

## Statement of Investment Principles – September 2023

### Introduction

The Trustee of the Atlas Master Trust (the “Trustee”) has drawn up this Statement of Investment Principles (the “Statement”) to describe how the Trustee invests the assets of the Atlas Master Trust (“the Plan”). The Statement has been prepared in accordance with the requirements of the Pensions Act 1995, the Pensions Act 2004, the Occupational Pension Scheme (Investment) Regulations 2005 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2018 and 2019.

In preparing this Statement the Trustee has consulted SEI European Services Limited (the “New Founder”) and SEI Investments (Europe) Ltd (“Funder”) and received appropriate advice from the Trustee’s investment advisers.

This Statement covers the Plan’s **Primary Default Strategy**, its **Legacy Default Strategies** and its **Ancillary Default Strategy** which includes **all self-select options**. Further details are provided below.

### Investment Advisers

#### Introduction

The Trustee Board (the “Board”) comprises Independent Professional Trustees. It is supported by its Investment Sub Committee (ISC), and by the SEI DC Team, which comprises a dedicated team of pension professionals. The Board and ISC each meet formally on a quarterly basis with additional meetings as required. Significant activity is undertaken between meetings to ensure that any decisions or changes that need to be made are not delayed simply to coincide with planned meeting cycles. Consequently, the Trustee believes that rather than being wholly reliant on third party investment advice, the Board is competent – with relatively limited advisory support - to determine the Plan’s long-term investment strategy and short-term tactical activities. The composition of the Board, ISC and SEI DC Team is such that there is a vast amount of DC investment experience and expertise supporting the Plan, including experience of other Master Trusts. Scheduled annual evaluations of competence and effectiveness for the Trustee and ISC and Scheme Strategists (the results of which feed directly into the Trustee’s ongoing assessment of Fit and Proper persons for TPR returns) will help identify any knowledge gaps and training needs or if greater reliance should be placed on investment advisers.

The collective competence is such that the Board considers itself capable of:

- Determining strategic asset allocation and investment strategy;
- Investment manager selection (including appointments and delegation of authority);
- Determining investments to be made or retained and understanding the Trustee’s powers in this area; and
- Determining matters involved in the preparation or revision of the Statement of Investment Principles (SIP).

Accordingly, rather than relying on ongoing investment advice from one or more investment advisers, the Trustee commissions work from its appointed investment advisers to satisfy legislative and regulatory requirements (such as regulated s36 advice) and for specific purposes or for one-off projects.

The two FCA regulated advisory firms currently used by The trustee as its investment advisers are:

- Capita Pension Solutions Limited
- SEI Investments (Europe) Ltd

The principal roles and responsibilities of each of these advisers, and the basis upon which the Trustee Board evaluates them, are described below.

### **Capita Pension Solutions Limited (CPSL)**

CPSL are commissioned to provide:

- Quarterly 'exceptions reports' to the ISC/Trustee Board highlighting any anomalous investment performance relative to benchmark, including a brief narrative. The ISC/Trustee Board may then commission a deeper investigation;
- Capital assumptions relating to SMPI recommendations;
- Collating information on transaction costs in respect of the the Plan's investment funds and of other managers (for comparison purposes);
- Collating data in respect of stock lending activity in the Plan's core funds (defined as funds in excess of £10m) which undertake stock lending activity Ad-hoc work including risk categorisations and research into managers and funds.

The Trustee acknowledges that CPSL does not research or advise on the whole investment market and that there are, therefore, limitations to the scope of work that CPSL can undertake.

### **Performance evaluation**

As with all service providers, CPSL is formally reviewed on a regular basis in accordance with the Trustee's Schedule of Activities. The review is undertaken by both the ISC and Trustee Board. It takes account of the timeliness, clarity and effectiveness of the scheduled work (the exceptions reports and SMPI) and the ad-hoc work undertaken.

Objective	Success Criteria
Quarterly report highlighting any anomalous investment performance relative to benchmark, any changes at relevant investment managers and general market commentary	SLA of 10 working days from the production of the quarterly investment report from the Plan's platform provider (see below).

SMPI recommendations	SLA of 8 weeks of a formal request from the Trustee or ISC or agent thereof and to include 100% of the funds available to members.
Transaction Cost reports (including portfolio turnover)	Annual report comparing transaction costs of our core funds (defined as funds with assets in excess of £10m) against what would be expected from such funds by 31 <sup>st</sup> July each year.
Collating and reporting data on stock lending activity for core funds (see definition above).	By 31 <sup>st</sup> July each year.

Specific objectives and success criteria for ad-hoc work will be agreed by the Trustee Board and/or ISC and confirmed to CPSL in advance.

## **SEI Investments (Europe) Ltd**

SEI Investments (Europe) Ltd is commissioned to provide ad-hoc advice on more complex investment matters. Examples include advice on the default strategy and on specific investment managers and funds that are not routinely researched by CPSL. Decisions about when to commission SEI Investments (Europe) Ltd to provide advice is taken by both the Trustee and the ISC. Specific objectives and success criteria will therefore be agreed by the Trustee and confirmed to SEI Investments (Europe) Ltd in advance.

## **Performance and objectives evaluation**

As with all service providers, SEI Investments (Europe) Ltd is formally reviewed on a regular basis in accordance with the Trustee's Schedule of Activities. The review is undertaken by both the ISC and Trustee Board. It takes account of:

- the timeliness, clarity and effectiveness of the ad-hoc work undertaken;
- whether the objectives set for them by the Trustee/ISC are appropriate for that work;
- whether they continue to satisfy the requirements set out below under the Open Tender Process;
- the ability to support the Trustee's policy and objectives in relation to climate change.

## **Hymans Robertson LLP**

The Trustee retains Hymans Robertson LLP as an alternative advisor for discrete projects on an adhoc basis.

## **Actions for the Trustee**

The Trustee has been developing its policy and assigning roles and responsibilities for the following, on which it reports annually:

- Ongoing reporting of information on managers' corporate engagement activities (including the most significant votes cast on the Plan's behalf and what proxy voting services have been used); and
- Ongoing reporting of information on managers' corporate engagement activities (including the most significant votes cast on the Plan's behalf and what proxy voting services have been used).

## **Open Tender Process**

Open tender appointment processes will take into account the following:

- The principles of Value for Members, irrespective of whether the fee is ultimately paid through charges borne by members;
- Whether any adviser is a commercial competitor (i.e. operates its own Master Trust) and, if so, the extent to which its Information Barrier processes satisfy the Trustee Board and the Funder that conflict management satisfactorily protects the Plan's Intellectual Property and commercial position;
- The adviser's independence, regulatory standing, financial strength, professional credentials and technical competence.
- The organisation's own ESG credentials (including but not limited to any activism undertaken) and the level of ESG research undertaken in their manager review and selection processes,
- The extent to which the adviser may be conflicted by commercial ties to other Master Trusts.
- To protect its commercial position, we will consider any relevant input from the Funder during the appointment process.

## **Governance**

The Trustee makes all major strategic decisions including, but not limited to, the design of the investment structure and individual strategies, the range of asset classes and risk levels made available and the appointment and termination of investment managers. The process for making investment decisions is as follows:

- Identify appropriate investment objectives.
- Agree the level of risk consistent with meeting the objectives.
- Implement an investment strategy and investment manager structure in line with the level of risk and objectives agreed.
- Monitor the performance of the investments and take appropriate steps to address any areas for improvement.

When making investment decisions, and when appropriate, the Trustee takes proper advice from qualified advisers. The Trustee's investment advisers, CPSL and SEI Investments (Europe) Ltd, are

qualified by their ability in, and practical experience of, financial matters and have the appropriate knowledge and experience to provide such advice.

## Investment objectives

The Trustee recognises that its ultimate objective is for the Plan to maximise member outcomes. Outcomes will be influenced by the investments available to Members. The Trustee however notes that the level of contributions paid and the timescale over which these contributions are invested will also impact member outcomes but are not in the direct control of the Trustee.

The Trustee recognises that individual members have different investment needs and that these may change during the course of their working lives. The Trustee also recognises that members have different attitudes to risk.

The Trustee believes that members should be encouraged to make their own investment decisions based on their individual circumstances. Therefore, the Trustee has made available a range of investment options that it believes should enable members to maximise pension pay outs in real terms consistent with the level of risk chosen by them, or according to their belief sets.

The Trustee regards its duty as making available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs.

The Trustee also recognises that members may not believe themselves qualified to take investment decisions. As such, a range of lifestyle strategies is available to all members, one of which – the Higher Equity Drawdown Strategy – is designated as the Plan's '**Primary Default**' investment strategy. The term 'Primary Default' is used to distinguish it from other funds and strategies that are default funds either as a consequence of a legacy arrangement ('**Legacy Defaults**') or as a consequence of falling within the legal definition of default funds rather than through a deliberate strategy or policy of the Trustee ('**Ancillary Defaults**'). The Trustee reviews all Default Strategies annually, in accordance with our Annual Planner.

