LCP INSIGHT CLARITY ADVICE

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Statement of Investment Principles for the ESAB Group (UK) Limited Pension & Life Assurance Scheme

1. Introduction

This Statement of Investment Principles ("SIP") sets out the policy of the Trustee of the ESAB Group (UK) Limited Pension & Life Assurance Scheme ("the Trustee") on various matters governing decisions about the investments of the ESAB Group (UK) Limited Pension & Life Assurance Scheme ("the Scheme"), a Scheme with Defined Benefit ("DB") and Defined Contribution ("DC") sections. This SIP replaces the previous SIP dated 23 May 2019.

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act"), the Occupational Pension Schemes (Investment) Regulations 2005, the Pension Regulator's guidance for defined benefit pension schemes (March 2017), and the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

This SIP has been prepared after obtaining and considering written professional advice from LCP, the Scheme's investment adviser, whom the Trustee believes to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments including the need for diversification, given the circumstances of the Scheme, and the principles contained in this SIP. The Trustee has consulted with the relevant employer, ESAB Group (UK) Ltd, in producing this SIP.

The Trustee will review this SIP from time to time and, with the help of its advisers, amend it as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy and, in respect of the DC Section, in the demographic profile of the relevant members, and at least once every three years.

- **Appendix 1** sets out details of the Scheme's investment governance structure, including the respective key responsibilities of the Trustee, investment advisers and investment managers. It also contains a description of the basis of remuneration of the investment adviser and the investment managers.
- **Appendix 2** sets out the Trustee's policy towards risk appetite, capacity, measurement and management.
- **Appendix 3** sets out the Scheme's investment manager arrangements.

2. Investment objectives

The Trustee's primary objective for the DB Section is to ensure that the Scheme should be able to meet benefit payments as they fall due.

Having purchased a bulk annuity ("buy-in") policy in August 2019 to cover DB Section members' guaranteed benefits, the Trustee's secondary investment objective is to maintain surplus assets in cash until the policy can be assigned to the individual members and the Scheme can be wound up.

The Trustee's primary objective for the DC Section is to provide members with access to an appropriate range of investment options, reflecting the membership profile of the DC Section and the variety of ways that members can draw their benefits in retirement.

3. Investment strategy

The Trustee, with the help of its advisers and in consultation with the employer, purchased a buy-in policy in August 2019, to cover DB Section members' guaranteed benefits.

The Scheme's remaining DB Section assets are held in a cash fund, to cover ongoing and winding-up expenses and any potential additional buy-in premium relating to data corrections.

For the DC Section of the Scheme, the Trustee offers members a range of investment funds. Each member is responsible for specifying one or more funds for the investment of their account, having regard to their attitude to the risks involved. Details are contained in Appendix 3.

4. Considerations in setting the investment arrangements

When deciding how to invest the Scheme's assets, the Trustee considers a number of risks, including, but not limited to, those set out in Appendix 2. Some of these risks are more quantifiable than others, but the Trustee has tried to allow for the relative importance and magnitude of each risk.

In setting the strategy for the DB Section the Trustee also took into account:

- the Scheme's investment objectives, including the target return required to meet the Trustee's investment objectives;
- the Scheme's cash flow requirements in order to meet benefit payments in the near to medium term;
- the best interests of members and beneficiaries;
- the circumstances of the Scheme, including the profile of the benefit cash flows, the funding level, and the strength of the employer covenant;
- the risks, rewards and suitability of a number of possible asset classes and investment strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken;

- the need for appropriate diversification between different asset classes to ensure that both the Scheme's overall level of investment risk and the balance of individual asset risks are appropriate; and
- the Trustee's investment beliefs about how investment markets work and which factors are most likely to impact investment outcomes.

