Inspired Gaming Group Pension Scheme

Statement of Investment Principles

Investment objective

The Trustees invest the assets of the Scheme with the aim of ensuring that all members' accrued benefits can be paid. The Scheme's funding target is specified in the Statement of Funding Principles, and the Scheme's funding position will be reviewed annually to assess the position relative to the funding target and whether the investment policy remains appropriate to the Scheme's circumstances.

The Scheme's investment objective is to achieve a return of around 3.0% per annum above the return on UK Government bonds (which are considered to move in a similar fashion to the calculated value of the Scheme's liabilities) on the invested assets.

Investment strategy

The Scheme's strategy is to invest according to the following asset allocation:

Asset Class	Initial allocation (%)	Strategic allocation excluding buy in (%)	Expected Return* (relative to fixed interest gilts) (%)
Buy-in	45.0	-	-
Diversified Growth Fund	22.0	40.0	3.5
Absolute Return Bonds	12.0	22.0	2.1
Equity-Linked Bonds	15.0	27.0	4.0
LDI	6.0	11.0	0.0
TOTAL	**100.0**	**100.0**	**3.0**

*10 year assumptions as at 30 June 2017 relative to Bank of England 10 Year Gilts (net of management fees).

The investment strategy was derived from consideration of the nature and duration of the Scheme's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of contributions required to fund the Scheme, and also the strength of the sponsor's covenant. The Trustees considered the merits of a range of asset classes.

The Trustees recognise that the investment strategy is subject to risk, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is monitored by regularly assessing the funding position and the characteristics of the assets and liabilities. The risk is managed by investing in assets which are expected to perform in excess of the liabilities over the long term, and also by investing in a suitably diversified portfolio of assets with the aim of minimising (as far as possible) volatility relative to the liabilities. The assets of the Scheme consist predominantly of investments admitted to trading on regulated markets.

Investment mandate

The investments are made through a platform provider, who acts as the investment manager. With advice, the Trustees will select underlying funds from the platform to implement the chosen strategy. The platform provider will be responsible for:

- Investing in the chosen underlying funds in the proportions agreed by the Trustees, adjusted as necessary from time to time;
- Providing the Trustees with quarterly performance reports and asset valuations;
- Providing any initial asset transition plan for the investment consultant to review; and
- Asset rebalancing and meeting cashflow requirements upon Trustees' instruction

The Trustees have appointed Mobius Life as the platform provider. The investment strategy and underlying funds are summarised in the table below. Custody is undertaken within each pooled fund.

Fund	**Asset Class**	**Benchmark allocation – excluding buy in (%)**	**Fund Fees (% p.a.)**	**Platform Fees (% p.a.)**
Invesco Global Targeted Return Fund	Diversified Growth Fund	40	0.70	0.04
BlackRock Fixed Income Global Opportunities Fund	Diversified Credit	22	0.46	0.04
BMO Equity-Linked Bond Funds	Equity-Linked Bonds	27	0.30-0.36	0.04
Insight LDI Enhanced Selection Funds	LDI	11	0.12*	0.06

**The fees for the LDI Funds are based on the notional exposure, and will therefore depend on the leverage of the funds.*

The Liability Driven Investing ("LDI") allocation aims to provide a hedge against the interest rate and inflation rate sensitivity of the Scheme's liabilities on a technical provisions basis, along with the Equity-Linked Bond Funds. On a Technical Provisions basis, the Scheme aims to have an interest rate hedging level of 70% and an inflation hedging level of 70%, including the Buy-in. The LDI and Equity-Linked Bonds may deviate from the target allocation due to market movements. It may not be appropriate to rebalance the assets as doing so would impact the hedge ratio. The Trustees monitor and rebalance (where possible) the Scheme's asset allocation excluding LDI, Equity-Linked Bond Funds and the Buy-in.

All decisions about the day-to-day management of the assets have been delegated to the fund managers via a written agreement. This delegation includes decisions about:

- Realisation of investments;
- Social, environmental and ethical considerations in the selection, retention and realisation of investments;
- The exercise of rights (including voting rights) attaching to the investments.
- Undertaking engagement activities with investee companies and other stakeholders

where appropriate

The Trustees take fund managers' policies in the above respects into account when selecting and monitoring managers. The fund managers are expected to exercise their powers of investment with a view to giving effect to the principles contained within this statement, so far as reasonably practicable.

The LDI fund manager's remuneration is based upon the value of the liabilities hedged. All other fund managers' remuneration is based upon a percentage value of the assets under management. The fees have been negotiated to be competitive.

As the Scheme's assets are invested in pooled vehicles, the custody of the holdings is arranged by the fund managers. The custodian provides safekeeping for the assets, and performs all associated administrative duties such as the collection of dividends.

