STATEMENT OF INVESTMENT PRINCIPLES

for the

Pension Plan of Savills

February 2024

1. Introduction

1.1. What is the purpose of this Statement of Investment Principles?

This Statement of Investment Principles ("SIP") sets out the policy of Law Debenture Pension Trust Corporation Plc ("the Trustee") on various matters governing decisions about the investments of the Pension Plan of Savills ("the Plan"). This SIP replaces the previous SIP dated June 2023.

1.2. Who has had input to the SIP?

This SIP has been formulated after obtaining and considering written professional advice from Lane Clark & Peacock LLP, the Plan's investment adviser, whom the Trustee believes to be suitably qualified and experienced to provide such advice. The advice considers the suitability of investments and the need for diversification, given the circumstances of the Plan and the principles contained in this SIP.

The principal employer (Savills plc) was consulted on the SIP. The managers are required to carry out their investment responsibilities in a manner consistent with this SIP.

1.3. What is the legal and statutory background to the SIP?

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act") and the Occupational Pension Schemes (Investment) Regulations 2005 ("the Regulations").

The Plan's assets are held in trust by the Trustee. The investment powers of the Trustee are set out in the Plan's Trust Deed.

2. What are the Trustee's overall investment objectives?

The Trustee's main objectives are that:

- the Plan should be able to meet benefit payments as they fall due; and
- that the Plan's funding position (ie the value of its assets relative to the assessed value of its liabilities) should remain at an appropriate level. The Trustee is aware that there are various measures of funding, and has given due weight to those considered most relevant to the Plan. In particular, the Trustee has taken into account the funding requirements detailed in the Occupational Pensions Scheme (Scheme Funding) Regulations 2005.

The Trustee's primary funding objective is the Technical Provisions (as set out in the Statement of Funding Principles), which is used to determine the contributions payable to the Plan. However, the Trustee has a long-term objective of being funded on a "gilts + 0.5% pa" basis by 2030 and uses this as a basis for making strategic investment decisions.

3. What risks does the Trustee consider and how are these measured and managed?

When deciding how to invest the Plan's assets, the Trustee considers a wide range of risks, including, but not limited to, those set out in Appendix A. 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.

4. Summary of the Plan's investment strategy

4.1. How was the investment strategy determined?

The Trustee, with the help of its advisers and in consultation with the employer, undertook a review of the investment strategy in Q4 2023 following developments in the Plan's funding position and asset allocation. A further review will be carried out following the results of the 31 March 2025 actuarial valuation.

4.2. What is the investment strategy?

The result of the review and subsequent discussions was that the Trustee concluded that the long-term investment strategy of the Plan should be based on the benchmark allocation below.

Asset class	**Benchmark allocation (%)**	**Permitted range (%)**	**Expected allocation around 2030 (%)**
Private Credit	20.0	15.0 – 25.0	-
Infrastructure	12.5	7.5 – 17.5	12.5%
Multi-asset credit or short duration credit	10.0	5.0 – 15.0	22.5%
Corporate bonds	15.0	10.0 – 20.0	15.0%
Asset-backed securities	12.5	7.5 – 17.5	12.5%
Passive LDI and cash	30.0	20.0 – 40.0	30.0%
Total	**100.0**		**100.0**

The Trustee currently expects the investments to hedge around 95% of interest rate risk and 95% of inflation risk on the Technical Provisions basis. The liability hedge ratios are expected to be increased to 100% by 2030.

The strategy is designed to deliver sufficient investment returns over the period to 2030 to meet the Trustee's long-term objective, as well as meeting the Plan's benefit payments each year as they fall due, to avoid forced sales of assets.

As the Trustee has taken steps to reduce the volatility of the Plan's asset allocation, it does not expect to make frequent changes to the asset allocation in future. However, it is expected that the allocation to private credit will mature and the proceeds reinvested in multi-asset credit over the coming years to 2030.

The Trustee has agreed to monitor the Plan's progress against the long-term objective using a required return framework. The Trustee and Company have not set formal triggers for when the asset allocation will be reviewed, but will consider the required return regularly in light of market conditions.

