

# **Biffa Pension Scheme**

## **Statement of Investment Principles**

### **Defined Contribution benefits**

The investments described in this section of the Statement of Investment Principles cover options available for members' Defined Contribution ('DC') benefits held in the Scheme. This includes benefits held in the DC Section (including DC AVCs), DB Section AVCs, and UKW Money Purchase (MP) benefits.

It sets out the guiding policies and principles that the Trustee follows when investing members' money on their behalf. The Statement has been prepared in accordance with all relevant legislation. The Trustee will review this Statement no later than three years after the effective date and without delay after any significant change in investment policy.

### **Investment Objective**

The Trustee's key aim is to provide a range of investments that are suitable for meeting members' needs. They have taken into account members' circumstances, in particular the range of members' attitudes to risk and term to retirement.

### **ROLES AND RESPONSIBILITIES**

Trustee – The Biffa Pension Scheme Trustees Limited

The Biffa Pension Scheme is looked after by an independent Trustee body. The Biffa Pension Scheme Trustees Limited has been appointed in this role.

The Trustee's duty is first and foremost to look after the best interests of Scheme members (and beneficiaries).

The Trustee's policy towards this is to provide a Default Investment Option and an appropriate range of alternative options taking into account the needs of the membership. From time to time the Trustee reviews the choice of investments available to members to ensure that they remain appropriate for members' needs.

The Trustee recognises that decisions should be made only by persons or organisations with the skills, information and resources necessary to make them effectively. In delegating certain aspects of its role to third parties, the Trustee has taken this into account. The Trustee also recognises that, where they make investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice taken. The Trustee may delegate certain decisions to other parties.

Investment Manager – Aon Investments Limited

The Trustee has decided to implement the Scheme's DC investment strategy through Aon's Delegated DC Services. Under this approach, the Trustee delegates the selection of the platform provider, available fund range and day to day management of the funds to Aon Solutions UK Limited (Aon), through Aon Investments Limited (AIL).

The available fund range consists of a number of white-labelled blended funds. The underlying managers and structure of each blended fund is delegated to the investment manager, namely AIL. These underlying funds are reviewed from time to time and changes made as required. A small number of additional funds are also available outside of the delegated DC funds.

## Underlying fund managers

Decisions about the day to day management of the assets within each fund remain the responsibility of the underlying fund managers.

This includes decisions about:

- Stock-selection;  
Environmental, Social and Governance (“ESG”) considerations in the selection, retention and realisation of investments;
- Exercise of rights (including voting rights)  
The underlying fund managers are expected to exercise their powers of investment with a view to giving effect to the principles contained within this SIP, so far as reasonably practicable.

The Trustee will engage with AIL for more information on both ESG considerations and stewardship as set out in the Stewardship Policy contained in this SIP.

## Advisers – Aon

The Trustee has obtained written advice on the investment arrangements appropriate for the Scheme. This advice was provided by Aon who is authorised and regulated by the Financial Conduct Authority. The Trustee also takes professional advice when formally reviewing the investment manager or funds offered to members.

## **ASSET ALLOCATION STRATEGY**

The Trustee recognises that the key source of financial risk (in relation to members meeting their objectives) normally arises from asset choice. The Trustee therefore retains responsibility for the investment fund options made available to the membership and takes expert advice as required from its professional advisers.

Three distinct asset allocation strategies are offered to members, which target different benefits at retirement, namely drawdown, annuity purchase and cash.

Each asset allocation strategy aims to provide members with the potential for good levels of growth during the accumulation of their retirement savings through exposure to equities, and then to gradually diversify their investments in the years approaching retirement, to reduce volatility and provide a broad base of assets from which members can choose the type of benefits they wish to take. This is achieved by automatically moving members’ funds from return-seeking assets, which aim for long-term growth in excess of inflation, to a more broad-based and lower risk asset mix as a member approaches their selected retirement age.

In setting the three asset allocation strategies, the Trustee has reviewed the extent to which the return on investments (after deduction of any charges relating to those investments) is consistent with the objective of the strategies, which is broadly to provide an appropriate risk/return profile given the needs of members.

The Trustee regularly reviews the appropriateness of the three asset allocation strategies and may make changes from time to time. Members are advised accordingly of any changes.

