

Cooper Consolidated Pension Plan

Statement of Investment Principles

March 2024

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1 Introduction

- 1.1 This is the Statement of Investment Principles prepared by the Trustee of the Cooper Consolidated Pension Plan (the Plan). This statement sets down the principles governing decisions about investments for the Plan to meet the requirements of the Pensions Act 1995, as amended by the Pensions Act 2004, and of the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010, the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Occupational Pension Schemes (Investment) (Amendment) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.
- 1.2 In preparing this statement the Trustee has consulted the Plan's sponsoring employers, and obtained advice from Barnett Waddingham LLP, the Trustee's investment consultants. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority.
- 1.3 This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates), and Scheme Funding legislation.
- 1.4 The Trustee will review this statement at least every three years or if there is a significant change in the policy on any of the areas covered by the statement.
- 1.5 The investment powers of the Trustee are set out in Clause 7 of the Definitive Trust Deed & Rules, dated 13 August 2007. This statement is consistent with those powers.

2 Choosing investments

- 2.1 The Trustee's policy is to set the overall investment target and then monitor the performance of its managers against that target. In doing so, the Trustee considers the advice of its professional advisers, who it considers to be suitably qualified and experienced for this role.
- 2.2 The day-to-day management of the Plan's assets is delegated to one or more fund managers. The Plan's fund managers are detailed in the Appendix to this Statement. The fund managers are authorised and regulated by the Financial Conduct Authority, and are responsible for stock selection and the exercise of voting rights.
- 2.3 The Trustee reviews the appropriateness of the Plan's investment strategy on an ongoing basis. This review includes consideration of the continued competence of the fund managers with respect to performance within any guidelines set. The Trustee will also consult the employers before amending the investment strategy.

3 Investment objectives

- 3.1 The Trustee's main investment objectives are:
 - to ensure that it can meet the members' entitlements under the Trust Deed and Rules as they fall due;
 - to achieve a long-term positive real return;
 - to reduce the risk of the assets failing to meet the liabilities over the long term;
 - to manage the expected volatility of the returns achieved in order to control the level of volatility in the Plan's required contribution levels.
- 3.2 The Trustee is aware of the relationship that exists between the particular investment portfolio that is held and the level of funding of the Plan's liabilities at any time. The Trustee has obtained exposure to investments that it expects will meet the Plan's objectives as best as possible.

4 Kinds of investments to be held

4.1 The Plan can invest in a wide range of asset classes including:

- Equities;
- Bonds;
- Cash;
- Property;
- Alternatives, including private equity, commodities, hedge funds, infrastructure, currency, high yield debt and derivatives;
- Annuity policies.

4.2 Any investment in derivative instruments is only made to contribute to a reduction in the overall level of risks in the portfolio or for the purposes of efficient portfolio management.

4.3 The Trustee monitors from time to time the employer-related investment content of its portfolio as a whole and will take steps to alter this should it discover this to be more than 5% of the portfolio. Typically this check is carried out annually by the Plan's auditors.

5 The balance between different kinds of investments

5.1 The Plan invests in assets that are expected to achieve the Plan's objectives. The allocation between different asset classes is contained within the Appendix to this Statement.

5.2 The Trustee considers the merits of both active and passive management for the various elements of the portfolio and may select different approaches for different asset classes. The current arrangements are set out in the Appendix to this Statement.

5.3 From time to time the Plan may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate for any short term cashflows requirements or any other unexpected items.

5.4 The Trustee is aware that the appropriate balance between different kinds of investments will vary over time and therefore the Plan's asset allocation will be expected to change as the Plan's liability profile matures.

6 Risks

6.1 The Trustee has considered the following risks for the Plan with regard to its investment policy and the Plan's liabilities:

6.2 **Risk versus the liabilities** The Trustee will monitor and review the investment strategy with respect to the liabilities following each actuarial valuation. The investment strategy will be set with consideration of the appropriate level of risk required for the funding strategy as set out in the Plan's Statement of Funding Principles.

6.3 **Asset allocation risk** The asset allocation is detailed in the Appendix to this Statement and is monitored on a regular basis by the Trustee.