4.3. What did the Trustee consider in setting the Plan's investment strategy?

In setting the strategy, the Trustee considered:

- a wide range of asset classes;
- the risks and rewards of a number of possible asset allocation options;
- the suitability of each asset class within each strategy, both across asset classes and within asset classes;
- the need for appropriate diversification between different asset classes;
- the best interests of members and beneficiaries;
- the circumstances of the Plan, including the profile of the benefit cash flows, the funding level, and the strength of the employer covenant;
- the views of the sponsoring employer, including consideration of the likely level and volatility of employer contributions; and
- the Trustee's investment beliefs about how investment markets work, and which factors are most likely to impact investment outcomes.

The Trustee's key investment beliefs, which influenced the setting of the investment arrangements, are as follows:

- 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 do not have an expected reward 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;
- 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; and
- long-term environmental, social and economic sustainability is one factor that trustees should consider when making investment decisions.

4.4. What assumptions were made about the returns on different asset classes?

The key financial assumptions underlying the investment consultants' model as at 30 September 2023 were as follows:

- the expected return assumptions for gilts and index-linked gilts are based on daily observed market yields;
- the average long-term return on corporate bond funds is assumed to be 1.1% pa above gilts;
- the average long-term return on asset-backed securities funds is assumed to be 2.1% pa above gilts;
- the average long-term return on unlisted infrastructure funds is assumed to be 2.6% pa above gilts;
- the average long-term return on private credit funds is assumed to be 3.6% pa above gilts;
- the average long-term return on multi-asset credit funds is assumed to be 2.6% pa above gilts; and
- the average long-term return on short duration credit funds is assumed to be 1.8% pa above gilts.

The assumptions are intended to be best estimates; this means for each assumption there is a 50 / 50 chance that the observed value will be either higher, or lower, than assumed.

5. Appointment of investment managers

5.1. How many investment managers are there?

The Trustee has decided to appoint four managers to manage the Plan's assets. A manager has not yet been selected for the multi-asset credit or short duration credit mandate. Further details of the investment managers, their benchmarks and investment guidelines are given in Appendix B.

5.2. What formal agreements are there with investment managers?

The Trustee has signed documentation with each of the investment managers setting out in detail the terms on which the portfolios are managed, including the need for suitable and appropriately diversified investment.

One of the mandates is accessed via an insurance contract. The Trustee has entered into an insurance policy with Legal & General Assurance (Pensions Management) Limited ("LGAPM"). The insurance policy sets out details of the terms under which the relevant part of the Plan's assets are managed. LGAPM delegates the investment management responsibilities for the Plan's assets to Legal & General Investment Management ("LGIM").

For the purposes of this SIP, LGIM is an investment manager.

Details of the investment managers and their investment benchmarks and guidelines are given in Appendix B.

5.3. What do the investment managers do?

The investment managers' primary role is the day-to-day investment management of the Plan's investments. The managers are authorised under the Financial Services and Markets Act 2000 (as amended) to carry out such activities.

6. Other matters

6.1. What is the Trustee's policy on the realisation of investments?

The investment managers have discretion over the timing of realisation of investments of the Plan and in considerations relating to the liquidity of investments. When appropriate, the Trustee, on the administrators' recommendation, decides on the amount of cash required for benefit payments and other outgoings and informs the investment managers of any liquidity requirements.

6.2. Consideration of financially material and non-financial matters

The Trustee has considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Plan and its members. The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations). 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.

The Trustee has limited influence on the managers' investment practices where assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate. The Trustee seeks to appoint managers that have appropriate skills and processes to do this.

The Trustee does not take into account any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments.

6.3. Voting and engagement

The Trustee recognises its responsibility 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 has 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, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations.

The Trustee seeks to appoint investment managers that have strong stewardship policies and processes, reflecting the principles of the UK Stewardship Code 2020 issued by the Financial Reporting Council.

The Trustee carries out a detailed review of its managers' voting/stewardship activities and outcomes to determine how well they align with the Plan's stewardship themes and priorities (see below). The Trustee also expresses its preferences regarding ESG and stewardship approaches with prospective managers, to check alignment.

The Trustee monitors managers' activities in relation to ESG factors, voting and engagement on a regular basis and seeks to understand how they are implementing their stewardship policies in practice to check that their stewardship is effective and aligned with its expectations.