The strategies are offered through the provision of ‘Retirement Pathway’ (target date) funds for members with differing terms to retirement. Each fund covers a three year period. For example, a member born in 1990 with an expected retirement age of 65 will be invested in the Retirement Pathway 2055-2057 Fund as this is when they will reach age 65.

Details of the three asset allocation strategies are provided below.

## Retirement Pathway (Default Option for DC Section benefits)

### Objectives

The Trustee has put in place a Default Investment Option, designed to meet the needs of the majority of members. This Default Investment Option is suitable for members who expect to stay invested after retirement and draw funds down in a flexible form through income drawdown.

The Default Investment Option has been designed to maximise the likelihood of achieving the following primary objectives which the Trustee has identified:

- **Return objective**

To enable members to achieve a real return in excess of CPI over the long term.

- **Risk objective**

To enable members to benefit from a strategy that helps to manage the investment risks at each stage of their life.

The objectives of the fund managers in respect of the underlying funds used within the strategy, the kinds of investments held and the balance between them, are set out below and in the Appendix.

Other investment policies relating to the default strategy are set out in the sections below.

Taken together, the objectives and policies the Trustee has adopted in respect of the default strategy, following analysis of the membership, are expected to meet the needs of members, by providing the following:

- The opportunity to increase the value of their benefits with investment growth.
- An investment which manages risk in an appropriate and considered way.
- A portfolio commensurate with how members may take their benefits when they retire.

### Strategy

There are three available asset allocation strategies structured as target date funds, designed to provide members with an appropriate balance between risk and return over their lifetime, accessed through a single investment fund providing exposure to a diversified mix of assets at retirement. This series of target date funds, the **Aon Managed Retirement Pathway Fund series**, invests in a portfolio of assets which can include actively and passively managed funds

The series has three options targeting different benefits at retirement, namely flexible income drawdown (the Default Investment Option), annuity purchase or cash.

### **Retirement Pathway to Annuity**

Retirement Pathway to Annuity is available to members who do not want to take their funds in the form of drawdown but instead plan to take the maximum tax-free cash sum and use the rest of their account to purchase an annuity at retirement.

If a member buys an annuity at retirement then the price of that annuity will impact the member's benefit. There is a risk that the value of members' funds does not move in line with annuity prices. The Retirement Pathway to Annuity series Pathway to Annuity Fund series invests in assets that are designed to mitigate this risk. This strategy is only available to members in the lead up to retirement. Members are asked five years before their selected retirement date how they intend to take their benefits and if they plan to take benefits as annuity, they will be moved to this Retirement Pathway at that point.

## **Retirement Pathway to Cash**

Retirement Pathway to Cash is available to members who do not want to take their funds in the form of drawdown but instead plan to take their entire pot at retirement in the form of a cash lump sum.

Over the five years before the member's selected retirement date the fund moves towards 100% investment in money market funds.

This strategy is only available to members in the lead up to retirement. Members are asked five years before their selected retirement date how they intend to take their benefits and if they plan to take benefits as cash, they will be moved to this Retirement Pathway at that point.

### **DEFAULT STRATEGY: RATIONALE**

The asset allocation strategies, including the Default Option, have been constructed following analysis of the existing membership of the DC Section of the Scheme. This analysis took into account factors such as age, accumulated fund values and term to retirement, to identify different types of member in order to test alternative investment strategies.

The design of the Default Option of the DC Section reflects this analysis, having carried out multiple simulations of future economic and investment scenarios, and also taking into account the various options members will have regarding the way in which they draw their benefits in retirement.

The aim of the Default Option is to provide members with the potential for good levels of growth during the accumulation of their retirement savings through exposure to equities, and then to gradually diversify their investments in the years approaching retirement, to reduce volatility and provide a broad base of assets from which members can choose the type of benefits they wish to take.

The outcomes of the Default Option and other Retirement Pathways will be reviewed periodically with reference to the manner in which members take their benefits from the DC Section of the Scheme. This periodic review will also take into account any significant changes in the demographic profile of the relevant members.

### **UKW MP INVESTMENT OPTIONS**

UKW MP members with benefits accrued before April 1997 have an underpin which applies to these benefits and as such they are required to take their 'pre97' funds as an annuity from the Scheme. For this reason, the only investment option available for these members (for all funds) is the Retirement Pathway for Annuity strategy.