Investment Manager Monitoring and Engagement

The Trustees monitor and engage with the Scheme's investment managers and other stakeholders on a variety of issues. Below is a summary of the areas covered and how the Trustees seek to engage on these matters with investment managers.

The Trustees have received training on Environmental, Social and Governance factors and how these can materially impact the Scheme's performance. In addition, the Trustees have received information from their investment advisers on how the Scheme's current investment managers incorporate Environmental, Social and Governance factors in to their investments process. The Scheme's Investment Adviser will periodically monitor and subsequently notify the Trustees if the investment manager's approach to Environmental, Social and Governance factors deviate from their policies and framework.

The Trustees receive a quarterly performance report which details information on the Scheme's underlying investments' performance, strategy and overall risks, which are considered at the relevant Trustee meeting. The circumstances with which the Trustees would seek further monitoring and engagement are;

- Significant changes made to the investment strategy.
- An increase in the risk levels within the assets managed by the investment managers to a level above and beyond the Trustees' expectations.
- Significant underperformance vs the performance objective over the period that this objective applies.

Employer-related investments

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

Direct investments

Direct investments, as distinguished by the Pensions Act 1995, are products purchased without delegation to a fund manager through a written contract. When selecting and reviewing any direct investments, the Trustees will obtain appropriate written advice from their investment advisers.

Additional Voluntary Contributions ("AVCs")

The Trustees have chosen the particular providers and investment vehicles taking into account past investment performance, charging structure, flexibility and the quality of administration. The Trustees review the AVC investment options on a regular basis, having taken written advice on their continued suitability as required by the Pensions Act 1995. The Trustees have obtained written advice concerning the scope of products currently offered.

The options available and in which members may have investments are tabled below.

Provider	Fund	Fees (% p.a.)
Prudential	Cash Fund	TBC
Prudential	With Profits Fund	0.80

Governance

The Trustees of the Scheme make all major strategic decisions including, but not limited to, the Scheme's asset allocation and the appointment and termination of fund managers.

When making such decisions, and when appropriate, the Trustees take proper written advice. The Trustees' investment advisers, Isio Group, are qualified by their ability in and practical experience of financial matters and have the appropriate knowledge and experience. The investment adviser's remuneration may be a fixed fee or based on time worked, as negotiated by the Trustees in the interests of obtaining best value for the Scheme.

Compliance

This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005. Before preparing or subsequently revising this Statement, the Trustees consulted the sponsoring employer and took appropriate written advice. The Statement is reviewed at least every three years, and without delay after any significant change in investment policy.

Signature:...Alison Bostock......................................

Date:...18 September 2020.................

Appendix A – Risks, Financially Material Considerations and Non-Financial matters

A non-exhaustive list of risks and financially material considerations that the Trustees have considered and sought to manage, where appropriate, is shown below;

Risks	**Definition**	**Policy**
Investment	The risk that the Scheme's assets do not perform as required.	• Selecting an investment objective which is achievable and consistent with the Scheme's funding basis and the sponsoring employer's covenant strength. • Investing in a diversified portfolio of assets.
Funding	The risk that, at any future time, there are insufficient assets to cover the liabilities.	• Funding risk is considered as part of the actuarial valuation and the investment strategy review. • The Trustees will agree an appropriate basis, in conjunction with the investment strategy, to target an appropriate journey plan.
Covenant	The risk that the sponsoring employer is unable to provide the required financial support to the Scheme.	• The strength of the covenant is taken into account when developing the Scheme's investment and funding to ensure adequate covenant support.

The Scheme is exposed to a number of underlying risks relating to the Scheme's investment strategy, these are summarised below:

Risk	Definition	Policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To broadly hedge as much risk as possible using tools available to the Scheme such as LDI, buy-in and equity-linked bonds.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI/equity-linked bonds manager.

Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.
Credit	Default on payments due as part of a financial security contract.	To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme’s investments.	To delegate to investment managers the consideration of ESG factors in determining the appropriate holdings within their portfolios.
Currency	The potential for adverse currency movements to have an impact on the Scheme’s investments.	Hedge currency risk where deemed appropriate by the Scheme’s investment managers.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme’s investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.

Appendix B

The Trustees have the following policies in relation to the investment management arrangements for the Scheme:

How the investment managers are incentivised to align their investment strategy and decisions with the Trustees' policies.	• As the Scheme is invested in pooled funds through the Mobius platform, there is not scope for Mobius to tailor their strategy and decisions in line with the Trustees policies. However, the Trustees invest in a portfolio of pooled funds that are aligned to the strategic objective.
How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.	• The Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements. • The Trustees do not incentivise the investment managers to make decisions based on non-financial performance.
How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustees policies.	• The Trustees review the performance of all of the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives. • The Trustees evaluate performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years. • Investment manager fees are reviewed annually to make sure the correct amounts have been charged and that they remain competitive.
The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	• The Trustees do not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.
The duration of the Scheme's arrangements with the investment managers	• The duration of the arrangements is considered in the context of the type of fund the Scheme invests in. o For open-ended funds, the duration is flexible and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.

