and considered written advice. The Trustees believe the Advisers to be qualified by their ability and practical experience of financial matters and to have appropriate knowledge of the investment arrangements that the Scheme requires.

The Trustees are responsible for the investment of the Scheme's assets and the administration of the Scheme. Where it is required to make an investment decision, the Trustees always receive advice from the Investment Adviser first and they believe that this ensures that they are appropriately familiar with the issues concerned.

Given the size of the Scheme, the Trustees have decided to invest some of the assets in pooled funds with the balance invested in mandates managed by a directly appointed investment manager.

01.01 Declaration

The Trustees confirm that this Statement of Investment Principles reflects the Investment Strategy they have decided to implement. The Trustees acknowledge that it is their responsibility, with guidance from the Investment Adviser, to ensure the assets of the Scheme are invested in accordance with these Principles.

Signed:



Date:

2/7/2024

Name:

MICHAEL ROSS FOR (AN) TRUSTEE UK LLP

For and on behalf of the Trustees of the Forth Ports Group Pension Scheme

02 Scheme Governance

The Trustees are responsible for the governance and investment of the Scheme's assets. The Trustees consider the governance structure set out in this SIP appropriate for the Scheme as it allows the Trustees to make the important decisions on investment policy, while the day-to-day aspects are left to the investment managers of the pooled funds and structured products. Where investment decisions need to be made about the funds these are made after receiving investment advice from the Investment Adviser. The responsibilities of each of the parties involved in the Scheme's governance are detailed in Appendix A.

The Trustees believe that they should be collectively involved in the investment decision-making function. However, an Investment Sub-Committee ('ISC') has been established to make recommendations to the Trustees in relation to various matters (such as questions around the Scheme's investment strategy and investment management arrangements) that arise from time to time.

The Trustees monitor the assets and liabilities of the Scheme on a monthly basis and this enables them to remain updated on how the investments are performing in relation to the liabilities and their investment objectives. The Trustees consider the progress of the assets and liabilities against the Recovery Plan which has been developed with a view to removing the deficit. The Trustees will consider whether any change to the strategy is required if an event triggers a significant move in the funding level away from that envisaged in the Recovery Plan.

03 Investment Objectives

The primary investment objective of the Scheme is to seek to be able to meet all current and future liabilities from the assets of the Scheme as and when they fall due.

Having regard to the primary investment objective and subject to the strength of the employer covenant, the Trustees will seek to achieve a level of investment return which is consistent with that assumed in the Recovery Plan, determined at each formal actuarial valuation.

In order to seek to achieve these objectives the Trustees have split the Scheme assets into those that are seeking to match the liabilities (the "Matching Assets") and those that are seeking to outperform the liabilities in the longer term (the "Return-Seeking Assets"). The Trustees may also invest in "Hybrid Assets" which have both matching and return seeking characteristics. Full details of the current assets are given in Appendix B.

The investment objective of the Matching Assets is to provide a match (to the extent decided by the Trustees) to changes in the Scheme's liabilities due to changes in interest rate and inflation rate expectations.

The investment objectives of the Return-Seeking Assets are to seek to:

- Achieve excess returns (relative to the liabilities) through longer term and less liquid investments where this is consistent with the long term nature of the liabilities; and
- Invest in asset classes that might be expected to provide additional risk diversification; and
- Use the skills of investment managers to achieve excess returns which can reasonably be expected to exceed any additional charges; and
- Utilise the skills of investment managers to protect against foreseeable downside risk in equity markets to the extent the cost of doing so is consistent with achieving the returns required to meet the Recovery Plan.

Quantitatively, the Trustees' long-term objective for the Scheme is to achieve an investment return in line with the Recovery Plan assumptions. Based on the 2023 valuation, this is approximately 0.5% p.a. in excess of the liabilities as measured on the Technical Provisions basis.

The Trustees believe the investment objectives and the resultant long-term investment strategy are consistent with the actuarial valuation methodology and assumptions used by the Scheme Actuary.

