

# Groupama UK Pension Scheme

## Statement of Investment Principles

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January 2025

### Introduction

This document is the Statement of Investment Principles (the 'Statement') for the Groupama UK Pension Scheme (the 'Scheme'). It has been drawn up by Groupama UK Pension Trustees Limited as trustee of the Scheme (the 'Trustee'), taking into account the relevant legislation.

The Statement sets out the high-level objectives, principles and policies governing the investment decisions of the Trustee.

### Governance arrangements

The Trustee has ultimate responsibility for the management of the Scheme and its investments, but they delegate various decisions and responsibilities to specialist advisers and service providers. The Trustee ensures that appropriate guidelines and restrictions are agreed with each party to clearly set out their responsibilities and the scope of their powers. The Trustee takes all such steps as are reasonable to satisfy themselves that the parties to whom they delegate responsibilities have the appropriate knowledge and experience required to take on their role.

A key investment appointment is the Fiduciary Manager, a professional investment firm with expertise in investment and risk management for pension funds. The Fiduciary Manager provides investment advice and investment management services to the Trustee, including advice on setting the Investment Objective and preparing this Statement. Many of the details of this document are reflected in the Investment Management Agreement of the Fiduciary Manager.

### Objectives

The Trustee's primary objective for the Scheme is to provide sufficient assets to pay benefits as they fall due. In order to target this, the Trustee has set an objective for the Scheme's investments, collectively known as the 'Investment Objectives'.

## Investment Objectives

A performance objective known as the “Investment Objective” is set and reviewed by the Trustee, ensuring consistency with Trustee’s primary objective and Statement of Funding Principles. When setting the Investment Objective, the Trustee also takes into account the trade-off between expected returns and investment risk:

### Investment Objective

*The Trustee aims to achieve a return on the Schemes assets of 2.0% p.a. (net of fees) above the return of the Liability Benchmark, over a rolling 5-year period.*

### Risk Statement

*The Trustee expects that the active risk within the Scheme’s portfolio will generally be around 6% - 7% per annum, with the Fiduciary Manager required to formally notify the Trustee if the active risk reaches 12% per annum. However, the Trustee recognises that this will fluctuate over time as the composition of the portfolio changes and the levels of risk in markets change.*

The Liability Benchmark is a measure of the return of the Scheme’s liabilities on a gilts+0.5% basis. It is agreed between the Trustee and the Fiduciary Manager and is periodically updated, such as after triennial actuarial valuations.

The Investment Objective is specified in the guidelines to the Investment Management Agreement of the Fiduciary Manager. The Fiduciary Manager is tasked with investing the Scheme’s assets to target the Investment Objective over rolling 5-year periods, while reducing short-term volatility in the funding position and the chance of large losses.

A risk guideline of 12% p.a. has been set for the volatility of the funding position and the Fiduciary Manager is required to monitor the realised (ex-post) and forecasted (ex-ante) risk levels to ensure they remain below this level. If the risk guideline is exceeded the Fiduciary Manager will notify the Trustee in writing, explain why the risk guideline has been exceeded and confirm either that it is comfortable running the portfolio at a risk level above the guideline or the actions it proposes to reduce the risk level below the guideline.

## Risk

The key risk to the Scheme is that the value of assets is insufficient relative to the value of the liabilities. This is called solvency risk and ultimately could lead to there being insufficient assets to secure all benefits.

There are many other individual risk factors which have the potential to contribute to solvency risk. Due to the complex and interrelated nature of these risks, the Trustee

considers most these in a qualitative rather than quantitative manner.

The Trustee works with the Fiduciary Manager to regularly monitor the risks affecting the investments and to manage them where possible to avoid the accumulation of excessive risk exposures. The main risk factors affecting the Scheme are described in the Appendix, along with a summary of how each is measured and managed.

## **Investment policies**

### **Securing compliance with the duty to choose Scheme investments under Section 36 of the Pensions Act**

In advance of choosing investments, the Trustee obtains and considers advice from the Fiduciary Manager. This advice considers the overall suitability of the investments in relation to a number of key investment principles.

### **The kinds of investments held by the Scheme**

The Scheme's assets are split between two sub-portfolios, detailed below. Responsibility for the management of the sub-portfolios and the balance between them is delegated by the Trustee to the Fiduciary Manager.

