Whirlpool UK Appliances Limited Pension Scheme – Defined Contribution section

Statement of Investment Principles 3rd edition

September 2020

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1. Introduction

This Statement of Investment Principles ("the Statement") has been prepared by the Trustees of the Whirlpool UK Appliances Limited Pension Scheme ("the Scheme"), in relation to the Defined Contribution Section, in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Scheme and the activities undertaken by the Trustees to ensure the effective implementation of these principles.

In preparing the Statement, the Trustees have:

- Obtained and considered written advice from a suitably qualified individual, employed by its investment consultants, Aon, a trading name of Aon Solutions UK Limited, whom they believe to have degree of knowledge and experience that is appropriate for the management of the Scheme's investments; and
- Consulted with the Principal Employer, although the Trustees affirm that no aspect of this strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

When setting the investment strategy, the Trustees have obtained and considered proper advice in accordance with Section 36(3) of the Pensions Act 1995.

The advice and the consultation process considered the suitability Of the Trustees' investment policy for the Scheme.

The Trustees will review the Statement formally at least every three years to ensure its ongoing suitability. Furthermore, the Trustees will review the Statement following any significant change in investment policy. Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Principal Employer.

2. Investment Responsibilities

a. Trustees' Duties and Responsibilities

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The Trustees utilise an Investment Sub-Committee, namely the Investment and Risk Monitoring Committee ("IRMC"). The IRMC is comprised of both Trustees and representatives of the Company. The duties and responsibilities of the IRMC is advise the Trustees on range of items including, but not limited to, the following tasks and activities:

- Setting of investment objectives and formulating investment strategy
- Selecting funds for member choices
- The regular approval of the content of the Statement
- The appointment and review of the investment managers and investment advisers
- The compliance of the investment arrangements with the principles set out in the Statement
- Reviewing this Statement at least triennially, in consultation with the Investment Adviser and Principal Employer
- Assessing the suitability and performance of the investment managers through regular investment reviews and advice taken in consultation with the Investment Adviser
- Consulting with the Principal Employer regarding any proposed amendments to this Statement

b. Investment Adviser's Duties and Responsibilities

At present, the Trustees are advised by an Independent Adviser, Aon. Aon provides advice as and when the Trustees require it, as well as raising any investment-related issues, of which it believes the Trustees should be aware.

Matters on which the Independent Adviser expects to provide advice to the Trustees include the following:

- Setting of investment objectives
- Determining investment strategy and the structure of the default investment strategy
- Advising on appropriate member fund choices
- Framing manager mandates
- Providing monitoring reports and advice relating to the suitability of the Scheme's investment managers
- Advising on the ongoing suitability of the DC platform Provider
- Reviewing and amending this Statement
- How any significant changes with the investment managers could affect the interests of the Scheme

The Trustees may seek advice from the Investment Adviser as and when they require it; however, they recognise that they retain responsibility for all such decisions.

The Trustees monitor the performance of the Scheme's investment managers against their benchmarks. The Investment Adviser will provide performance monitoring reports to aid the Trustees in this process.

Aon is authorised and regulated by the Financial Conduct Authority ("FCA").

C. Platform Provider Duties and Responsibilities

The current platform provider was put in place in 2013 following an exercise undertaken by the Company and its advisers at the time. The platform provider was then ratified by the Trustees.

A sub-group, comprising of both Trustees and representatives of the Company, is currently in the process of reviewing both the platform provider and the investment strategy followed by the Scheme. The Trustees acknowledge that they will update the Statement following the conclusion of this exercise.

Scottish Widows (formally Zurich) was appointed, following an exercise undertaken by the Company and its advisers in 2013 to manage the day-to-day administration of the Scheme and to be responsible for the investment of contributions and disinvestments required to meet member benefit payments.

Scottish Widows do not manage the investments of the Scheme directly, this responsibility is delegated to the underlying investment managers, which are selected by the IRMC and hosted on the Scottish Widows platform.

Each of the underlying investment managers have appointed a custodian, following appropriate due diligence. These custodian(s) are responsible for the safe custody of the Scheme's assets.

Scottish Widows Platform provides members access to a varied choice of investment options.

The duties and responsibilities of Scottish Widows include, but are not limited to, the following tasks and activities:

- General administration of the Scheme
- Investing member contributions
- Disinvesting units to meet member benefit payments
- Managing the Lifestyle Investment Programmes and default strategies for each section
- Due diligence and research into the investment managers made available on the Scottish Widows Platform

d. Investment Managers' Duties and Responsibilities

The Trustees, after considering appropriate investment advice, have appointed professional, authorised and regulated investment managers to manage the assets of the Scheme through the Scheme's platform provider Scottish Widows. The Trustees considered a range of active and passive approaches to investment management and assessed these against their investment objectives and the membership profile of the Scheme.

The investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage. In the case of multi-asset mandates, the underlying investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

Before selecting any investment manager, the Trustees will seek advice from their Investment Adviser on their suitability for the Scheme and its members. Aon will monitor the underlying investment managers to ensure their continuing appropriateness for the mandates given. If any manager is downgraded by the Aon Manager Research Team, the Trustees will review the suitability and appointment of the manager and replace if necessary.

All investment managers that will be appointed by the Trustees will be authorised and regulated by the Prudential Regulation Authority (PRA), the FCA or both.

3. Investment Objectives

The Trustees' main objective is to provide members with an investment strategy aligned to the needs of their members that will optimise the return on investments in order to build up a savings pot which will be used in retirement.

The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default strategy.

Details of the approach the Trustees have taken to meet these investment objectives are set out in Section 4.

The Trustees have determined their investment policy in such a way as to address the risks set out in Section 6 of this Statement. To help mitigate the most significant of the risks, the Trustees have:

- Made a lifestyle strategy available as a default solution, which transitions members' investments from higher risk investments to lower risk investments as members approach retirement, and
- Offered a range of self-select funds across various asset classes.

The Trustees will consider the appropriateness of the Scheme's investment objectives on an on-going basis and will make changes as and when it is considered to be appropriate, to ensure the continued appropriateness of both the default and self-select options.

4. Investment Strategy

The current strategy was put in place in 2013 following an exercise undertaken by the Company and its adviser at the time. The strategy was then ratified by the Trustees.

As noted previously, a sub-group, comprising of both Trustees and representatives of the Company, is currently in the process of reviewing both the platform provider and the investment strategy followed by the Scheme. The Trustees acknowledge that they will update the Statement following the conclusion of this exercise.

The Trustees are permitted to invest assets across a wide range of assets, including, but not limited to, the following (the asset classes utilised within the Default and/or Self Select Options and highlighted in bold italic):

- UK and overseas equities
- UK and overseas fixed and inflation-linked government bonds
- UK and overseas corporate bonds
- Property
- Commodities
- Hedge Funds
- Private equity and infrastructure
- High yield bonds and emerging market debt
- Diversified growth
- Cash

Details of the current strategy in place are given below.

a. The default lifestyle strategy

The Trustees have assumed responsibility for the "Default Investment Strategy" for those members who do not make a specific choice of investment for their pension contributions. The Default Investment Strategy has been determined after considering the Scheme's member profiles and their potential requirements at retirement.

The default strategy targets a pre-determined outcome at the point of retirement for members. It is set assuming that members will purchase an annuity upon retirement and seeks to better align the investment strategy with the common drivers of annuity pricing as a member approaches their normal retirement age. The default strategy also takes consideration of a number of risks, as outlined in Section 6. The Trustees have considered the trade-off between risk and expected return. The expected level of risk is considered appropriate for a typical member.

The current default investment strategy is invested wholly in global equities until the point at which a member is 10 years from their normal retirement age. After this point, corporate and government bonds will be introduced to the investment strategy and increase as a proportion of the overall investment strategy. Two years from a member's normal retirement age, monies will also be invested in cash. When a member reaches their normal retirement age, their monies will be invested as follows:

- 45% Corporate Bonds
- 30% Government Bonds
- 25% Cash

The default strategy is comprised of funds managed by the investment manager BlackRock Investment Management Limited ("BlackRock"). The table below gives further information on the funds utilised within the default lifestyle strategy.

Fund	Asset Class	Total Expense Ratio (%)
BlackRock Aquila Life 30/70 Global Equity Index	Equity	0.39
BlackRock Aquila Life Corporate Bond All Stock Index	Bond	0.39
BlackRock Aquila Life Over 15 Years UK Gilt Index	Bond	0.38
BlackRock Sterling Liquidity	Money Market	0.40

Further information can be found in the appendices on how the asset mix of the default lifestyle strategy changes as a member approaches retirement.

The Trustees will seek advice from their Investment Adviser on the ongoing suitability of the default investment strategies available to members. Trustees, with the assistance of their Investment Advisor, will monitor the underlying investment funds to ensure their continuing appropriateness for the mandates given and replace them if deemed necessary.