Based on the structure set out in the Appendix, the Trustees consider the arrangements with the Investment Managers to be aligned with the Scheme's overall strategic objectives. Details of each specific mandate are set out in guidelines, agreements and pooled fund documentation with each Investment Manager.

The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Managers' tactical asset allocation preferences at any time, within any scope given to them through any asset allocation parameters or guidelines set by the Trustees or governing the pooled funds in which the Scheme is invested.

Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Scheme's investment strategy – and hence the fees they receive – are dependent upon them doing

Investment Objectives continued

so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustees' expectations, including the selection / deselection criteria.

The Trustees encourage Investment Managers to make decisions in the long-term interests of the Scheme. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights in line with the investment mandate guidelines provided.

This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns.

In order to ensure sufficient oversight of the engagement and voting practices of their managers, the Trustees may periodically meet with their investment managers to discuss engagement which has taken place. The Trustees will also expect their Investment Adviser to engage with the managers from time to time as needed and report back to the Trustees on the stewardship credentials of their managers. The Trustees will then discuss the findings with the Investment Adviser, in the context of their own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustees recognise the Code as an indication of a manager's compliance with best practice stewardship standards.

As covered in more detail in this document, the Trustees also require the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustees believe these factors could have a material financial impact in the long-term. The Trustees therefore make decisions about the retention of Investment Managers, accordingly.

04 Asset Allocation Strategy

The investment strategy is to invest in the pooled funds and structured products detailed in Appendix B. The current strategic asset allocation is detailed in Appendix C together with the tolerance ranges for rebalancing. The Trustees recognise that some products are less liquid than others and that Return-Seeking Assets are generally more volatile than Matching Assets. Accordingly, it may not always be appropriate to rebalance where a product falls out of line with its benchmark.

The Matching Assets are invested in products which are able to match the liabilities (to the extent decided by the Trustees) to reduce interest rate and inflation risk.

The Return Seeking Assets are invested in those pooled funds and other products that the Trustees consider take sufficient market, manager and liquidity risks to have a reasonable expectation of achieving the long term investment objective whilst seeking to invest in a range of asset classes to reduce short term volatility.

The Trustees, in conjunction with the Investment Adviser, will monitor the actual asset allocation of the Scheme.

The Trustees are comfortable that the Company covenant is sufficiently strong, and so they wish to benefit from the potential outperformance of return-seeking assets. The Scheme assets can therefore be invested in an investment strategy which carries a slightly higher level of risk than would be the case if the Company covenant was weaker and the Scheme's assets were more closely matched to the liabilities.

04.01 Rebalancing Policy

The Scheme will initially purchase assets so as to ensure each fund is at its target percentage. Thereafter if a fund falls outside of its target range for whatever reason, the Trustees will decide, with advice from the Investment Adviser as to whether to bring the fund back into line and if so how to achieve this in a way that is consistent with this SIP.

04.02 Rates of Return

The target rates of return for each investment are detailed in Appendix B and the target return for the Scheme as a whole is detailed in the investment objectives.

04.03 Diversification

The Trustees achieve diversification by investing in a range of asset classes, including funds which invest across multiple asset classes.

The Trustees will monitor the strategy regularly to ensure that they are comfortable with the level of diversification.

04.04 Suitability

The Trustees have taken advice from the Advisers to ensure that the asset allocation strategy is suitable for the Scheme, given their investment objective, the Scheme's liability profile, any legal requirements, regulatory guidance and specifications in the Trust Deed.

Asset Allocation Strategy continued

04.05 Liquidity

The majority of the assets are held in funds with frequent (at least weekly) dealing dates. The less liquid Return Seeking Assets are a smaller proportion of the overall Scheme assets and commensurate with the long-term nature of the liabilities they are seeking to meet.

05 Strategy Implementation

The Trustees have decided to invest the Scheme's assets in a range of specialist funds each with their own specific investment objective, such that the overall Scheme has a reasonable expectation of meeting its investment objectives. Each fund has been chosen after receiving advice from the Investment Adviser as to its suitability in meeting the specific investment objective relating to an element of the overall investment objectives. Appendix C shows the target allocations to each fund.