Inspired Gaming Group Pension Scheme

September 2020

Background and Implementation Statement

Background

The Department for Work and Pensions ('DWP') is increasing regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance (ESG) factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that schemes detail their policies in their Statement of Investment Principles (SIP) and demonstrate adherence to these policies in an implementation report.

Statement of Investment Principles (SIP)

The Scheme has updated its SIP in response to the DWP regulation to cover:

- policies for managing financially material considerations including ESG factors and climate change
- policies on the stewardship of the investments

The SIP can be found online at the web address https://www.ptluk.com/Statement-of-investment-principles. Changes to the SIP are detailed on the following pages.

Implementation Report

This Implementation Report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP. This report details:

- actions the Trustee has taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustee has followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies they invest
- voting behaviour covering the reporting year up to 31 March 2020 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme reporting year

- The Scheme underwent a LDI restructure over the past year and increased its liability hedging.

Implementation Statement

This report demonstrates that Inspired Gaming Group Pension Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed *A Bostock*

Position *Chair of the Trustee Board*

Date *26/10/2020*

Managing risks and policy actions DB

Risk / Policy	Definition	Policy	Actions
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To broadly hedge as much risk as possible using tools available to the Scheme such as LDI, buy-in and equity-linked bonds.	The Scheme increased its level of hedging to better protect the Scheme against interest rate and inflation risks.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI/equity-linked bonds manager.	The Scheme's DGF and Absolute Return Bond mandates provide liquidity.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	The Trustee considered diversification as part of the investment strategy design and the Scheme hedges interest rate and inflation risks where affordable.
Credit	Default on payments due as part of a financial security contract.	To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	The Scheme's Absolute Return Bond mandate balances exposure to credit risk and duration through income generation and risk-adjusted returns.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	To delegate to investment managers the consideration of ESG factors in determining the appropriate holdings within their portfolios.	The Trustees received ESG training over the year in preparation for the 2019 SIP update. This updated ESG policy was reviewed by the Trustee as part of the SIP update in September 2019
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Hedge currency risk where deemed appropriate by the Scheme's investment managers.	The Scheme is invested in currency hedged version of the BlackRock Fixed Income Global Opportunities Fund which hedges any exposure to currency movements.

Changes to the SIP

Policies added to the SIP	
Date updated: 18 September 2020	
How the investment managers are incentivised to align their investment strategy and decisions with the Trustee's policies.	• As the Scheme is invested in pooled funds through the Mobius platform, there is not scope for Mobius to tailor their strategy and decisions in line with the Trustees policies. However, the Trustees invest in a portfolio of pooled funds that are aligned to the strategic objective.
How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.	• The Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements. • The Trustees do not incentivise the investment managers to make decisions based on non-financial performance.
How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustee's policies.	• The Trustees review the performance of all of the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives. • The Trustees evaluate performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years. • Investment manager fees are reviewed annually to make sure the correct amounts have been charged and that they remain competitive.
The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	• The Trustees do not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.
The duration of the Scheme's arrangements with the investment managers	• The duration of the arrangements is considered in the context of the type of fund the Scheme invests in. • For open-ended funds, the duration is flexible, and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.

Implementing the current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regarding to ESG as a financially material risk. This page details how the Scheme's ESG policy is implemented. The rest of this statement details an evaluation of the stewardship activity.

Implementing the Current ESG Policy

The Trustees received training on ESG and stewardship prior to updating the SIP to be in line with the (Investment and Disclosure) (Amendment) Regulations 2018.

The Trustees' ESG policies were subsequently incorporated in the September 2019 SIP update which is to delegate decisions relating to ESG to investment managers in determining the appropriate holdings within their portfolio.

Engagement

As the Scheme invests via fund managers the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 31 March 2020.

