Nobia UK Retirement Plan

Chair's Statement

Plan year - 1 October 2022 to 30 September 2023

1. Introduction

1.1. This statement has been prepared by the Trustee of the Nobia UK Retirement Plan ("the Trustee") to report on compliance with governance standards.

1.2. The governance standards apply to defined contribution ("DC") arrangements and are designed to help members achieve good outcomes from their pension savings.

1.3. This statement covers the Plan year 1 October 2022 to 30 September 2023 and a copy of this document is published on https://adviser.scottishwidows.co.uk/assets/literature/docs/nobia_governance_statement.pdf

1.4. This statement does not contain advice in respect of actions that members should take and it is not intended to be used for that purpose. If members need advice they can get help finding a regulated financial adviser through the Money Helper website at https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser

2. The Plan's DC arrangements

2.1. The Plan is solely a DC arrangement:

2.2. The Plan's benefits are provided through a bundled arrangement (administration, investment and communication services) via Scottish Widows and Mercer and is open to new members and future service contributions.

2.3. The Principal Employer, Magnet Limited, uses the Plan as a 'Qualifying Plan' in order to satisfy its auto-enrolment obligations for its employees who are active members of the Plan.

3. Default Investment Arrangements

Responsibility and objectives

3.1. The Trustee is responsible for all areas of investment governance. This includes the design of the default investment strategy as well as monitoring whether the performance of this strategy is in line with expectations on an ongoing basis.

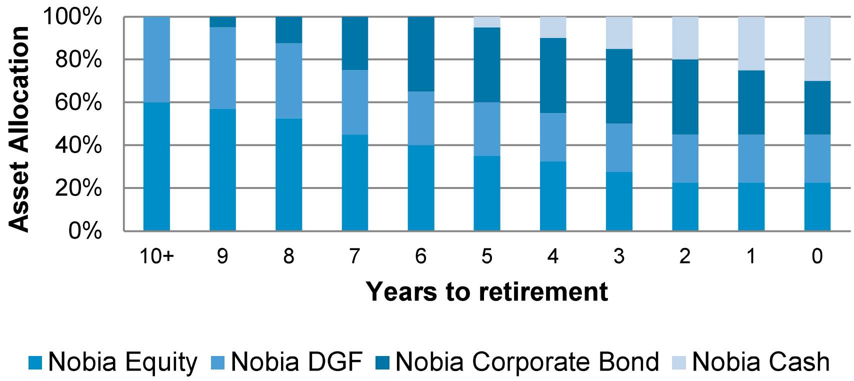
3.2. The default strategy is an important component of the investment architecture as it is used by the majority of the Plan's membership.

The Variable Income Lifestyle Option

3.3. For members who are auto enrolled into the Plan and do not make an alternative selection, contributions are invested in the Variable Income Lifestyle Option ("the Default Investment Arrangement or Default").

3.4. The Default is a lifestyle strategy that has been designed to be broadly appropriate for members who intend to take 25% of their pension savings from the Plan as cash at retirement and leave the reminder of their pension savings invested to provide an income as required, this is commonly referred to as income drawdown.

3.5. The glidepath of the Default Investment Arrangement is set out in detail below.



3.6. The key features of the Default are:

3.6.1. The Default uses a 'lifestyle' strategy to automatically reduce risk/volatility in the years approaching retirement age.

3.6.2. Up until 10 years before a member's retirement age, the default allocates 60% to the Nobia Equity Fund and 40% to the Nobia Diversified Growth Fund.

3.6.3. Over the final 10 years to a member's retirement age, the Default automatically and gradually switches out of the Nobia Equity and Nobia Diversified Growth Funds, incorporating the Nobia Corporate Bond Fund from 9 years to retirement and the Nobia Cash Fund from 5 years to retirement. From 2 years to retirement the allocation percentage of both the Nobia Equity and Nobia Diversified Growth Funds remain consistent.

3.7. Asset allocation of the default investment funds

3.7.1. The table below provides a percentage summary of the assets held by the Plans default investment funds over the reporting period as outlined in section 3.5. As with the reporting of investment returns, where the asset allocation varies by age, statutory guidance suggests that this should be shown for a member aged 25, 45, 55 and 1 day prior to retirement age.

Age	Glidepath Year	Equity	Bonds	Infrastructure	Cash	Other	Total %
25	40	76.28	14.38	3.37	5.95	0.00	100
45	20	76.28	14.38	3.37	5.95	0.00	100
55	10	76.28	14.38	3.37	5.95	0.00	100
65	0	30.95	40.20	1.85	24.86	1.11	100

Review of the default

3.8. No formal review of the Plan's default investment arrangement was carried out during the Plan year. The last formal triennial review of the strategy and performance of the Default was completed in July 2021 with the implementation of the agreed changes (outlined below) being finalised in April 2022. The next triennial review is due to be undertaken in July 2024.

3.8.1. The Nobia Equity Fund was adjusted to include a higher allocation to overseas equities, an allocation to emerging market equities and incorporate an element of currency hedging.

3.8.2. The equity allocation within the Nobia Growth Fund was adjusted to reflect the changes to the Nobia Equity Fund allocation.

3.8.3. The Nobia Sustainable Global Equity was introduced within the self-select fund range.

Investment monitoring

3.9. During the Plan year as part of their on-going investment governance oversight, the Trustee with support from their advisers considered the performance of all the Plan's investment options, including the Default, on a quarterly basis. The Trustee appointed Investment adviser, Mercer Limited ("Mercer"), provides the Trustee with quarterly reporting which considers the performance of the Plan's funds against their agreed benchmarks and performance objectives.

Further information on the Default Investment Arrangement

Details of the Default Investment Arrangement are set out in the attached Statement of Investment Principles (SIP), which sets out the Trustee's investment objectives and the strategy of the Plan. It was prepared in accordance with regulation 2A of The Occupational Pension Schemes (Investment) Regulations 2005. The Statement of Investment Principles was last updated in May 2023. A copy of the Plan's latest Statement of Investment Principles is available at
https://adviser.scottishwidows.co.uk/assets/literature/docs/nobia_statement_principles.pdf

3.10. Scottish Widows | Retirement | Nobia UK Retirement Plan

4. Net investment returns

4.1. Information is required to be shown on the investment returns, after the deduction of member borne charges and transaction costs, for all default arrangements and investment options that members are able or were previously able, to select and in which members' assets were invested during the Plan Year.

4.2. When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

4.3. For the default investment arrangement, the underlying funds used and therefore the net returns changes over time. Net returns are shown over various periods to the end of the Plan year for a member aged 25, 45 and 55 at the start of the period and assuming a retirement age of 65.