In determining the investment arrangements for the DC Section the Trustee also took into account:

- the best interests of members and beneficiaries;
- the profile of the membership and what this was likely to mean for the choices members might make upon reaching retirement;
- the risks and rewards of a number of possible asset classes and lifestyle strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken;
- the need for appropriate diversification with the lifestyle options to ensure that, for each such option, both the overall level of investment risk and the balance of individual asset risks are appropriate;
- the need for appropriate diversification within the other investment options offered to members;
- any other considerations which the Trustee considers financially material over the periods until members' retirement, or any other timeframe which the Trustee believes to be appropriate; and
- the Trustee's investment beliefs about how investment markets work and which factors are more likely to impact investment outcomes.

Some of the Trustee's key investment beliefs in respect of both the DB and DC Sections which influenced the setting of the investment arrangements are set out below.

- asset allocation is the primary driver of long-term returns;
- risk-taking is necessary to achieve return, but not all risks are rewarded;
- equity, credit and illiquidity are the primary rewarded risks;
- risks that are typically not rewarded should generally be avoided, hedged or diversified;
- investment markets are not always efficient and there may be opportunities for good active managers to add value;
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find and therefore passive[1] management, where available, is usually better value;

[1] Passive management includes a range of rules-based portfolio construction strategies

- environmental, social and governance (ESG) factors are likely to be one area of market inefficiency and so managers may be able to improve risk-adjusted returns by taking account of ESG factors;
- long-term environmental, social and economic sustainability is one factor that trustees should consider when making investment decisions;
- responsible investment in well governed companies and engaging as long-term owners can reduce risk over time and may positively impact Scheme returns; and
- costs have a significant impact on long-term performance.

For the DC Section, the Trustee's key investment beliefs and understanding of the Scheme's membership are reflected in the design of the lifestyle options, and in the range of other funds made available to members.

5. Implementation of the investment arrangements

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

In respect of the DB Section, details of the investment manager and buy-in provider, their objectives, investment guidelines, and custody arrangements are set out in Appendix 3.

In respect of the DC Section, the Trustee has entered into a contract with a platform provider, who makes available the range of investment options to members. There is no direct relationship between the Scheme and the underlying investment managers of the DC investment funds.

The Trustee has signed agreements with the investment managers and a platform provider in respect of the DC Scheme, setting out in detail the terms on which the portfolios are to be managed. These provide details of the specific arrangements agreed by the Trustee with each party. Copies of these mandates are available for inspection from the Pensions Manager. The investment managers' primary role is the day-to-day investment management of the Scheme's investments. The managers are authorised under the Financial Services and Markets Act 2000 (as amended) to carry out such activities.

The Trustee and investment managers to whom discretion has been delegated exercise their powers to giving effect to the principles in this Statement of Investment Principles, so far as is reasonably practicable.

The Trustee has limited influence over managers' investment practices because the Scheme's assets are held in pooled funds, but it encourages managers to improve their practices where appropriate.

The Trustee's view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially

conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustee's responsibility to ensure that the managers' investment approaches are consistent with its policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustee expects investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. It assesses this when selecting and monitoring managers.

The Trustee evaluates investment manager performance by considering performance over both shorter and longer-term periods as available. The duration of a manager's appointment will generally depend on strategic considerations and the outlook for future performance. Generally, the Trustee would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustee's policy is to evaluate each of its investment managers by reference to the manager's individual performance as well the role it plays in helping the Scheme meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustee expects its investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

6. Realisation of investments

The investment managers have discretion over the timing of realisation of investments of the Scheme within the portfolios that they manage, and in considerations relating to the liquidity of investments.

For the DB Section, the buy-in provider is obliged to deliver the cash flow stipulated in the contract, which is designed pay member benefits in full and on time.

For the DC Section, the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments.

7. Consideration of financially material and non-financially material matters

The Trustee has considered how financially material considerations including (but not limited to) environmental, social and governance ("ESG") (including but not limited to climate change), and ethical factors should be taken into account in the selection, retention and realisation of investments since it recognises that these factors can be relevant to investment performance given the investment and funding time horizon of the Scheme.

In respect of the DB Section, the Trustee does not consider these factors on the basis that the investments now consist of the buy-in policy secured with Rothesay Life and the small remaining investments held in the L&G Cash Fund.