### **CHOOSING INVESTMENTS**

The investment options offered to members are deemed appropriate, given the nature of the membership.

The Trustee has put in place the default arrangement described above, in acknowledgement that some members will be unwilling or feel unable to make investment choices. A choice of alternative asset allocation strategies, as well as self-select fund options, are offered so members can tailor their investment selections, to meet their requirements, if they so wish.

Day to day management of the funds including the selection of the underlying investment managers and asset allocation structure is delegated to AIL under Aon's Delegated DC Services. The selection of stocks is delegated to the underlying investment managers used within each fund, as chosen by AIL.

The Trustee takes professional advice when formally reviewing the investment manager or fund options offered to members.

The range of investment options is set out in the table in Appendix 1.

## **RISK MEASUREMENT AND MANAGEMENT**

The Trustee recognises that members take the investment risk. The Trustee takes account of this in the selection and monitoring of the investment manager and the choice of funds offered to members. The main areas of risk with this type of arrangement are as follows:

Default option risk - the risk of the default option being unsuitable for the requirements of some members. The Trustee has provided additional strategies and individual fund options in addition to the default and has communicated to members the need to review their own requirements and circumstances before making any investment decisions.

Market risk - the Scheme is subject to currency, interest rate and other price risk associated with the underlying investments. These risks can impact the valuations of the funds. The Trustee has selected a wide range of funds to be available to allow members to suitably diversify their investments to manage these risks. This is also considered when setting the lifestyle strategies. Further, the Trustee closely monitors the performance of the funds and receives formal quarterly reports from the investment adviser giving views on their continuing appropriateness, and that of the underlying fund managers.

Annuity purchase – the rates applied when pension funds are used to buy annuities may be more expensive than anticipated and the more expensive annuity rates could coincide with a time when funds have lost value due to market fluctuations, as described above. For those members invested in the Retirement Pathway to Annuity, members' funds will automatically be switched into the Pre-retirement Annuity Protection Fund as they near retirement, with the aim of protecting the value of the benefits that will be provided.

Inflation – the absolute return on investments and hence the value of the pension policy may be diminished by inflation. To help mitigate this risk, a range of funds is offered including growth funds which aim to provide real growth (growth in excess of inflation) over the long term.

Credit risk – the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The credit risk the Scheme is exposed to arises from holdings in the underlying funds, through the investment in the BlackRock platform and given the management by. The investment adviser has provided advice on the strategies and investment options and on AIL as investment manager. This has included information on the security of the Scheme assets in relation to credit risk.

Due to the complex and interrelated nature of these and other risks, the Trustee considers these risks in a qualitative rather than quantitative manner as part of each formal strategy review. The Trustee's policy is to review the range of funds offered and the suitability of the Retirement Pathway options at least triennially.

In addition, the Trustee measures risk in terms of the performance of the assets compared to the benchmarks on a regular basis, usually quarterly, along with monitoring any significant issues with the fund managers that may impact their ability to meet the performance targets set by the Trustee.

## **ILLIQUID INVESTMENTS**

The Trustee may hold illiquid investments on behalf of DC members in any of the default strategies.

Any illiquid holdings will be made up of underlying holdings within the wider strategy into which members are invested. Allocations to illiquid assets may be held at any point in the strategy, and therefore for members of any age profile, either to enhance return potential or provide diversification benefits relative to the liquid holdings within the strategy.

Any and all decisions relating to the holding of illiquid investments (including asset class decisions) are at the discretion of the Manager. The Trustee permits the inclusion of any types of illiquid asset at the discretion of the Manager. These allocations may increase or decrease over time.

Whilst the Trustee recognises that illiquid investments may be associated with higher costs, and liquidity risks, it nevertheless believes that the benefits of diversification and potential for higher returns of certain illiquid investments may benefit members in the long term.

The Trustee also believes that the Manager is best placed to use its expertise to determine the appropriateness of holding illiquid investments in the strategy at any particular time, and to use the liquid portions of the strategy to ensure members have sufficient access to liquidity.

### **CUSTODY**

Investment in pooled funds gives the Trustee rights to the cash value of the units rather than to the underlying assets. The underlying investment manager of each of the pooled funds is responsible for the appointment and monitoring of the custodian of the fund's assets.