Default investment arrangement – Nobia Variable Income Lifestyle Option

Age of member at start of period	Annualised Return –1 year to 30 September 2023	Annualised Return – 3 years to 30 September 2023	Annualised Return – 5 years to 30 September 2023
25	10.00%	5.60%	3.30%
45	10.00%	5.60%	3.30%
55	10.00%	4.89%	2.87%

Nobia Secured Income Option

Age of member at start of period	Annualised Return –1 year to 30 September 2023	Annualised Return – 3 years to 30 September 2023	Annualised Return – 5 years to 30 September 2023
25	10.00%	5.60%	3.30%
45	10.00%	5.60%	3.30%
55	10.00%	4.52%	2.00%

Nobia Cash Option

Age of member at start of period	Annualised Return –1 year to 30 September 2023	Annualised Return – 3 years to 30 September 2023	Annualised Return – 5 years to 30 September 2023
25	10.00%	5.60%	3.30%
45	10.00%	5.60%	3.30%
55	10.00%	4.89%	2.81%

Self-select funds

Fund	Annualised returns to 30 September 2023		
	1 year	3 years (p.a.)	5 years (p.a.)
Nobia Annuity Target Fund	1.54%	-12.93%	-4.24%
Nobia Cash	3.70%	1.20%	0.89%
Nobia Corporate Bond	6.41%	-6.67%	-1.48%
Nobia Diversified Growth	3.25%	2.04%	2.14%
Nobia Equity	14.50%	7.98%	4.08%
Nobia Growth	11.22%	5.60%	3.30%
Nobia Property	-12.49%	3.60%	0.50%
Nobia Sustainable Global Equity	8.30%	n/a	n/a

The Nobia Sustainable Global Equity Fund received its first investment on 30 September 2022 and therefore, there is currently no net performance information for 3 and 5 year periods.

5. Member-borne charges and transaction costs

5.1. The Trustee is required to explain the investment management charges and transaction costs (i.e. the costs of buying and selling investments in the Plan) which are paid by members rather than the employer. The Trustee has taken account of statutory guidance when setting out this section.

5.2. Investment charges known as the Total Expense Ratio (TER) consists principally of the manager's annual charge for managing and operating a fund, but also includes the costs for other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, they exclude other costs that are also member borne and which can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

5.3. Transaction costs are the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions and stamp duty.

5.4. The available transaction costs provided by the Plan's investment managers in respect of the Plan have been reported separately to the TER.

5.5. The Trustee can confirm that the current Default strategy remains within the charge cap of 0.75% pa of funds under management.

Charges in relation to the Default Investment Arrangement

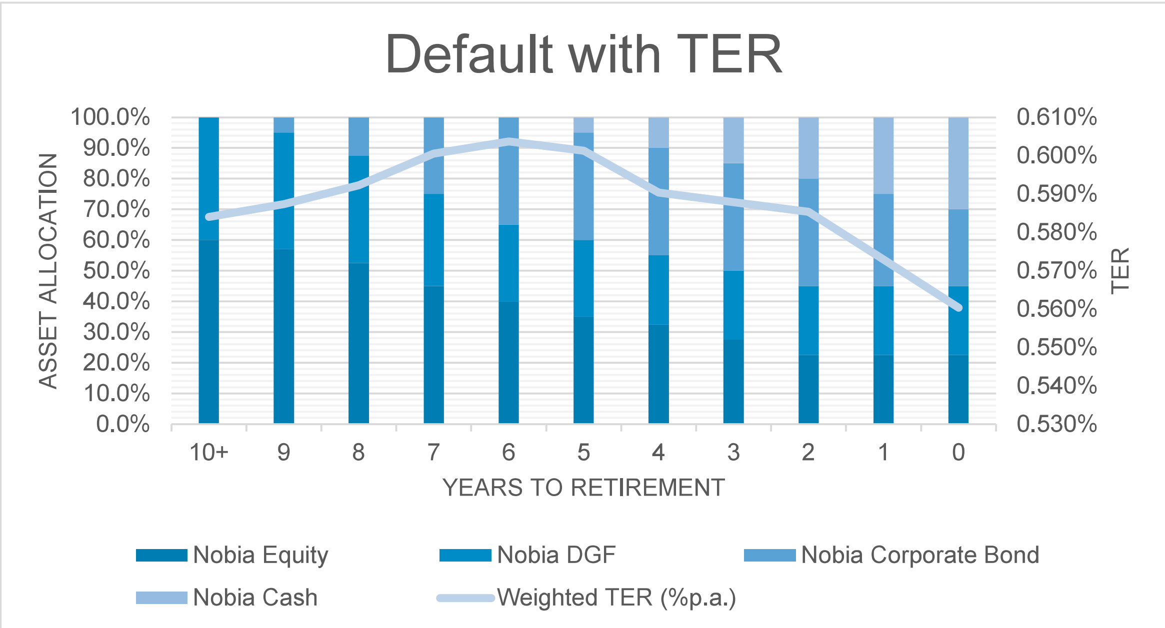
5.6. The following table provides details of the charges and transaction costs for each of the investment options provided through the Plan Year (data sourced from Mercer). The transaction costs are shown below for the reporting period and, taking into account the information provided over the prior four Plan years, we are now also able to provide details of the annualised average transaction costs over the period 1 October 2018 to 30 September 2023 for comparison purposes:

Component funds	TER (p.a.)	Transaction costs for the year ended 30 September 2023	Transaction costs (five year average) (p.a.)
Nobia Equity*	0.450%	0.103%	0.012%
Nobia Diversified Growth*	0.785%	-0.020%	0.173%
Nobia Corporate Bond	0.650%	0.034%	0.039%
Nobia Cash	0.400%	0.013%	0.016%

Source: Mercer and Scottish Widows

*These funds are blended.

5.7. The following chart shows how the total fund charges, in the Default varies depending on how close a member is to their retirement age.



Charges in relation to the Plan's self-select funds

Self-Select Funds	TER (p.a.)	Transaction costs for the year ended 30 September 2023	Transaction costs (five year average) (p.a.)
Nobia Growth*	0.585%	0.160%	0.167%
Nobia Equity*	0.450%	0.103%	0.103%
Nobia Diversified Growth*	0.785%	-0.020%	0.173%
Nobia Property	0.990%	-0.11%	0.165%
Nobia Corporate Bond	0.650%	0.034%	0.039%
Nobia Annuity Target Fund	0.375%	0.020%	0.004%
Nobia Cash	0.400%	0.013%	0.016%
Nobia Sustainable Global Equity	0.550%	0.250%	0.060%

Source: Mercer and Scottish Widows

*These funds are blended.