The lifestyle Choice Architecture also provides for a medium equity and lower equity drawdown strategy, and higher, medium and lower equity portfolios targeting cash and annuity. Using this Choice Architecture, participating employers can tailor a default to their membership demographic. Defaults which are derived from this Choice Architecture are also designated as **Primary Defaults**.

- Legacy Default Strategies are strategies which Atlas may 'inherit' when different employers join and transfer their pre-existing pension arrangements, subject to the Trustee's acceptance. They are available only to a ring-fenced membership demographic rather than the wider membership. These are also reviewed annually, in accordance with the Plan's Annual Planner.
- Ancillary Defaults are single funds which fall under the legal definition of Default Funds for one or other reason. Reasons include funds which members are believed to have chosen themselves but where there is no longer any physical evidence of that choice,

or where a member has made a choice which can be evidenced but where the Trustee has later had to redirect contributions and/or assets into an alternative fund. Examples of situations when this may happen are if the Trustee becomes concerned about the stability of a particular fund, or where the fund manager stops accepting contributions, or closes a fund altogether. Even if this is no more than a temporary situation, the legal definition of Default Fund as, fundamentally, an investment not specifically selected by a member, means that the fund selected by the Trustee becomes a Default Fund – an Ancillary Default in our terminology.

- The Trustee also makes available a range of pooled investment funds to meet the varying investment needs and risk tolerances of our members. This includes offering both passively and actively managed investment funds. For the sake of simplicity and consistency, the Plan treats each of these funds as an Ancillary Default, including the requirement to maintain the legislative charge cap of 0.75%. It is possible that funds that are introduced in the future, where it is not possible to maintain the legislative charge cap, will be treated as a self-select fund only rather than as an Ancillary Default.

The Trustee's key objectives for the Plan's investment strategy are therefore:

- To ensure the investment strategy is consistent with relevant legislation / regulations / Trust Deed and Rules, and best practice, and that there is sufficient flexibility to react to legislative/regulatory changes;
- To ensure the investment strategy structure and design is based on the membership profile, where it is practical to do so;
- To offer members a reasonable range of investment options to satisfy their risk and return combinations, and to reflect the range of retirement options members now have following the 2015 Freedom and Choice In Pensions reforms;
- To provide a range of investment options in line with the members' ability to engage at different levels;
- To be mindful of the costs borne by members as a result of investing in different asset classes and using different investment management styles;
- To use diversification between different types of assets to reduce investment risk where practical and cost effective to do so; and
- To ensure the investment strategy is capable of being communicated effectively to members such that members can take informed decisions in the context of their personal financial circumstances.

The Trustee will regularly monitor the investment strategy against these objectives.

## **Investment beliefs**

The Trustee believes:

- Investment strategy design should be based on the membership profile;
- The range of options should take into account the varied needs of the members and achieve good member outcomes;
- The lifestyle investment strategies should take account of changing member risk appetites by varying accordingly over time;
- That climate change is a financially material risk, presenting both opportunities and risks to members' long-term outcomes;

- The investment options should take account of the differing member needs as a result of 'Freedom and Choice' in pensions;
- Investment strategy should be formed in the context of the risk as well as the expected return;
- Asset allocation is the primary driver of the performance of an investment strategy;
- Active investment management should only be encouraged when significant value is likely to be added (net of investment management cost);
- Diversification reduces risk (e.g. volatility of investment returns) over time;
- Taking investment risk is usually rewarded in the long term; and
- Good governance is in the best interests of Plan members.
- Consideration of climate risk in investments will have a positive effect on member outcomes long term
- Additional charges for investing in funds that directly mitigate the risk of climate change are acceptable if the financial performance considerations and risk reduction benefits from investing are more material.
- The Trustee should explore ways to actively capture new opportunities in the transition to a lower carbon world if they are deemed to be appropriate and feasible for the Master Trust
- The Trustee should adopt a policy of active engagement on environmental factors, including climate change with managers, the sponsor and members recognising the limitations of investing in pooled funds. In addition the Trustee has adopted sustainable agriculture, future of work, modern slavery and board governance as engagement priorities.
- The potential financial risk to the Trust of climate changes will evolve over time, as will the Trustee's strategy
- In choosing the Plan's investment options, it is our policy to consider:
  - A full range of asset classes, including alternative asset classes;
  - The suitability of different styles of investment management and the need for investment manager diversification;
  - The suitability of each asset class within a defined contribution scheme; and
  - The need for appropriate diversification.

## Climate policy

The Trustee is supportive of the Paris Agreement to avoid dangerous Climate Change by limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C by 2050 and where possible before this date within the context of its fiduciary responsibilities. As a result, the Trustee :

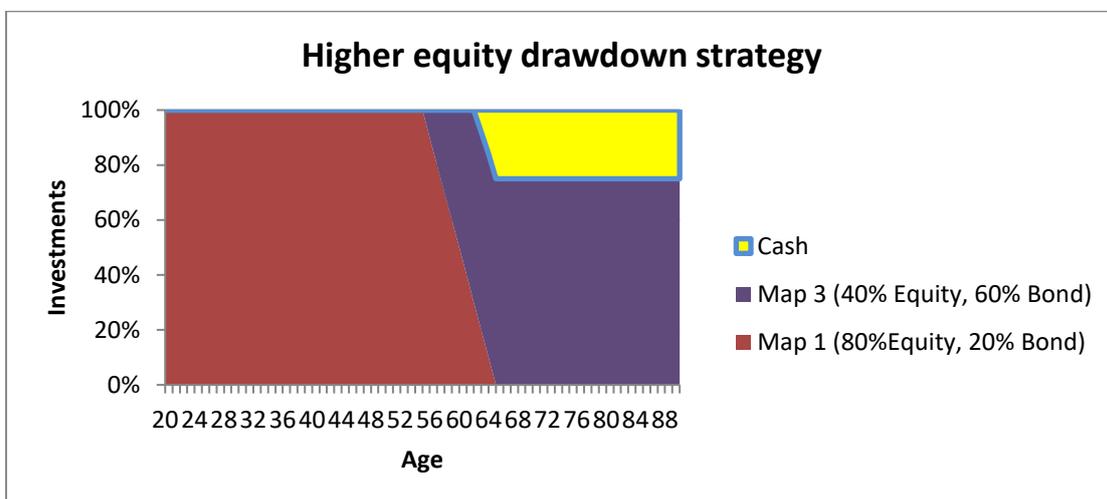
- Prefers 'Engagement' rather than 'Exclusion' with regards to incorporating Climate Change risks into an effective fiduciary framework for both self-select funds and the default strategy.
- Expects investment managers to independently consider whether exclusion or engagement is more appropriate within their investment processes and mandates; for example Schroders currently exclude tar sands and fossil fuels from the Schroders Sustainable Multi-Asset Fund which forms part of the default lifestyle strategy;
- Encourages the further development of all asset classes and funds that are aligned to the goal of well below the 2°C target;

- Is supportive of the recommendations of the Taskforce on Climate-related Financial Disclosures;
- Supports and encourages the further development of effective and consistent Climate Change risk metrics to enhance the ability of all stakeholders to assess and minimise such risks;
- Do and will continue to partner with our investment managers to obtain clear and easily communicable climate related data on an annual basis in respect of the funds current holdings and their impact on climate change;
- Recognises that 'Climate Change' will be subject to much further analysis and subsequent policy changes in the coming years. The Trustee is supportive of adopting an evolving policy in order to ensure all relevant developments and opportunities are captured; and
- Welcomes policy initiatives that contribute towards achieving the 1.5°C target.

## Investment strategy

As a result of the above beliefs and climate policy, the Trustee follows the following principles:

The Trustee makes available a range of lifestyle strategies. The overall aim of the lifestyle strategies is to deliver a level of return consistent with the level of risk taken over the members' lifetime. The strategy encompasses changing risk profile over time and then further changes in line with the way members may take their benefits. The chart below sets out the characteristics of the Primary Default investment strategy; the Higher Equity Drawdown Strategy:



- In the lead up to the members' selected retirement age, the lifestyle strategies move members' assets into a combination of lower Equity assets and cash targeting assets in line with the Trustee's belief that members will use a combination of methods to draw their benefits in retirement.
- The lifestyle strategies offered will be reviewed from time-to-time by us to take into account changes in various considerations such as: the membership profile and experience; legislation and regulations; and developments in investment products.

- Legacy Default Strategies are strategies which Atlas may 'inherit' when different employers join and transfer their pre-existing pension arrangements. They are available only to a ring-fenced membership demographic rather than the wider membership. These are also reviewed annually by the Trustee Board.
- Ancillary Defaults are single funds which fall under the legal definition of Default Funds for one or other reason. These include funds which members are believed to have chosen themselves but where there is no longer any physical evidence of that choice. These tend to be funds which Atlas inherits when onboarding pre-existing assets from new employers or where contributions have had to be redirected, or assets switched, from a fund chosen by a member to one chosen by the Trustee.
- The Trustee also makes available a range of pooled investment funds to meet the varying investment needs and risk tolerances of our members. This includes offering both passively and actively managed investment funds. For the sake of simplicity and consistency, the Plan treats each of these funds as an Ancillary Default, including the requirement to maintain the legislative charge cap of 0.75%. It is possible that any funds that are introduced in the future, where it is not possible to maintain the legislative charge cap, will be treated as a Self-Select fund rather than as an Ancillary Default.
- The Trustee keeps the range of investment funds and fund managers under review and make changes as required. For example, the Trustee will consider the impact of climate related risks and opportunities and make changes, as appropriate, to improve member outcomes.

