



ACCO Europe Pension Plan – Defined Contribution Section

Statement of Investment Principles

September 2020

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01 Introduction

Purpose

This Statement describes the investment policy of the Trustee of the Plan and is issued by the Trustee to comply with the Act and the Regulations. It supersedes the previous Statement and has been updated following changes to the Regulations. The wording of the Statement was agreed by the Trustee in September 2020.

Plan details

The exclusive purpose of the Plan is to provide retirement and death benefits to eligible participants and beneficiaries. It qualifies as a registered pension scheme, under Chapter 2 of Part 4 of the Finance Act 2004.

Advice and consultation

Before preparing this Statement, the Trustee has sought advice and has consulted the Principal Employer. The Trustee will consult the Principal Employer on any future changes in investment policy as set out in this Statement.

Investment powers

The Plan's Trust Deed and Rules set out the investment powers of the Trustee. This Statement is consistent with those powers. Neither this Statement nor the Trust Deed and Rules restrict the Trustee's investment powers by requiring the consent of the Principal Employer.

In accordance with the Financial Services and Markets Act 2000, the Trustee sets general investment policy but delegates responsibility for the selection of the specific securities and any financial instruments in which the Plan invests to the Investment Managers.

Review of the Statement

The Trustee will review this Statement at least every three years or immediately following any significant changes in investment policy, or changes in the demographic profile of relevant members.

The Trustee will receive confirmation of the continued appropriateness of this Statement annually, or more frequently if appropriate.

Definitions

Capitalised terms in this document mean the following:

Act - The Pensions Act 1995 (as amended by section 244 of the Pensions Act 2004)

Investment Manager - A person or organisation appointed by the Trustee to manage investments on behalf of the Plan

Investment Platform Provider - A single provider offering access to a wide variety of underlying pooled investment funds which may be managed by different Investment Managers.

Principal Employer - ACCO (UK) Limited

Plan – ACCO Europe Pension Plan (DC Section)

Regulations - The Occupational Pension Schemes (Investment) Regulations 2005 (as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015).

Statement - This document, including any appendices, which is the Trustee's Statement of Investment Principles

Trustee – ACCO Europe Trustee Company Limited

Guaranteed Minimum Pension – A pension broadly equal to the SERPS pension the member would have received had the Plan been contracted in to SERPS between 6 April 1978 and 5 April 1997.

SERPS – State Earnings Related Pension Scheme.

02 Division of responsibilities

The Trustee is accountable for all aspects of the Plan's investments, however, as permitted within the Trust Deed and Rules, the Trustee has delegated some of the decision making powers and other responsibilities as set out below.

Trustee

The Trustee has retained the following responsibilities and powers:

- > The content and the reviewing of this Statement.
- > Reviewing the investment policy.
- > Appointing the Investment Platform Provider and assessing its ongoing suitability in this role.
- > Appointing the Investment Managers and (where appropriate) the Custodian(s).
- > Assessing the performance and investment process of the Investment Managers.
- > Consulting with the Principal Employer when reviewing investment policy issues.
- > Monitoring compliance of the investment arrangements with this Statement on an ongoing basis.

In addition, the Trustee of the Plan will make decisions relating to the Plan's investments, including issues such as:

- > The kinds of investments to be held.
- > The balance between different kinds of investments.
- > The level of risk to which the Plan is exposed to.
- > The Investment Manager arrangements.
- > The performance target of the Investment Managers.

Investment Managers

Each Investment Manager's responsibilities will include:

- > Investing in diversified portfolios of assets suitable for pension schemes in accordance with the mandate they have been given by the Trustee or the Investment Platform Provider.
- > At their discretion, but in accordance with the mandate the Trustee or the Investment Platform Provider has given them, implementing changes in the asset mix and selecting individual securities and financial instruments within each asset class.

- > Exercising the rights attached to the shareholdings of the Plan so as to protect and enhance the long-term value of a stock holding for the Plan.