5.8. The charges and transaction costs for the default investment arrangement are calculated as a composite of the underlying fund charges and transaction costs. These fund holdings and therefore also the charges and transaction costs will vary depending upon each member's term to retirement age.

5.9. Members have access to two alternative lifestyle options in "Cash" and "Annuity". Charges for these act in the same manner as the default as they are calculated as a composite of the underlying fund charges and transaction costs.

5.9.1. Members in the Annuity option will be subject to a TER including transaction costs of between 0.530% and 0.399%

5.9.2. Members in the Cash option will be subject to a TER including transaction costs of between 0.746% and 0.410%

5.10. In certain circumstances, the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes down the price of the asset being traded, whilst the transaction was in progress, resulting in the asset being purchased for a lower price than when the trade was initiated.

Impact of costs and charges

5.11. Scottish Widows have confirmed to the Trustee that statutory guidance has been considered when providing these examples and has taken into account the following elements:

- Savings pot size
- Contributions (for active members)
- Real terms investment return gross of costs and charges
- Adjustment for the effect of costs and charges
- Time

6. Value for members

6.1. Regulations require the Trustee to assess the extent to which the Plan provides value for members.

6.2. The method to be used for this assessment changed for Plans with assets of less than £100m that have been operating for three years or more, effective for Plan years ending after 31 December 2021. The Plan currently fits these criteria.

6.3. For the relative assessments, costs and charges and net returns for default arrangements should be compared with those for the default arrangements of the comparator Plans. In addition, costs and charges and net returns for popular self-select funds should be compared with those for the nearest comparable funds in the comparator Plans (or, where there is no comparable fund, a comparator Plan's default arrangement).

6.4. The value for members assessment was undertaken in accordance with the statutory guidance for the Plan year. Analysis was undertaken by Barnett Waddingham LLP and the findings considered and the outcome confirmed at a Trustee meeting on 18 March 2024.

6.5. The following comparator Plans were used for the relative components of the assessment: Scottish Widows Master Trust, Mercer Mastertrust and the L&G Master Trust.

6.6. The outcomes of the three components of the assessment were:

6.6.1. Giving greater weight to the default investment arrangement, in which the large majority of assets are invested, costs and charges for the Plan were significantly higher than the average for the comparator Plans. The Trustee therefore concluded that the Plan provides poor value for members in relation to costs and charges.

6.6.2. Again, giving greater weight to the default investment arrangement, in which the large majority of assets are invested, net returns for the Plan were moderately higher than the average for the comparator Plans. The Trustee therefore concluded that the Plan provides reasonable value for members in relation to net investment returns.

6.6.3. The Trustee considered all seven metrics across Plan administration and governance. The Trustee concluded that the Plan provides good value for members in relation to administration and governance.

6.7. Taking the three components into account, the Trustee concluded that overall, the Plan provides reasonable value for members.

6.8. The method of assessment is prescribed. Factors that were not considered but that add value include:

6.8.1. the services commissioned by the Trustee but fully paid for by Nobia UK Limited, e.g. the services of legal advisers, consultants and auditors;

6.8.2. the operation of the Trustee, with a duty to act in the best interest of members, which is paid for by Nobia UK Limited;

6.8.3. the employer contributions available through the Plan; and

6.8.4. the operation of salary sacrifice for eligible employees.

7. Core financial transactions

7.1. The Trustee has a duty to ensure that 'core financial transactions' are processed promptly and accurately.

7.2. Core financial transactions comprise the following:

a) investment of contributions

b) transfers into and out of the Plan

c) investment switches within the Plan

d) payments out of the Plan

7.3. Core financial transactions for the Plan are undertaken by Scottish Widows.

Controls and monitoring arrangements

7.4. The Trustee operates a system of internal controls aimed at monitoring the Plan's administration and management. The controls in place in relation to ensuring the promptness and accuracy of core financial transactions are:

7.4.1. The Trustee maintains a Risk Register, which sets out the key risks for the Plan and its membership. This is reviewed as part of regular Trustee meetings.

7.4.2. The Payment Schedule sets out timescales for the Company to remit monthly contributions to the Plan. These timescales and processes are reviewed by the Company's internal audit and its findings shared with the Trustee.

7.4.3. The Trustee has a Service Level Agreement (SLA) in place with the administrator. The SLA sets out the timeline standards expected for each step of the Plan's main administration tasks, including core financial transactions. The administrator aims to process at least 95% of core financial transactions within the service level for each type of transaction.

Core financial transaction	Service level (working days)
Contribution/allocations	2
Transfer payments in	5
Transfer payments out	5
Investment switches	3
Retirement payments out of the Plan	5

7.4.4. Through Mercer Workplace Savings (MWS) the Trustee has an additional level of oversight of Scottish Widows provided by Mercer. Mercer work closely with Scottish Widows as part of its third-party agreement with Scottish Widows to ensure market leading levels of administration for its MWS clients.

7.4.5. The Trustee receives quarterly reports on performance against the SLA and reviews the latest report at each trustee meeting. In addition, monthly administration calls are led by the Trustee with Mercer and Scottish Widows participating and making comment on core financial transactions.

7.4.6. Additional measures that help to monitor the accuracy of core financial transactions are the external audit of the Plan's annual report and accounts and the administrator's annual checks on data quality.

7.4.7. The administrator's controls and processes are also subject to a formal external audit compiled by KPMG for its annual AAF assurance report on internal controls.

7.4.8. Any material issues uncovered regarding inaccuracies with core financial transactions are included within the administrator's quarterly reporting to the Trustee.

7.4.9. The administrator has in place a process of independent peer review where prompted by transaction checklists or where required by manual intervention of an automated process is evidenced by either a signed off and completed checklist or by the audit trail on the workflow system.

Performance during the Plan Year

7.5. From 1 October 2022 to 30 September 2023, the unweighted averages of the SLA attainment rates over each quarter for Core financial transaction service levels achieved by Scottish Widows were:

Q4 2022: 98%	Q1 2023: 96%	Q2 2023: 99%	Q3 2023: 98%

7.6. From 1 October 2022 to 30 September 2023, the unweighted averages of the SLA attainment rates over each quarter that achieved by Scottish Widows across all SLA measures were:

Q4 2022: 98%	Q1 2023: 98%	Q2 2023: 99%	Q3 2023: 99%

7.7. Neither the Administrator's quarterly reports nor the audit of the Annual Report and Accounts identified any material issues with the accuracy of core financial transactions during the Plan Year.