In respect of the DC Section, the Trustee recognises that financially material considerations can influence the performance of the Scheme's investments and it is therefore in members' and the Scheme's best interests that these are taken into account within the investment process. The Trustee therefore expects its investment managers to take account of financially material considerations. The Trustee has limited influence over managers' investment practices where assets are held in pooled funds but encourages managers to explain and strengthen their practices where appropriate via the ongoing research and interaction of its investment adviser with the managers on behalf of its clients. The Trustee seeks to appoint managers that have appropriate skills and processes to do this, and from time to time reviews how its managers are taking account of these issues in practice by obtaining regular reports from its managers and reviewing them at least annually with its investment adviser at a meeting of the Trustee.

The Trustee does not take into account any non-financial matters in respect of the DB Section or the DC Section in the selection, retention and realisation of investments. For this purpose, non-financial matters means the views of the members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and environmental impact and present and future quality of life of the members and beneficiaries of the Plan.

8. Stewardship

The Trustee recognises its responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee does not monitor or engage directly with issuers or other holders of debt or equity, but has implicitly delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations, to be carried out in line with the managers' general policies on stewardship, as provided to the Trustee from time to time.

The Trustee has limited influence over managers' stewardship practices where assets are held in pooled funds, but it encourages its managers to explain and strengthen their practices where appropriate via the ongoing interaction of its investment adviser with the managers on behalf of its clients, and by obtaining regular reports from its managers and reviewing them at least annually with its investment adviser at a meeting of the Trustee.

SIP signed for and on behalf of the Trustee of the Scheme:

Signed: _____

Appendix 1

Investment governance, responsibilities, decision-making and fees

The Trustee has decided on the following division of responsibilities and decision-making for the Scheme. This division is based upon the Trustee's understanding of the various legal requirements placed upon it, and its view that this division allows for efficient operation of the Scheme overall, with access to an appropriate level of expert advice and service. The Trustee's investment powers are set out within the Scheme's governing documentation.

1. Trustee

In broad terms, the Trustee is responsible in respect of investment matters for:

- setting the investment strategy, in consultation with the employer;
- developing a mutual understanding of investment and risk issues with the employer;
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change);
- reviewing the investment policy as part of any review of the investment strategy;
- setting the policy for rebalancing between asset classes;
- appointing (and, when necessary, dismissing) investment managers, custodians, investment advisers, actuary and other advisers / providers;
- setting a policy on the exercise of rights (including voting rights) and undertaking engagement activities in respect of the investments;
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- communicating with members as appropriate on investment matters such as the Trustee's assessment of its effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form;
- reviewing the investment policy as part of any review of the investment strategy;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate; and
- consulting with the employer when reviewing the SIP.

2. Platform provider

The investment platform provider will be responsible for:

- providing access to a range of funds managed by various investment managers; and
- providing the Trustee with regular information concerning the management and performance of the assets.

3. Investment managers

In broad terms, the investment managers will be responsible for:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation;
- taking account of financially material considerations (including climate change and other ESG considerations) as appropriate when managing the portfolio of assets;
- exercising rights (including voting rights) attaching to investments and undertaking engagement activities in respect of investments;
- providing the Trustee with regular information concerning the management and performance of their respective portfolios; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

The custodians of the portfolios (whether there is a direct relationship between the custodian and the Trustee or not) are responsible for safe keeping of the assets and facilitating all transactions within the portfolios.

4. Bulk annuity provider

The bulk annuity provider is responsible for making payments to the Scheme under the terms of the buy-in contract signed in August 2019. These payments cover members' benefits secured under the policy.

5. Investment adviser and actuary

In broad terms, the investment adviser will be responsible, in respect of investment matters, as requested by the Trustee, for:

- for the DB Section, advising on how material changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested and the asset allocation policy;
- for the DC Section, advising on a suitable fund range and lifestyle strategies for the Scheme, and how material changes to legislation or within the Scheme's benefits and membership may impact this;
- advising on the selection, and review, of the investment managers; and
- participating with the Trustee in reviews of this SIP.