6.4 **Fund manager risk** The Trustee monitors each of the Plan's fund managers' performance on a regular basis in addition to having meetings with each manager from time to time as necessary, usually on an annual basis. The Trustee has a written agreement with each fund manager, which contains a number of restrictions on how each fund manager may operate.

- 6.5 **Concentration risk** Each fund manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities.
- 6.6 **Loss of investment** The risk of loss of investment by each fund manager and custodian is assessed by the Trustee.
- 6.7 **Liquidity risk** The Plan invests in assets such that there is a sufficient allocation to liquid investments that can be converted into cash at short notice given the Plan's cash flow requirements. The Plan's administrators assess the level of cash held in order to limit the impact of the cash flow requirements on the investment policy.
- 6.8 **Covenant risk** The creditworthiness of the employer and the size of the pension liability relative to the employer's earnings are monitored on a regular basis. The appropriate level of investment risk is considered with reference to the strength of the employer covenant.
- 6.9 **Solvency and mismatching** Risk is addressed through the asset allocation strategy and ongoing triennial actuarial valuations. The Trustee is aware that the asset allocation required to minimise the volatility of the solvency position may be different from that which would minimise the volatility on the Plan's funding basis.
- 6.10 **Currency risk** The Plan's liabilities are denominated in sterling. The Plan may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management.

7 Expected return on investments

- 7.1 The Trustee has regard to the relative investment return and risk that each asset class is expected to provide. The Trustee is advised by its professional advisors on these matters, who it deems to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the fund managers.
- 7.2 The Trustee recognises the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.
- 7.3 In considering the expected return from investments, the Trustee recognises that different asset classes have different long-term expected returns and expected volatilities relative to the liabilities.
- 7.4 Having established the investment strategy, the Trustee monitors the performance of each fund manager against an agreed benchmark as frequently as appropriate according to market conditions and the Plan's funding position. The Trustee meets the Plan's fund managers as frequently as is appropriate, normally on an annual basis, in order to review performance.

8 Realisation of investments

- 8.1 The Trustee has delegated the responsibility for buying and selling investments to the fund managers. The Trustee has considered the risk of liquidity as referred to above.
- 8.2 Ultimately, the investments will all have to be sold when the Plan's life comes to an end. In this situation, the Trustee is aware of the fact that the realisable value of some investments, were there to be a forced sale, might be lower than the market value shown in the Plan accounts.

9 Financially material considerations, non-financial matters, the exercise of voting rights and engagement activities

Financially Material Considerations

- 9.1 The Trustee considers that factors such as environmental, social and governance (ESG) issues (including but not limited to climate change) will be financially material for the Plan over the length of time during which the benefits provided by the Plan for members require to be funded to a level which would allow the benefits to be bought out with an insurer.
- 9.2 The Trustee has elected to invest the Plan's assets through pooled funds. The choice of underlying funds is made by the Trustee after taking advice from their investment consultant. The Trustee, and the managers of the underlying funds, take into account ESG factors (including climate change risks) in their decisions in relation to the selection, retention and realisation of investments.
- 9.3 The Trustee takes those factors into account in the selection, retention and realisation of investments as follows:
- 9.3.1 **Selection:** The Trustee will consider how ESG factors are taken into account in the selection of investments with the Plan's investment managers. When appointing a new mandate, the Trustee will request that investment managers provide information regarding their ESG credentials. These credentials will then be taken into account alongside other factors in the decision as to whether to appoint each manager. The Trustee will also consider alongside other factors whether any new investment managers are signatories to the United Nations supported Principles for Responsible Investment (PRI). At the time of writing, the Plan's investment managers are all PRI signatories.
- 9.3.2 **Retention:** The Trustee will request information regarding the ESG practices of the Plan's investment managers, and will review this on a regular basis, to consider whether these remain appropriate.
- 9.3.3 **Realisation:** The Trustee will consider how ESG factors are taken into account in the realisation of investments with the Plan's investment managers.
- 9.4 The Trustee will also take those factors into account as part of its investment process to determine a strategic asset allocation, and consider them as part of ongoing reviews of the Plan's investments.