Assessment

7.8. In view of the controls and monitoring arrangements, and the lack of any material issues or problems experienced during the Plan year, the Trustee believes that core financial transactions have been processed promptly and accurately.

8. Trustee knowledge and understanding

The Trustee Board

8.1. The Trustee Board comprises six Trustee Directors, two of whom are nominated by the members and four of whom are appointed by the Company. During the Plan year, as at 31 August 2023, GJS Trustees resigned as a Trustee Director. Lynne Fawcus was appointed as an employer nominated trustee director and subsequently appointed as Chair by the remaining Trustee Directors.

Trustee knowledge and understanding requirements

8.2. The Trustee Directors have continued to develop their working knowledge of the Trust Deed and Rules as well as other key documents. Further details are provided below, including actions undertaken by the Trustee Directors to ensure they develop and maintain sufficient knowledge and understanding of the law relating to pensions and trusts and relevant principles relating to funding and investment.

Approach

8.3. The Trustee Directors aim to remain conversant with the Plan's Trust Deed and Rules as well as all other Plan documents such as the statement of investment principles, the risk register and current policies, e.g. conflicts of interest. They do so through their ongoing development of experience in governing the Plan, as well as specific activities over the Plan year and access to professional advice.

8.4. The Trustee Directors aim to achieve and maintain knowledge and understanding of the law relating to pensions and trusts, the funding of occupational Plans and investment of Plan assets through a combination of training, taking professional advice.

8.5. There is a structured training programme in place that includes annual self-assessment by the Trustee Directors to identify knowledge gaps and training needs in relation to emerging legislation, Plan changes and upcoming matters in the Trustee business plan. The training programme also includes progress towards completion of the Pensions Regulator's trustee toolkit. Whilst there is no formalised Trustee training log, needs are reviewed and actioned at each Trustee meeting.

8.6. The structured training programme is supplemented with training activities such as attending seminars and conferences, reading pensions-related articles, and structured training as part of regular Trustee meetings.

8.7. An induction process is available for newly appointed Trustee Directors, which involves the provision of an induction pack and an informal Plan familiarisation training session with the Trustee's advisers.

8.8. The Trustee Directors consult with professional advisers as and when required, for example on consultancy, investment, and legal matters. The professional advisers are engaged to pro-actively alert the Trustee on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Plan's documents, attending trustee meetings and often in the delivery of training at these meetings.

Activities over the Plan year

8.9. The Trustee Board reviewed the Plan's Statement of Investment Principles (SIP) to take account of investment changes. The SIP was updated in May 2023.

8.10. The Trustee Board reviewed the Plan's investment performance at each of their quarterly meetings.

8.11. The Trustee Board actively consider their training needs at each meeting and agreed a training plan for 2023.

8.12. The Trustee Board undertook the following training during the Plan year

- 8.12.1. A training session on the General Code of Practice presented by Mercer at the December 2022 meeting.
- 8.12.2. Investment training session on DC assets classes, the Plan's default arrangement and self-select options and Plan performance. The training was delivered by Mercer at the December 2022 meeting.
- 8.12.3. A half day training session on the Trustee Toolkit took place in June 2023.
- 8.12.4. Barnett Waddingham presented a session to the Trustee Board in September 2023 regarding the development of UK Pension Schemes. This was noted as Trustee training.

8.13. The Trustee Directors reviewed numerous Plan documents during the year including:

- 8.13.1. the Risk Register
- 8.13.2. the Payment Schedule
- 8.13.3. the Member Booklet
- 8.13.4. Annual Report and Accounts
- 8.13.5. the Terms of Reference for the Chair of Trustee role
- 8.13.6. the Plan policy for Additional Voluntary Contributions
- 8.13.7. the Plan transfer in policy
- 8.13.8. Conflicts of Interest policy

8.14. The advice received by the Trustee Directors along with their own knowledge and experience, allows them to properly exercise their function as a Trustee Board. During the Plan Year the Trustee has received legal, accounting, investment and consulting advice as and when it has been required.

Assessment

8.15. As a result of the training activities which have been completed by the Trustee Directors individually and collectively as a Board and taking into account the professional advice available to the Trustee Directors at and between quarterly meetings, the combined knowledge and understanding of the Trustee Directors enables it to exercise properly its functions as the Trustee of the Plan.

9. Chair's declaration

9.1. This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustee and is accurate to the best of my knowledge.

Signed by

Lynne Fawcus

Chair of Nobia UK Trustees Limited, Trustee of the Nobia UK Retirement Plan

Date 28 March 2024

Classification: Public

Pension Scheme Illustrative Example
With contributions

Scheme: **NOBIA UK RETIREMENT PLAN** **30/09/2023**

Projected pension pot in today's money: Starting Fund £6,000. Starting Contributions £200pm.
The table shows the development of the projected pension pot over time before and after charges for members of any age assuming the pension pot is invested fully in the fund shown.
The illustrations shown below are for a representative selection of the funds members may invest in. They were selected to reflect the range of projected returns and charges for the available funds. Note that these are not necessarily the funds that make up the default lifestyle strategy. The funds are chosen as follows:

1. Lowest charges
2. Highest net return
3. Lowest return
4. Highest charges

In cases where one fund meets two criteria, another fund will also be included so that there are always four funds in the illustration.
For the Default Lifestyle Strategy the development of the projected pension pot depends on the member's current age because the mix of funds changes as the member approaches retirement. Given this, we have also provided a second table showing illustrations of the development of the projected pot size over time for a sample of ages assuming the pension pot is invested in the Default Lifestyle Strategy.

Fund choice

Years	Nobia Annuity Target Fund		Nobia Equity		Nobia Cash		Nobia Property	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	**8,470**	**8,440**	**8,540**	**8,500**	**8,400**	**8,370**	**8,540**	**8,460**
3	**13,500**	**13,400**	**13,800**	**13,600**	**13,200**	**13,100**	**13,800**	**13,500**
5	**18,700**	**18,400**	**19,300**	**18,900**	**18,100**	**17,800**	**19,300**	**18,700**
10	**32,400**	**31,600**	**34,300**	**33,200**	**30,500**	**29,800**	**34,300**	**32,300**
15	**47,100**	**45,500**	**51,300**	**48,800**	**43,200**	**41,700**	**51,300**	**46,900**
20	**62,900**	**60,200**	**70,500**	**66,000**	**56,300**	**53,800**	**70,500**	**62,700**
25	**79,900**	**75,700**	**92,100**	**84,800**	**69,700**	**65,800**	**92,100**	**79,500**
30	**98,200**	**92,100**	**116,000**	**105,000**	**83,400**	**77,900**	**116,000**	**97,700**
35	**117,000**	**109,000**	**143,000**	**128,000**	**97,400**	**90,100**	**143,000**	**117,000**

