BARNETT WADDINGHAM
beyond the expected

Robert Horne Group Pension Scheme

DC Section

Statement of Investment Principles

Barnett Waddingham LLP

29 September 2020

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Contents

1. Introduction

1.1. This is the Statement of Investment Principles prepared by the Trustee and relates to the defined contribution (DC) benefits provided through the Robert Horne Group Pension Scheme ("the Scheme"). This statement sets down the principles which govern the decisions about investments that enable the Scheme to meet the requirements of:

- the Pensions Act 1995, as amended by the Pensions Act 2004; and
- the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010.
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018.
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

1.2. In preparing this statement the Trustee has obtained advice from Barnett Waddingham LLP, the Trustee's investment consultant. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority.

1.3. The Trustee has also consulted with the Pension Protection Fund (the PPF) in preparing this statement. The Scheme's liabilities and assets are expected to pass to the PPF after an Assessment Period.

1.4. Upon entry to the PPF Assessment Period, the Scheme consisted of a Defined Benefit and Defined Contribution Section. The Trustee intends to discharge the assets and liabilities relating to the Defined Contribution Section during the Assessment Period. This statement relates to the Defined Contribution Section and the Additional Voluntary Contributions linked to the Defined Benefit Section only.

1.5. This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates), and Scheme Funding legislation.

1.6. The Trustee will review this statement at least every three years or if there is a significant change in any of the areas covered by the statement.

1.7. The investment powers of the Trustee are set out in Clause 20 of the Definitive Trust Deed & Rules, dated 26 March 2004. This statement is consistent with those powers.

2. Choosing investments

2.1. The Trustee carefully considers its Investment Objectives, shown in the Appendix, when designing the range of investment options to offer to its members. The Trustee also acknowledges that members will have different attitudes to risk and different aims for accessing their retirement savings – and therefore, whilst seeking good member outcomes net of fees, it also considers the level of risk that is appropriate based on the anticipated needs of the membership profile of the Scheme.

2.2. The Trustee's policy is to offer a range of "off-the-shelf" governed investment arrangements suitable for the Scheme's membership profile into which members can choose to invest their contributions and those contributions made by the employer. Details of these are given in the Appendix. In doing so, the Trustee considers the advice of their professional advisers, whom they consider to be suitably qualified and experienced for this role.

2.3. The day-to-day management of the Scheme's assets is delegated to one or more investment managers. The Scheme's investment managers are detailed in the Appendix to this Statement. The investment managers are authorised and regulated by the Financial Conduct Authority, and are responsible for stock selection and the exercise of voting rights.

2.4. The Trustee reviews the appropriateness of the Scheme's investment strategy on an ongoing basis. This review includes consideration of the continued competence of the investment managers with respect to performance within any guidelines set.

3. Investment objectives

3.1. The Trustee has discussed and agreed key investment objectives in light of an analysis of the Scheme's membership profile as well as the constraints the Trustee faces in achieving these objectives. These are set out in the Appendix.

4. Kinds of investments to be held

4.1. The Scheme is permitted to invest in a wide range of assets including equities, bonds, cash, property and alternatives.

5. The balance between different kinds of investments

5.1. Members can choose to invest in any of the funds detailed in the Appendix or can elect to invest in one of the lifestyle strategies. Where members do not choose where their contributions, and those made on their behalf by the employer, are invested, the Trustee will invest these contributions according to the default investment strategy set out in the Appendix.

5.2. The Trustee considers the merits of both active and passive management for the various elements of the Scheme's portfolio and may select different approaches for different asset classes.

5.3. The Trustee is aware that the appropriate balance between different kinds of investments will vary over time and the asset allocation may change as the membership profile evolves.