Details of the default investment strategies are made available in in the Member Information Booklets which are available on the Scottish Widows member portal.

b. Fund choices

If members do not want to be invested in a lifestyle strategy they also have the option to invest in self-select funds. The range of investment options cover multiple asset classes and provide appropriate strategic choices for members' different savings objectives, risk profiles and time horizons.

When self-selecting, the balance between funds and asset classes is the member's decision. This balance will determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerance.

The Trustees have made seven funds available for self-selecting, details of which can be found in the appendices.

The Trustees will continue to keep the fund range under review, and will make changes if appropriate.

c. Additional Voluntary Contributions

Members historically utilised additional voluntary contributions with BlackRock and Standard Life. These options have now been frozen following the creation of the DC Section. The benefits will continue to accrue, according to investment performance, until the date of a member's retirement or a transfer out of these policies.

d. Realisation of investments

All funds currently utilised by Scheme are daily dealing funds and accordingly are readily realisable to members under normal market conditions. However, during periods of extreme markets stress, there is the potential that the underlying manager may not be able to realise monies in a timely manner that redemptions could potentially be delayed.

5. Responsible Investing

a. Financially material considerations

The Trustees recognise that Environmental, Social and Governance (ESC) factors, including climate change, can all influence the investment performance of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process and that ESG risks are identified and avoided or mitigated as best as possible.

The Trustees believe that investing with a manager who approaches investments in a responsible way and takes account of ESG-related risks will lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken.

Therefore, the Trustees will work with the Investment Advisor to help select the investment managers that have passed the initial ESG screening. ESG screening will involve some of the following activities, but is not limited to: ensuring the managers are signatories to UNPRI, reviewing the managers' own ESG policies, investigating the extent to which these policies are integrated into their standard procedures of investment research and analysis etc.

The Trustee acknowledge that the underlying investments managers and funds utilised are managed on a passive index-tracking basis and therefore the investment manager does not have ability to make active investment decisions based upon potential financially material concerns.

The Trustees will continue to review the available products and approaches in this space and strive for the Scheme to continue to deliver strong risk-adjusted returns, incorporating responsible investments principles into the process, where possible.

b. Non-financial considerations

The Trustees do not explicitly take into account non-financial matters in the selection, retention and realisation of investments.

c. Stewardship policy

The Scheme could currently be regarded as a small scheme by the size of assets; hence, bespoke segregated mandates are not currently available to the Trustees. Therefore, the Scheme's stewardship approach focuses on selection, monitoring and, where necessary, switching of underlying investment managers. The Trustees believe that choosing the right managers who fully engage with issuers of equity or debt instruments in their portfolios will lead to better financial results for members.

The Trustees are supportive of the UK Stewardship Code published by the Financial Reporting Council and encourage the Scheme's underlying managers, who are regulated by the Financial Conduct Authority, to comply with the UK Stewardship Code. Such managers are expected to report on their adherence to the Code on an annual basis. For managers that choose not to comply with any of the principles in the UK Stewardship Code, or not to follow the guidance at all, the Trustees will request a clear rationale from the managers on their alternative approach to stewardship.

As the Scheme invests in pooled funds via an investment platform, the Trustees' scope to vote on the Scheme's shares directly is currently limited. The Trustees have therefore concluded that the decision on how to exercise voting rights should be left with the underlying investment managers who will exercise these rights in accordance with their respective published corporate governance policies. These policies take into account the financial interests of shareholders, and should be for the members' and other stakeholders' benefit.

The Trustees will request annual reports on the voting undertaken by the Scheme's underlying investment managers during the period and review the voting to ensure it remains broadly consistent with the Trustees' view of good stewardship standards.

d. Member views

At present, the Trustees do not explicitly take account of member views when selecting investments for the Scheme, however, the Trustees believe that they have a good understanding of membership demographics, behaviours and preferences and strive to provide a fund range that meets both financial and non-financially relevant member needs.

Going forward, the Trustees will include a note within the members annual benefit statements informing members of their ability to contact the Trustees with regards to any non-financial considerations, e.g. ethical or religious beliefs, which they wish to be considered.

The Trustees will consider each suggestion, based upon its own merits, for potential future inclusion within either default strategy or self-select options.

6. Arrangements with Asset Managers

The Trustees monitor the Scheme's investments to consider the extent to which the investment strategy and decisions of the investment managers are aligned with the Trustees' policies. This includes monitoring the extent to which managers:

- make decisions based on assessments about medium- to long-term financial performance of an issuer of debt or equity; and
- engage with issuers of debt or equity to improve their performance in the medium- to long-term.