Policy for monitoring ESG policy

- 9.5 The Trustee will continue to monitor and assess ESG factors, and risks and opportunities arising from them, as follows:
- 9.5.1 The Trustee will obtain regular training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Plan and its investments.
- 9.5.2 As part of ongoing monitoring of the Plan's investment managers, the Trustee will use any ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Plan's investment managers take account of ESG issues.
- 9.5.3 Through their investment consultant the Trustee will request that all of the Plan's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes on an annual basis.

Non-financially material considerations

- 9.6 The Trustee does not take into account individual members' and beneficiaries' views, including in relation to ethical matters, social and environmental impact and present and future quality of life (referred to in the Regulations as "non-financial factors"), in the selection, retention and realisation of investments.

- 9.7 The Trustee will review its policy on whether or not to take account of non-financial matters on an annual basis.

The exercise of voting rights

- 9.8 The Trustee's policy on the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities in respect of the investments is that these rights should be exercised by the investment managers on the Trustee's behalf. In doing so, the Trustee expects that the investment managers will use their influence as major institutional investors to exercise the Trustee's rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.
- 9.9 The Trustee will monitor and engage with the investment managers about relevant matters (including 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), through the Plan's investment consultant.
- 9.10 Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis. The Trustee will, with input from their investment consultant, monitor and review the information provided by the investment managers.
- 9.11 Where possible and appropriate, the Trustee will engage with their investment managers for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.

Engagement activities

- 9.12 The Trustee acknowledges the importance of ESG and climate risk within the investment making framework. When delegating investment decision making to their investment managers the Trustee provides the investment managers with a benchmark it expects the investment managers to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.
- 9.13 The Trustee is firmly of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities i.e. that they apply to equity, credit and property instruments or holdings. The Trustee also recognises that ESG and climate related issues are constantly evolving and along with them so too are the products available within the investment management industry to help manage these risks.
- 9.14 The Trustee considers it to be a part of the investments managers' roles to assess and monitor developments in the capital structure for each of the companies in which the manager invests as part of the pooled fund in which the Plan holds units.
- 9.15 The Trustee also considers it to be part of the investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG-related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Plan.
- 9.16 Should an investment manager be failing in these respects, this should be captured in the Plan's regular performance monitoring.
- 9.17 In selecting and reviewing their investment managers, where appropriate, the Trustee will consider investment managers' policies on engagement and how these policies have been implemented.
- 9.18 The Trustee periodically reviews engagement activity undertaken by their investment managers to ensure that the policy outlined above is 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.

Stewardship priorities

- 9.19 The Trustee monitors and reports on the ESG and stewardship activities of their investment managers regularly, and this covers a range of topics. The Trustee will continue to monitor a range of ESG and stewardship activities, but the Trustee have chosen stewardship priorities to focus this monitoring and reporting. In selecting these priorities, the Trustee have considered the Sponsoring Employer's stance on being "active stewards of the environment" and a "model for inclusion and diversity". The Trustee have therefore set the following stewardship priorities:
- Climate and the environment
 - Diversity, Equality and Inclusion
- 9.20 The Trustee believes they can meaningfully monitor progress and engage with their investment managers in these areas over time. The Trustee expects their relevant asset managers to be able to evidence their stewardship activity in these areas which the Trustee will monitor annually, for example, by considering the voting and engagement activity of the asset managers.
- 9.21 The Trustee will periodically review the stewardship priorities of the Plan to ensure they remain appropriate.

Conflicts of interest

- 9.22 The Plan's investment managers are granted full discretion over whether or not to hold the equity, debt or other investment in the Sponsoring Employer's business. Through their consultation with the Sponsoring Employer when setting this Statement of Investment Principles the Trustee has made the Sponsoring Employer aware of their policy on ESG and climate related risks, how it intends to manage them, and the importance that the pensions industry as a whole, and its regulators, places on them.
- 9.23 The Plan's investment consultants, Barnett Waddingham, are independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustee confident that the investment manager recommendations they make are free from conflict of interest.
- 9.24 The Trustee expects all investment managers to have a conflict of interest policy in relation to their engagement and ongoing operations. In doing so the Trustee believes they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustee/investment manager and the investee companies.