The Trustee has selected climate change as a priority ESG theme to provide a focus for its monitoring of investment managers' voting and engagement activities. The Trustee reviews the selected theme regularly and will update it or include additional themes if appropriate. The Trustee communicates its stewardship priorities to its managers on a regular basis. If the Trustee's monitoring identifies areas of concern, it will engage with the relevant manager to encourage improvements.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustees from time to time, considering the long-term financial interests of the investors. The Trustee has limited influence over managers' stewardship practices where assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

6.4. What are the responsibilities of the various parties in connection with the Plan's investments?

Appendix C contains brief details of the respective responsibilities of the Trustee, the investment adviser and the investment managers. Appendix C also contains a description of the basis of remuneration of the investment adviser and the investment managers.

6.5. Implementation of the investment arrangements

Before making any investment selection decision of its own, it is the Trustee's policy to obtain written advice. The written advice considers the suitability of the investment, the need for diversification and the principles contained in this SIP. It is also the Trustee's policy to review its own investment selection decisions on a regular basis, based on written advice.

The Trustee has signed agreements with the investment managers setting out in detail the terms on which the portfolios are to be managed. The investment managers' primary role is the day-to-day investment management of the Plan's investments.

The Trustee and investment managers to whom discretion has been delegated exercise their powers to give 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 all the Plan's assets are held in pooled funds, but it encourages its 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 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. Except in closed-ended funds where the duration of the investment is determined by the fund's terms, the duration of a manager's appointment will 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 Plan 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 Plan's investment mandates.

7. Review

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

Approved by Law Debenture Pension Trust Corporation Plc as Trustee of the Pension Plan of Savills on 13 February 2024

Appendix A

The Trustee's policy towards risk, risk measurement and risk management

The Trustee considers that there are a number of different types of investment risk that are important for the Plan. These include, but are not limited to:

A.1. Strategic risk

This is the risk that the performance of the Plan's assets and liabilities diverges in certain financial and economic conditions. This risk has been taken into account in the Trustee's investment strategy review, and will be monitored by the Trustee on a regular basis.

The Trustee will review the Plan's investment strategy at least every three years in light of the various risks faced by the Plan.

A.2. Inadequate long-term returns

A key objective of the Trustee is that, over the long-term, the Plan should have adequate resources to meet its liabilities as they fall due. The Trustee therefore invests the assets of the Plan to produce an adequate long-term return.

A.3. Investment manager risk

This is the risk that the investment managers fail to meet their investment objectives. Prior to appointing investment managers, the Trustee receives written advice from a suitably qualified individual to recommend investment managers for the Trustee to consider. Following receipt of these recommendations, the Trustee will typically undertake a selection exercise. The Trustee monitors the investment managers on a regular basis.

A.4. Counterparty risk

This is the risk that one party to a contract (such as a derivative instrument) causes a financial loss to the other party by failing to discharge a contractual obligation. This risk applies in particular for those contracts that are traded directly between parties, rather than traded on a central exchange.

In particular, LGIM makes use of derivative and gilt repos contracts within its funds and its funds are used by the Trustee to match efficiently a portion of the Plan's liabilities. Counterparty risk is managed within the fund through careful initial selection and ongoing monitoring of trading counterparties, counterparty diversification and a robust process of daily collateralisation of each contract, to ensure that counterparty risk is limited, as far as possible, to one day's market movements

A.5. 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 Trustee's ability to meet its investment objectives.

The Trustee believes that the need for the Plan's assets to be adequately diversified between different asset classes and within each asset class will be met by the strategy outlined in Section 4.2 and by the guidelines agreed with the investment managers.

A.6. Illiquidity/marketability risk

This is the risk that the Plan is unable to realise assets to meet benefit cash flows as they fall due. The Trustee is aware of the Plan's cash flow requirements and believes that this risk is managed appropriately via the measures described in Section 6.1.

A.7. Environmental, social and governance (ESG) risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Plan's investments, which could be financially material, 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 reviews how these risks are being managed in practice.

A.8. Credit risk

This is the risk that a borrower will cause a financial loss for the other party by failing to meet required payments for a contractual obligation.

The Plan is subject to credit risk because it invests in bonds and derivatives via pooled funds. The Trustee manages its exposure to credit risk by only investing in pooled funds that have a diversified exposure to different credit issuers and counterparties.