Appendix 1 provides information on all the Lifestyle investment strategies available for selection by members.

### **Employer-specific investment options**

The Trustee has a policy for providing the flexibility for some employers to select their own investment strategy for their section of Atlas. These options must reflect the policies and principles set out within this policy and are subject to approval by the Trustee.

The Trustee requires that such employers obtain appropriate investment advice and maintain an Investments Principles and Objectives Policy which is based on the legislative requirements for a Statement of Investment Principles such as this document. To the extent that the advice is extended to the Trustee in such a way as to satisfy s36 of the Pensions Act 1995, the Trustee may rely on this advice or may commission advice from an investment adviser. The employer must provide the Trustee with the relevant research and rationale behind any bespoke investment options requested.

The underlying funds used within the bespoke options must be accessible through the Scottish Widows Ltd ("Scottish Widows")'s investment platform.

## **Investment mandates**

The Trustee has appointed Scottish Widows as provider of an investment platform through which the Trustee is able to access third party funds in order to invest Atlas' assets of the Plan. Scottish Widows is regulated by both the Financial Services Authority and Prudential Regulatory Authority.

The Trustee has selected a number of pooled funds (referred to as Ancillary Defaults or Self-Select Funds - see above) which are accessed through this platform. The fund managers selected make the day-to-day decisions about the management of the assets. The fund managers and mandates are as follows:

- Columbia Threadneedle – Ethical fund.
- BlackRock Investment Management (UK) Ltd – Money market fund.
- Columbia Threadneedle Investments – Property fund.
- HSBC Asset Management (UK) Ltd – Shariah compliant fund.
- Lazard Asset Management Ltd – Active emerging markets equity fund.
- Legal & General Investment Management Limited – Passive, multi-asset growth and property funds.
- M&G Investments Ltd – Active corporate bonds fund.
- Schroder Investment Management Limited – Multi-asset growth, bond and decumulation funds.
- Nordea Asset Management and Invesco Asset Management Limited – Multi Asset Growth Fund.

Further details of the individual funds can be found in Appendix 2.

The Trustee will consider stewardship activities and climate change policies and practices in place with the investment platform and underlying fund managers when reviewing their appropriateness in the context of the overall investment strategy.

## **Risk management and measurement**

The Trustee is aware of, and pays close attention to, a range of risks inherent in investing Atlas' assets. These include interest rate and inflation risk, currency risk, credit risk, factor risk, benefit conversion risk, volatility/market risk, active management risk, default risk, climate risk, environmental, social and governance (ESG) risks, counterparty risk and liquidity risk. It is the Trustee's view, however, that risks should also be viewed from the members' perspective and the single largest risk is that members will not achieve a reasonable income in retirement in real terms that meets their expectations. This guides the Trustee's overall approach. The Trustee believes that the investment options offered to members provide adequate choice and diversification both within and across different asset classes.

- The Trustee recognises the risks that may arise from the lack of diversification of investments. Due to the size of the Plan's assets, and recognising the need to diversify, investment exposure is obtained via pooled vehicles.

- The documents governing the platform provider's appointment and pooled funds' selection include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Trustee.
- The Trustee recognises that the use of active management involves a risk that the assets do not achieve the expected return and potentially increases the governance requirements. However, for some asset classes (e.g. corporate bonds and multi-asset funds) the Trustee believes this risk may be outweighed by the potential gains from successful active management. Therefore, the Plan uses a mixture of index-tracking and active management which may be adjusted from time to time.
- The safe custody of the Plan's assets is delegated to professional custodians via the use of an investment platform and pooled vehicles.

Should there be a material change to the Plan's circumstances, the Trustee will review whether the current investment options remain appropriate.

## Corporate governance

### Policy on Voting Rights and Engagement

The Trustee encourages activism but accepts that by using pooled investment vehicles the day-to-day application of voting rights will in the main be carried out by the appointed investment managers and that this constrains its ability to engage directly with the investee companies. Consequently, the Trustee expects its appointed investment managers to adopt a voting policy that accords with established industry practice, as this develops over time. The Trustee will monitor and report on this with support from its Investment Advisers.

The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 ('the Investment Regulations') requires the Trustee to set out how it undertakes engagement activities in respect of its investments. This includes how it monitors and engages "relevant persons" (i.e. including (but not limited to) an issuer of debt or equity, an investment manager, another stakeholder or another holder of debt or equity) about "relevant matters" (i.e. including (but not limited to) matters concerning an issuer of debt or equity, including their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance).

As noted above, the Trustee recognises the Plan's responsibility as a long-term institutional investor to support and encourage good corporate governance practices in the investment management companies through which it invests and through them, therefore, in the companies in which it is indirectly invested. It is the Trustee's belief that such activity should not only improve the social and environmental footprints of those companies but, in accordance with its beliefs, should also protect the value of the Plan's investments for the period that they are held. However, and again as noted above, the Trustee delegate primary responsibility for corporate engagement activities to our appointed fund managers. The Trustee believes that these organisations are better structured and resourced to engage with investee companies on their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and

environmental impact and corporate governance. The Trustee believes that in general, duplication of that engagement by us may result in a drag on our own resource and efficiency without inducing a better outcome. However, on occasions, the Trustee may deem it necessary to engage directly with companies on climate change and ESG-related issues. There may also be occasions when the Trustee identifies engagement topics which overlap with the engagement efforts of our fund managers, in which case it may seek to undertake joint engagement activities with them. There may be yet further occasions when members wish for the Trustee to engage on their behalf and where so, and where appropriate, the Trustee may also seek to undertake joint engagement activity.

The Trustee's engagement priorities align with those currently prioritised by SEI Investments (Europe) Ltd, namely climate change, sustainable agriculture, future of work, modern slavery and Board governance.

The Trustee's policy on ESG related activities is set out below. This includes a policy to invest, to the greatest extent possible, only through investment managers who are signatories to the Principles for Responsible Investing ('PRI' - see below).

The Trustee monitors the engagement activity of its investment managers at least annually. These reports feed into the scheduled reviews of the managers it appoints and the funds it make available to members.

If through engagement the Trustee believes the investment fund and/or manager does not sufficiently take into account the Trustee's policy on CRRO and ESG factors it will review the appropriateness of the continued appointment of the investment fund and/or investment manager.

## **Non-Financial Matters**

The Trustee does not formally take into account any non-financial matters in the selection, retention and realisation of investments for the default fund. For this purpose, non-financial matters means the views of members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and environmental impact and present and future quality of life of the members and beneficiaries of the Atlas Master Trust. In reaching this decision, the Trustee has considered the challenges of engaging a properly representative sample of members, the strong likelihood of a lack of consensus among those most likely to respond to such a consultation, and the fact the Atlas Master Trust already offers ESG conscious funds as part of the investment options made available by the Trustee. The communication of the investment options aims to provide members with relevant information covering investment objectives, risk levels, fees and investment returns to help monitor their investment decisions. Annual statements and projections are also provided to assist members in planning their long-term savings and investment strategy. Members are also offered the opportunity to provide informal feedback to the Trustee on matters, including investment options via the member survey. Where such feedback is provided, it will be considered by the Trustee and, where appropriate, taken into account as part of any review of the available investment options.

## **Environmental, Social and Governance (ESG) Investment**

The Trustee believes that its primary duty is to protect the long-term financial interests of its members and that this duty can best be satisfied, in respect of the Primary Default and lifestyle strategies in particular, by adopting a focused, structured and rigorous approach to investing sustainably. The Trustee has a strong conviction that ESG issues, such as climate change and human rights can and do affect the performance of investment portfolios over the long-term and that this effect will accelerate in the future as corporate behaviors and environmental footprints are measured more critically. Consequently, ESG factors must therefore be considered alongside more traditional financial factors if the Trustee is to properly satisfy its fiduciary duty.

In accordance with this belief, the Trustee has directed Schroders, its investment partner responsible for managing the funds which are used in Atlas' Primary Default strategy, to redirect the equity component of Atlas' assets managed by them into two funds which have ESG at the heart of the investment process. These are:

1. The Schroders Sustainable Multi Factor Equity (SMFE) Fund. This is a global equity strategy that integrates ESG analysis into a systematic investment approach.
2. The Schroders Global Sustainable Growth Fund (SGSG). This fund provides balance to SMFE and also has a strong ESG focus embedded in the investment process, focusing on high quality companies while also assessing their long-term approach to managing ESG risks.