10 Policy on arrangements with asset managers

Incentivising alignment with the Trustee's investment policies

- 10.1 Prior to appointing an investment manager, the Trustee discusses the investment manager's benchmark and approach to the management of ESG and climate related risks with the Plan's investment consultant, and how their policies are aligned with the Trustee's own investment aims, beliefs and constraints, taking into account the nature of the investment manager's mandate.
- 10.2 When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to make the required investment returns, the Trustee also considers how ESG and climate risk are integrated into these. If the Trustee deems any aspect of these policies to be out of line with its own investment objectives for the part of the portfolio being considered, the Trustee may consider whether it would be more appropriate to use another manager for the mandate.
- 10.3 The Trustee's approach is therefore to determine its investment policies, which are set out in this document, and to appoint investment managers that it believes fits with these policies. The Trustee does not provide any direct incentives for the investment managers to align their practices with these policies; instead the managers have been selected on the basis that their approaches are aligned with the policies. The Trustee considers this to be a suitable approach in practice given it typically invests

in pooled funds with other investors. Sections 10.11 to 10.15 of this document explain how the fee arrangements in place act as an indirect incentive for the investment managers to continue to perform in line with the criteria against which they were assessed at selection over the medium to long term.

- 10.4 The Trustee carries out an investment strategy review at least every 3 years where they assess the continuing relevance of the investment strategy in the context of the Plan and the Trustee's aims, beliefs and constraints. The Trustee monitors the investment managers' approach to ESG and climate related risks, with particular focus on their agreed stewardship priorities, on an annual basis.
- 10.5 In the event that an appointed investment manager ceases to meet the Trustee's desired aims, including the management of ESG and climate related risks, using the approach expected of them, the Trustee will consider whether it would be more appropriate to use another manager for the mandate. The investment managers have been informed of this by the Trustee.
- 10.6 Investment manager ESG policies are reviewed in the context of best industry practice and feedback will be provided to the investment manager.

Incentivising assessments based on medium to long term, financial and non-financial considerations

- 10.7 The Trustee is mindful that the impact of ESG and climate change may have a long-term nature. However, the Trustee recognises that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustee has acknowledged this in the Plan's investment management arrangements.
- 10.8 When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustee assesses these over an agreed predetermined rolling timeframe. The Trustee believes the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund has a shorter-term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustee expects this to be sufficient to ensure an appropriate alignment of interests. The Trustee does not expect ESG considerations to be disregarded by the investment manager in an effort to achieve any short term targets.
- 10.9 The Trustee expects investment managers to be voting and engaging on behalf of the Plan's holdings. The Trustee monitors this activity with reference to the agreed stewardship priorities on an annual basis and reports on this within the Implementation Statement in the Plan's Annual Report and Accounts.

Method and time horizon for assessing performance

- 10.10 The Trustee monitors the performance of the Plan's investment managers over the medium to long time periods that are predetermined and consistent with the Trustee's investment aims, beliefs and constraints.
- 10.11 The Trustee's policy is to monitor the performance of the Plan's investment managers regularly to ensure that they continue to perform in line with the criteria against which they were assessed when they were appointed. The Trustee's investment consultants provide the Trustee with reporting to monitor the investment managers on a quarterly basis. The Trustee then uses this reporting to discuss wider strategic issues for the Plan such as asset allocation and liquidity, as well as any concerns regarding individual the investment managers, including historical performance and any corporate or personnel developments that may affect future performance.
- 10.12 The Plan invests exclusively in pooled funds. The investment managers are remunerated by the Trustee based on the assets they manage on behalf of the Trustee. As the funds grow, due to successful investment by the investment manager, they receive more and as values fall they receive less.
- 10.13 Other than for Liability Driven Investment (LDI) assets, the Trustee believes that this fee structure incentivises the investment manager to focus on long-term performance.
- 10.14 For LDI assets, the setting of a clear benchmark linked to the value of the Plan's liabilities incentivises the manager to manage the portfolio in line with Trustee's risk management requirements. The Trustee

acknowledges that a fall in the value of the LDI portfolio, in line with a fall in the value of the liabilities, would reduce the remuneration paid to the manager.