Investment Platform Provider

The Investment Platform Provider's responsibilities include:

- > Providing a range of investment funds from which the Trustee is able to select a subset of funds to make available to members, consistent with the policy as set out in this Statement.
- > Enabling the Trustee to select from the range of Investment Managers through the creation of funds which themselves invest in or are reinsured into underlying vehicles or portfolios managed by the Investment Managers.
- > Blending or white labelling funds as appropriate/ requested by the Trustee.
- > Appointing a custodian. For pooled assets, the custodian is invariably appointed by the Investment Managers on behalf of the pooled fund as a whole. However, a separate custodian may be appointed to provide the above services on behalf of the Investment Platform Provider.
- > Providing the Trustee with the reporting that would otherwise be expected of the Investment Managers.
 - Regular portfolio valuations and performance information along with a report, at least annually, on actions and future intentions and any changes to the processes, objectives and guidelines applied to their management of the Plan's assets to enable the Trustee to review the Investment Managers' activities.
 - Exercising the rights attached to the shareholdings of the Plan so as to protect and enhance the long-term value of a stock holding for the Plan.

Division of responsibilities

Continued

Custodian

Each Custodian's responsibilities include some or all of the following:

- > The safekeeping of all of the assets of the Plan.
- > Providing the Investment Managers with statements as required of the assets, cashflows and schedules of transactions.
- > Undertaking all appropriate administration relating to the Plan's assets.
- > Processing all dividends and tax reclaims in a timely manner.
- > Dealing with corporate actions.

For pooled assets, the Custodian is invariably appointed by the Investment Managers with the above functions undertaken on behalf of the pooled fund as a whole. Record keeping of the Plan's entitlement within the pooled fund is the responsibility of the pooled fund administrator or registrar.

Member records are held by the Plan administrator.

03 Strategic investment policy and objectives

Choosing investments

The Trustee relies on professional Investment Managers for the day-to-day management of the Plan's assets.

In view of the requirements in respect of the efficient administration of individual entitlements for each member, all the investments are made on a pooled basis with the individual funds accessed through an investment platform. Decisions about the particular pooled investment vehicles, offered to members are made by the Trustee.

The Trustee's policy is to regularly review the investments over which it retains control and to obtain written advice about them when necessary. When deciding whether or not to make any new investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the Investment Managers. The written advice will consider suitability of the investments, the need for diversification and the principles within this Statement. The adviser will have the knowledge and experience required under Section 36(6) of the Act.

Long-term objectives

The Trustee's long-term objectives are to provide members with investment options that will enable them to optimise the real return on investments, in order to build a fund which will be used at retirement to providing a Guaranteed Minimum Pension for themselves and spouse with any excess providing further benefits, for example, to provide a guaranteed invest in an income drawdown product, purchase an annuity and/or be taken as a cash lump sum. The Trustee has therefore selected the investment options:

- > In the best interests of members
- > In a manner calculated to ensure their security, quality, liquidity and profitability

The Trustee recognises that the available investment options directly impact the Plan members and their expectation for their retirement provision.

The Trustee has therefore set three investment objectives for the Plan:

- > **Fiduciary** To ensure members are given an appropriate range of investment vehicles and guidance on the suitability of these vehicles
- > **Funding** To give members investment opportunities that enables them to maximise the returns achieved at acceptable levels of risk.
- > **Stability** To provide members with investment vehicles which offers protection against volatility in the capital value of their fund.

Expected returns

By undertaking the investment policy described in this Statement, the Trustee anticipates that the investment options and the associated future absolute investment returns will allow members to maintain the real value of their fund whilst at the same time providing them with the opportunity to invest in assets which are closely aligned to the way in which they expect to convert their fund at retirement.

Should members' accumulated investments not achieve the Guaranteed Minimum Pension the shortfall is provided by an underpin provided by the Plan's defined benefit assets.

Investment Policy

In order to meet the above objectives, the Trustee has made available a range of investment funds with different risk-reward characteristics.

The individual funds available and their characteristics are given in Appendix II

Range of assets

The Trustee will provide members with investment vehicles encompassing both real and monetary assets.

The amounts allocated to any individual asset class will be influenced by the choices made by the members and may vary through the Investment Managers' tactical asset allocation preferences at any time, within the restrictions imposed under individual fund investment parameters.

The Trustee will ensure that the investment options made available to members hold a suitably diversified range of securities, avoiding an undue concentration of assets. In

addition, the Trustee will ensure the range of assets is otherwise suitable to meet the investment objectives as set out in Appendix II.

Based on the structure set out in Appendix I, the Trustee considers the arrangements with the Investment Managers to be aligned with the Plan's overall strategic objective. Details of each specific mandate are set out in agreements and pooled fund documentation with the Investment Platform Provider and each underlying Investment Manager. The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Managers' tactical asset allocation preferences at any time, within any scope given to them through asset allocation parameters set by the Trustee or governing the pooled funds in which the Plan is invested.