### **EXPECTED RETURN ON ASSETS AND REALISATION OF ASSETS**

Over the long-term the Trustee's expectations are:

- for units representing "growth" assets (UK equities, overseas equities, multi-asset funds), to achieve a real return (growth in excess of inflation) over the long term. The Trustee considers short-term volatility in equity price behaviour to be acceptable, given the general expectation that over the long-term equities will outperform the other major asset classes
- for units representing monetary assets (UK bonds), to achieve a rate of return which is expected to be approximately in line with changes in the cost of providing fixed income annuities
- for units representing inflation linked assets (UK index-linked bonds), to achieve a rate of return which is expected to be approximately in line with changes in the cost of providing real annuities that increase in line with inflation
- for units representing cash, to protect the capital value of the investment and achieve a rate of return in line with money market interest rates

In setting the default strategy, the Trustee has reviewed the extent to which the return on investments (after deduction of any charges relating to those investments) is consistent with the objectives of the default strategy, as stated on page 2. Returns achieved by the investment manager are assessed against performance benchmarks set by the Trustee in consultation with its investment adviser and the investment manager.

The Trustee recognises that members may need to realise their assets at short notice. The Trustee considers that members' assets are realisable at short notice.

### **ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS**

The Trustee considers the risk that environmental, social and governance (ESG) factors, including climate change, negatively impact the value of investments held as being financially material. The Trustee considers this risk by taking advice from its investment adviser when setting the Scheme's asset allocation, when selecting managers and when monitoring their performance.

When choosing investments, the Trustee and the fund manager (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The fund manager's duties include:

- Realisation of investments;
- Taking into account social, environmental or ethical considerations in the selection, retention and realisation of investments;

For direct investments in pooled funds, the Trustee expects the fund manager of the underlying pooled fund to carry out the above duties. Where the assets are held in segregated rather than pooled format, the Trustee expects each sub fund manager of the underlying assets to carry out the powers of investment delegated to them. In all cases the fund manager should give effect to the principles in this statement so far as is reasonably practicable.

#### Members Views and Non-Financial Factors

The Trustee does not explicitly take into account the views of members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

### **ARRANGEMENTS WITH THE INVESTMENT MANAGER**

The Trustee monitors the Scheme's investments to consider the extent to which the investment strategy and decisions of the investment managers are aligned with the Trustee's policies. In particular, the Trustee seeks to ensure that the investment manager is incentivised to operate in a manner that generates the best long-term results for the Scheme and its beneficiaries.

Where the Scheme invests in funds that are regularly reviewed by the Trustee's investment consultant, the Trustee uses conclusions drawn from these assessments on a quarterly basis to determine whether the funds and investment managers remain suitable.

The above monitoring includes the extent to which investment managers:

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

The Trustee receives quarterly reports and verbal updates from AIL on various items including the investment strategy, the default investment strategy and wider fund range, performance and longer-term positioning of the portfolio. The Trustee focuses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Scheme's objectives and assess the investment managers over the long-term.

In line with the required actions from the Pensions Regulator, on an annual basis the Trustee will produce an Implementation Statement outlining how the Trustees have adhered to the policies in this document which will also be included in the annual reports and accounts.

Before appointment of a new investment manager, AIL on behalf of the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies. Where possible, the Trustee will seek to amend that documentation so that there is more alignment. Where it is not possible to make changes to the governing documentation, for example if the Scheme invests in a collective vehicle, then the Trustee will express its expectations to the investment managers.

The Trustee believes that having appropriate governing documentation, setting clear expectations to the investment managers (where possible), and regular monitoring of investment managers' performance and investment strategy, is sufficient to incentivise the investment managers to make decisions that align with the Trustee's policies and are based on assessments of medium- and long-term financial and non-financial performance.

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

There is typically no set duration for arrangements with investment managers, although the continued appointment will be reviewed if material causes for concern are identified. Where the Scheme holds closed ended vehicles, the duration may be defined by the nature of the underlying investments.

### **Cost Transparency**

The Trustee is aware of the importance of monitoring its investment managers' total costs and the impact these costs can have on the overall value of the Scheme's assets. The Trustee recognises that in addition to annual management charges, there are a number of other costs incurred by its investment managers that can increase the overall cost incurred by its investments for example trading costs of buying and selling funds.