The Trustees are supported in this monitoring activity by their advisers.

The Trustees receive at least annual reports and verbal updates from the advisers on various items including underlying fund performance and any major changes to processes or personnel. The Trustees focus on longer-term performance when considering the ongoing suitability of the investments in relation to the Scheme's objectives.

Before appointment of a new investment manager, the Trustees and their adviser endeavour to review the governing documentation associated with the investment and consider the extent to which it aligns with the Trustees' policies. Where necessary, the Trustees will seek to express their expectations to the investment managers to try to achieve greater alignment.

As the Scheme predominantly invests in pooled funds, the Trustees have limited direct influence on the investment holdings, processes and policies in place. However, the Trustees will encourage managers to improve their practices where possible, while acknowledging that in practice the managers may face limitations in fully aligning their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors.

Where investment managers are considered to make decisions that are not in line with the Trustees' policies, expectations, or the other considerations set out above, the Trustees will typically first engage with the manager but could ultimately replace the manager where this is deemed necessary.

There is typically no set duration for arrangements with managers, although the continued appointment for all managers will be reviewed periodically, and at least every three years.

The Trustee does not regularly monitor investment managers against non-financial criteria of the investments made on its behalf unless this is a stated aim of the underlying investment.

7. Cost transparency

The Trustees recognise the importance of monitoring the level of investment costs incurred in the management of members' assets and the impact these can have on the value of these assets.

It is the Trustees' view that long term performance, net of fees, is the most important metric on which to evaluate the investment managers.

Investment managers are remunerated by the deduction of set percentages of assets under management. This is in-line with market practice and avoids a short-term approach to investment performance that may be the result of any performance-related fees. The Trustees therefore believe it is important to understand all the different costs and charges, which are paid by members (through a deduction from the unit price). These include:

- explicit charges, such as the annual management charge, and additional expenses that are disclosed by investment managers as part of the Total Expense Ratio ('TER');
- implicit charges, such as the portfolio turnover costs (transaction costs) borne within a fund. The Trustees define portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the fund's portfolio. These are incurred on an ongoing basis and are implicit within the performance of each fund.

The platform provider is also remunerated as a set percentage of the assets under management. This reflects the costs associated with administration, hosting of funds and direct communication exercises.

No specific ranges are set for acceptable costs and charges, particularly in relation to portfolio turnover costs. However, the Trustees expect their advisers to highlight if these costs and charges appear unreasonable when they are collected as part of the annual Chairman's Statement exercise.

The Trustees are aware of the importance of monitoring its investment managers' total costs and the impact these costs can have on the overall value of members' assets.

The Trustees collect annual cost transparency reports as part of the value for members assessment. This allows the Trustees to understand exactly what members are paying. These costs, along with estimated impact on representative members, are made publicly available within the annual Chair's Statement.

Portfolio Turnover

The Trustees accept that transaction costs will be incurred to drive investment returns and that the level of these costs varies across asset classes and by investment manager style within an asset class. In both cases, a reasonable level of transaction costs is acceptable as long as it is consistent with the asset class characteristics and investment manager's style and historic trends. Where the Trustees' monitoring identifies a lack of consistency the mandate will be reviewed.

Targeted portfolio turnover is defined as the expected frequency with which each underlying investment managers' fund holdings change over a year. The Scheme's investment adviser monitors this on behalf of the Trustee as part of the investment manager monitoring they provide to the Trustee and flags to the Trustee where there are concerns.

8. Risk

The Trustees are aware, and seek to take account, of a number of risks in relation to the Scheme's investments, including those set out below. Under the Pensions Act 2004, the Trustees are required to state their policy regarding the ways in which risks are to be measured and managed.

The Trustees recognise that in a defined contribution arrangement, members assume the investment risks themselves. The Trustees further recognise that members are exposed to different types of risk at different stages of their working lifetimes. Broadly speaking, five main types of investment risk can be identified, as noted below:

<table>
<tr><th>Type of Risk</th><th>Risk</th><th>Description</th><th>How is the risk monitored and managed?</th></tr>
<tr><td rowspan="4">Market Risks</td><td>Inflation Risk</td><td>The risk that a member's investments will not grow quickly enough to sufficiently out ace inflation the cost of living</td><td rowspan="4">The Trustees make available a range of funds across various asset classes, with the majority expected to keep pace with inflation.

Members are able to set their own investment allocations, in line with their risk tolerances.