6. Administrator

In broad terms, the administrator will be responsible, in respect of investment matters, for:

- operating the Scheme's bank account;
- preparing an annual cash flow forecast for the Scheme ie the amount of cash available for investment or required to be disinvested; and
- preparing monthly cash flow statements.

7. Fee structures

The Trustee recognises that the provision of investment management and advisory services to the Scheme results in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets.

The Trustee has agreed Terms of Business with the Scheme's investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The investment managers and platform provider receive fees calculated by reference to the market value of assets under management. The fee rates are believed to be consistent with the managers' general terms for institutional clients and are considered by the Trustee to be reasonable when compared with those of other similar providers.

The fee structure used in each case has been selected with regard to existing custom and practice, and the Trustee's view as to the most appropriate arrangements for the Scheme. However, the Trustee will consider revising any given structure if and when it is considered appropriate to do so.

8. Performance assessment

The Trustee is satisfied, taking into account the external expertise available, that there are sufficient resources to support its investment responsibilities. The Trustee believes that it has sufficient expertise and appropriate training to carry out its role effectively.

It is the Trustee's policy to assess the performance of the Scheme's investments, investment providers and professional advisers from time to time. The Trustee will also periodically assess the effectiveness of its decision-making and investment governance processes and will decide how this may then be reported to members.

9. Working with the Scheme's employer

When reviewing matters regarding the Scheme's investment arrangements, such as the SIP, the Trustee seeks to give due consideration to the employer's perspective. While the requirement to consult does not mean that the Trustee needs to reach agreement with the employer, the Trustee believes that better outcomes will generally be achieved if the Trustee and employer work together collaboratively.

Policy towards risk

1. Risk appetite and risk capacity

Risk appetite is a measure of how much risk the Trustee is willing to bear within the Scheme in order to meet its investment objectives. Taking more risk is expected to mean that those objectives can be achieved more quickly, but it also means that there is a greater likelihood that the objectives are missed, in the absence of remedial action. Risk capacity is a measure of the extent to which the Trustee can tolerate deviation from its long term objectives before attainment of those objectives is seriously impaired. The Trustee's aim is to strike the right balance between risk appetite and risk capacity.

When assessing the risk appetite and risk capacity, the Trustee considered a range of qualitative and quantitative factors, including:

- the strength of the employer's covenant and how this may change in the near/medium future;
- the agreed journey plan and employer contributions;
- the Scheme's funding position and the affordability of a buy-in;
- the Scheme's liability profile, its interest rate and inflation sensitivities, and the extent to which these are hedged; and
- the Scheme's cash flow and target return requirements.

2. Approach to managing and monitoring investment risks

The Trustee considers that there are a number of different types of investment risk that are important to manage and monitor. These include, but are not limited to:

2.1. Risk of inadequate returns

For the DB Section, a key objective of the Trustee is that, over the long-term, the Scheme should have adequate assets to meet its liabilities as they fall due. Having purchased a buy-in policy to cover members' guaranteed benefits, the risk of inadequate future returns is now very small.

In the DC Section, as members' benefits are dependent on the investment returns achieved, it is important that investment options are available which can be expected to produce adequate real returns over the longer term. Accordingly, equity and equity-based funds, which are expected to provide positive returns above inflation over the long term, have been made available to members and feature in the growth phase of the default strategy.

2.2. Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Scheme's assets. Given the protections afforded by the buy-in policy,

diversification is less important in the DB Section. The Trustee believes that the Scheme's DC lifestyle strategies are adequately diversified between different asset classes and within each asset class, and the DC options provide a suitably diversified range for members to choose from. This was key consideration when determining the Scheme's investment arrangements and is monitored by the Trustee on a regular basis.