The Trustee will ensure that the Plan's assets are predominantly invested in regulated markets to maximise their security.

Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Plan's investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustee's expectations, including the selection / deselection criteria set out in Section 7.

The Trustee encourages the Platform Provider and Investment Managers to make decisions in the long-term interests of the Plan. The Trustee expects engagement with management of the underlying issuers of debt or equity and the exercising of voting rights, on the basis that such engagement can be expected to help the Platform Provider and Investment Managers to mitigate risk and improve long term returns. As covered in more detail in Section 4, the Trustee also requires the Platform Provider and Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustee believes these factors could have a material financial impact in the long-term. The Trustee therefore makes decisions about the retention of the Platform Provider and Investment Managers, accordingly.

04 Responsible investment

The Trustee has considered its approach to environmental, social and corporate governance (“ESG”) factors for the long term time horizon of the Plan and believes there can be financially material risks relating to them. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan’s Investment Managers. The Trustee requires the Plan’s Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

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

As the Plan invests in pooled funds, the Trustee acknowledges that it cannot directly influence the policies and practices of the companies in which the pooled funds invest. It has therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan’s investments to the Platform Provider and Investment Managers. The Trustee encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of its decision-making processes. The Trustee requires the Platform Provider and Investment Managers to report on significant votes made on behalf of the Trustee.

If the Trustee becomes aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that it deems inadequate or that the results of such engagement are mis-aligned with the Trustee’s expectation and the investment mandate guidelines provided, then the Trustee may consider terminating the relationship with that Investment Manager.

When considering the selection, retention or realisation of investments, the Trustee has a fiduciary responsibility to act in the best interests of the beneficiaries of the Plan, although it has neither sought nor taken into account the beneficiaries’ views on risks including (but not limited to) ethical, social and environmental issues. The Trustee will review this policy if any beneficiary views are raised in future.

05 Risk measurement and management

The Trustee recognises a number of risks involved in the investment of the assets of the Plan. The Trustee measures and manages these risks as follows:

Strategic risk - The risk of not maintaining the real purchasing power of assets is addressed through the availability of growth orientated funds

Market risk - The risk of exposure to volatile markets, which may be less acceptable to some members, particularly near retirement, is addressed through the availability of non equity orientated funds.

Manager risk - The risk of an Investment Manager failing to meet the stated objectives is addressed through the Performance Objectives set out in Appendix II and through the ongoing monitoring of the Investment Managers as set out in this section. In monitoring the performance of the Investment Managers the Trustee measures the performance of the vehicles in which the Plan is invested, the returns relative to benchmark and objective and the volatility of returns. In addition, the Trustee will regularly review the Manager's approach to risk in order to highlight any unintended risk being taken. For example:

- > for equities, the Trustee will review the risk through the weightings to individual regions, sectors and stocks;
- > for property, risk will be reviewed through the weightings to specific sectors, level of gearing, void rates and the tenancy exposure;
- > for multi asset (including with profit) funds, the Trustee will consider the weightings within each fund to different asset classes, and will also consider the volatility of each fund both in absolute terms and in comparison to the volatility of traditional equity markets;
- > for bonds, the Trustee will review the risks of the underlying assets comprising the gilt portfolio;
- > for cash, the Trustee will review the risk through the type of cash instruments held and the term of these instruments.

Inappropriate investments – The risk that an Investment Manager invests in assets or instruments that are not considered to be appropriate by the Trustee is addressed through the Trustee's policy on the range of assets in which the Plan can invest (see Section 4).

Political risk – The risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

Custodian risk – The risk that the custodian fails to provide the services expected is addressed through the agreement with the third party custodian and ongoing monitoring of the custodial arrangements. In pooled arrangements this is invariably delegated to the Investment Managers and/ or the Investment Platform Provider.

Counterparty risk – This is addressed through the Investment Managers' guidelines with respect to cash management.

Fraud/Dishonesty - The risk that the Plan assets are reduced by illegal actions is addressed through restrictions applied as to who can authorise transfers of cash and the account to which transfers can be made.