The target for Atlas Multi Asset Portfolio 1 (which is the fund used in the accumulation phase of our Primary Default Fund) is for 60% of the equity content to be invested in these two funds with an approximate split of 2/3<sup>rd</sup> in SMFA and 1/3<sup>rd</sup> in SGSG. The remaining equity allocation will be invested in futures, which are used for shorter term asset allocation views for portfolio efficiency. A similar structure applies to Atlas Multi Asset Portfolios 2 and 3, although each has a lower equity allocation than Atlas Multi Asset Portfolio 1.

Because these changes have not increased the investment fees, and because the Trustee believes that this strategy will provide higher returns over the longer-term than a strategy which does not actively integrate ESG principles, it was felt to be unnecessary to canvass members views before implementing them.

In respect of the Ancillary Defaults/self-select options, the Trustee has determined that to the greatest extent possible, whilst still recognising the desire to provide appropriate choice to enable self-select members to pursue their own investment beliefs, the investment options that it makes available to Atlas members will be restricted to those offered by fund managers who are signatories to the Principles for Responsible Investing (PRI). PRI is the world's leading proponent of responsible investment – see <https://www.unpri.org>). These principles are set out below (in italics). The Trustee acknowledges that it cannot directly influence the ESG policies in which pooled funds invest but by requiring that the appointed managers abide by the six principles noted below, it can ensure that those investment managers take appropriate steps to invest sustainably.

*'As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:*

- We will incorporate ESG issues into investment analysis and decision-making processes.*
- We will be active owners and incorporate ESG issues into our ownership policies and practices.*
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.*
- We will promote acceptance and implementation of the Principles within the investment industry.*
- We will work together to enhance our effectiveness in implementing the Principles.*
- We will each report on our activities and progress towards implementing the Principles'.*

The Trustee believes that the requirement for its investment partners to be PRI signatories is a key part of its engagement policy as far as ESG matters are concerned.

## **Employer-related investments**

The Trustee's policy is not to hold any employer-related investments directly as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005.

## **Stock lending**

Whilst the Trustee acknowledges that by investing in pooled investment funds through a third party investment platform and, therefore, having no direct influence over the investment policies of our investment managers, the Trustee acknowledges that performance may be enhanced through such activity and we are willing to accept it within a suitably controlled environment. The Trustee therefore monitors the position of the funds, particularly in relation to stock lending and the risks associated with it.

A number of the funds available for the members to invest in participate in stock lending within limits set by the boards of each investment manager. The Trustee is satisfied with the protections in place for investors, which it monitors with support from our Investment Advisers.

The Trustee will review this position on a regular basis to ensure that an appropriate level of protection remains in place.

## **Compliance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**

The Plan is a commercial Master Trust which operates a 'bundled' fee structure, whereby a charge is levied against members' accumulated funds for the provision of all services – governance, administration, investment and member engagement. The Trustee applies a single charge (called a Total Expense Ratio – or TER) which varies according to the

investments selected by members (or into which they are defaulted) and which can vary depending on the size of the fee, which generally varies according to the size of the organisation for whom they work.

The investment component of the fee –expressed as a percentage of total funds under management – is itself split into two component parts. The first is a platform fee. This is a fee to the platform provider for providing the platform service, and is a fixed percentage of assets under management. This fee is necessary to provide the platform service which the Trustee requires in order to implement and carry out its investment strategy. The second is the fee paid to the underlying fund manager for the selected funds. This fee varies according to the type of fund and the fund manager. Generally speaking, it is fixed by the fund manager and the same charge is made to all of their clients. However, on some occasions, the Trustee may be able to negotiate fee discounts. The Trustee’s strategy is to consider fees as a key element of the manager selection process once it has determined which type of funds the Trustee wishes to make available to members. For example, if the Trustee determines to offer a UK Equity fund, and two different managers can offer an otherwise identical product, with very similar focus on ESG and corporate engagement activities, the Trustee will generally select the manager with the lower fee. The only incentive for any fund manager selected by the Trustee is for the Trustee to retain them in its fund line-up for the longer term. This requires them, in most circumstances, simply to perform in accordance with the Trustee’s Investment Management Agreements with them (where applicable) and/or to achieve the return objectives set for them, within acceptable risk parameters, and to pay due regard to the level of ESG and corporate engagement activities that is required of them. The Trustee recognises the importance for transparency in charging and reviews all fund and platform charges regularly to ensure transparency and value for money.

The Trustee’s investment advisers are paid on a time-cost or fixed fee basis as noted above under ‘Investment Advisers’, as agreed between the Trustee Board and its investment advisers from time-to-time.

## **Incentives**

As mentioned above, there are no incentive-based fees for investment managers in respect of **decision making** and **engagement**. Rather than directing or incentivising any manager to behave or perform in a particular manner, the Trustee implements the strategy set out in this SIP by choosing funds and investment managers which are most closely aligned to our strategy and to its beliefs.

The Trustee expects the managers it appoints to exercise their stewardship of the Plan’s assets by paying appropriate regard to the investee companies’ performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance. This is especially so for active fund managers – in particular Schrodgers - when considering the purchase, retention or sale of investments. For passive fund managers, the Trustee recognises that there are limitations to the amount of discretion that managers can exercise, since generally they must simply mirror the holdings of the index they are tracking.

The Trustee oversees the voting and engagement activities of the managers appointed to ensure compliance with this requirement. Reporting on the voting and engagement activities and (where appropriate), how these activities have had a bearing on the purchase, retention and sale of investments, is included in the investment monitoring reports we commission from our investment advisers.

## **Duration of investment manager appointments**

The Trustee's investment horizon is long-term. By that the Trustee means a 20 to 30 year investment horizon for the accumulation phase (the period during which we expect assets to grow the fastest and where volatility is less important) and a 5 to 20 year investment horizon during the decumulation phase (the period during which members are drawing down their pension pots, where its principle aim is to balance lower growth potential with reduced investment volatility) These timeframes reflect the Plan members' median age demographics and (for decumulation) our expectation that most members will require a temporary, rather than permanent, drawdown solution. (That is, that they will use the Plan to support shorter retirement needs but may choose to annuitise at a later date to ensure a guaranteed income). The Trustee's performance reviews take account of these time horizons which means that it does not expect to take precipitous action (such as replacing a fund manager) during periods of short-term underperformance. Consequently, there is no fixed duration for any of the fund manager appointments. As noted above, appointments can be expected to endure over the longer term so long as the fund remains relevant to the Trustee's strategy and the fund manager achieves, over the longer term, the financial objectives set for them, whilst simultaneously adhering to the methods and principles identified in their selection and meeting the requirements for their ESG and engagement activity.

The date of appointment for each of the investment managers the Trustee has appointed is shown in Appendix 2.

The Trustee's evaluation of funds and investment managers is set out in its Annual Planner: despite the focus being on long-term investment horizons, the Trustee reviews performance of all funds on a quarterly basis with the aim of identifying any issues or trends that might give rise to concern about longer-term performance.

There is no prescribed timeframe for any investment manager appointment. The decision to appoint a manager is through an evaluation process to determine which managers and funds are best aligned with the Trustee's requirements and beliefs to deliver the Plan's investment strategy. Once appointed, the performance of each fund available to members is then monitored on a quarterly basis. The Trustee may also commission additional reports in respect of any funds which have under (or over) performed against target benchmark in respect of both the returns expected and the level of risk taken by the manager to achieve that return, to aid its assessment of whether that performance is explicable or a short term anomaly, or whether it is indicative of a trend that the Trustee needs to be concerned about.

## **Transaction costs**

Transaction costs, including *portfolio turnover costs*, incurred by Schroders in managing the funds that make up the Primary Defaults are monitored quarterly. The Trustee fully anticipates and expects such costs in these actively managed funds, accepting that they are an inevitability of the investment mandate held with them. There is no targeted portfolio turnover, nor minimum and maximum range. It is the Trustee's opinion that such constraints would lead to a compromised investment approach which would reduce the likelihood of Schroders delivering the targeted returns. In order to help the Trustee maintain oversight of Schroders' operational and transaction cost efficiency, the Trustee receives annual reports from an independent organisation which specialises in analysis of this nature.

Transaction Costs for other core managers are collated at least once each year and used for on-line projections designed to demonstrate Reduction in Yield (or fee drag) to members. This enables the Trustee to identify both the actual costs and any trends in direction for further investigation. Each year, the Trustee commissions a report from its investment adviser comparing transaction costs incurred by our core managers against what would be expected from such funds. This helps the Trustee gauge proportionality of the transaction costs incurred by the managers it has appointed.

## **Review of this SIP**

The Trustee Board will review this SIP at least once every three years and without delay after any significant change in investment policy. Any change to this SIP will only be made after having consulted the Founding Employer and where appropriate after having obtained and considered the written advice of a party who the Trustee Boards believes 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.