ALL on behalf of the Trustee collects annual cost transparency reports covering all of its investments and asks that the investment managers provide this data in line with the appropriate Cost Transparency Initiative ("CTI") template for each asset class. This allows the Trustee to understand exactly what it's paying its investment managers. The Trustee expects its investment managers to offer full cost transparency via industry standard templates. This will be reviewed before the appointment of any new managers and includes the existing managers held by the Scheme.

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

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

The Trustee benefits from the economies of scale provided by the investment manager in two key cost areas:

- The ability of the investment manager to negotiate reduced annual management charges with the appointed investment managers; and
- The ability of the investment manager to monitor ongoing investment costs (including additional fund expenses and portfolio turnover) incurred by the investment managers and achieve efficiencies where possible.

### **EVALUATION OF PERFORMANCE AND MANAGEMENT**

The Trustee assesses the (net of all costs) performance of the Manager over rolling three and five-year periods for both the default strategy and wider range of funds offered to members by comparing performance against benchmark and the stated investment objective. The remuneration paid to the Manager and the fees incurred by third parties appointed by the Manager are provided annually by the Manager to the Trustee. This cost information is set out alongside the performance of the Manager to provide context. The Trustee monitors these costs and performance trends over time.

ALL on behalf of the Trustee assesses value for money received from its investment managers on a regular basis by benchmarking its investment managers relative to the wider market. This enables the Trustee to have a detailed understanding of its overall costs irrespective of net of fees performance and identify opportunities to challenge its investment managers where a particular investment manager or mandate is an outlier.



## **STEWARDSHIP – ENGAGEMENT AND THE EXERCISE OF THE RIGHTS ATTACHING TO INVESTMENTS**

The Trustee recognises the importance of its role as a steward of capital and the need to ensure high standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Scheme invests, as this ultimately creates long-term financial value for the Scheme and its beneficiaries.

AIL on behalf of the Trustee regularly reviews the continuing suitability of the appointed investment managers and takes advice from the investment adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed investment managers. If an incumbent investment manager is found to be falling short of the standards the Trustee expects, the Trustee will engage with the manager and seek a more sustainable position and may look to replace the manager.

Where voting is concerned, the Trustee would expect the underlying asset managers to recall stock lending, as necessary, in order to carry out voting actions.

The Trustee reviews the stewardship activities of its investment managers on an annual basis, covering both engagement and voting actions, and will include this information within the Implementation Statement. The Trustee will review the alignment of its policies to those of the investment managers and look for the investment managers, or other third parties, to use their influence as major institutional investors to carry out the Trustee's rights and duties as a responsible shareholder and asset owner. This will include voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good corporate governance, accountability, and positive change.

The Trustee through AIL will engage with the investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned.

The Trustee may engage on matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance, the capital structure and management of actual or potential conflicts of interest. When a concern is identified, the Trustee will engage with the investment consultant to consider the methods by which, and the circumstances under which, they would monitor and engage with the investment manager and other stakeholders.

### **EFFECTIVE DECISION MAKING**

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. The Trustee also recognises that where it takes investment decisions (for example, when making changes to the three asset allocation strategies or the Self-Select fund options) it must have sufficient expertise and appropriate training to be able to evaluate critically any advice it takes.

### **INVESTMENT ADVISER**

Aon Solutions UK Limited (Aon) has been selected as investment adviser to the Trustee. It operates under an agreement to provide a service designed to ensure that the Trustee is fully briefed both to take the decisions it is equipped to do so after training and advice and to monitor those decisions that it delegates. Aon Hewitt Limited is currently paid on a time-cost basis with a fixed fee in place for certain regular pieces of work.

**Effective date of Statement: September 2024**

*This Statement of Investment Principles is produced to meet the requirements of the Pensions Acts 1995 & 2004, the Occupational Pension Schemes (Investment) Regulations 2005 and to reflect the Government's Voluntary Code of Conduct for Institutional Investment in the UK. The Trustee also complies with the requirements to maintain and take advice on the Statement and with the disclosure requirements.*

## **Appendix 1 – DC fund options**

This Appendix provides information on the fund options that are used in the three asset allocation strategies and available through the self-select fund range.

The Trustee has decided to implement the Scheme's DC investment strategy through Aon's Delegated DC Services. Under this approach, the Trustee delegates the selection of the platform provider, available fund range and day to day management of the funds to Aon, Aon Investments Limited (AIL).