A.9. Equity risk

Equity represents (part) ownership of a company. Equity risk is the risk that the value of this holding falls in value. The Trustee believes that equity risk is a rewarded investment risk, over the long term.

The Trustee considers exposure to equity risk in the context of the Plan's overall investment strategy and believes that the level of exposure to this risk (via its investment in infrastructure equity) is appropriate.

A.10. Currency risk

Whilst the majority of the currency exposure of the Plan's assets is to Sterling, the Plan is subject to currency risk because some of the Plan's investments are held in overseas markets. 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. Furthermore, the Trustee manages the amount of currency risk by allocating part of the portfolio to actively managed pooled funds where the managers have a degree of currency hedging flexibility.

A.11. Interest rate and inflation risk

The Plan's assets are subject to interest rate and inflation risk because some of the Plan's assets are held in bonds and swaps, via pooled funds. However, the interest rate and inflation exposure of the Plan's assets hedges part of the corresponding risks associated with the Plan's liabilities. The net effect will be to reduce the volatility of the funding level, and so the Trustee believes that it is appropriate to have exposures to these risks in this manner.

A.12. Collateral adequacy risk

Collateral adequacy risk is the risk that assets required to maintain the hedging protection are not available for use within the LDI portfolio within the required timeframe. A possible consequence of this risk materialising is that the Plan's liability hedging could be reduced, potentially leading to a worsening of the Plan's funding level.

To mitigate this risk, the Trustee monitors the impact of movement in interest rates and inflation expectations and how that compares to the change that can be supported by the assets invested in the LDI portfolio.

The Trustee has also given consideration to what further measures could be taken should the assets held within the LDI portfolio prove insufficient, for example, raising additional money from other Plan assets.

A.13. Other risks

The Trustee recognises that there are other, non-investment, risks faced by the Plan. Examples include:

- mortality risk (the risk that members live, on average, longer than expected); and
- sponsor risk (the risk that, for whatever reason, the sponsoring employer is unable to support the Plan as anticipated). The Trustee has considered the strength of the employer's covenant in setting the Plan's investment strategy.

The Trustee also has in place processes to consider and monitor these non-investment risks on a regular basis.

Together, the investment and non-investment risks give rise generally to funding risk. This is the risk that the Plan's funding position falls below what is considered an appropriate level. By understanding and considering each of the risks that contribute to funding risk, the Trustee believes that it has addressed and is positioned to manage this general risk.

Appendix B

Investment manager arrangements

B.1. Legal & General Investment Management

The Trustee has selected Legal & General Investment Management ("L&G") as the investment manager for the Plan's bond and LDI portfolios.

The Trustee expects to hold the investments with L&G until the Plan is sufficiently funded and mature for the Trustee to transfer the pension scheme liabilities to an insurer.

The Trustee invests in L&G's Maturing Buy and Maintain Funds, the objective of which is to capture the credit risk premium within a globally diversified portfolio of non-government bonds. The funds are priced weekly, are open ended and unlisted.

The Plan invests in LDI through a portfolio of pooled leveraged and unleveraged gilt funds, managed by Legal & General. The funds have no formal benchmark. Instead, Legal & General use a performance comparator that is calculated using the return on the relevant gilt, adjusted for the amount of leverage. The funds are priced weekly, are open-ended and unlisted. Under the long-term strategy, the LDI investments are designed to hedge 95% of the interest rate and inflation sensitivities of the Plan's Technical Provisions.

The Plan can also invest in cash through a pooled fund called the Sterling Liquidity Fund. The objective of this fund is to outperform the return of 7 day SONIA before the deduction of fees. The fund is priced weekly, is open ended and unlisted.

B.2. Barings Investment Advisers Limited

The Trustee has selected Barings Investment Advisers Limited ("Barings") as the investment manager for the Plan's private credit portfolios.

The Trustee expects to be invested in the third vintage of Barings' private credit portfolio for around seven years beginning March 2019 (which is when the Plan's commitment to the fund was first drawn down) and invested in the fourth vintage for around eight years beginning September 2021.