Administration risk – The risk of administrative errors leading to inaccurate member records is addressed through controls built into the cash collection/allocation procedure and through monthly reconciliations of the administration records with those held by the investment manager. In accordance with XPS's ISO 9001:2015 accredited Business Process Management System, every event is recorded and documentary evidence retained as part of an audit trail.

06 Realisation of assets and investment restrictions

Realisation of investments

In recognition of the fact that funds may need to be realised for a number of unanticipated reasons at any time, and the desirability of retaining as high a degree of flexibility as possible to cater for unexpected changes in circumstances, the Trustee will monitor closely the extent to which any assets not readily realisable are held by the Investment Managers, and will limit such assets to a level where they are not expected to prejudice the proper operation of the Plan.

The Trustee has considered how easily investments can be realised for the types of assets in which the Plan is currently invested. As such, the Trustee believes that the Plan currently holds an acceptable level of readily realisable assets. The Trustee will also take into account how easily investments can be realised for any new investment options it considers making available to members, to ensure this position is maintained in the future.

The Trustee will hold cash to the extent that it considers necessary to meet impending anticipated liability outflows. A bank account is used to facilitate the holding of cash awaiting investment or payment.

Investment Restrictions

The Trustee has established the following investment restrictions:

- > The Trustee may not hold in excess of 5% of the Plan's assets in investments related to the Principal Employer.
- > Whilst the Trustee recognises that borrowing on a temporary basis is permitted, this option will only be utilised where it is deemed absolutely necessary or where the Trustee has received advice that the Plan's overall exposure to risk can be reduced through temporary borrowing, e.g. during an asset transfer.
- > The Trustee will ensure that the Plan's assets are predominantly invested in regulated markets to maximise the security of the members' entitlements.
- > Investment in derivative instruments may be made only insofar as they contribute to the reduction in risk or facilitate efficient portfolio management.

The Investment Managers impose internal restrictions that are consistent with their house style. In some instances, the Trustee may impose additional restrictions and any such restrictions are specified in Appendix II.

07 Investment Manager Arrangements and fee structure

Delegation to Investment Manager(s)

In accordance with the Act, the Trustee has appointed one or more Investment Managers and delegated to them the responsibility for investing the Plan's assets in a manner consistent with this Statement.

The Investment Managers are authorised and regulated to provide investment management services to the Plan. Within the UK, the authorisation and regulation of the Investment Managers falls under the Financial Conduct Authority (FCA). Specific products in which the Plan invests may also be regulated by the Prudential Regulatory Authority (PRA). For non-UK Investment Managers, authorisation and regulation is undertaken by the home state regulator.

The Investment Managers will ensure that suitable internal operating procedures are in place to control individuals making investments for the Plan.

Performance objectives

The individual benchmarks and objectives against which each pooled fund is assessed are given in Appendix II.

Review process

Appointments of Investment Managers are expected to be long-term, but the Trustee will review the appointment of the Platform Provider and Investment Managers in accordance with its responsibilities. Such reviews will include analysis of each Investment Manager's performance and processes and an assessment of the diversification of the assets held by the Investment Manager. In respect of the Platform Provider, such reviews will include an analysis of the Platform Provider's processes, the range and ongoing suitability of the funds available on the Platform and the fee arrangements in place.

The review will include consideration of the continued appropriateness of the mandate given to the Investment Manager within the framework of the Trustee's investment policy in relation to the Plan.

The Trustee receives quarterly performance monitoring reports for the Plan. If there are concerns, the Trustee may carry out a more in-depth review of a particular Investment Manager. The Investment Platform Provider will also attend Trustee meetings as requested.

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

(De)selection criteria

The criteria by which the Trustee will select (or deselect) the Investment Managers include:

- > Past performance.
- > Quality of the investment process.
- > Role suitability - e.g., level of fees, reputation of the Investment Manager, familiarity with the mandate, internal objectives and restrictions of any pooled funds.
- > Service - e.g., reporting, administration.
- > Personnel - e.g., the individual fund managers working for the Plan.

An Investment Manager may be replaced, for example (but not exclusively), for one or more of the following:

- > The Investment Manager fails to meet the performance objectives set out in Appendix II.
- > The Trustee believes that the Investment Manager is not capable of achieving the performance objectives in the future.
- > The Investment Manager fails to comply with this Statement.

Investment Platform Provider fee structure

The Investment Platform Provider is remunerated by receiving a proportion of the Plan's assets under management. Details of the fee arrangements in place for each fund are set out in Appendix II.