**Was signed on behalf of SEI TRUSTEES LIMITED**

**Date: 28 September 2023**

## Appendix 1 – Lifestyle strategies

Upon joining the Plan, unless the employer has selected otherwise, members will automatically be invested in the Primary Default investment strategy, the lifestyle matrix is shown below;

### Higher Equity Strategy Drawdown Lifestyle Option (Default) (a Primary Default Strategy)

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Cash
35 or more	100.00%	0.00%	0.00%	0.00%
34	100.00%	0.00%	0.00%	0.00%
33	100.00%	0.00%	0.00%	0.00%
32	100.00%	0.00%	0.00%	0.00%
31	100.00%	0.00%	0.00%	0.00%
30	100.00%	0.00%	0.00%	0.00%
29	100.00%	0.00%	0.00%	0.00%
28	100.00%	0.00%	0.00%	0.00%
27	100.00%	0.00%	0.00%	0.00%
26	100.00%	0.00%	0.00%	0.00%
25	100.00%	0.00%	0.00%	0.00%
24	100.00%	0.00%	0.00%	0.00%
23	100.00%	0.00%	0.00%	0.00%
22	100.00%	0.00%	0.00%	0.00%
21	100.00%	0.00%	0.00%	0.00%
20	100.00%	0.00%	0.00%	0.00%
19	100.00%	0.00%	0.00%	0.00%
18	100.00%	0.00%	0.00%	0.00%
17	100.00%	0.00%	0.00%	0.00%
16	100.00%	0.00%	0.00%	0.00%
15	100.00%	0.00%	0.00%	0.00%
14	100.00%	0.00%	0.00%	0.00%
13	100.00%	0.00%	0.00%	0.00%
12	100.00%	0.00%	0.00%	0.00%
11	100.00%	0.00%	0.00%	0.00%
10	100.00%	0.00%	0.00%	0.00%

9	90.00%	0.00%	10.00%	0.00%
8	80.00%	0.00%	20.00%	0.00%
7	70.00%	0.00%	30.00%	0.00%
6	60.00%	0.00%	40.00%	0.00%
5	50.00%	0.00%	50.00%	0.00%
4	40.00%	0.00%	60.00%	0.00%
3	30.00%	0.00%	70.00%	0.00%
2	20.00%	0.00%	72.00%	8.00%
1	10.00%	0.00%	74.00%	16.00%
at retirement	0.00%	0.00%	75.00%	25.00%

Once members have joined the Plan, they are able to select from any of the other investment options available, including eight further lifestyle options. However, members cannot invest in more than one lifestyle option or a combination of Ancillary Defaults/self-select funds and one lifestyle option at the same time.

### **Moderate Equity Strategy Drawdown lifestyle option (Primary Default Strategy)**

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Cash
35 or more	100.00%	0.00%	0.00%	0.00%
34	100.00%	0.00%	0.00%	0.00%
33	100.00%	0.00%	0.00%	0.00%
32	100.00%	0.00%	0.00%	0.00%
31	100.00%	0.00%	0.00%	0.00%
30	100.00%	0.00%	0.00%	0.00%
29	100.00%	0.00%	0.00%	0.00%
28	100.00%	0.00%	0.00%	0.00%
27	100.00%	0.00%	0.00%	0.00%
26	100.00%	0.00%	0.00%	0.00%
25	100.00%	0.00%	0.00%	0.00%
24	100.00%	0.00%	0.00%	0.00%
23	100.00%	0.00%	0.00%	0.00%
22	100.00%	0.00%	0.00%	0.00%
21	100.00%	0.00%	0.00%	0.00%

20	100.00%	0.00%	0.00%	0.00%
19	80.00%	20.00%	0.00%	0.00%
18	60.00%	40.00%	0.00%	0.00%
17	40.00%	60.00%	0.00%	0.00%
16	20.00%	80.00%	0.00%	0.00%
15	0.00%	100.00%	0.00%	0.00%
14	0.00%	100.00%	0.00%	0.00%
13	0.00%	100.00%	0.00%	0.00%
12	0.00%	100.00%	0.00%	0.00%
11	0.00%	100.00%	0.00%	0.00%
10	0.00%	100.00%	0.00%	0.00%
9	0.00%	90.00%	10.00%	0.00%
8	0.00%	80.00%	20.00%	0.00%
7	0.00%	70.00%	30.00%	0.00%
6	0.00%	60.00%	40.00%	0.00%
5	0.00%	50.00%	50.00%	0.00%
4	0.00%	40.00%	60.00%	0.00%
3	0.00%	30.00%	70.00%	0.00%
2	0.00%	20.00%	72.00%	8.00%
1	0.00%	10.00%	74.00%	16.00%
at retirement	0.00%	0.00%	75.00%	25.00%

## Lower Equity Strategy Drawdown lifestyle option (Primary Default Strategy)

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Cash
35 or more	0.00%	100.00%	0.00%	0.00%
34	0.00%	100.00%	0.00%	0.00%
33	0.00%	100.00%	0.00%	0.00%
32	0.00%	100.00%	0.00%	0.00%
31	0.00%	100.00%	0.00%	0.00%
30	0.00%	100.00%	0.00%	0.00%

29	0.00%	100.00%	0.00%	0.00%
28	0.00%	100.00%	0.00%	0.00%
27	0.00%	100.00%	0.00%	0.00%
26	0.00%	100.00%	0.00%	0.00%
25	0.00%	100.00%	0.00%	0.00%
24	0.00%	100.00%	0.00%	0.00%
23	0.00%	100.00%	0.00%	0.00%
22	0.00%	100.00%	0.00%	0.00%
21	0.00%	100.00%	0.00%	0.00%
20	0.00%	100.00%	0.00%	0.00%
19	0.00%	100.00%	0.00%	0.00%
18	0.00%	100.00%	0.00%	0.00%
17	0.00%	100.00%	0.00%	0.00%
16	0.00%	100.00%	0.00%	0.00%
15	0.00%	100.00%	0.00%	0.00%
14	0.00%	100.00%	0.00%	0.00%
13	0.00%	100.00%	0.00%	0.00%
12	0.00%	100.00%	0.00%	0.00%
11	0.00%	100.00%	0.00%	0.00%
10	0.00%	100.00%	0.00%	0.00%
9	0.00%	90.00%	10.00%	0.00%
8	0.00%	80.00%	20.00%	0.00%
7	0.00%	70.00%	30.00%	0.00%
6	0.00%	60.00%	40.00%	0.00%
5	0.00%	50.00%	50.00%	0.00%
4	0.00%	40.00%	60.00%	0.00%
3	0.00%	30.00%	70.00%	0.00%
2	0.00%	20.00%	72.00%	8.00%
1	0.00%	10.00%	74.00%	15.00%
at retirement	0.00%	0.00%	75.00%	25.00%

## Higher Equity Strategy Annuity lifestyle option (Primary Default Strategy)

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Level Annuity Target	Cash
35 or more	100.00%	0.00%	0.00%	0.00%	0.00%
34	100.00%	0.00%	0.00%	0.00%	0.00%
33	100.00%	0.00%	0.00%	0.00%	0.00%
32	100.00%	0.00%	0.00%	0.00%	0.00%
31	100.00%	0.00%	0.00%	0.00%	0.00%
30	100.00%	0.00%	0.00%	0.00%	0.00%
29	100.00%	0.00%	0.00%	0.00%	0.00%
28	100.00%	0.00%	0.00%	0.00%	0.00%
27	100.00%	0.00%	0.00%	0.00%	0.00%
26	100.00%	0.00%	0.00%	0.00%	0.00%
25	100.00%	0.00%	0.00%	0.00%	0.00%
24	100.00%	0.00%	0.00%	0.00%	0.00%
23	100.00%	0.00%	0.00%	0.00%	0.00%
22	100.00%	0.00%	0.00%	0.00%	0.00%
21	100.00%	0.00%	0.00%	0.00%	0.00%
20	100.00%	0.00%	0.00%	0.00%	0.00%
19	100.00%	0.00%	0.00%	0.00%	0.00%
18	100.00%	0.00%	0.00%	0.00%	0.00%
17	100.00%	0.00%	0.00%	0.00%	0.00%
16	100.00%	0.00%	0.00%	0.00%	0.00%
15	100.00%	0.00%	0.00%	0.00%	0.00%
14	100.00%	0.00%	0.00%	0.00%	0.00%
13	100.00%	0.00%	0.00%	0.00%	0.00%
12	100.00%	0.00%	0.00%	0.00%	0.00%
11	100.00%	0.00%	0.00%	0.00%	0.00%
10	100.00%	0.00%	0.00%	0.00%	0.00%
9	90.00%	0.00%	0.00%	10.00%	0.00%
8	80.00%	0.00%	0.00%	20.00%	0.00%
7	70.00%	0.00%	0.00%	30.00%	0.00%
6	60.00%	0.00%	0.00%	40.00%	0.00%

5	50.00%	0.00%	0.00%	50.00%	0.00%
4	40.00%	0.00%	0.00%	60.00%	0.00%
3	30.00%	0.00%	0.00%	70.00%	0.00%
2	20.00%	0.00%	0.00%	72.00%	8.00%
1	10.00%	0.00%	0.00%	74.00%	16.00%
at retirement	0.00%	0.00%	0.00%	75.00%	25.00%