05.01 Mandate and Performance Objectives

The benchmark for each fund or mandate currently held and its investment objectives are set out in Appendix B. The Trustees have received investment advice from the Investment Adviser that the range of funds chosen has a reasonable expectation of achieving the investment objectives set out in this SIP.

05.02 Manager Agreement

The Trustees have appointed Schroders under the terms of an investment management agreement to manage the Scheme's Matching Assets and exposure to equity markets via derivative instruments known as structured products. This is a segregated arrangement. The investment management agreement includes standard indemnity terms. The Trustees do not appoint the managers of pooled funds and accordingly there is no manager agreement in place with those managers.

05.03 Custody

There is no custodian appointed directly by the Trustees and they have delegated responsibility for margining requirements in respect of the structured products and LDI mandate to the manager.

05.04 Derivatives

The Trustees may enter into derivative contracts with counterparties, including investment banks, as part of the Structured Equity and Liability Hedging mandates. The Trustees have taken advice on the suitability of the contracts and sets restrictions on the use of derivatives where it thinks this is appropriate. Derivatives are only used for risk management, rather than tactical trading and counterparty risk is managed by holding margin in gilts and other assets which are segregated from the assets of the investment bank.

05.05 Cashflow Management

Administration of the Scheme assets, in terms of necessary investments and disinvestments, is provided by XPS Investment and the Company. For disinvestments the Trustees will receive advice from the Investment Adviser on which fund to disinvest from.

06 Monitoring

06.01 Pooled Funds

The Trustees will monitor the performance of the pooled funds and other investment products against the agreed performance objectives.

The Trustees may also consider from time to time the level of correlation of performance as between the different asset classes in the Return Seeking Assets to assess whether they continue to provide adequate diversification.

If the Trustees are not satisfied with the performance of any investment they will consider whether an alternative fund might achieve their investment objectives after consultation with the Investment Adviser.

06.02 Investment Managers

Appointments of Investment Managers are expected to be long-term, but the Trustees will review the appointment of the Investment Managers in accordance with their responsibilities. The Trustees receive regular performance monitoring reports from the Investment Adviser which consider performance over the quarter, one and three year periods. In addition, any significant changes relating to the Trustees' selection and deselection criteria that the Investment Adviser is aware of will be highlighted, which may lead to a change in the Investment Adviser's rating for a particular mandate.

These ratings help to determine an Investment Manager's ongoing role in implementing the investment strategy. If there are concerns, the Trustees may carry out a more in-depth review of a particular Investment Manager. Investment Managers will also attend Trustees' meetings as requested.

The Investment Adviser also carries out reviews from time to time of how well the Trustees' guidelines in relation to ESG factors are incorporated into each Investment Managers' processes and the Trustees will re-assess progress on ESG issues periodically.

Fund manager remuneration is considered as part of the manager selection process. It is also monitored regularly with the help of the Investment Adviser to ensure it is in line with the Trustees' policies and with fee levels deemed by the Investment Adviser to be appropriate for the particular asset class and fund type.

06.03 Advisers

The Trustees will monitor the advice given by the Advisers as and when received.

06.04 Other

The Trustees are required to review this SIP on a triennial basis, or, without undue delay, following any changes to the investment strategy.

The Trustees will keep under review the level of counterparty risk in the derivative contracts and the credit quality of the counterparty. If such risks are considered unacceptable the Trustees will consider moving the contracts to another counterparty.

07 Fees

07.01 Pooled Funds

The Trustees consider that the total expense ratios of the pooled funds chosen and the structured products are commensurate with funds with similar investment strategies. The Trustees have chosen to invest in passive funds with lower management fees except to the extent they reasonably consider the manager can add value over and above the excess fees.

The Trustees require the Investment Managers to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence.

07.02 Advisers

The Advisers are remunerated on the basis of a fixed annual fee agreed with the Trustees, with fees for specifically defined projects outwith the annual fee being agreed in advance, where possible. Such fees are generally based on time spent.