Investment Managers' fee structure

The Investment Managers are remunerated by receiving a percentage of the Plan's assets under management. Details of the fee arrangements in place for each Investment Manager are set out in Appendix II.

Portfolio Turnover

The Trustee requires the Platform Provider to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, including that within the underlying funds, how turnover compares with the range that the Platform Provider expects and the reasons for any divergence.

08 Compliance Statement

Confirmation of advice

Before a Statement of Investment Principles, as required by the Pensions Act 1995, is prepared or revised by the trustees of a pension scheme, they must have consulted with the Principal Employer and obtained and considered the written advice of a person who is reasonably believed by them to be qualified by his ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes.

The Trustee confirms it has received the advice required by the Act.

Signature

On behalf of the Trustee

Date:

Appendix I

Investment Strategy & Structure

Overall strategy

Members are offered a range of funds to enable them to choose investment appropriate to their individual circumstances.

Retirement Pathway Funds

The Pathway Funds automatically manage the member's investments by shifting the balance towards less risky assets as they near Target Retirement Age.

A range of Pathway Funds is available with phasing periods as follows:

Managed and Managed Core ranges

Two ranges of Pathway Funds are available: The Aon Managed Retirement Pathway and the Aon Managed Core Retirement Pathway Fund. The Managed Core range uses the Core Initial Growth Fund, Core Diversified Asset Fund and Core Bond Phase Funds in place of the Initial Growth Phase Fund, the Diversified Asset Fund and the Bond Phase Funds shown below.

Core funds will have lower management fees than the comparable alternative.

	Retirement Pathway Funds	Retirement Pathway Funds to Annuity	Retirement Pathway Funds to Cash
More than 15 years prior to retirement	100% Initial Growth Phase Fund	100% Initial Growth Phase Fund	100% Initial Growth Phase Fund
Gradually phasing between 15 years and 10 years prior to retirement to:	60% Initial Growth Phase Fund 20% Diversified Asset Fund 15% Bond Phase Fund 1.5% Short Term Inflation Linked Fund 3.5% Long Term Inflation Linked Fund	60% Initial Growth Phase Fund 20% Diversified Asset Fund 15% Bond Phase Fund 1.5% Short Term Inflation Linked Fund 3.5% Long Term Inflation Linked Fund	60% Initial Growth Phase Fund 20% Diversified Asset Fund 15% Bond Phase Fund 1.5% Short Term Inflation Linked Fund 3.5% Long Term Inflation Linked Fund
Gradually phasing between 10 and 5 years prior to retirement to:	45% Initial Growth Phase Fund 20% Diversified Asset Fund 22.5% Bond Phase Fund 3.75% Short Term Inflation Linked Fund 8.75% Long Term Inflation Linked Fund	45% Initial Growth Phase Fund 20% Diversified Asset Fund 22.5% Bond Phase Fund 3.75% Short Term Inflation Linked Fund 8.75% Long Term Inflation Linked Fund	45% Initial Growth Phase Fund 20% Diversified Asset Fund 22.5% Bond Phase Fund 3.75% Short Term Inflation Linked Fund 8.75% Long Term Inflation Linked Fund
Gradually phasing over the next 5 years so that "at retirement" the allocation is	35% Initial Growth Phase Fund 20% Diversified Asset Fund 25% Bond Phase Fund 6% Short Term Inflation Linked Fund 14% Long Term Inflation Linked Fund	75% Bond Phase Fund 25% Liquidity Fund	100% Liquidity Fund
Gradually phasing over the initial 10 years in retirement to:	15% Initial Growth Phase Fund 20% Diversified Asset Fund 25% Bond Phase Fund 28% Short Term Inflation Linked Fund 12% Long Term Inflation Linked Fund	n/a	n/a

All Retirement Pathway funds target the “at retirement” allocation on 30 June in the middle year of the vintage. The benchmarks and additional expenses for the Retirement Pathway Funds reflect the underlying funds in the Lifestyle Matrix.