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £6,000.
4. The assumptions used in this illustration follow the Financial Reporting Council's AS TM1 guidance. Inflation is assumed to be 2.5% each year.
5. Gross contributions of £200 per month are assumed from the start of the projection to retirement and are assumed to increase in line with inflation at 2.5% per year.
6. Values shown are estimates and are not guaranteed.
7. The projected growth rates for each fund are:
   - Nobia Annuity Target Fund: 1.4% above inflation
   - Nobia Equity: 2.4% above inflation
   - Nobia Cash: 0.4% above inflation
   - Nobia Property: 2.4% above inflation
8. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

Pension Scheme Illustrative Example
With contributions. Default Lifestyle Strategy

Scheme: **NOBIA UK RETIREMENT PLAN** **30/09/2023**

Projected pension pot in today's money: Starting Fund £6,000. Starting Contributions £200pm. Invested in the Default Lifestyle strategy.
This table shows the development of the projected pot size over time for a sample of ages assuming the pension pot is invested in the Default Lifestyle Strategy.
For the Default Lifestyle Strategy the development of the projected pension pot depends on the member's current age because the funds change as the member approaches retirement.
For non-lifestyle investments the projected pension pot does not depend on the starting age and develops as shown in the first table.

Years	Age Now 60		Age Now 55		Age Now 45		Age Now 35		Age Now 21	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	8,480	8,440	8,510	8,460	8,510	8,460	8,510	8,460	8,510	8,460
3	13,500	13,300	13,600	13,400	13,600	13,500	13,600	13,500	13,600	13,500
5	18,700	18,300	19,000	18,500	19,000	18,600	19,000	18,600	19,000	18,600
10			32,800	31,500	33,500	32,200	33,500	32,200	33,500	32,200
15					49,300	46,500	49,600	46,800	49,600	46,800
20					65,500	60,800	67,300	62,400	67,300	62,400
25							86,500	78,600	87,000	79,100
30							105,000	94,400	108,000	97,000
35									132,000	116,000
44									177,000	150,000

Notes
1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £6,000.
4. The assumptions used in this illustration follow the Financial Reporting Council's AS TM1 guidance. Inflation is assumed to be 2.5% each year.
5. Gross contributions of £200 per month are assumed from the start of the projection to retirement and are assumed to increase in line with inflation at 2.5% per year.
6. Values shown are estimates and are not guaranteed.
7. For the default lifestyle strategy the projected growth rate varies over time as the funds invested in change.
The table below shows the average projected growth rates for the lifestyle strategy for a sample of terms to retirement:
Lifestyle approaches aim to provide a balance of growth opportunities in the early years and a degree of de-risking as you approach retirement. The actual return will depend on the funds chosen for each stage and the actual timing of any changes. When comparing possible returns from different funds, it is noted that higher risk funds will provide higher illustrative returns.

Years to Retirement	Projected Growth Rate (Average)	
1	1.40%	Above Inflation
3	1.40%	Above Inflation
5	1.50%	Above Inflation
10	1.60%	Above Inflation
15	1.70%	Above Inflation
20	1.80%	Above Inflation
25	1.80%	Above Inflation
30	1.80%	Above Inflation
35	1.90%	Above Inflation
44	1.90%	Above Inflation

8. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

Classification: Public

Pension Scheme Illustrative Example
Paid Up

Scheme: **NOBIA UK RETIREMENT PLAN** **30/09/2023**

Projected pension pot in today's money: Starting Fund £6,000. No further contributions.
The table shows the development of the projected pension pot over time before and after charges for members of any age assuming the pension pot is invested fully in the fund shown.
The illustrations shown below are for a representative selection of the funds members may invest in. They were selected to reflect the range of projected returns and charges for the available funds. Note that these are not necessarily the funds that make up the default lifestyle strategy. The funds are chosen as follows:

1. Lowest charges
2. Highest net return
3. Lowest return
4. Highest charges

In cases where one fund meets two criteria, another fund will also be included so that there are always four funds in the illustration.
For the Default Lifestyle Strategy the development of the projected pension pot depends on the member's current age because the mix of funds changes as the member approaches retirement. Given this, we have also provided a second table showing illustrations of the development of the projected pot size over time for a sample of ages assuming the pension pot is invested in the Default Lifestyle Strategy.

Fund choice

Years	Nobia Annuity Target Fund		Nobia Equity		Nobia Cash		Nobia Property	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	**6,080**	**6,060**	**6,140**	**6,110**	**6,020**	**6,000**	**6,140**	**6,080**
3	**6,260**	**6,190**	**6,440**	**6,340**	**6,080**	**6,010**	**6,440**	**6,260**
5	**6,450**	**6,330**	**6,760**	**6,580**	**6,140**	**6,020**	**6,760**	**6,440**
10	**6,930**	**6,680**	**7,630**	**7,220**	**6,290**	**6,040**	**7,630**	**6,910**
15	**7,460**	**7,050**	**8,610**	**7,920**	**6,450**	**6,060**	**8,610**	**7,420**
20	**8,020**	**7,440**	**9,710**	**8,690**	**6,610**	**6,080**	**9,710**	**7,960**
25	**8,620**	**7,850**	**10,900**	**9,540**	**6,770**	**6,110**	**10,900**	**8,550**
30	**9,270**	**8,290**	**12,300**	**10,400**	**6,940**	**6,130**	**12,300**	**9,180**
35	**9,970**	**8,740**	**13,900**	**11,400**	**7,110**	**6,150**	**13,900**	**9,860**

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £6,000.
4. The assumptions used in this illustration follow the Financial Reporting Council's AS TM1 guidance. Inflation is assumed to be 2.5% each year.
5. It is assumed that no further contributions are made.
6. Values shown are estimates and are not guaranteed.
7. The projected growth rates for each fund are:
   Nobia Annuity Target Fund: 1.4% above inflation
   Nobia Equity: 2.4% above inflation
   Nobia Cash: 0.4% above inflation
   Nobia Property: 2.4% above inflation
8. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

Classification: Public

Pension Scheme Illustrative Example

Paid up. Default Lifestyle Strategy

Scheme: **NOBIA UK RETIREMENT PLAN** **30/09/2023**

Projected pension pot in today's money: Starting Fund £6,000. No further contributions. Invested in the Default Lifestyle strategy.
This table shows the development of the projected pot size over time for a sample of ages assuming the pension pot is invested in the Default Lifestyle Strategy.
For the Default Lifestyle Strategy the development of the projected pension pot depends on the member's current age because the funds change as the member approaches retirement.
For non-lifestyle investments the projected pension pot does not depend on the starting age and develops as shown in the first table.