The full range of assets, detailed targets and restrictions are agreed between the Trustee and the Fiduciary Manager and may change over time. These are recorded in the legal agreement between the Trustees and Fiduciary Manager.

#### **LDI Portfolio:**

The purpose of these assets is to reduce the risk that the funding position deteriorates as a result of changes in the value of the liabilities due to movements in long-term interest rates and inflation expectations.

This requires an asset portfolio which seeks to broadly match an agreed portion of the interest rate and inflation sensitivities of the Liability Benchmark. The assets are invested in a mixture of cash, physical gilts, leveraged gilts and swaps.

#### **Growth Portfolio:**

The purpose of these assets is to generate consistent, absolute returns while managing downside risks and reducing the chance of large losses in stress situations.

When combined with the LDI Portfolio, Growth Portfolio returns above short-term cash rates result in the total Scheme assets outperforming the Liability Benchmark, as targeted in the Investment Objective.

The assets are invested in a wide range of instruments to create a highly diversified portfolio, with positions including:

*'Manager Skill' investments*

- Investments with third party investment managers that provide access to specialised investment strategies
- The portfolio provides access to a range of investment managers with a broad range of strategies, each expected to outperform at varying times depending on market conditions

*'Market Exposure' investments*

- These provide a diversified set of exposures where performance is mainly dependent on the economic outlook.
- They include, but are not limited to, Equities and Equity Options, Government Bonds, Inflation swaps, Commodities, High Yield Bonds and Emerging Market Bonds.
- The positions are typically accessed via pooled funds or through derivative instruments to reduce costs, increase liquidity and support efficient portfolio management.
- These positions are dynamically managed meaning they are frequently adjusted to reflect the prevailing market conditions. The aim is to take advantage of opportunities as they arise and to guard against risks that may materialise.

*'Illiquid (Private Market)' investments*

- *Performance is driven primarily by the exposure to assets such as private equity which come with an illiquidity premium (the excess return investors expect when committing capital for an extended period) and manager skill as the third-party managers implement specialist investment strategies.*

## **The balance between different kinds of investments**

The Trustee has provided the Fiduciary Manager with guidelines setting out permissible ranges for each kind of investment. The Fiduciary Manager adjusts the balance of investments in response to evolving market conditions and ensures that:

- It stays within the guidelines;
- It is appropriate to achieving the Investment Objective over the long term;
- There is sufficient liquidity to meet cashflow requirements; and
- There is sufficient collateral available to manage the collateral risk of the derivative positions.

## **The expected return on investments**

The Trustee delegates assessment of the expected return on investments to the Fiduciary Manager. This is one of the factors taken into account by the Fiduciary Manager when selecting the balance of assets to target the Investment Objective.

## The realisation of investments

The Trustee delegates decisions around the realisation of investments to the Fiduciary Manager. Assets are realised as part of the rebalancing of assets in response to changing market conditions and to meet the cashflow needs of the Trustee.

## Arrangements with the Fiduciary Manager

The Trustee delegates various activities in relation to the Scheme's investments to the Fiduciary Manager as set out in this Statement. The Fiduciary Manager is responsible, in particular, for ensuring each underlying investment manager is aligned with the Trustee policies as set out below.

The Trustee keeps the Fiduciary Manager's performance under review every 3 to 5 years, where such matters will be taken into account with a focus on longer-term outcomes. The Trustee receives regular reports from the Fiduciary Manager, including on portfolio turnover costs incurred by the underlying investment managers. The Trustee's review process includes specific consideration of how the Fiduciary Manager has implemented the responsible investing policies and engagement activities included in this Statement and performance against the objectives set by the Trustee.

Although the Trustee's arrangement with the Fiduciary Manager is expected by the Trustee to be a long-term partnership, the Fiduciary Manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team or where the Fiduciary Manager fails to ensure alignment between underlying investment managers and the Trustee's policies.

The Fiduciary Manager is paid an Advisory and Investment Management fee in line with normal market practice, for the given scope of services which includes consideration of long-term factors, responsible investment, and engagement. The Trustee reviews the costs incurred in managing the Scheme's assets annually.