2.3. Investment manager risk

This is the risk that an investment manager fails to meet its investment objectives. Prior to appointing an investment manager, the Trustee receives written advice from a suitably qualified individual, and will typically undertake an investment manager selection exercise. The Trustee monitors the investment managers on a regular basis to ensure they remain appropriate for its selected mandate.

2.4. Liquidity/marketability risk

For the DB Section, this is the risk that the Scheme is unable to realise assets to meet benefit cash flows as they fall due or that the Scheme will become a forced seller of assets in order to meet benefit payments. This risk has been effectively eliminated by the purchase of the buy-in policy.

For the DC Section, this is the risk that core financial transactions, such as investing members' contributions, are not processed promptly due to lack of liquidity in the investments. The Trustee manages this risk by only using pooled funds with daily dealing within the default strategy and diversifying the strategy across different types of investment.

2.5. Environmental, social and governance (ESG) risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Scheme's investments, some of which could be financially significant, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance. The Trustee seeks to appoint investment managers who will manage these risks appropriately on their behalf and from time to time review how these risks are being managed in practice.

2.6. Risk from excessive charges

Within the DC Section, if the investment management charges together with other charges levied on, for example, transfers or early retirement are excessive, then the value of a member's account will be reduced unnecessarily. The Trustee is comfortable that the charges applicable to the Scheme are in line with market practice and assess regularly whether these represent good value for members.

2.7. Credit risk

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.

The Scheme is subject to direct credit risk via its exposure to the bulk annuity provider, although this is mitigated by the regulatory regime under which the provider operates.

2.8. Currency risk

Some of the DC Section funds are exposed to currency risk. The Trustee considers the overseas currency exposure in the context of the overall investment strategy, and believes that the currency exposure that exists diversifies the strategy and is appropriate.

2.9. Interest rate and inflation risk

The buy-in policy held in the DB Section is subject to interest rate and inflation risk. However, the interest rate and inflation exposure of the buy-in policy hedges the corresponding risks associated with the Scheme's liabilities. The net effect is to very substantially reduce the volatility of the funding level.

2.10. Custodian risk

The safe custody of the Scheme's assets is delegated to professional custodians via the use of pooled vehicles. Should there be any material change in the Scheme's circumstances, the Trustee will review whether and to what extent the investment arrangements should be altered; in particular whether the current risk profile remains appropriate.

2.11. Risk of deterioration in investment conditions near retirement

In the DC Section, for a given amount of money, the level of pension secured for a member will depend upon investment conditions at retirement. A sharp deterioration in these conditions in the period just prior to retirement will have a substantial impact on the benefits provided. To address this the Trustee has made several lower risk funds, and three "lifestyle" options available.

2.12. Risk from unsuitable investments

The Trustee has considered the kinds of investments that could be offered to members of the DC Section and assessed whether they are suitable or otherwise. The Trustee has considered the various investment characteristics of the funds offered by L&G, and believes that the funds offered to members of the DC Section are suitable.

2.13. Other non-investment risks

The Trustee recognises that there are other, non-investment, risks faced by the Scheme, and takes these into consideration as far as practical in setting the Scheme's investment arrangements. Examples include the following:

- longevity risk in the DB Section (the risk that members live, on average, longer than expected);
- sponsor covenant risk in the DB Section (the risk that, for whatever reason, the sponsoring employer is unable to support the Scheme as anticipated);
- for the DB Section, the investment and non-investment risks give rise generally to funding risk. This is the risk that the Scheme's funding position falls below what is considered an appropriate level.

The purchase of the buy-in policy in August 2019 effectively extinguished these risks.

For both the DB and DC sections, there are operational risks. The investment managers place controls on such activities where appropriate. These are set out in the documents appropriate to each fund.

Investment manager arrangements

Details of the investment managers, their objectives, investment guidelines and custody arrangements are set out below.

The Defined Benefit Section

1. Legal & General Investment Management ("LGIM") – Cash

The Trustee has entered into an insurance policy with Legal & General Assurance (Pensions Management) Limited to manage the cash assets of the Scheme. The insurance policy sets out details of the terms under which the assets are managed. Legal & General Assurance (Pensions Management) Limited delegates the investment management responsibilities to LGIM.