6. Risks

6.1. Risk in a defined contribution scheme lies with the members themselves. The Trustee has considered a number of risks when designing and providing suitable investment choices to members. The main investment risks affecting all members are:

Inflation Risk	The risk that the investments do not provide a return at least in line with inflation, thus eroding the purchasing power of the retirement savings. The Trustee makes available investment options that are expected to provide a long-term real rate of return.
Conversion risk	The risk that fluctuations in the assets held, particularly in the period before retirement savings are accessed, lead to uncertainty over the benefit amount likely to be received.
Retirement income risk	The risk that a member's retirement income falls short of the amount expected, whether this is due to lower investment returns than expected or insufficient contributions being paid. The Trustee periodically reviews the appropriateness of the investment options offered to ensure member outcomes can be maximised. When assessing their potential outcomes, a member should take into account that no further contributions can be made to this Plan and therefore this is a risk which lies with each member.
Investment manager risk	The Trustee monitors the performance of the Scheme's investment manager on a regular basis in addition to having meetings with them from time to time as necessary. The Trustee has a written agreement with each pension provider which, in turn, has an agreement with each investment manager, which contains a number of restrictions on how the investment manager may operate.
Concentration/ Market risk	Each investment manager is expected to manage properly diversified portfolios and to spread assets across a number of individual shares and securities.
Currency risk	The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management.
Loss of investment	The risk of loss of investment by the pension provider, the investment manager and custodian is assessed by the Trustee. This includes losses beyond those caused by market movements (e.g. default risk, operational errors or fraud). The Trustee also undertakes an annual review of the internal controls and processes of the pension provider.

7. Expected return on investments

7.1. The Trustee has regard to the relative investment return and risk that each asset class is expected to provide. The Trustee is advised by their professional advisors on these matters, who they deem to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the investment managers.

7.2. The Trustee recognises the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.

8. Realisation of investments

8.1. The Trustee has delegated the responsibility for buying and selling investments to the investment managers.

9. Financially material considerations, non-financially material considerations, the exercise of voting rights and engagement activities

9.1. The Trustee has set policies in relation to these matters. These policies are set out in the Appendix.

10. Policy on arrangements with asset managers

Incentivising alignment with the Trustee's investment polices

10.1. Prior to appointing an investment manager, the Trustee discusses the investment manager's approach to the management of ESG and climate related risks with the Scheme's investment consultant, and how their policies are aligned with the Trustee's own investment beliefs.

10.2. When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to make the required investment returns, the Trustee also considers how ESG and climate risk are integrated into these. If the Trustee deems any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider using another manager for the mandate.

10.3. The Trustee carries out a strategy review when appropriate where an assessment of the continuing relevance of the strategy in the context of the Scheme's membership and their aims, beliefs and constraints is made. The Trustee monitors the investment managers' approach to ESG and climate related risks on an annual basis.

10.4. In the event that an investment manager ceases to meet the Trustee's desired aims, including the management of ESG and climate related risks, using the approach expected of them, their appointment will be terminated.

10.5. Investment manager ESG policies are reviewed in the context of best industry practice and feedback will be provided to the pensions provider.

Incentivising assessments based on medium to long term, financial and non-financial considerations

10.6. The Trustee is mindful that the impact of ESG and climate change has a long-term nature. However, the Trustee recognises that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustee acknowledges this in their investment management arrangements.

10.7. When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustee assesses these over a rolling timeframe. The Trustee believes the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustee expects this longer term performance target to be sufficient to ensure an appropriate alignment of interests.

10.8. The Trustee expects investment managers to be voting and engaging on behalf of the Scheme's holdings and the Scheme monitors this activity within the Implementation Statement in the Scheme's Annual Report and Accounts. The Trustee does not expect ESG considerations to be disregarded by the investment managers in an effort to achieve any short term targets.

Method and time horizon for assessing performance

10.9. The Trustee monitors the performance of their investment managers over medium to long term periods that are consistent with the Trustee's investment aims, beliefs and constraints.

10.10. The Scheme invests exclusively in pooled funds. The investment manager is remunerated by the Trustee based on the assets they manage on behalf of the Trustee. As the funds grow, due to successful investment by the investment manager, they receive more and as values fall they receive less.

10.11. The Trustee believes that this fee structure, including the balance between any fixed and performance related element, enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

10.12. The Trustee asks the Scheme's investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered regularly as part of the review of the Statement of Investment Principles.

Portfolio turnover costs

10.13. The Trustee acknowledges that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the quarterly investment monitoring process.