## Arrangements with all Investment Managers

The Trustee believes that an understanding of, and engagement with, Investment Managers' arrangements (including the Fiduciary Manager) is required to ensure that they are aligned with Trustee policy, including its Responsible Investment policy. In accordance with latest regulation, it is the Trustee's policy to ensure that the following are understood and monitored by the Fiduciary Manager:

- How investment manager arrangements incentivise investment managers to align their strategy and decisions with the Trustee's policies
- How investment manager arrangements incentivise investment managers 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.
- How the method (and time horizon) of the evaluation of investment managers' performance and their remuneration are in line with the Trustee's policies

- Portfolio turnover costs incurred by the investment managers, in the context of the investment manager's targeted portfolio turnover (defined as the frequency within which the assets are expected to be bought or sold)
- Duration of the arrangement with the investment manager

The responsibility for monitoring these aspects day to day has been delegated to the Fiduciary Manager. They are responsible for ensuring each underlying investment manager is aligned with the Trustee policies at the time of appointment or explaining why this is not the case. They are also required to report back to the Trustee on any areas of potential divergence between Trustee policy and investment manager practice on an ongoing basis, including their own.

Stewardship policies and voting records are reviewed (and discussed with the investment managers) at least annually by the Fiduciary Manager, who will collate the qualitative and quantitative information required to allow the Trustee to review all of the above aspects in sufficient detail each year. The Trustee will challenge any arrangements or stewardship practices that do not align with their Responsible Investment approach.

Underlying managers appointed by the Fiduciary Manager can be terminated at the Fiduciary Manager's discretion. Reasons for termination include, but are not limited to: poor performance, poor client service, client strategy development, loss of key individuals within the investment manager's organisation, M&A activity and operational constraints.

### **Additional Voluntary Contributions (AVC) Investments**

The Trustee has considered AVC options that are suitable for the Scheme's members. The Trustee will monitor the performance of AVC providers periodically.

Members are recommended to seek independent financial advice when considering their AVC arrangements.

AVC arrangements will be reviewed periodically to ensure the investment profile of the fund(s) available remain consistent with the objective of the Trustee and the needs of the members.

## **Responsible Investment**

### **Financially material considerations over the appropriate time horizon of the investments**

The Trustee's objective is to pay its members' pensions in retirement in full, and the Trustee accepts that to do so, the Scheme must earn adequate investment returns by taking acceptable risks. The Trustee also believe that its members would wish to retire in a world in which they can enjoy their pensions, therefore the Trustee believes that a sustainable environment, and society, is in its members' best interests.

The Trustee believes that ESG issues have an impact on the risk and return of the Scheme's investments, and consequently believes that it is appropriate to consider the real world impact of the Scheme's investment strategy. As a result, the Trustee has set investment policies which aim to achieve a positive real world impact, alongside the objective of earning adequate returns within acceptable risks. The policies centre around the environment, and human rights, and are outlined later in this document and focus on financially material factors as the Trustee is not able by law to take account of non financial factors

The Trustee is operating on a long-term time horizon, which is sufficient for the Scheme to be fully funded on a low risk basis with limited or no recourse upon the sponsor for contributions. The likely time horizon for such objectives is at least 10 - 20 years. Given the long-term time horizon, the Trustee acknowledges the importance of being not only a responsible investor, but also a sustainable investor.

The Trustee considers responsible investment to be the integration of environmental, social and governance ("ESG") factors, as well as climate change, into investment decisions in respect of its portfolio where financial risk and/or return is or could be materially affected. On the other hand, 'sustainability' is a very broad term, and one that is developing as scientific evidence emerges. The Trustees consider sustainable investing as proactively seeking to create positive change in the ESG factors that might have a negative financial impact on the portfolio. Consequently, the Trustees' have set out a high level sustainable investment policy, focused on the environment and on human rights, which contain measurable goals, and are outlined below.