07.03 Trustees

The professional Trustee is paid directly for their trustee duties. Employer Nominated Trustees are not paid directly for their trustee duties, but have their expenses met and they are given time off from their other employment duties to attend appropriate training, meetings with their Advisers and the periodic Trustees' meetings. Member Nominated Trustees are paid for their duties on a quarterly basis via PAYE.

08 Risks

The Trustees recognise a number of risks involved in the investment of assets of the Scheme:

- i. The risk of failing to meet the objectives as set out in Section 3 – the Trustees will regularly monitor the investments and liabilities through updates and the flightpath process in order to mitigate this risk.
- ii. The risk of adverse consequences arising through a mismatch between the Scheme's assets and its liabilities - this is addressed in the short term by investing in Matching Assets and in the longer term by investing in assets that are expected to outperform the liabilities and accordingly reduce the deficit.
- iii. Risk of lack of diversification of investments – addressed through investing in pooled funds with diversification requirements and with respect to the Return-Seeking Assets, investing in a range of asset classes that are expected to have a low correlation.
- iv. Liquidity risk – addressed through investing all the Matching Assets and a significant proportion of Return Seeking Assets in pooled funds with frequent dealing dates.
- v. Manager risk – addressed through appointing specialist managers for each asset class, monitoring closely the performance of the investments and taking necessary action when this is not satisfactory. Also addressed by investing in passive solutions.
- vi. Country/political risk – the risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.
- vii. Counterparty risk – addressed through holding Gilts in a client asset account that is segregated from the assets of the managers.
- viii. Credit risk – addressed through holding pooled funds with minimum diversification requirements.
- ix. Organisational risk – addressed through appointing high quality administrators to manage cashflows.
- x. Interest rate risk – addressed through holding assets to match the liabilities.
- xi. Inflation risk – addressed through holding assets that match the liabilities that are linked to inflation.
- xii. Sponsor risk – the risk of the Company ceasing to exist, which for reasons of prudence, the Trustees have taken into account when setting the asset allocation strategy. The Trustees also regularly receive updates from the Company regarding the Employer covenant, i.e. the ability and willingness of the Company to support the Scheme.

The Trustees will keep these risks under regular review.

09 Other Issues

09.01 Statutory Funding Requirement

The Trustees will obtain and consider proper advice on the question of whether the investments are satisfactory having regard to both the investment objectives and the requirement to meet statutory funding requirements. The funding position will be reviewed regularly through the flightpath monitoring process. A full formal review is also carried out by the Scheme Actuary, through an actuarial valuation every three years.

The Trustees will consider with the Advisers whether the flightpath (including any "triggers") and the results of the actuarial valuations suggest that any change to investment strategy is necessary to ensure continued compliance with the statutory funding requirement.

09.02 Environmental, Social and governance issues

The Trustees have considered their approach to environmental, social and corporate governance ("ESG") factors and believe there can be financially material risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees will seek advice from the Investment Adviser on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustees, with the assistance of the Investment Adviser, will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this Statement.

The Trustees' policy is that non-financial matters should not be taken into account in the selection, retention and realisation of investments.

09.03 Voting rights

For the Scheme's investments in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest but they encourage the Investment Managers to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, and ESG issues as part of their decision making. In relation to ESG, the Trustees have established the following factors which it considers to be key priority for stewardship activity undertaken on their behalf.

- Climate Change
- Pollution and Waste
- Health and Safety
- Natural Resources
- Diversity and Inclusion

Other Issues continued

The Trustees expects the managers to take into consideration the areas specified and provide relevant reporting to the Trustees: Trustees will annually review stewardship activity undertaken by their investment managers to ensure that the policies and priorities outlined above are being met and may explore these issues with its investment managers as part of the ongoing monitoring of the ESG integration and stewardship activities of its investment managers. There are various ways to engage with investee companies, including discussions with senior management and Board members and voting on key resolutions when shares are held by the Scheme.

If the Trustees become aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees' expectations and the investment mandate guidelines provided, then the Trustees may consider terminating the relationship with that Investment Manager.