Years	Age Now 60		Age Now 55		Age Now 45		Age Now 35		Age Now 21	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	**6,100**	**6,060**	**6,120**	**6,080**	**6,120**	**6,080**	**6,120**	**6,080**	**6,120**	**6,080**
3	**6,290**	**6,170**	**6,360**	**6,240**	**6,370**	**6,250**	**6,370**	**6,250**	**6,370**	**6,250**
5	**6,480**	**6,280**	**6,600**	**6,380**	**6,640**	**6,420**	**6,640**	**6,420**	**6,640**	**6,420**
10			**7,130**	**6,680**	**7,340**	**6,880**	**7,340**	**6,880**	**7,340**	**6,880**
15					**8,080**	**7,330**	**8,130**	**7,380**	**8,130**	**7,380**
20					**8,730**	**7,680**	**9,000**	**7,910**	**9,000**	**7,910**
25							**9,900**	**8,420**	**9,960**	**8,470**
30							**10,600**	**8,810**	**11,000**	**9,080**
35									**12,100**	**9,730**
44									**14,200**	**10,700**

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £6,000.
4. The assumptions used in this illustration follow the Financial Reporting Council's AS TM1 guidance. Inflation is assumed to be 2.5% each year.
5. It is assumed that no further contributions are made.
6. Values shown are estimates and are not guaranteed.
7. For the default lifestyle strategy the projected growth rate varies over time as the funds invested in change.

The table below shows the average projected growth rates for the lifestyle strategy for a sample of terms to retirement:
Lifestyle approaches aim to provide a balance of growth opportunities in the early years and a degree of de-risking as you approach retirement. The actual return will depend on the funds chosen for each stage and the actual timing of any changes. When comparing possible returns from different funds, it is noted that higher risk funds will provide higher illustrative returns.

Years to Retirement	Projected Growth Rate (Average)	
1	1.40%	Above Inflation
3	1.40%	Above Inflation
5	1.50%	Above Inflation
10	1.70%	Above Inflation
15	1.80%	Above Inflation
20	1.80%	Above Inflation
25	1.90%	Above Inflation
30	1.90%	Above Inflation
35	1.90%	Above Inflation
44	1.90%	Above Inflation

8. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

NOBIA UK RETIREMENT PLAN

STATEMENT OF INVESTMENT PRINCIPLES FROM THE TRUSTEE

MAY 2023

1. INTRODUCTION

This Investment Statement sets down the principles governing decisions about investments for the Nobia UK Retirement Plan (hereinafter referred to as "the Plan") to meet the requirements of the Pensions Act 1995 and subsequent legislation (as well as amendments) including the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015, along with subsequent legislation. The Trustee in preparing this Statement has consulted the Principal Employer, Magnet Limited, in particular on the Trustee's objectives as set out in the Act. As required under the Act, the Trustee has also consulted a suitably qualified person and have obtained written advice from Mercer Limited.

Overall investment policy falls into two parts. The strategic management of the assets is fundamentally the responsibility of the Trustee acting on advice from their professional advisor, and is driven by their investment objectives as set out below. The remaining elements of policy are part of the day to day management of the assets which is delegated to professional investment managers.

2. OVERALL POLICY

2.1 Investment Objectives

The Trustee recognises that members of the Plan have differing investment needs and that these may change during the course of members' working lives. They also recognise that members have different attitudes to risk and that the expected return on a member's assets should be related to the member's own risk appetite and tolerances. The Trustee believes that members should make their own investment decisions based on their individual circumstances and therefore the balance between different investments should be set by individual members. The Trustee's objective therefore is to make available a range of investment options, while avoiding over complexity. This should enable members to:

- Maximise the value of retirement benefits.
- Protect against the risks identified in 2.2 below.

2.2 Risk

The Trustee has considered the following principal risks:

- The risk that the investment return over members' working lives will not keep pace with inflation and will not, therefore, secure an adequate pension or provide an adequate income in retirement.

- The risk that investment market movements in the period immediately prior to retirement lead to a substantial reduction in the anticipated level of benefit (be it pension, cash sum or income from invested assets) that a member intends to take.

- The risk that the investment vehicle, in which monies are invested, underperforms the expectation of the Trustee. In particular the Trustee has considered for various markets the risk that active managers may underperform, whereas passive managers are likely to achieve a return close to any chosen benchmark. Investment options outlined below reflect this.

- Environmental, social and corporate governance (ESG) risks. ESG factors present financially material risks for companies and investors. These risks can take many forms but are often operational and/or reputational in nature.

- Climate change risk. Climate change is a systemic risk which may materially affect the financial performance of certain asset classes, sectors and companies.

The above risks are measured through ongoing monitoring of the Plan's investments and are managed by providing members with access to a range of self-select funds with different characteristics and lifestyle options which are designed to reduce investment volatility as members approach retirement. The Trustee's beliefs in relation to ESG and climate change risks is set out in Section 4.3 of this Statement.

The risks identified above are considered by the Trustee to be 'financially material considerations'. The Trustee believes the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the member's age and their selected retirement age. It is for this reason that three lifestyle strategies are available to members.

2.3 Investment Strategy

In order to implement the objectives identified in 2.1 and control the risks highlighted in 2.2, the Trustee has decided to make available to the members a range of pooled funds offered through a long-term insurance contract with Scottish Widows Limited.

The Trustee makes three lifestyle options available for members of the Plan to choose from (Secured Income, Cash and Variable Income). **The Variable Income option is the default investment option for members of the Plan**.

In addition, a range of eight blended funds available for investment by members of the Plan as follows:

- Nobia Growth Fund;
- Nobia Equity Fund;
- Nobia Diversified Growth Fund;
- Nobia Property Fund;
- Nobia Corporate Bond Fund;
- Nobia Pre-retirement Fund;
- Nobia Cash Fund; and
- Nobia Sustainable Global Equity Fund.