Barings' objective for both the third and fourth vintages of its private credit portfolio is a performance target of 6-7% pa in Sterling, after the deduction of fees, over the funds' life. The funds are illiquid investments and the Trustee expects to hold them until capital is returned from maturing / repaying investments. The funds are priced quarterly, closed ended and unlisted.

B.3. JP Morgan Asset Management

The Trustee has selected JP Morgan Asset Management ("JP Morgan") as the investment manager for the Plan's infrastructure portfolio.

The Trustee expects to be invested in JP Morgan's infrastructure portfolio until the Plan is sufficiently funded and mature for the Trustee to transfer the pension scheme liabilities to an insurer.

JP Morgan's objective is to return 8-12% pa, before the deduction of fees, over a 5-7 year period in local currency terms. Redemptions are permitted semi-annually (with three months' notice) subject to a four-year soft-lock. The fund is priced quarterly, open ended and unlisted.

B.4. Aegon Asset Management

The Trustee has selected Aegon Asset Management ("Aegon") as the investment manager for the Plan's asset-backed securities portfolio.

The Trustee expects to hold the investments with Aegon until the Plan is sufficiently funded and mature for the Trustee to transfer the pension scheme liabilities to an insurer.

Aegon's objective is to outperform a market-weighted combination of the Barclays Capital Euro ABS Floating Rate Composite Index and the Barclays Capital Euro ABS Fixed Rate Composite Index. Aegon's target is to outperform the benchmark by 0.7-1.3% pa (gross of fees in Euros) however for reporting purposes performance is measured against a target of three month SONIA + 2% pa (net of fees). The fund is priced daily, is open ended and unlisted.

B.5. Rebalancing between managers

The Trustee will review the balance of the assets regularly, following which corrective action may be taken.

B.6. Additional Voluntary Contributions ("AVCs")

The Trustee has selected Aviva UK Limited (formerly Friends Life Limited) and Utmost Life & Pensions as the Plan's money purchase AVC providers. The AVC Provider's performance is reviewed by the Trustee, with professional advice, at least once in every two Plan years.

Appendix C

Responsibilities and fees

The Trustee has decided on the following division of responsibilities and decision-making for the Plan. 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 Plan overall, with access to an appropriate level of expert advice and service.

C.1. Trustee

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

- setting the investment strategy, in consultation with the employer, then giving effect to it so far as reasonably possible;
- reviewing the investment policy following the results of each valuation, and / or after any review of investment strategy (eg any asset liability modelling exercise);
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change);
- formulating a policy on taking account of non-financial matters in the selection, retention and realisation of investments;
- if required, the policy for rebalancing between asset classes and asset managers;
- setting a policy on the exercise of rights (including voting rights) and undertaking engagement activities in respect of the investments;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form;
- appointing, monitoring, reviewing and dismissing investment managers, the actuary and investment consultants;
- 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;
- 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 principal employer when reviewing the SIP.

The Trustee has delegated consideration of certain investment matters to an investment sub-committee, although any decisions remain the responsibility of the Trustee.

C.2. 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, in order to give effect to this SIP so far as reasonably possible;
- taking account of financially material considerations (including climate change and other ESG considerations) as appropriate when managing the portfolios 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;
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so; and
- the appointment and monitoring of the custodian of their respective funds' assets (given the all assets are managed within pooled funds).

C.3. Actuary and investment consultant

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

- advising on how material changes within the Plan's benefits, membership, and funding position may affect the manner in which the assets should be invested and the asset allocation policy;
- advising on the selection, and review, of the investment managers; and
- participating with the Trustee in reviews of this SIP.

C.4. Mandates given to advisers and investment managers

The Trustee has in place signed agreements with each of the Plan's advisers and investment managers. 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 subject to any confidentiality agreement in place between the Trustee and the Investment Manager.

C.5. Fee structures

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

The Trustee has agreed Terms of Business with the Plan's actuarial and investment advisers, under which charges are calculated on a fixed fee or "time-cost" basis. For significant areas of advice (eg one off special jobs or large jobs), the Trustee will endeavour to agree a project budget in advance.

The investment managers 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 Plan. However, the Trustee will consider revising any given structure if and when it is considered appropriate to do so.

C.6. 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 Plan's investments, investment providers and professional advisers from time to time. The Trustee will also carry out periodically an assessment of its own effectiveness as a decision-making body and will decide how this may then be reported to members.