09.04 Additional Voluntary Contributions (AVCs)

Assets in respect of members' additional voluntary contributions are held in with profits and unit-linked arrangements at Utmost and Standard Life, and a range of unitised funds managed by Clerical Medical.

The Trustees will monitor the performance of the AVC providers. The objective is to secure a stable return consistent with market rates in the appropriate investment sectors. Members are expected to take independent financial advice before choosing a specific AVC vehicle.

Appendix A

Responsibilities

Trustees

The Trustees of the Scheme are responsible for, amongst other things:

- i. Determining the investment objectives of the Scheme and reviewing these from time to time.
- ii. Agreeing an investment strategy designed to meet the investment objectives of the Scheme.
- iii. Reviewing regularly and at least once every 3 years the content of this SIP and modifying it if deemed appropriate, in consultation with the Advisers.
- iv. Reviewing the suitability of the investment policy following the results of the Recovery Plan monitoring and each actuarial or investment review, in consultation with the Scheme Actuary.
- v. Assessing the performance of the pooled funds and to purchase alternative pooled funds and other products as necessary after obtaining investment advice from the Investment Adviser.
- vi. Making decisions to sell pooled funds and to purchase alternative pooled funds and other products as necessary after obtaining investment advice from the Investment Adviser.
- vii. Assessing the ongoing effectiveness of the Advisers.
- viii. Consulting with the Company when reviewing this SIP.
- ix. Assessing whether the investment strategy continues to provide adequate liquidity and diversification.
- x. Monitoring the counterparty risk exposure arising from the derivate contracts.
- xi. Monitoring compliance of the investment arrangement with this SIP on an ongoing basis.
- xii. Advising the Advisers of any changes to Scheme benefits and significant changes in membership.
- xiii. Making decisions as to when and whether to rebalance the portfolio.
- xiv. Making decisions as to how to disinvest to meet cash requirements otherwise than in accordance with the default provisions herein.

The Trustees have set up an Investment Sub-Committee with responsibilities set out in a Terms of Reference.

Appendix A Responsibilities continued

Investment Managers

The investment managers will be responsible for, amongst other things:

- i. At their discretion, but within any guidelines given by the Trustees, implementing changes in the asset mix and selecting and undertaking transactions in specific investments within each asset class.
- ii. Providing the Trustees with sufficient information each quarter to facilitate the review of their activities, including:
 - a. A report of the strategy followed during the quarter.
 - b. A full valuation of the assets and a performance summary.
 - c. Any changes to the process applied to the portfolio.
 - d. Future intentions in the investment management of the Scheme's assets.
 - e. Continually assessing the suitability of the mandate to the Scheme in light of the investment objectives set out herein.
- iii. Informing the Trustees immediately of:
 - a. Any serious breach of internal operating procedures.
 - b. Any material changes in the knowledge and experience of those involved in managing the Scheme's investments.
 - c. Any breach of investment restrictions agreed between the Trustees and the Investment Manager from time to time.

Appendix A Responsibilities continued

Investment Adviser

The Investment Adviser will be responsible for, amongst other things:

- i. Advising the Trustees as to whether the investment strategy is suitable given the investment objectives set out in this SIP.
- ii. Assisting the Trustees to better understand how changes in Scheme benefits, membership, the funding position and the strength of the employer covenant might impact the investment objectives.
- iii. Providing research on the pooled funds about changes that could affect the interests of the Scheme.
- iv. Advising the Trustees as to whether to dispose of underperforming products and as to possible alternative investments.
- v. Advising the Trustees on which funds to disinvest from if there is a short term liquidity need.
- vi. Assisting the Trustees in monitoring the Scheme performance against its Recovery Plan.
- vii. Assisting the Trustees in assessing the level of diversification that the different asset classes are achieving.