- 10.15 The Trustee does not consider this to be a disincentive for the manager to invest in line with its benchmark, because the Trustee makes clear to its LDI manager that any material deviation from its benchmark which is considered out of line with the manager's expected approach could result in the appointment of a replacement LDI manager.
- 10.16 The Trustee asks the Plan's Investment Consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered every three years as part of the review of the Statement of Investment Principles

Portfolio turnover costs

- 10.17 The Trustee acknowledges that portfolio turnover costs can impact on the performance of the Plan's investments. Overall performance is assessed as part of the regular investment monitoring process.
- 10.18 During the investment manager appointment process, the Trustee considers both past and anticipated portfolio turnover levels. When underperformance is identified deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices.
- 10.19 The Trustee acknowledges that for some asset classes, such as LDI, a higher turnover of contracts such as repurchase agreements can be beneficial to the fund from both a risk and cost perspective.

Duration of arrangement with manager

- 10.20 For the open-ended pooled funds in which the Plan invests, there are no predetermined timescales for investment agreed with the investment managers.
- 10.21 The suitability of the Plan's asset allocation and its ongoing alignment with the Trustee's investment aims, beliefs and constraints is assessed every three years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

11 Agreement

This statement was agreed by the Trustee, and replaces any previous statements. Copies of this statement and any subsequent amendments will be made available to the employer, the fund managers, the actuary and the Plan auditor upon request.

Adopted by the Trustee March 2024

Appendix 1 Note on investment policy of the Plan as at March 2024 in relation to the current Statement of Investment Principles

Choosing investments

The Trustee has appointed the following fund managers to carry out the day-to-day investment of the fund:

- Insight Investment ("Insight")
- M&G plc ("M&G")
- Troy Asset Management ("Troy")

The fund managers are authorised and regulated by the Financial Conduct Authority.

The Trustee has appointed Barnett Waddingham LLP to advise on investment matters in addition to advice received from the fund managers on suitability of investments.

The Plan's strategic asset allocation and liability hedging

The asset allocation and liability hedging requirements have been agreed after considering the Plan's liability profile, its funding position and possible volatility, expected return of the various asset classes and the need for diversification.

The Plan has a strategic asset allocation as set out in the table below.

Asset class	Target allocation
<i>Growth Portfolio</i>	32.5%
Troy Trojan Fund	10.0%
M&G Sustainable Total Return Credit Fund	15.0%
Insight Synthetic Global Equity Fund	7.5%
<i>Insight Maturing Buy and Maintain Portfolio</i>	25.0%
Insight Maturing Buy and Maintain 2021-2025	
Insight Maturing Buy and Maintain 2026-2030	
Insight Maturing Buy and Maintain 2031-2035	
<i>Insight LDI Portfolio (including liquid collateral)</i>	42.5%
Insight LDI	
Insight Liquid ABS	
Insight Liquidity Plus Fund	
Total	100.0%

Totals may not sum due to rounding

Liability Matching Portfolio

The main purpose of the Liability Matching Portfolio is to protect the Plan's funding level from unanticipated changes in interest rates and inflation expectations.

The Plan has the strategic liability matching targets set out in the table below:

Liability risk	Target hedge ratio
Interest rate	90%
Inflation	90%

The hedge ratios are defined as follows:

$$\text{Interest rate hedge ratio} = \frac{PV01 (\text{Plan assets})}{PV01 (\text{Plan liabilities})}$$

$$\text{Inflation hedge ratio} = \frac{IE01 (\text{Plan assets})}{IE01 (\text{Plan liabilities})}$$

PV01 represents the sensitivity of the value of the assets/liabilities to unanticipated changes in interest rates, measured by the financial impact on the value of the assets/liabilities of a 0.01% fall in UK interest rates at all terms. IE01 represents the sensitivity of the value of the assets/liabilities to unanticipated changes in market-implied inflation expectations, measured by the financial impact on the value of the assets/liabilities of a 0.01% increase to UK RPI inflation at all terms.