The Funds have vintages as follows:

Aon Managed Retirement Pathway 2013-2015
Aon Managed Retirement Pathway 2016-2018
Aon Managed Retirement Pathway 2019-2021
Aon Managed Retirement Pathway 2022-2024
Aon Managed Retirement Pathway 2025-2027
Aon Managed Retirement Pathway 2028-2030
Aon Managed Retirement Pathway 2031-2033
Aon Managed Retirement Pathway 2034-2036
Aon Managed Retirement Pathway 2037-2039
Aon Managed Retirement Pathway 2040-2042
Aon Managed Retirement Pathway 2043-2045
Aon Managed Retirement Pathway 2046-2048
Aon Managed Retirement Pathway 2049-2051
Aon Managed Retirement Pathway 2052-2054
Aon Managed Retirement Pathway 2055-2057
Aon Managed Retirement Pathway 2058-2060
Aon Managed Retirement Pathway 2061-2063
Aon Managed Retirement Pathway 2064-2066
Aon Managed Retirement Pathway 2067-2069
Aon Managed Retirement Pathway Perpetual
Aon Managed Retirement Pathway Perpetual Annuity
Aon Managed Retirement Pathway to Annuity 2019-2021
Aon Managed Retirement Pathway to Annuity 2022-2024
Aon Managed Retirement Pathway to Cash 2019-2021
Aon Managed Retirement Pathway to Cash 2019-2021
Aon Managed Retirement Pathway to Cash 2022-2024
Aon Managed Core Retirement Pathway 2007-2009
Aon Managed Core Retirement Pathway 2010-2012
Aon Managed Core Retirement Pathway 2013-2015
Aon Managed Core Retirement Pathway 2016-2018

Aon Managed Core Retirement Pathway 2019-2021
Aon Managed Core Retirement Pathway 2022-2024
Aon Managed Core Retirement Pathway 2025-2027
Aon Managed Core Retirement Pathway 2028-2030
Aon Managed Core Retirement Pathway 2031-2033
Aon Managed Core Retirement Pathway 2034-2036
Aon Managed Core Retirement Pathway 2037-2039
Aon Managed Core Retirement Pathway 2040-2042
Aon Managed Core Retirement Pathway 2043-2045
Aon Managed Core Retirement Pathway 2046-2048
Aon Managed Core Retirement Pathway 2049-2051
Aon Managed Core Retirement Pathway 2052-2054
Aon Managed Core Retirement Pathway 2055-2057
Aon Managed Core Retirement Pathway 2058-2060
Aon Managed Core Retirement Pathway 2061-2063
Aon Managed Core Retirement Pathway 2064-2066
Aon Managed Core Retirement Pathway 2067-2069
Aon Managed Core Retirement Pathway Perpetual
Aon Managed Core Retirement Pathway to Annuity Perpetual
Aon Managed Core Retirement Pathway to Annuity 2019-2021
Aon Managed Core Retirement Pathway to Annuity 2022-2024
Aon Managed Core Retirement Pathway to Cash 2016-2018
Aon Managed Core Retirement Pathway to Cash 2019-2021
Aon Managed Core Retirement Pathway to Cash 2022-2024

Perpetual Funds have reached the end of their glide-paths and no further de-risking will occur.

Default Strategy

The default vehicle is the Aon Managed Retirement Pathway Fund with a target date that is close to the date that the member will reach the Plan’s Normal Retirement Age.

Asset class funds

Additionally, a range of asset class specific funds are available as follows

- Aon Managed Initial Growth Phase
- Aon Managed Core Initial Growth Phase
- Aon Managed Active Global Equity
- Aon Managed Active UK Equity
- Aon Managed Property and Infrastructure
- Aon Managed Diversified Asset
- Aon Managed Core Diversified Asset
- Aon Managed Bond Phase
- Aon Managed Core Bond Phase
- Aon Managed Long Term Inflation Linked
- Aon Managed Pre-Retirement Bond
- Aon Managed Liquidity
- Aegon BlackRock UK Equity Index
- Aegon LGIM Ethical Global Equity Index
- Aon Managed UK Equity (Legacy)

Appendix II

Fund benchmarks, objectives and fees

Aon plc

Pathway funds

Aon Managed Retirement Pathway Funds

<i>Objective</i>	The Funds aim to maximise the potential for capital growth, and help manage the investment risks at each stage of an investor's life.
<i>Fees</i>	AMC 0.58% p.a. OCF: 0.61 to 0.63% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Core Retirement Pathway Funds

<i>Objective</i>	The Funds aim to maximise the potential for capital growth, and help manage the investment risks at each stage of an investor's life.
<i>Fees</i>	AMC 0.45% p.a. OCF: 0.46% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Retirement Pathway to Annuity Funds