Scheme Actuary

The Scheme Actuary will be responsible for, amongst other things:

- i. Liaising with the Investment Adviser as to impact on the funding position of the investment strategy.
- ii. Performing the triennial (or more frequently as required) valuations and advising on the appropriate contribution levels.
- iii. Commenting on the appropriateness of the investment strategy relative to the liabilities of the Scheme and the Company covenant during the flightpath and at the triennial valuations.
- iv. Advising the Trustees and Investment Advisers of any changes to contribution levels and funding level necessary to meet the Recovery Plan targets.

Appendix B

Performance Objectives

The investment objectives of each of the funds/products that the Trustees have selected to implement the strategy is detailed below.

LGIM

Fund	Benchmark	Style	Performance Target
LPI Income Property	-	Active	Income growth target of RPI, with a max of 5% p.a. (gross of fees)

BlackRock

Fund	Benchmark	Style	Performance Target
Strategic Alternative Income Fund	-	Active	10 year gilts + 2% - 3% p.a. net of fees

Schroders

Fund/Solution	Benchmark	Style	Performance Target
ERS5	Composite of global equities	n/a	To participate in the total return of the composite index up to Cash + 5.5% p.a. A return of at least 10% over the three-year term will be achieved provided the equity composite produces a return above -21.1% over the same period. For equity composite returns below -21.1%, returns will be lower than 10% but materially higher than the return on the equity composite.
Liability Hedge	Technical Provisions based liabilities	n/a	Overall liability-based benchmark – to hedge changes in the liabilities due to changes in long-term interest rates and inflation expectations. The Trustees' policy is to maintain a hedge ratio broadly in line with the funding level measured on the Technical Provisions basis

J.P Morgan

Fund	Benchmark	Style	Performance Target
Infrastructure Investments Fund	-	Active	8% p.a. - 12% p.a. Internal Rate of Return, net of fees.

Appendix C

Fund Allocation

The Trustees have decided to invest in line with the following:

Manager	Asset Class	Fund	Target Allocation	Tolerance range for rebalancing ²
Return Seeking Assets				
Legal and General Investment Management	Property	LPI Income Property Fund	7.0%	n/a
BlackRock	Alternatives	UK Strategic Alternative Income Fund	15.0%	n/a
JP Morgan	Infrastructure	Infrastructure Investments Fund (IIF)	18.0%	n/a
Hybrid Assets				
Schroders	Structured Equity	ERS5	24.0%	n/a
Matching Assets				
Schroders	Gilts	Liability Hedge ¹	36.0%	n/a

¹ Note that the assets invested with Schroders were originally with R&M before they were acquired by Schroders Group.

² Note that there is no tolerance range for rebalancing the assets as the LGIM, BlackRock and JP Morgan assets are relatively illiquid.

Appendix D

Investment Managers' Fees

Fees

The Ongoing Charges Figure ("OCF") paid in respect of each product are as follows:

LGIM

Asset Class	Fee % p.a.
LPI Income Property Fund	0.30

Blackrock:

Asset Class	Fee % p.a.
Strategic Alternative Income Fund	0.72

Schroders:

Asset Class	Fee % p.a.
Structured Equity Portfolio	0.075
Gilts & Swap Portfolio*	First £100m 0.08
	Next £100m 0.07
	Next £100m 0.06
	Next £100m 0.05
	Thereafter 0.04

*Based on size of liability hedge

J.P Morgan:

Asset Class	Fee % p.a.
Infrastructure Investments Fund	AMC: 0.95%. Performance: 15% over hurdle rate 7% with no catch up (return cap of 13.5% net of fees and expenses, reduced to 10% for 2020-2022)



Contact us
xpsgroup.com

XPS Pensions Consulting Limited, Registered No. 2459442.

XPS Investment Limited, Registered No. 6242672.

XPS Pensions Limited, Registered No. 3842603.

XPS Administration Limited, Registered No. 9428346.

XPS Pensions (RL) Limited, Registered No. 5817049.

XPS Pensions (Trigon) Limited, Registered No. 12085392.

Penfida Limited Registered No. 08020393

All registered at: Phoenix House, 1 Station Hill, Reading, RG1 1NB.

XPS Investment Limited is authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774).

An XPS Group Company