In this context, the value of the Plan's liabilities should be calculated on a "gilts flat" actuarial basis. That is, the liabilities should be calculated using the actuarial basis used to determine the Plan's Technical Provisions but with the discount rates set equal to the yield on gilts.

Re-capitalisation and re-leveraging of Insight Liability Matching Funds

Since the Insight LDI funds are leveraged, a sufficient rise in interest rates may require the Trustee to transfer additional capital from the Plan's investments in order to maintain the level of interest rate and inflation hedging. Conversely, if interest rates fall sufficiently, the funds may distribute capital.

In the event that a re-capitalisation contribution is required, the Plan's holdings would be sold in the following order of priority in order to meet this requirement:

1. Insight Liquidity Plus Fund
2. Insight Liquid ABS Fund
3. Troy Trojan Fund
4. M&G Sustainable Total Return Credit Fund

Where funds in the Insight Liquidity Plus Fund and Liquid ABS Fund are required, Insight will automatically sell the holdings to meet a re-capitalisation contribution. As the Troy and M&G funds are managed by other investment managers, if additional money is required from this fund the Trustee would instruct this separately.

The Trustee's holding in the Liquidity Plus Fund is intended to be able to meet the collateral calls associated with yield rises of up to 1.5%. The Trustee's holding in the Liquid ABS Fund is then intended to be able to meet the further collateral calls associated with yield rises of up to a total of 3%. The amount required to withstand this level of yield rises, and therefore the allocations to these funds, will change over time. The Troy and M&G funds are held to meet further collateral calls for yield rises beyond 3%. The Trustee monitors the collateral position of the Plan's holdings through its quarterly investment monitoring reports.

In the event that a cash payment is made by Insight as a result of the re-leveraging of one or more LDI funds, this will be transferred automatically to the Insight Liquidity Plus Fund. The Trustee will then consider how the proceeds will be subsequently invested, treating these proceeds as 'new money'.

Rebalancing

The Trustee recognises that the asset allocation of investments in different asset classes will vary over time as a result of market movements. The Trustee seeks to maintain a balance between maintaining the asset allocation in line with its benchmark and limiting the costs of rebalances.

Fund performance

The Trustee will assess the performance of the funds relative the benchmarks and objectives set out in the table below.

Fund	Benchmark	Objective
Troy Trojan Fund	UK Retail Price Index	To preserve and grow investors' capital in real terms by aiming to outperform the benchmark net of fees over the longer term (5 to 7 years).
M&G Sustainable Total Return Credit Fund	1 month SONIA*	To outperform the benchmark by 3% to 5% gross of fees p.a. over a market cycle.
Insight Synthetic Global Equity Fund	MSCI World Index (GBP geded)	To match the performance of the benchmark index.
Insight Maturing Buy and Maintain Funds	iBoxx GBP Corporate indices	The Funds seek to generate a return for investors by investing primarily in a portfolio of debt securities
Insight Liquid ABS	1 month SONIA*	To generate a return for investors mainly through investment in a portfolio of liquid asset backed securities (ABS) and corporate floating rate notes (FRNs).
Insight Liquidity Plus Fund	1 month SONIA*	To provide investors with income together with stability of capital by investing in money market instruments and short-term fixed income and variable rate bonds.
Insight LDI	The benchmark of each fund consists of the change in value of a gilt of a relevant maturity term. Each benchmark is leveraged.	To perform in line with the leveraged benchmark.

*Sterling Overnight Index Average Rate

The performance of the fund managers will be monitored as frequently as the Trustee considers appropriate in light of the prevailing circumstances. The monitoring takes into account both short-term and long-term performance.

Investment of new money

Any new money will usually be used to pay benefits. If there is excess money available this will usually be used to rebalance the overall asset allocation towards its overall benchmark.

Realisation of investments

The Plan has made investments into the Insight Maturing Buy and Maintain Credit Funds which distribute income through an automated process into the Trustee bank account on a quarterly basis. This income is used in the first instance to meet the Plan's cashflow requirements.

Where the income from these funds is not sufficient to meet cashflow requirements and a disinvestment is needed, the Trustee will typically make this disinvestment to rebalance the Plan's asset allocation towards benchmark.