10.14. During the investment manager appointment process, the Trustee may consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices.

Duration of arrangement with asset manager

10.15. For the open-ended pooled funds in which the Scheme invests, there are no predetermined terms of agreement with the investment managers.

10.16. The suitability of the Scheme's asset allocation and its ongoing alignment with the Trustee's investment beliefs is assessed every three years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

11. Monitoring

11.1. **Investment Performance:** The Trustee reviews the performance of each investment option offered through the Scheme against the stated performance objective and, in doing this, the Trustee receives a performance monitoring report from time to time. This monitoring takes into account both short-term and long-term performance. The investment manager's overall suitability for each mandate will be monitored as frequently as the Trustee considers appropriate in light of both its performance and other prevailing circumstances.

11.2. **Objectives:** The Trustee monitors the suitability of the objectives for the Scheme (as detailed in the appendix) and performance (net of fees) against these objectives at least every three years and also when there is any significant change in the investment policy, underlying economic conditions or the profile of the members.

11.3. **Investment Choices:** The Trustee monitors the ongoing appropriateness of the investment choices offered on a periodic basis.

12. Agreement

12.1. This Statement was agreed by the Trustee, and replaces any previous statements. Copies of this Statement and any subsequent amendments will be made available to the Pension Protection Fund, the investment manager, the actuary and the Scheme auditor upon request.

Signed:..... **Date:**30 September 2020

On behalf of the Robert Horne Group Pension Scheme

Appendix 1 Note on investment policy of the Scheme in relation to the current Statement of Investment Principles

1. The balance between different kinds of investment

The Trustee's main investment objectives are:

- to provide a suitable default investment option that is likely to be suitable for a typical member;
- to offer an appropriate range of alternative investment options so that members who wish to make their own investment choices have the freedom to do so, recognising that members may have different needs and objectives;
- seek to achieve good member outcomes net of fees and subject to acceptable levels of risk;
- to maximise member outcomes;
- to manage the expected volatility of the returns achieved in order to control the level of volatility in the value of members' pension pots;
- to ensure that the expected volatility of the returns achieved is managed through appropriate diversification of the use of asset types in order to control the level of volatility and risk in the value of members' pension pots; and
- to reduce the risk of the assets failing to meet projected retirement income levels.

The Trustee is responsible for the design of the default investment option and for choosing which investment options to make available to members. Members are responsible for their own choice of investment options (including where the default investment option is selected for them because they have not selected other funds).

The Trustee has made available a range of funds to suit the individual needs of the Scheme's members. For example, a range of equity funds is available for those members willing to accept a greater level of volatility in pursuit of higher expected retirement savings. Bond and cash funds are also offered for those members who are less comfortable with the likely volatility of the equity funds. Members have been allowed to self-select funds outside of this range and have had access to a wider range of in excess of 70 individual investment funds. Members invest in 23 of the funds available. In addition, a range of AVC funds are available through contracts with Aviva, Prudential, Standard Life and Utmost Life & Pensions (formerly Equitable Life).

2. Default option

The Trustee acknowledges that members will have different attitudes to risk and different aims for accessing their retirement savings, and so it is not possible to offer a single investment option that will be suitable for each individual member. However, having analysed the Scheme's membership profile, the Trustee decided that the lifestyle arrangement set out below represents a suitable default investment option for the majority of members who do not make a choice about how their contributions (and those made on their behalf by the employer) are invested. The aims, objectives and policies relating to the default option are intended to ensure that assets are

invested in the best interests of relevant members and their beneficiaries. For ease of reference, this default strategy is called the 'Default Lifetime Programme'.

This incorporates 'lifestyle' switching which automatically reduces members' exposure to investment volatility in the 15 years before the Scheme's normal retirement age of 65. The de-risking programme is designed to provide protection for 25% of the pension pot to be taken as a cash sum and 75% to be used to provide a secure income through annuity purchase.