## Medium Equity Strategy Annuity lifestyle option (Primary Default strategy)

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Level Annuity Target	Cash
35 or more	100.00%	0.00%	0.00%	0.00%	0.00%
34	100.00%	0.00%	0.00%	0.00%	0.00%
33	100.00%	0.00%	0.00%	0.00%	0.00%
32	100.00%	0.00%	0.00%	0.00%	0.00%
31	100.00%	0.00%	0.00%	0.00%	0.00%
30	100.00%	0.00%	0.00%	0.00%	0.00%
29	100.00%	0.00%	0.00%	0.00%	0.00%
28	100.00%	0.00%	0.00%	0.00%	0.00%
27	100.00%	0.00%	0.00%	0.00%	0.00%
26	100.00%	0.00%	0.00%	0.00%	0.00%
25	100.00%	0.00%	0.00%	0.00%	0.00%
24	100.00%	0.00%	0.00%	0.00%	0.00%
23	100.00%	0.00%	0.00%	0.00%	0.00%
22	100.00%	0.00%	0.00%	0.00%	0.00%
21	100.00%	0.00%	0.00%	0.00%	0.00%
20	100.00%	0.00%	33.00%	0.00%	0.00%
19	80.00%	20.00%	0.00%	0.00%	0.00%
18	60.00%	40.00%	0.00%	0.00%	0.00%
17	40.00%	60.00%	0.00%	0.00%	0.00%
16	20.00%	80.00%	0.00%	0.00%	0.00%
15	0.00%	100.00%	0.00%	0.00%	0.00%
14	0.00%	100.00%	0.00%	0.00%	0.00%

13	0.00%	100.00%	0.00%	0.00%	0.00%
12	0.00%	100.00%	0.00%	0.00%	0.00%
11	0.00%	100.00%	0.00%	0.00%	0.00%
10	0.00%	100.00%	0.00%	0.00%	0.00%
9	0.00%	90.00%	0.00%	10.00%	0.00%
8	0.00%	80.00%	0.00%	20.00%	0.00%
7	0.00%	70.00%	0.00%	30.00%	0.00%
6	0.00%	60.00%	0.00%	40.00%	0.00%
5	0.00%	50.00%	0.00%	50.00%	0.00%
4	0.00%	40.00%	0.00%	60.00%	0.00%
3	0.00%	30.00%	0.00%	70.00%	0.00%
2	0.00%	20.00%	0.00%	72.00%	8.00%
1	0.00%	10.00%	0.00%	74.00%	16.00%
at retirement	0.00%	0.00%	0.00%	75.00%	25.00%

### Lower Equity Strategy Annuity lifestyle option (Primary Default strategy)

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Level Annuity Target	Cash
35 or more	0.00%	100.00%	0.00%	0.00%	0.00%
34	0.00%	100.00%	0.00%	0.00%	0.00%
33	0.00%	100.00%	0.00%	0.00%	0.00%
32	0.00%	100.00%	0.00%	0.00%	0.00%
31	0.00%	100.00%	0.00%	0.00%	0.00%
30	0.00%	100.00%	0.00%	0.00%	0.00%
29	0.00%	100.00%	0.00%	0.00%	0.00%
28	0.00%	100.00%	0.00%	0.00%	0.00%
27	0.00%	100.00%	0.00%	0.00%	0.00%
26	0.00%	100.00%	0.00%	0.00%	0.00%
25	0.00%	100.00%	0.00%	0.00%	0.00%
24	0.00%	100.00%	0.00%	0.00%	0.00%
23	0.00%	100.00%	0.00%	0.00%	0.00%
22	0.00%	100.00%	0.00%	0.00%	0.00%

21	0.00%	100.00%	0.00%	0.00%	0.00%
20	0.00%	100.00%	0.00%	0.00%	0.00%
19	0.00%	100.00%	0.00%	0.00%	0.00%
18	0.00%	100.00%	0.00%	0.00%	0.00%
17	0.00%	100.00%	0.00%	0.00%	0.00%
16	0.00%	100.00%	0.00%	0.00%	0.00%
15	0.00%	100.00%	0.00%	0.00%	0.00%
14	0.00%	100.00%	0.00%	0.00%	0.00%
13	0.00%	100.00%	0.00%	0.00%	0.00%
12	0.00%	100.00%	0.00%	0.00%	0.00%
11	0.00%	100.00%	0.00%	0.00%	0.00%
10	0.00%	100.00%	0.00%	0.00%	0.00%
9	0.00%	90.00%	0.00%	10.00%	0.00%
8	0.00%	80.00%	0.00%	20.00%	0.00%
7	0.00%	70.00%	0.00%	30.00%	0.00%
6	0.00%	60.00%	0.00%	40.00%	0.00%
5	0.00%	50.00%	0.00%	50.00%	0.00%
4	0.00%	40.00%	0.00%	60.00%	0.00%
3	0.00%	30.00%	0.00%	70.00%	0.00%
2	0.00%	20.00%	0.00%	72.00%	8.00%
1	0.00%	10.00%	0.00%	74.00%	16.00%
at retirement	0.00%	0.00%	0.00%	75.00%	25.00%

## Higher Equity Strategy Cash lifestyle option (Primary Default strategy)

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Cash
35 or more	100.00%	0.00%	0.00%	0.00%
34	100.00%	0.00%	0.00%	0.00%
33	100.00%	0.00%	0.00%	0.00%
32	100.00%	0.00%	0.00%	0.00%
31	100.00%	0.00%	0.00%	0.00%
30	100.00%	0.00%	0.00%	0.00%
29	100.00%	0.00%	0.00%	0.00%

28	100.00%	0.00%	0.00%	0.00%
27	100.00%	0.00%	0.00%	0.00%
26	100.00%	0.00%	0.00%	0.00%
25	100.00%	0.00%	0.00%	0.00%
24	100.00%	0.00%	0.00%	0.00%
23	100.00%	0.00%	0.00%	0.00%
22	100.00%	0.00%	0.00%	0.00%
21	100.00%	0.00%	0.00%	0.00%
20	100.00%	0.00%	0.00%	0.00%
19	100.00%	0.00%	0.00%	0.00%
18	100.00%	0.00%	0.00%	0.00%
17	100.00%	0.00%	0.00%	0.00%
16	100.00%	0.00%	0.00%	0.00%
15	100.00%	0.00%	0.00%	0.00%
14	100.00%	0.00%	0.00%	0.00%
13	100.00%	0.00%	0.00%	0.00%
12	100.00%	0.00%	0.00%	0.00%
11	100.00%	0.00%	0.00%	0.00%
10	100.00%	0.00%	0.00%	0.00%
9	100.00%	0.00%	0.00%	0.00%
8	100.00%	0.00%	0.00%	0.00%
7	100.00%	0.00%	0.00%	0.00%
6	100.00%	0.00%	0.00%	0.00%
5	100.00%	0.00%	0.00%	0.00%
4	80.00%	0.00%	0.00%	20.00%
3	60.00%	0.00%	0.00%	40.00%
2	40.00%	0.00%	0.00%	60.00%
1	20.00%	0.00%	0.00%	80.00%
at retirement	0.00%	0.00%	0.00%	100.00%

## Medium Equity Strategy Cash lifestyle option (Primary Default strategy)

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Cash
35 or more	100.00%	0.00%	0.00%	0.00%
34	100.00%	0.00%	0.00%	0.00%
33	100.00%	0.00%	0.00%	0.00%
32	100.00%	0.00%	0.00%	0.00%
31	100.00%	0.00%	0.00%	0.00%
30	100.00%	0.00%	0.00%	0.00%
29	100.00%	0.00%	0.00%	0.00%
28	100.00%	0.00%	0.00%	0.00%
27	100.00%	0.00%	0.00%	0.00%
26	100.00%	0.00%	0.00%	0.00%
25	100.00%	0.00%	0.00%	0.00%
24	100.00%	0.00%	0.00%	0.00%
23	100.00%	0.00%	0.00%	0.00%
22	100.00%	0.00%	0.00%	0.00%
21	100.00%	0.00%	0.00%	0.00%
20	100.00%	0.00%	0.00%	0.00%
19	80.00%	20.00%	0.00%	0.00%
18	60.00%	40.00%	0.00%	0.00%
17	40.00%	60.00%	0.00%	0.00%
16	20.00%	80.00%	0.00%	0.00%
15	0.00%	100.00%	0.00%	0.00%
14	0.00%	100.00%	0.00%	0.00%
13	0.00%	100.00%	0.00%	0.00%
12	0.00%	100.00%	0.00%	0.00%
11	0.00%	100.00%	0.00%	0.00%
10	0.00%	100.00%	0.00%	0.00%
9	0.00%	100.00%	0.00%	0.00%
8	0.00%	100.00%	0.00%	0.00%
7	0.00%	100.00%	0.00%	0.00%
6	0.00%	100.00%	0.00%	0.00%
5	0.00%	100.00%	0.00%	0.00%