The underlying allocations for each of the lifestyle options over the switching period at each year end prior to a member's target retirement are outlined below:

Variable Income Option (the default investment option)

Years to selected retirement	Nobia Equity %	Nobia DGF %	Nobia Corporate Bond %	Nobia Cash %
10+	60.0	40.0	0.0	0.0
9	57.0	38.0	5.0	0.0
8	52.5	35.0	12.5	0.0
7	45.0	30.0	25.0	0.0
6	40.0	25.0	35.0	0.0
5	35.0	25.0	35.0	5.0
4	32.5	22.5	35.0	10.0
3	27.5	22.5	35.0	15.0
2	22.5	22.5	35.0	20.0
1	22.5	22.5	30.0	25.0
0	22.5	22.5	25.0	30.0

Secured Income Option

Years to selected retirement	Nobia Equity %	Nobia DGF %	Nobia Annuity Target %	Nobia Cash %
10+	60.0	40.0	0.0	0.0
9	57.0	38.0	5.0	0.0
8	52.5	35.0	12.5	0.0
7	45.0	30.0	25.0	0.0
6	37.5	25.0	37.5	0.0
5	30.0	20.0	50.0	0.0
4	20.0	17.5	62.5	0.0
3	10.0	15.0	67.0	8.0
2	0.0	12.5	71.5	16.0
1	0.0	6.0	73.5	20.5
0	0.0	0.0	75.0	25.0

Cash Option

Years to selected retirement	Nobia Equity %	Nobia DGF %	Nobia Corporate Bond %	Nobia Cash %
10+	60.0	40.0	0.0	0.0
9	57.0	38.0	5.0	0.0
8	52.5	35.0	12.5	0.0
7	45.0	30.0	25.0	0.0
6	37.5	25.0	32.5	5.0
5	30.0	20.0	37.5	12.5
4	20.0	17.5	37.5	25.0
3	10.0	15.0	25.0	50.0
2	0.0	12.5	12.5	75.0
1	0.0	6.0	6.0	88.0
0	0.0	0.0	0.0	100.0

Switching for each of the lifestyle options outlined above is undertaken on a monthly basis.

Further details on the underlying funds and providers is outlined in Section 3 below.

2.4 Default Investment Option

A proportion of members will actively choose the default investment option because they feel it is most appropriate for them. However, the vast majority of DC scheme members typically do not make an active investment decision and are invested in the default investment option.

The aims of the default investment option

- The default investment option is a strategy that manages investment and other risks through a diversified strategic asset allocation consisting of traditional and alternative assets. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members.
- In designing the default investment option, the Trustee has explicitly considered the trade-off between risk and expected returns.
- If members wish to, they can opt to choose their own investment strategy or an alternative lifestyle option.
- Assets in the default investment option are invested in the best interests of members and beneficiaries as a whole, taking into account the profile of members.
- Assets in the default investment option are invested in a manner which aims to ensure the security, quality, liquidity and profitability of a member's portfolio as a whole.
- Assets are invested mainly on regulated markets (those that are not must be kept to prudent levels).

Policies in relation to the default investment option

The Trustee believes that:

- The default investment option's growth phase structure, that invests in equities and other growth-seeking assets, will provide growth with some downside protection and some protection against inflation erosion.
- As a member's pot grows, investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that a default option that seeks to reduce investment risk (and expected return) as the member approaches retirement by investing in a lower risk strategy across a broad range of asset classes.
- In particular, when reviewing the investment strategy of the default investment option, the Trustee considers risk quantitatively in terms of the variability of investment returns and potential retirement outcomes for members. From a qualitative perspective, the Trustee also considers risk in terms of the (mis)alignment of investments with the method of taking benefits targeted by the default investment option.
- Based on member analysis undertaken in the 2018 and 2021 investment strategy reviews, together with the Trustee's understanding of the Plan's membership, a default option that targets variable income was chosen as the default for Nobia members. The default investment strategy is aimed at supporting a flexible approach to taking benefits, with a focus on drawdown. This does not mean that members have to take their benefits in this format at retirement – it merely determines the investment strategy that will be in place pre-retirement. Members who intend to take their retirement benefits through other formats have the option of switching to an alternative lifestyle option or even choosing their own investment strategy.
- In view of the above, the level of risk within the decumulation phase of the default investment option should be considered in the context of managing risk throughout a member's term to retirement. This risk is managed by investing in equity, bond and multi-asset funds aiming to match short term changes in inflation rates, and in money market (cash) assets.

The Trustee has also given the chosen Investment Managers full discretion when evaluating environmental, social, and ethical considerations in the selection, retention and realisation of investments within the default investment option (in line with their policies for the other available fund options in the Plan), subject to adhering to the investment restrictions and objectives of each component fund.

Taking into account the demographics of the Plan's membership and the Trustee's views of how the membership will behave at retirement, the Trustee believes that the current default investment option is appropriate and will continue to review this over time, at least triennially, or after significant changes to the Plan's demographic, if sooner.

The risks and financially material considerations in Section 2.2, the Social, Environmental and Ethical Considerations, and Exercise of Voting Rights in Section 4.3 and the Implementation and Engagement Policy in Section 4.4 are also applicable to the Default Investment Option.

3 DAY TO DAY MANAGEMENT OF THE ASSETS

Day to day management of the assets is delegated through Scottish Widows Limited to BlackRock Limited ("BlackRock"), Mercer Limited ("Mercer"), Insight Investment ("Insight"), abrdn plc ("abrdn"), Columbia Threadneedle Investments ("Columbia Threadneedle") and Legal and General Investment Management ("LGIM").

The Trustee is satisfied that the spread of assets by type within each pooled fund and the respective pooled funds' policies on investing in individual securities within each type provides adequate diversification of investments.

3.1 The Nobia Blended Funds

Details on the underlying pooled funds within each Nobia blended fund is outlined below.

Nobia Equity Fund

The fund invests entirely in the LGIM 30/70 Global Equity Index Currency Hedged Fund. It aims to track the performance of a composite benchmark as outlined in the table below.

Region	Allocation %	Index
UK Equities	30.0	FTSE All Share
Overseas Equities*	70.0	FTSE All-World ex-UK
Total	**100.0**	**Composite**

* 75% of the developed market currency exposure, except where arising from holdings in emerging market securities denominated in developed market currencies, is hedged back to sterling.

Nobia Growth Fund

Manager	Benchmark %	Ranges ±%	Index
LGIM 30/70 Global Equity Index Currency Hedged Fund	60.0	4.0	Composite (see Equity Fund)
Insight Investment Broad Opportunities Fund (IBOF)	20.0	4.0	Quarterly SONIA
Mercer Diversified Growth Fund	20.0	4.0	FTSE GBP 1 Month Euro Deposit
Total	**100.0**		**Composite**

Global equities are managed passively, with the aim of tracking the benchmark index. IBOF is managed actively, aiming to outperform Quarterly SONIA by 4% p.a (net of fees over rolling five year periods). The Mercer Diversified Growth Fund is also managed actively, aiming to outperform the FTSE GBP 1 Month Euro Deposit rate by 3.5% p.a (gross of fees over rolling three year periods).