### **Sustainable investment policies:**

#### **Environmental policy:**

The Trustee supports the goals of the Paris Climate Agreement to limit global warming to +1.5 degrees Celsius above pre-industrial levels

- The Trustee aims to have a portfolio consistent with net carbon emissions by 2050, with interim goals defined in 2021
- The Trustee's expectation is that the journey towards net zero will take place through a combination of:
  - Engagement (via its fiduciary manager, Cardano, and 3rd party underlying managers) with underlying companies to transition their businesses to a lower carbon economy
  - Tilting the portfolio away from carbon emitters, and tilting towards higher sustainability performing alternatives
  - Considering green investment opportunities, such as green bonds, as appropriate

#### **Human rights policy:**

The Trustee expects their fund managers (the fiduciary manager, Cardano, and 3<sup>rd</sup> party underlying managers) to:

- Commit to UN Global Compact principles
- Adopt minimum safeguards, including (but not limited to) UN Guiding Principles on Business and Human Rights and OECD Multinational Enterprise Guidelines
- Prioritise diversity and inclusion including, but not limited to, targets on gender
- Undertake a modern slavery assessment, taking mitigating action where necessary

These commitments will be taken into account in investment decision making to the extent to which they have a financial impact on the Scheme's investment returns.

Whilst responsibility for the management of the overall investment strategy is delegated to the Fiduciary Manager, the Trustee has instructed the Fiduciary Manager to take proper account of environmental, social and governance ("ESG") factors including climate change and human rights in investment decision making.

Where the Scheme assets are held in pooled arrangements, the Trustee expects the Fiduciary Manager to take into account ESG factors in the selection, retention and realisation of the investment, consistent with its approach to Sustainable Investment. Although implementation of the Trustees Responsible investment policy is delegated to the Fiduciary Manager, Cardano, the Trustee holds Cardano to account through measurement and reporting. Furthermore, given the Trustee has no direct control or influence over the investment policies and decisions made within pooled fund vehicles, it has instructed the Fiduciary Manager to be an engaged investor in such arrangements by having a program of regular and in-depth engagement to seek to influence the investment decision making of pooled vehicles in relation to ESG factors over time.

The Trustee sets targets regarding its sustainable investment policy, and measures progress against these targets, through the activity and reporting of its Fiduciary Manager. Specifically, the Trustee receives reporting on:

- Engagement by Trust's fund managers
- Exercise of voting by the fund managers
- The ESG policies and rating of the fund managers

Due to the nature of the Trustee's investments, the Trustee does not have any voting rights it is able to exercise in relation to the underlying assets of the pooled vehicles, but it expects the Fiduciary Manager to engage with the pooled fund managers on the use of their voting rights to seek to influence the pooled fund managers' use of its voting rights in relation to ESG factors in order to seek to provoke meaningful change over time.

The Fiduciary Manager is responsible for monitoring how external investment managers take into account ESG within their investment process, and in integrating ESG within the selection, assessment and removal of investment managers. Monitoring by the Trustee of the Fiduciary Manager, including in respect of its compliance with this Statement, is undertaken on a regular basis as a part of the Trustee's quarterly investment reporting and monitoring governance.

## **The extent to which non-financial matters are taken into account in the selection, retention and realisation of investments**

The Trustee believes that by being a responsible investor, they are managing investment risk with the aim of enhancing long-term portfolio returns, which is in the best interests of the members and beneficiaries of the Scheme. Beyond these requirements of responsible investing, the Trustee does not explicitly target any non-financial matters in their investment decision making.



## The exercise of the rights (including voting rights) attaching to the investments

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers. The Fiduciary Manager encourages the Scheme's investment managers to discharge their responsibilities in respect of investee companies in accordance with the Stewardship Code published by the Financial Reporting Council.

## Undertaking engagement activities in respect of the investments

The Trustee believes the integration of stewardship duties into the investment process helps them to fulfil their responsibilities. Implementing voting and engagement policies helps drive long term value for beneficiaries. This is achieved through targeted voting and engagement, which encourages better corporate management of environmental, social and governance issues and promotes more stable capital markets and economies.

Where relevant, the Trustee prefers its investment managers to have an explicit strategy, outlining the circumstances in which they will engage with a company (or issuer of debt or stakeholder) on relevant matters (including performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance matters) and how they will measure the effectiveness of this strategy.

The Fiduciary Manager is responsible for engaging with investment managers regarding those investment managers' voting records and level of engagement with the underlying investments, where this is expected to have meaningful impact (and the Trustee monitors the Fiduciary Manager's activity in this regard).

The Trustee has selected three key stewardship priorities for investment manager engagement, in order to improve alignment with its policies as well as enhance disclosure.