The Default Lifetime Programme has 3 phases:

Phase	Aim
Growth Phase	Aims to maximise growth on members' pension pot
Transition Phase	Aims to provide growth whilst reducing short-term investment risk
Switching Phase	Aims to lock in to the cost of buying a pension at retirement and to get ready for retirement

Growth Phase

The Default Lifetime Programme invests wholly in stock markets (equities) during the Growth Phase with the aim of maximising growth on the value of members' pension pots. To increase the potential for growth and to provide some additional diversification, 10% of members' pension pot will be invested in the stock markets of developing countries, such as China and Brazil, via the BlackRock Emerging Markets Fund.

Transition Phase

From 15 years before members' selected retirement date, the Default Lifetime Programme starts to switch into the Aviva Multi-Asset Growth Fund, which aims to reduce short-term investment risk by investing in different types of investment, whilst still providing potential for growth. This is called the Transition Phase.

Switching Phase

During the final phase, members' pension pot will be switched to the Aviva Pre-Retirement Fund. The aim of using the Aviva Pre-Retirement Fund is to match the cost of buying a guaranteed income (an annuity) at retirement. It also switches into the Aviva Cash Fund over the final 3 years. This is the Switching Phase or in other words 'getting members ready for taking their benefits' phase. This Switching Phase happens over the final five years.

The investment benchmarks and objectives for each investment funds which form part of the DC Section default (the Default Lifetime Programme) are given below:

Investment manager	Fund	Benchmark	Objective
Aviva	Aviva Multi-Asset Growth Fund	Mixed Investment 40-85% Shares	To provide exposure to a diversified portfolio of assets in order to generate capital growth and income
	Aviva Pre-retirement Fixed Interest	Composite Benchmark Index (35% FTSE UK Gilts 15-25yrs, 15% FTSE UK Gilts 25yrs+, 10% iBoxx Sterling Non-Gilts 1-5yrs, 35% iBoxx Sterling Non-Gilts 5-15yrs and 5% iBoxx Sterling Non-Gilts 15yrs+)	To produce a total return over the long term
	Aviva Cash Fund	7 Day GBP LIBID	To provide short-term liquidity by investing in money market instruments, bonds and cash
	Aviva BlackRock (50:50) Global Equity Index Tracker Fund	50% of the FTSE All Share Index and 50% Overseas Equities Index	Tracking the benchmark
	Aviva BlackRock Emerging Markets Equity Index Tracker Fund	S&P IFCI Emerging Markets Composite Ex Malaysia Index	Tracking the benchmark

The statements made in the main body of this Statement of Investment Principles also apply to the default arrangement.

3. Alternative investment options

Acknowledging the challenge of identifying the best solution for different groups of members, and in focusing on its key objective, the Trustee has focused on the default strategy. Alongside the default investment option, the Trustee also makes available a range of alternative investment choices.

The investment managers are authorised and regulated by the Financial Conduct Authority.

The investment benchmarks and objectives for each investment manager are given below:

Investment manager	Fund	Benchmark	Objective
Aviva	FL BlackRock Long Term Fund (Aquila C)	60% of the FTSE All Share and 40% Overseas Equities	Tracking the benchmark
	Aviva BlackRock Over 5 Year Index-Linked Gilt Index Tracker Fund	FTSE Actuaries UK Index Linked Gilts Over 5 Years Index	Tracking the benchmark
	Aviva BlackRock Over 15 Year Gilt Index Fund	FTSE Actuaries UK Index Linked Gilts Over 15 Years Index	Tracking the benchmark
	Aviva BlackRock UK Equity Fund	FTSE All Share Index	Tracking the benchmark
	Aviva BlackRock Pacific Rim Equity Index Tracker Fund	FTSE All World Developed Asia Pacific ex Japan Index	Tracking the benchmark
	Aviva BlackRock World (ex UK) Equity Index Tracker Fund	FTSE Developed ex UK Index	Tracking the benchmark
	Aviva BlackRock (40:60) Global Equity Index Tracker Fund	Composite Benchmark Index (40% UK, 60% Overseas)	Tracking the benchmark
	Aviva BlackRock (60:40) Global Equity Index Tracker Fund	Composite Benchmark Index (60% UK, 40% Overseas)	Tracking the benchmark
	Aviva BlackRock 50:50 Global Equity Index Tracker Fund	50% of the FTSE All Share Index and 50% Overseas Equities Index	Tracking the benchmark
	Aviva BlackRock Emerging Markets Equity Index Tracker Fund	S&P IFCI Emerging Markets Composite Ex Malaysia Index	Tracking the benchmark
	Aviva Global Equity Fund	MSCI World NDR TR GBP	To achieve capital growth
	Aviva Property Fund	n/a	To generate capital growth and income