Nobia Diversified Growth Fund

Manager	Benchmark %	Ranges ±%	Index
Insight Investment Broad Opportunities Fund (IBOF)	50.0	4.0	Quarterly SONIA
Mercer Diversified Growth Fund	50.0	4.0	FTSE GBP 1 Month Euro Deposit
Total	**100.0**		**Composite**

The Insight IBOF is managed actively, aiming to outperform Quartery SONIA by 4% p.a (net of fees over rolling five year periods). The Mercer Diversified Growth Fund is also managed actively, aiming to outperform the FTSE GBP 1 Month Euro Deposit rate by 3.5% p.a (gross of fees over rolling three year periods).

Nobia Property Fund

The fund invests entirely in Columbia Threadneedle's Property Fund. The fund is actively managed and aims to outperform the MSCI /AREF UK All Balanced Quarterly Property Fund Index by 1.0% p.a. (net of fees over rolling three year periods).

Nobia Corporate Bond Fund

The fund invests entirely in abrdn's Corporate Bond Fund. The fund aims to outperform the ICE Bank of America Merrill Lynch Sterling Non Gilts All Stocks Index by 0.8% p.a. (gross of fees over rolling three year periods).

Nobia Annuity Target Fund

The fund invests entirely in LGIM's Future World Annuity Aware Fund (formerly the LGIM Pre-Retirement Fund). The fund aims to provide protection against changes in annuity rates by investing in index-tracking bond funds. The benchmark is a composite of gilts and corporate bond funds.

Nobia Cash Fund

The fund invests entirely in the BlackRock Sterling Liquidity Fund. The fund aims to produce a return in line with SONIA before fees.

Nobia Sustainable Global Equity Fund

The fund invests entirely in LGIM's Future World Fund. The fund aims to replicate the performance of the FTSE All-World ex CW Climate Balanced Factor Index by investing in a globally diversified portfolio of quoted company shares, favouring investment in companies with sustainable features and which exhibit characteristics that have historically led to higher returns or lower risk than the equity market as a whole.

3.2 Unallocated Assets

In addition to members' investments, the Trustee also invests the unallocated assets of the Plan as cash.

3.3 Additional Voluntary Contributions (AVCs)

The fund range set out in 3.1 is also available for AVC payments.

4. General

4.1 Realisation of Investments

In general the Plan's investment managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments within each fund.

Sales of pooled fund units are made in response to member requests.

4.2 Monitoring the Investment Managers

Mercer Limited are retained as investment consultants to assist the Trustee in fulfilling its responsibility for monitoring the investment managers. The Trustee may in addition meet the investment managers from time to time to review the investment managers' actions together with the reasons for and background behind the investment performance.

4.3 Social, Environmental and Ethical Considerations, and Exercise of Voting Rights

The following encapsulates the Trustee's ESG beliefs:

- The Trustee believes that environmental, social, and corporate governance factors can have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole.

- The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly require explicit consideration within the investment decision making process.

The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. Managers are also expected to be signatories to the United Nations-supported Principle for Responsible Investment (PRI) unless a suitable reason is provided for not being. As the assets of the Trust are invested in wholly insured arrangements with investments in pooled vehicles, the Trustee accepts that the assets are subject to the investment fund managers' own policies in this area.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes when appointing new investment managers and monitoring existing investment managers. The Trustee has set a target that all equity investment managers used within the strategy should be highly rated by Mercer for ESG integration and active ownership with a minimum rating of ESG3 or better, where possible. The Trustee has the option to engage with the provider and the investment managers as appropriate, and this includes investment managers to include appropriate risk metrics within their portfolio reporting within the framework of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD).

The Trustee also periodically reviews the appropriateness of offering individual ESG or sustainable investment choices available to members and will take any member demand into account. Following the investment strategy review in 2021, the Trustee introduced the Nobia Sustainable Global Equity Fund into the self-select fund range.

4.4 **Implementation and Engagement Policy**

The below table sets out the Trustee's approach to implementation and engagement. The list below is not exhaustive, but covers the main areas considered by the Trustee.

Policy statement	Trustee's Approach
How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies	The underlying investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected. The underlying investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. The Trustee will review the appointment of an investment manager after sustained underperformance and if the Trustee is dissatisfied, then they will look to replace the manager.
How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term	The Trustee considers the Investment Consultant's assessment of how each underlying investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. This includes the underlying investment managers' policy on voting and engagement. The Trustee's will use this assessment in decisions around selection, retention and realisation of manager appointments. Investment managers are aware that their continued appointment relies on their success in delivering the mandate for which the Trustee has delegated to them.
How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the trustee's policies	The Trustee receives reports from the investment manager on a quarterly basis, which present performance information over three months, one year, three years and five years. The Trustee review the absolute performance and relative performance against a suitable index or comparator used as the benchmark, and against the underlying manager's stated target performance (over the relevant time period) on a net of fees basis. Whilst the Trustee's focus is on long-term performance, they also take shorter-term performance into account.

	If an underlying manager is not meeting performance objectives, or their investment objectives for the fund have changed, the Trustees may review the suitability of the manager, and change managers where required. As part of their annual Value for Money ("VfM") assessment, the Trustee reviews the investment manager fees. Where potential improvements on the value delivered to members is identified, the Trustee will take action.
How the Trustee monitors portfolio turnover costs incurred by the asset manager.	Portfolio turnover costs for each of the funds are reviewed on an annual basis as part of the annual VfM assessment. The ability to assess the appropriateness of these costs is limited by the availability of data. The Trustee will monitor industry developments in how to assess these costs and incorporate this in future value for members assessments. Importantly, performance is reviewed net of portfolio turnover costs.
How the Trustee defines and monitor targeted portfolio turnover or turnover range.	The Trustee does not currently define target portfolio turnover ranges for funds.
How the Trustee defines and monitor the duration of the arrangement with the asset manager.	All the funds are open-ended with no set end date for the arrangement.The funds available to members and default investment option are reviewed on at least a triennial basis. An underlying manager's appointment will be considered and may be terminated if it is no longer considered optimal, nor have a place in the default strategy or the self-select fund range. This is independent of time.

5 COMPLIANCE WITH THIS STATEMENT

The Trustee will monitor compliance with this Statement annually.

6 REVIEW OF THIS STATEMENT

The Trustee will review this Statement at least every three years and in response to any material changes to any aspects of the Plan, its liabilities, finances and the attitude to risk of the Trustee and the Principal Employer which they judge to have a bearing on the stated Investment Policy. As part of the review, the Trustee will take expert investment advice and consult the Principal Employer.