4	0.00%	80.00%	0.00%	20.00%
3	0.00%	60.00%	0.00%	40.00%
2	0.00%	40.00%	0.00%	60.00%
1	0.00%	20.00%	0.00%	80.00%
at retirement	0.00%	0.00%	0.00%	100.00%

## Lower Equity Strategy Cash lifestyle option (Primary Default strategy)

Years to retirement	Multi Asset Portfolio 1	Multi Asset Portfolio 2	Multi Asset Portfolio 3	Cash
35 or more	0.00%	100.00%	0.00%	0.00%
34	0.00%	100.00%	0.00%	0.00%
33	0.00%	100.00%	0.00%	0.00%
32	0.00%	100.00%	0.00%	0.00%
31	0.00%	100.00%	0.00%	0.00%
30	0.00%	100.00%	0.00%	0.00%
29	0.00%	100.00%	0.00%	0.00%
28	0.00%	100.00%	0.00%	0.00%
27	0.00%	100.00%	0.00%	0.00%
26	0.00%	100.00%	0.00%	0.00%
25	0.00%	100.00%	0.00%	0.00%
24	0.00%	100.00%	0.00%	0.00%
23	0.00%	100.00%	0.00%	0.00%
22	0.00%	100.00%	0.00%	0.00%
21	0.00%	100.00%	0.00%	0.00%
20	0.00%	100.00%	0.00%	0.00%
19	0.00%	100.00%	0.00%	0.00%
18	0.00%	100.00%	0.00%	0.00%
17	0.00%	100.00%	0.00%	0.00%
16	0.00%	100.00%	0.00%	0.00%
15	0.00%	100.00%	0.00%	0.00%
14	0.00%	100.00%	0.00%	0.00%
13	0.00%	100.00%	0.00%	0.00%
12	0.00%	100.00%	0.00%	0.00%
11	0.00%	100.00%	0.00%	0.00%

10	0.00%	100.00%	0.00%	0.00%
9	0.00%	100.00%	0.00%	0.00%
8	0.00%	100.00%	0.00%	0.00%
7	0.00%	100.00%	0.00%	0.00%
6	0.00%	100.00%	0.00%	0.00%
5	0.00%	100.00%	0.00%	0.00%
4	0.00%	80.00%	0.00%	20.00%
3	0.00%	60.00%	0.00%	40.00%
2	0.00%	40.00%	0.00%	60.00%
1	0.00%	20.00%	0.00%	80.00%
at retirement	0.00%	0.00%	0.00%	100.00%

## Appendix 2 – Ancillary Defaults/Self-select funds

The full range of funds shown below is available to members to choose from if they wish. Charges for each fund are not shown as these will vary depending on the series of fund invested in. This information is provided in Investment Guides and is also available on-line or on request. Participating employers and members should therefore reference their own personalised documentation for further details.

Category	Fund name	Objective	Benchmark	Underlying funds/benchmark allocation		Date investment manager appointed
Multi Asset	Atlas Multi Asset Portfolio 1	The objective of the fund is to provide long term growth through exposure to a range of asset classes, including but not limited to equities, fixed interest, cash, property and other alternatives both in the UK and overseas. This Fund offers a higher risk approach compared to the other multi asset portfolios.	80.00% MSCI, ACWI, NDR, TL – 50% hedged / unhedged to GBP 10.00% BGAT hedged to GDP 10.00% BGAC hedged to GBP	<b>Strategic Allocation</b>	<b>Permitted Ranges</b>	6 December 2017
	Global Equities (unhedged) (40%)			65 – 95%		
Global Equities (hedged) (40%)	5 – 30%					
Global Sovereign Bonds (10%)		0% – 20%				
Global Corporate Bonds (10%)						
				Cash (0%)		
Multi Asset	Atlas Multi Asset Portfolio 2	The objective of the fund is to provide long term growth through exposure to a range of asset classes, including but not limited to equities, fixed interest, cash, property and	60.00% MSCI, ACWI, NDR, TL – 50% hedged /	<b>Strategic Allocation</b>	<b>Permitted Ranges</b>	6 December 2017
	Global Equities (unhedged) (30%)					

		other alternatives both in the UK and overseas. This Fund has a middle level of risk compared to the other multi asset portfolios.	unhedged to GNP 20.00% BGAT hedged to GBP 20% BGAC hedged to GMP	Global Equites (hedged) (30%) Global Sovereign Bonds (20%) Global Corporate Bonds (20%) Cash (0%)	40 – 75% 20 – 50% 0% - 20%	
Atlas Multi Asset Portfolio 3		The objective of the fund is to provide long term growth through exposure to a range of asset classes, including but not limited to equities, fixed interest, cash, property and other alternatives both in the UK and overseas. This Fund offers a lower risk approach compared to the other multi asset portfolios.	40.00% MSCI, ACWI, NDR, TL – 50% hedged / unhedged to GBP 30.00% BGAT hedged to GBP 30.00% BGAC hedged to GBP	<b>Strategic Allocation</b> Global Equites (unhedged) (20%) Global Equites (hedged) (20%) Global Sovereign Bonds (30%) Global Corporate Bonds (30%) Cash (0%)	<b>Permitted Ranges</b> 25 – 55% 40 – 70% 0% - 20%	6 December 2017
Atlas Multi Asset Absolute Return		The Fund aims to provide positive investment returns in all market conditions over the medium to long term. The fund is actively managed, with a wide investment remit to target a long-term growth. It exploits market inefficiencies through active allocation to a diverse range of market positions. The fund uses a combination of traditional assets (such as equities and bonds) and investment	100.00% SONIA (6m) +5% p.a.	50% Nordea GBP Diversified Return Fund 50% Invesco Global Target Return Fund		12 February 2019

		strategies based on advanced derivative techniques, resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.			
	Atlas Active Multi Asset	<p><i>The Fund aims to provide capital growth and income of the ICE BofA Sterling 3-Month Government Bill Index plus 3.5% per annum (before fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide which meet the Investment Manager's sustainability criteria.</i></p> <p>The fund seeks to meet the return objective through investment in a diversified range of growth asset classes. The portfolio is actively managed with exposure to the underlying asset classes adjusted in line with the Manager's views.</p>	100.00% ICE BofA Sterling 3-Month Government Bill Index +3.5% p.a.	100.00% Schroder Sustainable Future Multi Asset Fund	31 July 2015
	Atlas Passive Multi Asset	The fund aims to provide long-term investment growth through exposure to a diversified range of asset classes.	100.00% SONIA (3m) +3.5% p.a.	100.00% LGIM Diversified	31 July 2015
Equities	Atlas Global Equity Index Tracker	This fund seeks long-term capital growth by investing primarily in equity securities of companies. The fund aims to track the performance of the benchmark which is composed of the underlying regions in which the fund invests.	45.00% FTSE All Share Index 15.75% FTSE North	45.00% LGIM UK Equity Index 15.75% LGIM North America Equity Index 15.75% LGIM Europe ex UK Equity Index 7.88% LGIM Japan Equity Index	31 July 2015

			<p>American Index</p> <p>15.75% FTSE Europe (ex UK) Index</p> <p>7.88% FTSE Japan Index</p> <p>5.62% FTSE Asia Pacific (ex-Japan) Index</p> <p>10.00% FTSE All-World Emerging Index</p>	<p>5.62% LGIM Asia Pacific (ex Japan) Developed Equity Index</p> <p>10.00% LGIM World Emerging Markets Equity Index</p>	
Atlas UK Equity Index Tracker	The investment objective of the fund is to track the performance of the FTSE All-Share Index.	100.00% FTSE All Share Index	100.00% LGIM UK Equity Index	31 July 2015	
Atlas North American Equity Index Tracker	The investment objective of the fund is to track the performance of the FTSE World North America Index.	100.00% FTSE North American Index	100.00% LGIM North America Equity Index	31 July 2015	
Atlas Europe (excluding UK) Equity Index Tracker	The investment objective of the fund is to track the performance of the FTSE Developed Europe (ex-UK) Index.	100.00% FTSE Europe (ex UK) Index	100.00% LGIM Europe ex UK Equity Index	31 July 2015	