<i>Objective</i>	The Funds are intended for use by investors planning to purchase a level annuity and take the maximum tax-free cash at retirement.
<i>Fees</i>	AMC 0.58% p.a. OCF: 0.59 to 0.62% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Core Retirement Pathway to Annuity Funds

<i>Objective</i>	The Fund is intended for use by investors planning to purchase a level annuity and take the maximum tax-free cash at retirement.
<i>Fees</i>	AMC 0.45% p.a. OCF: 0.46% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Core Retirement Pathway to Cash Funds

<i>Objective</i>	The Fund is intended for use by investors planning to take their fund as one lump sum at retirement.
<i>Fees</i>	AMC 0.45% p.a. OCF: 0.47 to 0.48 % p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Retirement Pathway to Cash Funds

<i>Objective</i>	The Fund is intended for use by investors planning to take their fund as one lump sum at retirement.
<i>Fees</i>	AMC 0.58% p.a. OCF: 0.61 to 0.62% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Asset class funds

Aon Managed Active Global Equity Fund

<i>Benchmark</i>	MSCI World Index Net GBP
<i>Objective</i>	The Fund aims to outperform its benchmark by investing in a range of funds that provide exposure to global equities.
<i>Fees</i>	AMC 1.09% p.a. OCF: 1.12% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed UK Equity (Legacy) Fund

<i>Benchmark</i>	FTSE All-Share Index
<i>Objective</i>	The Fund was created following the closure of the LF Woodford Equity Income Fund, which was one of the underlying funds in the Aon Managed UK Equity Fund. The Fund holds the remaining holdings in the former Woodford Fund with investment also made into one or more actively or passively managed UK equity funds (to accept capital distributions). The Legacy Fund is not open to trading and will only be opened for assets to be paid out when the final capital distribution has been made.
<i>Fees</i>	AMC 1.22% p.a. OCF: 1.29% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Active UK Equity Fund

<i>Benchmark</i>	FTSE All-Share Index
<i>Objective</i>	The Fund aims to outperform its benchmark by investing in a range of funds that provide exposure to UK equities.
<i>Fees</i>	AMC 1.04% p.a. OCF: 1.07% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aegon BlackRock UK Equity Index Fund

<i>Benchmark</i>	FTSE All Share Index
<i>Objective</i>	The Fund aims to invest in shares of UK companies and aims to produce a return in line with its benchmark.
<i>Fees</i>	AMC 0.42% p.a. OCF: 0.43% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aegon LGIM Ethical Global Equity Index Fund

<i>Benchmark</i>	FTSE4Good Global Equity Index
<i>Objective</i>	The Fund aims to invest mainly in overseas equities within the FTSE4Good Global Equity Index and aims to track the return of its benchmark.
<i>Fees</i>	AMC 0.72% p.a. OCF: 0.72% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Bond Phase Fund

<i>Benchmark</i>	50% 3-month LIBOR GBP 50% iBoxx Sterling Non-Gilts All Stocks Index
<i>Objective</i>	The Fund aims to outperform its benchmark by 1.5% per annum over rolling three year periods by investing in a range of Aon Managed funds that provide exposure to corporate bonds.
<i>Fees</i>	AMC 0.65% p.a. OCF: 0.68% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Core Bond Phase Fund

<i>Benchmark</i>	iBoxx Sterling Non-Gilts All Stocks Index
<i>Objective</i>	The Fund aims to perform in line with its benchmark by investing in a range of Aon Managed funds that provide exposure to corporate bonds.
<i>Fees</i>	AMC 0.45% p.a. OCF: 0.47% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Diversified Asset Fund

<i>Benchmark</i>	SONIA
<i>Objective</i>	The Fund aims to outperform its benchmark by 3.25% per annum net of fees over a rolling market cycle by investing in a diversified portfolio of assets which can include actively and passively managed funds and which will provide exposure to a range of different assets at any one time.
<i>Fees</i>	AMC 0.67% p.a. OCF: 0.70% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Core Diversified Asset Fund

<i>Benchmark</i>	50% MSCI World Index as measured on a total return basis with net dividends reinvested 50% iBoxx Sterling Non-Gilts All Stocks Index
<i>Objective</i>	The Fund aims to perform in line with its benchmark by investing in a range of funds that provide exposure to global equities and corporate bonds.
<i>Fees</i>	AMC 0.45% p.a. OCF: 0.46% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Initial Growth Phase Fund