The default strategy and is designed with the intention of diversifying these risks to reach a level of risk deemed appropriate given the objectives. This is set with the advice from the investment adviser.</td></tr>
<tr><td>Currency Risk</td><td>This is the risk that occurs when the price of one currency moves relative to another

(reference) currency. In the context of a UK pension scheme, the scheme may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.</td></tr>
<tr><td>Credit Risk</td><td>This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.</td></tr>
<tr><td>Other Price Risk</td><td>This is the risk that principally arises in relation to the return seeking portfolio, which invests in equities, equities in pooled funds, equity futures, hedge funds, private equity and property.</td></tr>
</table>

Environmental and social and governance ("ESG") risks	This is the risk that ESG concerns, including climate change, have a financially material impact on the return of the Scheme's assets. These risk factors can have a significant effect on the long-term performance of the assets the Scheme holds.	Where applicable these factors will be considered in the investment process but is considered the responsibility of the investment manager. Please see Section 5 for the Trustees' responsible investment statement.
Pension Conversion Risk	This is the risk where assets are invested to target a specific retirement objective which differs from how members are expected to use their pots at retirement.	The Trustees make available a single option at retirement. The Trustees increases the proportion of assets that more closely match this option. The default is a lifestyle strategy which automatically switches member assets into investments whose value is expected to be less volatile on an absolute basis.
Manager risk	This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.	It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process through the quarterly performance updates provided by Aon.
Liquidity risk	The risk that the Scheme's assets cannot be realised at short notice in line with member or Trustees' demand.	As far as is practicable and necessary, the Trustees invest in liquid assets that can be quickly realised as required. It is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.

9. Monitoring of Investment Adviser and Managers

a. Investment adviser

The Trustees continually assess and review the performance of its adviser in a qualitative way.

b. Investment managers

The Trustees receive quarterly monitoring reports on the performance of the underlying investment managers from the Investment Adviser as an independent check on the performance Of the funds that the Scheme invests in.

The Investment Adviser will advise the Trustees of any significant developments of which it is aware relating to the underlying investment managers, or funds managed by the underlying investment managers in which the assets of the Scheme are invested, such that in the view of the Investment Adviser there exists a significant concern that these funds will not be able to meet their long-term objectives.

The Trustees also monitor the stewardship track record of the Scheme's underlying investment managers on an annual basis and will take action if this is found inconsistent with appropriate long-term return generation.

10.Code of Best Practice

The Pensions Regulator has published a code on standards for DC schemes which came into effect in November 2013 as part of a wider initiative to get DC right. This was updated further on 28 July 2016 and this revised version is shorter and simpler than its predecessor and has been updated to include the DC flexibilities and governance legislation introduced from April 2015.

The Code of Practice 13 on the governance and administration of occupational DC trust-based schemes places bigger than ever emphasis on good quality investment arrangements and stricter requirements for reviewing these on the Trustees. Particular attention has to be paid to the design of default strategies and on-going monitoring of their continuing suitability for scheme membership. The Code can be found here:

https://www.thepensionsrequlator-gov.uk/en/document-library/codes-of-practice/code-13-qovernance-andadministration-of-occupational-trust-based-schemes-providinq-money-purchase

When formulating their investment policy, the Trustees have acted in line with the Code of Practice 13.

11.Compliance

The Scheme's Statement of Investment Principles is available to members.

A copy of the Scheme's current Statement plus Appendices is also supplied to the Principal Employer, the Scheme's investment managers, auditors and administrators.

This Statement of Investment Principles, taken as a whole with the Appendices was approved by the Trustees on: 30 September 2020.

Approved by: Keith Lewis (on behalf of PTL Governance Ltd)

Date: 30 September 2020

Appendix 1. Default Lifestyle Strategy Sliding Scale

For members who are invested in the default lifestyle strategy the following table sets out the switches between the funds that will be carried out on a member's behalf up to their retirement date:

Default Lifestyle Strategy

Months to TRA*	BlackRock Aquila Life 30/70 Global Equity Index	BlackRock Aquila Life Corporate Bond All Stock Index	BlackRock Aquila Life Over 15 Years UK Gilt Index	BlackRock Sterling Liquidity
120+	100.00	0.00	0.00	0.00
120	99.17	0.50	0.33	0.00
109	90.00	6.00	4.00	0.00
97	80.00	12.00	8.00	0.00
85	70.00	18.00	12.00	0.00
73	60.00	24.00	16.00	0.00
61	50.00	30.00	20.00	0.00
49	40.00	36.00	24.00	0.00
37	30.00	42.00	28.00	0.00
25	20.00	43.00	28.67	8.33
13	10.00	44.00	29.33	16.67
Target Retirement Age	0.00	45.00	30.00	25.00