Atlas Japan Equity Index Tracker	The investment objective of the fund is to track the performance of the FTSE Japan Index.	100.00% FTSE Japan Index	100.00% LGIM Japan Equity Index	31 July 2015
Atlas Asia Pacific (excluding Japan) Equity Index Tracker	The investment objective of the fund is to track the performance of the FTSE Developed Asia Pacific (ex-Japan) Index.	100.00% FTSE Asia Pacific (ex-Japan) Index	100.00% LGIM Asia Pacific (ex Japan) Developed Equity Index	31 July 2015
Atlas World (excluding UK) Equity Index Tracker	The investment objective of the fund is to track the performance of the FTSE Developed (ex UK) Index (less withholding tax if applicable) to within +/- 0.5% p.a. for two years out of three.	100.00% FTSE World ex UK Index	100.00% LGIM World Developed (ex UK) Equity Index	31 July 2015
Atlas Emerging Markets Equity Index Tracker	This fund seeks long-term capital growth by investing primarily in equity securities, of companies whose principal activities are located in emerging market countries. This Fund aims to produce a return in line with the benchmark.	100.00% FTSE All-World Emerging Index	100.00% LGIM World Emerging Market Equity Index	31 July 2015
Atlas Active Emerging Markets Equities	This fund seeks long-term capital growth by investing primarily in equity securities, of companies whose principal activities are located in emerging market countries. This Fund is actively managed and aims to beat the benchmark return.	100.00% MSCI Emerging Markets Index	100.00% Lazard Emerging Markets Equity Index	31 July 2015
Atlas Sustainability Equity	The fund seeks to provide capital growth in excess of the MSCI All Countries World Index (net of fees) over the market cycle (typically 3 to 5 years) by investing in equities of companies worldwide	MSCI AC World TR Net (GBP)	100% Schroder Sustainable Multi-Factor Equity Fund	21 October 2019

	Capita Active Global Equity	The investment objective of the fund is to beat the benchmark return	<p>20.00% FTSE All Share</p> <p>11.00% FTSE World Europe ex UK</p> <p>15.00% MSCI World Small Cap</p> <p>19.00% FTSE USA</p> <p>10.00% MSCI World</p> <p>5.00% FTSE Japan</p> <p>4.00% FTSE Asia Pacific ex Japan</p> <p>16.00% MSCI Emerging Markets</p>	<p>10% Schroder UK Specialist Value Equity Fund</p> <p>10% Baillie Gifford UK Equity Alpha Fund</p> <p>19% BlackRock US Equity Index Fund</p> <p>16% Stewart Investors Global Emerging Markets Leaders Fund</p> <p>15% Dimensional Global Smaller Companies Fund</p> <p>11% Lazard Continental European Equity (ex UK) Alpha Fund</p> <p>10% Veritas Global Focus Fund</p> <p>5% Baillie Gifford Japanese Equity Pension Fund</p> <p>4% Stewart Investors Asia Pacific Leaders Fund</p>	19 October 2016
	Capita Passive Global Equity	The investment objective of the Fund is to track the performance of the benchmark	<p>20.00% (LGIM) FTSE All Share 5% Capped</p> <p>34.00% (LGIM) FTSE North America Hedged GBP</p> <p>15.00% (LGIM) FTSE Developed</p>	<p>20% LGIM UK Equity Index Fund</p> <p>34% LGIM North American Index Fund</p> <p>18% LGIM World Emerging Markets Equity Index Fund</p> <p>15% LGIM European (ex UK) Index Fund</p> <p>8% LGIM Japan Equity Index Fund</p> <p>5% LGIM Asia Pacific (ex Japan) Developed Equity Index Fund</p>	19 October 2016

			Europe ex UK Hedged 95 8.00% (LGIM) FTSE Japan Hedged Sterling 18.00% (LGIM) FTSE All World Emerging		
Bonds	Atlas Corporate Bond Index Tracker	The investment objective of the fund is to track the performance of the iBoxx £ Non-Gilts (All Stocks) Index.	100.00% IBOXX UK Sterling Non-Gilts All Maturities Index	100.00% LGIM Investment Grade Corporate Bonds All Stocks Index	31 July 2015
	Atlas Over 15 Years Gilts Index Tracker	The investment objective of the fund is to track the performance of the FTSE A Government (Over 15 Year) Index.	100.00% FTSE British Government Over 15 years Index	100.00% LGIM Over 15 Years Gilts Index	31 July 2015
	Atlas Over 5 Years Index-Linked Gilts Index Tracker	The investment objective of the fund is to track the performance of the FTSE A Index-Linked (Over 5 Year) Index.	100.00% FTSE Inflation-Linked Gilt Over 5 Year Index	100.00% LGIM Over 5 Year Index-Linked Gilts Index	31 July 2015
	Atlas Active Corporate Bond	The fund aims to invest in sterling denominated fixed and variable rate securities, such as corporate bonds. These assets should	100.00% ABI Sterling	100.00% M&G Corporate Bond	31 July 2015

		give lower, but steady, growth over the long term when compared to equity investments. However, the value of investments can still fluctuate up and down in value.	Corporate Bond Sector		
Cash	Atlas Cash	<p>The fund seeks to maximise current returns consistent with the preservation of capital and liquidity through investment in a portfolio of high quality short term “money market” instruments.</p> <p>Every effort is made to invest in a way which preserves the value of your investment. However, the value of this Fund can go down as well as up and your investment is not guaranteed.</p>	100.00% ABI Money Market Sector Average	100.00% BlackRock Institutional Sterling Liquidity	31 July 2015
Pre-Retirement	Atlas Level Annuity Target	<p>The fund aims to invest in a way which matches the broad characteristics of investments underlying the pricing of a typical non-inflation linked annuity. This means that the Fund will invest in different types of bonds, including corporate and government bonds both in the UK and overseas.</p> <p>This fund may be suitable for members who intend to purchase a retirement annuity which does not increase in line with inflation over time.</p>	100.00% ABI Sterling Long Bonds	100.00% LGIM Pre-Retirement	31 July 2015
	Atlas Inflation-Linked Annuity Target	The fund aims to invest in a way which matches the broad characteristics of investments underlying the pricing of a typical inflation linked annuity. This means that the Fund will invest in different types of bonds,	100.00% ABI Sterling Long Bonds	100.00% LGIM Inflation-linked Pre-Retirement	31 July 2015

		<p>including corporate and government bonds both in the UK and overseas.</p> <p>This fund may be suitable for members who intend to purchase a retirement annuity which increases in line with inflation over time.</p>			
	Atlas Flexible Pre-Retirement	<p>The fund aims to invest in a lower risk manner to provide growth over the long term. It invests in a range of different asset classes including equities, fixed interest, cash, property and others.</p> <p>This fund may be suitable for you if you intend to draw regular or irregular amounts of pension income from your pension savings. The value of investments can go down as well as up and are not guaranteed.</p>	100.00% ABI Mixed Investments (20-60% shares) Sector Average	<p>20.00% Schroder Life Flexible Retirement</p> <p>15.00% LGIM All Stocks £ Investment Grade Corporate Bonds Index</p> <p>15.00% LGIM Over 5yr Index-Linked Gilts Index</p> <p>15.00% LGIM Over 15 Year Gilts Index</p> <p>17.50% LGIM UK Equity Index</p> <p>6.13% LGIM North America Equity Index</p> <p>6.13% LGIM Europe ex UK Equity Index</p> <p>3.06% LGIM Japan Equity Index</p> <p>2.18% LGIM Asia Pacific (ex-Japan) Developed Equity Index</p>	31 July 2015
At Retirement	Atlas Flexible Access Retirement	<p>The fund aims to invest in a lower risk manner to provide growth over the long term. It invests in a range of different asset classes including equities, fixed interest, cash, property and others.</p> <p>This fund may be suitable for you if you intend to draw regular or irregular amounts of pension income from your pension savings.</p>	100.00% CPI +2% p.a.	100.00% Schroder Flexible Retirement	31 July 2015

		The value of investments can go down as well as up and are not guaranteed.			
	Atlas Retirement Income Drawdown	<p>The fund aims to provide long-term investment growth up to and during retirement, and to facilitate the drawdown of retirement income. The fund invests globally in a range of different asset classes. The fund invests in both index tracking and actively managed funds.</p> <p>This fund may be suitable for members who intend to draw regular amounts of pension income from your pension savings. The value of your investments can go down as well as up and is not guaranteed.</p>	100.00% Bank of England Base Rate +3.5% p.a.	100.00% LGIM Retirement Income Multi Asset	31 July 2015
Other	Atlas Ethical	The fund aim is to provide capital growth and increasing income over time. The Manager seeks to achieve this by investing mainly in an ethically screened and diversified spread of UK equities. The ethically screening applied to the fund means that a number of the UK's largest companies (those that form part of the FTSE 100 Index) are screened out on ethical grounds. As a result, the fund will usually include significant exposure to medium and smaller companies. Investment is concentrated in companies whose products and operations are considered to be of long-term benefit to the community both at home and abroad.	100.00% FTSE All Share Index	100.00% F&C Responsible UK Equity Growth	31 July 2015

	Atlas Shariah Compliant	The fund aims to offer investors the opportunity to grow their money in line with the performance of the Dow Jones Islamic Titans 100 Index. The fund invests in company shares from around the world and is compliant with Islamic Shariah principles.	100.00% Dow Jones Islamic Titans Index	100.00% HSBC Amanah Global Equity Index	31 July 2015
	Atlas Direct Property	This fund seeks long term capital growth by giving broad exposure to commercial property. The underlying property managers aim to beat the benchmark return over longer periods.	100.00% AREF/IPD All Balanced Property Fund Index	50.00% LGIM Managed Property Fund 50.00% Threadneedle Pooled Pension Funds Property Fund	31 July 2015