<i>Benchmark</i>	90% MSCI All Country World Index as measured on a total return basis with net dividends reinvested 7% FTSE EPRA/NAREIT Developed Index 1.5% ARE/IPD UK Quarterly All Balanced Property Index 1.5% FTSE Developed Core Infrastructure Index
<i>Objective</i>	The Fund aims to outperform its benchmark by investing in a range of Funds that provide exposure to a range of asset types which might include global equities, fixed income, property and other assets.
<i>Fees</i>	AMC 0.53% p.a. OCF: 0.58% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Core Initial Growth Phase Fund

Benchmark MSCI World Index Net Return GBP as measured on a total return basis with net dividends reinvested

Objective The Fund aims to perform in line with its benchmark by investing in a range of Funds that provide exposure to global equities.

Fees AMC 0.45% p.a.
OCF: 0.46% p.a.

Execution cost Single swinging price basis
Bid/Mid spread: Not available
Mid/Offer spread: Not available

Aon Managed Liquidity Fund

Benchmark 7 Day LIBID Rate

Objective The Fund aims to perform in line with its benchmark by investing in a range of funds that provide exposure to short-term money market instruments.

Fees AMC 0.45% p.a.
OCF: 0.48% p.a.

Execution cost Single swinging price basis
Bid/Mid spread: Not available
Mid/Offer spread: Not available

Aon Managed Long Term Inflation Linked Fund

Benchmark FTSE UK Gilts Index-Linked Over 5 Years Index

Objective The Fund aims to perform in line with its benchmark by investing in a range of funds that provide exposure to longer dated UK index linked gilts.

Fees AMC 0.45% p.a.
OCF: 0.45% p.a.

Execution cost Single swinging price basis
Bid/Mid spread: Not available
Mid/Offer spread: Not available

Aon Managed Short Term Inflation Linked Fund (Lifestyle only)

Benchmark FTSE UK Gilts Up to 5 Year Index-Linked Gilts Index

Objective The Fund aims to perform in line with its benchmark by investing in a range of funds that provide exposure to short dated index linked gilts.

Execution cost Single swinging price basis
Bid/Mid spread: Not available
Mid/Offer spread: Not available

Aon Managed Pre-Retirement Bond Fund

Benchmark Manager Bespoke benchmark of Gilts and Corporate Bonds

Objective The Fund aims to perform in line with its benchmark by investing in a range of funds that provide exposure to Sterling assets that reflect the broad characteristics of investments underlying the pricing of a typical level annuity product.

Fees AMC 0.57% p.a.
OCF: 0.57% p.a.

Execution cost Single swinging price basis
Bid/Mid spread: Not available
Mid/Offer spread: Not available

Aon Managed Property and Infrastructure Fund

<i>Benchmark</i>	70% FTSE EPRA/NAREIT Developed Index 15% ARE/IPD UK Quarterly All Balanced Property Index 15% FTSE Developed Core Infrastructure Index
<i>Objective</i>	The Fund aims to outperform its benchmark by investing in a range of funds that provide exposure to a diversified range of commercial property assets and suitable listed securities within the property and infrastructure sectors.
<i>Fees</i>	AMC 0.75% p.a. OCF: 0.76% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Perpetual Funds

Aon Managed Retirement Pathway Perpetual Fund

<i>Objective</i>	The Fund aims to maximise the potential for capital growth, and help manage the investment risks at each stage of an investor's life.
<i>Fees</i>	AMC 0.58% p.a. OCF: 0.61% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Core Retirement Pathway Perpetual Fund

<i>Objective</i>	The Fund aims to maximise the potential for capital growth, and help manage the investment risks at each stage of an investor's life.
<i>Fees</i>	AMC 0.45% p.a. OCF: 0.46% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Aon Managed Retirement Pathway Perpetual Annuity Fund

<i>Objective</i>	The Fund is intended for use by investors planning to purchase a level annuity and take the maximum tax-free cash at retirement.
<i>Fees</i>	AMC 0.58% p.a. OCF: 0.59% p.a.
<i>Execution cost</i>	Single swinging price basis Bid/Mid spread: Not available Mid/Offer spread: Not available

Note: Single swinging price basis: dealing price on any given day will be the bid or offer price depending on net cashflow

Fees/costs updated as at June 2020



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