### **Asset class options**

The table below provides details of the funds used within the Scheme's DC investment strategy and for each fund option indicates whether it is available as an asset allocation strategy or a self-select fund option:

<b>Fund</b>	<b>Asset allocation strategy</b>	<b>Self-select</b>
<b>Asset allocation strategies</b>		
Aon Managed Retirement Pathway Funds*	✓	✗
Aon Managed Retirement Pathway to Annuity Funds*	✓	✗
Aon Managed Retirements Pathway to Cash Funds*	✓	✗
<b>Self-select funds</b>		
Aon Managed Long Term Inflation Linked Fund	✗	✓
Aon Managed Pre-Retirement Bond Fund	✗	✓
Aon Managed Liquidity Fund	✗	✓
Aon Managed Global Equity Fund	✗	✓
Aon Managed Diversified Multi-Asset Fund	✗	✓
Aon Managed Diversified Multi-Strategy Bond Fund	✗	✓
Aegon BlackRock UK Equity Index (BLK) Fund	✗	✓
Aegon LGIM Ethical Global Equity Index Fund	✗	✓

\*Default strategies

## **Appendix 2 – Self-select fund options and objectives**

<b>White-labelled investment fund name</b>	<b>Performance target</b>	<b>Benchmark Index</b>	<b>Total Expense Ratio<sup>1</sup></b>	<b>Investment Objectives</b>
Aon Managed Long Term Inflation Linked Fund	To match the benchmark return as closely as possible	FTSE UK Gilts Index-Linked Over 5 Years Index	0.18% p.a.	The Fund aims to perform in line with its benchmark by investing in a range of funds that provide exposure to longer dated UK index linked gilts.
Aon Managed Pre-Retirement Bond Fund	To match the benchmark return as closely as possible	LGIM Future World Annuity Aware Benchmark	0.29% p.a.	The Fund aims to perform in line with its benchmark by investing in a range of funds that provide exposure to Sterling assets that reflect the broad characteristics of investments underlying the pricing of a typical level annuity product.
Aon Managed Liquidity Fund	To match the benchmark return as closely as possible	Bank Of England Sterling Overnight Index Average ('SONIA') <sup>2</sup>	0.20% p.a.	The Fund aims to track its benchmark by investing in a range of funds that provide exposure to sterling denominated short-term money market instruments.
Aon Managed Global Equity Fund	Outperform its benchmark	MSCI All Country World Index GBP	0.22% p.a.	The Fund aims to outperform its benchmark by investing in a range of funds that provide exposure to global equities, including emerging market equities.
Aon Managed Diversified Multi-Asset Fund	To outperform its benchmark by 3.25% per annum, before the deduction of fees, over a rolling market cycle.	SONIA	0.30% p.a.	The Fund aims to outperform its benchmark by 3.25% per annum, before the deduction of fees, over a rolling market cycle. The Fund aims to achieve this by investing in a diversified portfolio of assets which can include actively and passively managed funds and which will provide exposure to a range of different assets at any one time.
Aon Managed Diversified Multi-Strategy Bond Fund	To outperform its benchmark by 2.0% per annum, before the deduction of fees over rolling three year periods	SONIA	0.41% p.a.	The Fund aims to outperform its benchmark by 2.0% per annum gross of fees over rolling three year periods. The Fund will invest in a range of bond funds that, in aggregate, provide exposure to global bonds, across a broad spectrum of credit quality. It may also hold up to 10% in cash or cash equivalents in order to balance overall risk.
Aegon BlackRock UK Equity Index (BLK) Fund	To match the benchmark return as closely as possible	FTSE All Share Index	0.05% p.a.	Invests in shares of UK companies and aims to produce a return in line with its benchmark.
Aegon LGIM Ethical Global Equity Index Fund	To match the benchmark return as closely as possible	FTSE4Good Global Equity Index	0.36% p.a.	Invests mainly in overseas equities within the FTSE4Good Global Equity Index and aims to track the return of its benchmark.

<sup>1</sup>TERs are as at 31 March 2024 and include Additional Fund Expenses (AFEs).

<sup>2</sup>Benchmark changed from 7-Day LIBID to SONIA with effect from 30 December 2021