The default lifestyle strategy funds are all invested via the Scottish Widows platform

Appendix 2. Self-Self Fund Range

For members who are not invested in the default lifestyle strategy the following table sets out the available funds which members can choose to invest in via the self-select fund range:

Fund	Asset Class	Total Expense Ratio (%)
BlackRock Aquila Life 30/70 Global Equity Index	Equity	0.39
BlackRock Aquila Life Corporate Bond All Stock Index	Bonds	0.39
BlackRock Aquila Life Index-Linked Over 5 Year Gilt Index	Bonds	0.39
BlackRock Aquila Life Over 15 Years UK Gilt Index	Bonds	0.38
BlackRock Aquila Life UK Equity Index	Equity	0.39
BlackRock Aquila Life World (ex UK) Equity Index	Equity	0.39
BlackRock Sterling Liquidity	Money Market	0.40

The assets for the underlying managers are hosted on an investment platform provided by Scottish Widows.

Appendix 3. Responsibilities of Parties

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a. Trustees

The Trustees' responsibilities include the following:

- Reviewing at least triennially and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate
- Selecting the Investment Managers
- Assessing the quality of the performance and processes of the Investment Managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser • Consulting with the Principal Employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis
- Publishing this Statement on a publicly available website and informing members of the location

b. Investment adviser

The Investment Adviser's responsibilities include the following:

- Participating with the Trustees in reviews of the Statement of Investment Principles
- Production of quarterly independent performance monitoring reports
- Advising of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Scheme is invested, such that in its view there is a significant concern that any of these funds will not be able to meet its long-term objectives.
- Updating the Trustees on changes in the investment environment, and advising the Trustees, at its request, on how such changes could present either opportunities or problems for the Scheme
- Undertaking project work, as requested, including:
- Reviews of the default strategy, white labelled funds and fund range; and – Research into and reviews of Investment Managers.
- Advising on the selection of new managers and/or custodians

c. Investment managers

As noted in this SIP, the Trustees have appointed an Investment Manager who will sub-contract with underlying investment managers on behalf of the Trustees.

The Investment Manager's responsibilities include the following:

- Providing the Trustees on a quarterly basis (or as frequently as required) with a statement and valuation of the assets and a report on their actions and future intentions, and any changes to the processes applied to their portfolios

- Informing the Trustees of any changes in the internal performance objectives and guidelines of any pooled fund in which the Scheme is directly invested as and when they occur
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments
- Managing their funds in accordance with their stated mandates set out within the Investment Management Agreement.

The underlying investment managers contract with the Investment Manager and therefore do not have any direct responsibility to the Trustees.

Appendix 4. Principles for DC Investment Governance

Principles for investment governance of defined contribution work-based pension schemes:

Principle 1: Clear Roles and Responsibilities

This Principle aims to help decision-makers lay firm foundations for the process of investment governance. It advocates that schemes have defined and documented roles and responsibilities for each element of the investment governance chain, ensuring each party, including members, are clear as to the role they are expected to play in the process.

Principle 2: Effective Decision Making

This Principle builds on Principle 1. It aims to ensure the process is effective through sound decision making based on quality and timely information and reference to relevant regulatory requirements and guidance. It also advocates decision makers adopt a proactive approach to their decision making, building in regular assessment and reviews of the people and processes within the decision-making structure, and making improvements where appropriate.

Principle 3: Appropriate Investment Options

This Principle requires decision makers to provide investment options that take account of a range of risk profiles and needs within the pension scheme membership. It also aims to ensure pension scheme members receive the appropriate level of fund choice to meet their needs, without being overwhelming or restrictive.

Principle 4: Appropriate Default Strategy

This Principle determines a sound investment strategy principally for those members who prefer not to make an active investment decision.

Principle 5: Effective Performance Assessment

The aim of this principle is to ensure decision makers monitor the performance of investment options, including the default strategy, and take appropriate action where necessary.

Principle 6: Clear and Relevant Communications

The aim of this principle is to provide pension scheme members with clear, relevant and timely information so they can:

- Make an informed choice relevant to their circumstances about which fund(s) to invest in.
- Understand their personal responsibility for their pension Scheme, the choices they have available and how these affect the value of their fund and retirement income.