The Scheme invests in the L&G Cash Fund to preserve the surplus in the Scheme and provide a ready source of liquidity. The L&G Cash Fund is open ended, priced daily and unlisted. The Fund is managed against the 7 day GBP LIBID rate.

2. Rothesay Life Plc – buy-in policy

The Trustee has purchased a buy-in policy with Rothesay Life Plc. The policy sets out details of the terms under which Rothesay Life is responsible for making payments to the Scheme to cover insured members' guaranteed benefits.

3. Additional Voluntary Contributions

Under the terms of the Scheme, AVCs could be paid by employee members to an insurance company or companies nominated by the Trustee. Since the introduction of the DC section in April 2007, no monies have been paid into any of the AVC arrangements that were in place and the AVC arrangements have been closed to further investments. The Trustee carries out periodic reviews of the performance of the AVC providers. Money is still invested in AVC arrangements for active and deferred members with Equitable Life and Clerical Medical.

4. The Defined Contribution Section

The Trustee has established an insurance policy with Legal & General Assurance Society ("L&G"). Under this Policy, L&G offers members a range of investment options on a platform, as specified by the Trustee.

The Trustee makes available a range of passively and actively managed self-select funds and lifestyle strategies. Details of the options are set out below. The relevant members are provided with clear information on the investment options and their characteristics that will allow the members to make an informed choice.

The funds are priced daily. The funds are open ended Insured Pension funds. They are not listed on an exchange.

Fund name/asset class	Benchmark index	Active or Passive
UK equities		
L&G UK Equity Index	FTSE All Share Index	Passive
L&G UK Smaller Companies	ABI UK – UK Smaller Companies	Active
Overseas equities		
L&G Global Equity 50:50 Index	FTSE All Share in the UK and appropriate sub-divisions of the FTSE All-World Index	Passive
L&G International	ABI UK – Global Equities	Active
L&G European	ABI UK – Europe ex UK Equities	Active
L&G North American	ABI UK – North America Equities	Active
L&G Japan Equity Index	FTSE Japan Index	Passive
Balanced and Multi-Asset		
L&G Managed	ABI UK – Mixed investment (40% - 85% Equity)	Active
L&G Distribution	ABI UK – Mixed investment (20% - 60% Equity)	Active
L&G Multi-Asset Fund	To provide long-term investment growth through exposure to a diversified range of asset classes.	
Property		
L&G Property	ABI UK – UK Direct Property	Active
Bonds and cash		
L&G Index-Linked Gilt	ABI UK – UK Index-Linked Gilts	Active
L&G Fixed Interest	ABI UK – UK Gilt	Active
L&G Pre-Retirement	To invest in assets that reflect the investments underlying a typical non-inflation linked pension annuity product	Passive
Henderson Sterling Bond	ABI UK – Sterling Corporate Bond	Active
L&G Cash	ABI UK – Deposit and Treasury	Active
Other		
L&G Retirement Income Multi-Asset Fund	The investment objective of the Fund is to provide long-term investment growth up to and during retirement, and to facilitate the drawdown of retirement income.	

The Trustee also offers members three “lifestyle” options; the Cash Lifestyle, Annuity Lifestyle and the Flexible Access Lifestyle options. All three of these options invest in the L&G Global Equity 50:50 Fund when members are more than ten years from

retirement. When members reach ten years from their intended retirement date, funds are gradually switched into the L&G Multi Asset Fund over five years. This means that when members are five years from the intended retirement date, they are invested 100% in the L&G Multi Asset Fund. Then, three years before retirement, the following switches occur:

- Cash Lifestyle option: gradual switching into the L&G Cash Fund;
- Annuity Lifestyle option: gradual switching into the L&G Pre-Retirement Fund and L&G Cash Fund; and
- Flexible Access Lifestyle option: gradual switching into the L&G Retirement Income Multi-Asset Fund.