The priorities are linked to the UN Sustainable Development Goals with an aim to improving responsible investment characteristics within the portfolio and ultimately deliver better outcomes to our members. The Trustee's stewardship priorities are:

- Climate Crisis
- Environmental Impact
- Human Rights

The Trustee has selected the aforementioned priorities following discussion with the Fiduciary Manager and believe that the priorities are likely to be broadly supported by Scheme members, noting that in reality there will be a wide range of individual views held.

On behalf of the Trustee, the Fiduciary Manager has written to the Trustee's investment managers reaffirming and expanding on the Trustee's policy and expectations. The Trustee expects its investment managers to incorporate these priorities into their voting

practices and the Fiduciary Manager will monitor manager disclosures to ensure alignment against them.

## **Process for agreeing and reviewing this Statement**

The Trustee has obtained written advice on the content of this statement from the Fiduciary Manager. The Trustee are satisfied that the Fiduciary Manager has the knowledge and experience required by the Pensions Acts to perform this role. The Trustee has also consulted the Principal Employer on the content of this Statement and will consult with it on future changes.

The Trustee monitors compliance with this Statement regularly and will review it at least every three years and immediately following any significant change in investment policy. At each review, further written advice from the Fiduciary Manager and consultation with the sponsoring employer will be sought.

## **APPENDIX A – Investment responsibilities of different parties**

The division of investment responsibilities for the Scheme is set out below. This list is not meant to be exhaustive.

### **Trustee**

The Trustee has ultimate responsibility for decision-making on investment matters. The Trustee's investment responsibilities include:

- Deciding on an appropriate governance structure for the management of the Scheme including the role of advisers and other third parties
- Setting appropriate investment objectives, following advice from the Fiduciary Manager and Scheme Actuary
- Agreeing the range of investment types to be used to achieve the investment objectives, taking account of the need to manage risks
- Agreeing the policies for governing investment manager arrangements
- Monitoring the appropriateness of the Fiduciary Manager
- Reviewing the content of this Statement at least every three years and following any significant change in investment strategy
- Modifying this Statement, if deemed appropriate, in consultation with the Principal Employer and with written advice from the Fiduciary Manager
- Monitoring compliance with this Statement on an ongoing basis
- Identifying Trustee training needs

### **Fiduciary Manager**

The Fiduciary Manager's role includes providing investment advice to the Trustee and investment management of the assets. A summary of the duties that fall into each category are shown below:

#### **Fiduciary Manager – investment advice:**

- Advice on setting the Investment Objective
- Risk modelling (including asset-liability analysis)
- Asset class, investment manager and risk reporting
- Advice and monitoring of any direct investments
- Trustee investment training and education
- Advice relating to investment governance and compliance
- Advice on this Statement
- Advice relating to potential conflicts of interest, including their own

## Fiduciary Manager – investment management:

- Designing and implementing investment solutions appropriate to the investment objective for the Scheme, which has been set by the Trustee
- Appointing and removing investment managers
- Investment manager mandate definition and negotiation
- Designing and executing derivative strategies for and on behalf of the Trustee
- Portfolio monitoring, including checking consistency of investment manager arrangements with Trustee policies
- Appointing transition managers for and on behalf of the Trustee
- Advice relating to potential conflicts of interest, including their own
- Ongoing management of the assets delegated to them within the terms of their agreement with the Trustee
- Complying with this Statement

## Scheme Actuary

The key aspects of the Scheme Actuary's role that have a bearing on investment decisions include:

- Liaising with the Fiduciary Manager on the suitability of the Scheme's Investment Objective given the liabilities of the Scheme
- Ensuring consistency between the Statement of Funding Principles and the Trustee's Investment Objectives and investment strategy
- Assessing the funding ratio of the Scheme by performing valuations and advising on the appropriate contribution levels
- Providing data to enable decisions about hedging liability risks to be taken and implemented
- Estimating the cashflows of the Scheme, to be used in the calculation of the value of liabilities on at least a triennial basis, or more frequently as required
- Advice relating to potential conflicts of interest, including their own

## Investment managers

The investment managers' responsibilities include:

- Managing the assets delegated to them within the terms of their agreement
- Providing regular reports on their performance, including any agreed benchmark and performance targets
- Providing reports at least annually on portfolio turnover and costs, including their remuneration
- Instructing their custodian on corporate governance and voting issues, including issues relating to Responsible Investment
- Where relevant, providing information at least annually on how they are incentivised to consider both financial and non-financial risks over the medium to long term, including but not limited to detailing their engagement activities with investee

companies

- Ensure that they are complying with the requirements applicable to them in this Statement. In particular, when investing the assets delegated to them they must be invested in the best interests of members and beneficiaries. Their powers of investments must be exercised so as to ensure the security, quality, liquidity and profitability of the portfolio as a whole

## **Providers of direct investments**

Investments held directly by the Scheme are held in the form of units in pooled funds, insurance policies or other contractual arrangements. The responsibilities of the providers are set out in the legal documentation for each investment. There is then usually an agreement between the provider and an organisation which manages the assets underlying the direct investment on a day-to-day basis. This agreement sets out the responsibilities of this organisation to the provider

## APPENDIX B – Risk factors

Risk factor	What is the risk?	How is the risk measured?	How is the risk managed?
Economic (or market) risk	Economic, financial or political conditions cause the return on investments to be worse than expected, reducing the chance of meeting the investment return objective	The Fiduciary Manager monitors the economic exposures and assesses the economic outlook and regularly reports the position to the Trustee	The assets are spread across a range of different investments in a highly diversified portfolio that manages downside risks and reduces the chance of large losses in stress situations
Investment manager risk	The investment managers fail to meet their performance expectations	The Fiduciary Manager monitors manager performance relative to suitable benchmarks and peers and regularly reports the position to the Trustee	Rigorous investment and operational due diligence is performed upon manager appointment and close monitoring is performed thereafter
Interest rate and inflation risk	The value of the Scheme's liabilities rises due to either or both of the interest rate falling or the inflation rate rising	The Fiduciary Manager monitors any mismatch between the interest rate and inflation sensitivities of the assets relative to the Liability Benchmark and regularly reports the position to the Trustee	The Liability Benchmark is designed to reflect the sensitivity of the liabilities to interest rate and inflation risk. The Liability Hedging Portfolio is designed to match an agreed portion of these sensitivities
Currency risk	Loss arising from the falling value of overseas investments due to strengthening Sterling	The Fiduciary Manager monitors the currency risk and regularly reports the position to the Trustee	Where investments are not denominated in Sterling and currency exposure is not desired as part of the thesis, currency derivatives are used to remove currency risk

Concentration risk	Underperformance in a section of the investments has an overly large adverse impact on the total portfolio return	The Fiduciary Manager monitors the portfolio concentration and reports the position to the Trustee as needed	The Fiduciary Manager operates to guidelines that ensure assets are spread across a range of investments
Liquidity risk	There is a shortfall in liquid assets relative to the Scheme's immediate cashflow requirements	The Fiduciary Manager monitors the cashflow needs and reports the position to the Trustee as needed	The Trustee has set guidelines to limit the total value of assets invested in illiquid assets.
Operational risk	Loss arising as a result of fraud, acts of negligence or lack of suitable processes	The Fiduciary Manager monitors the operational procedures of the collective investment schemes and bank counterparties and reports the position to the Trustee as needed	The Fiduciary Manager undertakes due diligence to identify the operational risks associated with each service provider. The Trustee ensures that all advisers and third-party service providers are suitably qualified and experienced. Suitable liability and compensation clauses are included in all contracts for professional services
Demographic risk	The mortality assumptions used to value the Scheme's liabilities strengthen, resulting in an increase in the value of the liabilities	Regular updates on changes in demographic assumptions are provided by the Scheme Actuary	The Trustee make an allowance for this risk by setting prudent actuarial assumptions
Sponsor risk	The sponsoring employer makes insufficient contributions to support payment of the Scheme benefits, leading to greater reliance on investment returns	Assessment of the ability and willingness of the sponsor to support the continuation of the Scheme and make good any current / future deficit	Sponsor risk has been taken into account when agreeing a suitable Recovery Plan and investment objective

ESG (including climate change) risk	The potential for non-financial factors to adversely impact the value of the assets or overall funding position	The Fiduciary Manager measures ESG risk based on the materiality of potential impact on each investment and distinguishes between high and low focus positions.	The Fiduciary Manager monitors the portfolio regularly to ensure ESG risks are being appropriately considered in ongoing investment decisions. The Trustee reviews ESG risks on a quarterly basis
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