Fund name	Engagement summary	Commentary
Invesco Perpetual Global Targeted Returns Fund	Total Engagements: 44 Environmental: 16 Social: 8 Governance: 20	Invesco have an integrated approach to managing ESG risks at the business level. ESG risks are considered as part of the GTR investment process and are monitored by a dedicated ESG team. Invesco work based on engagement or dialogue rather than exclusion. They try to influence the strategy of a company via active engagement with management and at a board level. Examples of engagements include: Equifax – The ESG team met with the external affairs team of Equifax prior to the 2020 AGM to discuss a set of corporate governance and risk management issues (cybersecurity and data privacy protection), as well as the impact of COVID-19 on the consumers' credit ratings and welfare. easyJet Plc – Invesco met with the company's CEO and Board Chairman and discussed topics on developments such as climate change and human capital reporting. Invesco will continue to engage with the company to encourage greater disclosures in this space.
BMO Equity Linked UK Inflation Fund	Total engagements: 55 Counterparties engaged: 15	As the equity component is accessed via derivative contracts as opposed to direct ownership with voting/engagement rights, BMO's engagement work for their equity-linked fund is focused on trading counterparties. BMO's engagement is structured both in terms of prioritisation, in terms of companies to whom BMO have greatest exposure to and to companies whom BMO feel have greatest ESG deficiencies, and in terms of progress monitoring against predefined milestones. Examples of engagements include: Citigroup Inc - BMO held a call with the Global Head of Sustainability and Corporate Responsibility of the bank to discuss the bank's environmental and social risk procedures. BMO found that overall, the bank is well positioned to address large ESG risks, although some concerns were expressed that non-project finance related transactions would not be assessed for their ESG risk exposures. The bank's considerations around TCFD (Task Force for Climate-Related Disclosures) were also discussed, and BMO intend to encourage the company to provide further assessments and disclosures within their TCFD report. Deutsche Bank AG - BMO held numerous discussions with the company around diversity over the year, outlining some best practice examples on strategy and targets, education, hiring procedures and gender pay gap assessments. Following this, the company provided detailed written

		response to BMO's workforce diversity questions, and BMO initiated further dialogue on this topic to better understand how the company is addressing its gender diversity issues. Banco Santander SA - BMO engaged with the company regarding the bank board's retraction of an offer for the CEO position based on the high levels of compensation from the candidate's previous employer. BMO was satisfied with the company's reasoning in order to avoid paying significant sums inappropriate for a CEO of a retail bank. BMO also encouraged the company to disclose performance-related incentive components of total executive compensation packages in their future remuneration reports.
BlackRock FIGO	No data available.	BlackRock have stated that they are not able to provide data at the point this implementation statement is produced. The Scheme's investment advisor, Isio, will continue to engage with BlackRock to request that data is provided.
Insight LDI	Total Engagements: 13 Social: 1 Governance: 12	Insight analyse and engage with all counterparties on ESG considerations. Given that counterparties are predominantly financial institutions, there is typically a greater focus on governance discussions. Insight also engage with other issuers to understand the issues and exert influence on behalf of clients to encourage change. Some issues which are too big to tackle alone, in which case they may collaborate with other stakeholders. Examples of engagements include: LIBOR Transition – Insight is part of the UK Working Group on Sterling Risk-Free Reference Rates. The BoE, FCA and the working Group published a set of documents aimed at accelerating efforts to switch to alternative risk-free rates in January 2020. Bank capital rules – Insight worked with Pensions Europe to drive consultation responses Credit Valuation Adjustment Risk and Basel III reforms. Insight have had initial engagement with the European Commission on these issues and noted that these are ongoing. RPI reform – Insight set up a dedicated website and published a white paper explaining the implications of the RPI reform to clients and their advisers. Insight's engagement was reported in national newspapers, trade publications and investment bank research notes which led the UK's national conversation on RPI.

Voting (for equity/multi asset funds only)

As the Scheme invests via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 31 March 2020. The managers also provided examples of any significant votes.

Fund name	Voting summary	Commentary
Invesco Perpetual Global Targeted Returns Fund	Proposals voted: 56 Votes ‘for’ management: 42 Votes ‘against’ management: 11 Votes withheld: 3	Invesco has an active voting and engagement approach in the underlying equity sleeves that the fund invests in. Proxy voting decisions for the underlying sleeves is delegated to the fund managers of those sleeves. To assist the fund managers, the Henley Investment Centre will look to supplement their own research with that of external providers. The firm also publishes its annual Stewardship & Proxy Voting Report online. Examples of votes: Royal Dutch Shell Plc – Invesco voted against a proposal requesting the company to set and publish targets for Greenhouse Gas (GHG) Emissions. Invesco acknowledges that shareholders ay benefit from some additional disclosures from Shell to further support and substantiate its stated ambitions however Invesco considers the company’s climate strategy to be sufficient and appropriate in relation to the setting and publishing of GHG emissions targets. easyJet Plc – Invesco voted against four proposals in regards to the removal of Johan Lundgren, Andrew Findlay, John Barton and Dr Andreas Bierwirth as directors with the rationale that the removal of the board would destabilise the company and is not in the best interest of shareholders. SSAB – Invesco abstained from voting on the proposal on the approval of the conversion of Class A and Class B shares into shares without classification. The fund manager chose to abstain rather than vote against because there was insufficient explanation of the grounds for the proposal given, however, the fund manager is not against the principle of the establishment of a single unified share class.
BMO Overseas Equity Linked UK Inflation Fund	N/A	Given that the Fund’s equity positions are accessed via futures contracts instead of physical ownership, BMO do not have voting rights for their equity positions.