Aviva Stewardship Fund	FTSE All-Share Index	To generate capital growth from investing primarily in companies listed in the UK, using a set of ethical criteria
Aviva Managed Fund	Mixed Investment 40-85% Shares	To provide exposure to a diversified portfolio of assets in order to generate capital growth and income
Aviva UK Equity Fund	FTSE All-Share Index	To achieve capital growth
Aviva UK Smaller Companies Fund	FTSE UK Series Small Cap ex Investment Trusts TR	To achieve capital growth
Aviva Multi-Asset Growth Fund	Mixed Investment 40-85% Shares	To provide exposure to a diversified portfolio of assets in order to generate capital growth and income
Aviva Pension Newton Global Equity Fund	MSCI AC World NDR	Outperform benchmark by more than 2% p.a. over rolling 5-year periods
Aviva Cash Fund	7 Day GBP LIBID	To provide short-term liquidity by investing in money market instruments, bonds and cash
Aviva Newton Real Return	1-month GBP LIBOR Index	Outperform benchmark + 4% p.a. over rolling 5-year periods.
Aviva Baillie Gifford Japanese Fund	TOPIX Index	Outperform benchmark by at least 1.5% p.a. over rolling 5-year periods.
Aviva JPM Natural Resources Fund	Euromoney Mining, Gold and Energy Index (net)	To provide capital growth over the long term
Aviva Merian UK Mid Cap Fund	FTSE 250 ex. Investment Trust Index	Outperform benchmark over rolling 3-year periods.

	Aviva Pre-retirement Fixed Interest Fund	Composite Benchmark Index (35% FTSE UK Gilts 15-25yrs, 15% FTSE UK Gilts 25yrs+, 10% iBoxx Sterling Non-Gilts 1-5yrs, 35% iBoxx Sterling Non-Gilts 5-15yrs and 5% iBoxx Sterling Non-Gilts 15yrs+)	To produce a total return over the long term

The performance of the investment managers will be monitored as frequently as the Trustee considers appropriate in light of the prevailing circumstances. The monitoring takes into account both short-term and long-term performance.

The Trustee has AVC contracts with Aviva, Prudential, Standard Life and Utmost Life & Pensions (formerly Equitable Life). These arrangements are reviewed from time to time.

Appendix 2 Financially material considerations, non-financially material considerations, the exercise of voting rights and engagement activities

1. Financially Material Considerations

The Trustee is cognisant that Scheme members have a long investment time horizon, and have considered the risks of ESG factors over the long-term. The Trustee believes that ESG issues, and particularly climate change issues have the potential to be more important for members who are further from retirement, as the financial materiality of such issues will have a greater impact over a longer timeframe.

The Trustee has elected to invest the Scheme's assets through pooled funds. The choice of underlying funds is made by the Trustee after taking advice from their investment consultant. The Trustee, and the managers of the underlying funds, takes into account ESG factors (including climate change risks) in their decisions in relation to the selection, retention and realisation of investments.

The Trustee takes those factors into account in the selection, retention and realisation of investments as follows:

Selection of investments: assess the investment managers' ESG integration credentials and capabilities, including stewardship, as a routine part of requests for information/proposals as well as through other regular reporting channels.

Retention of investments: Developing a robust monitoring process in order to monitor ESG considerations on an ongoing basis by regularly seeking information on the responsible investing policies and practices of the investment managers.

Realisation of investments: The Trustee will request information from investment managers about how ESG considerations are taken into account in decisions to realise investments.

The Trustee will also take those factors into account as part of its investment process to determine a strategic asset allocation, and consider them as part of ongoing reviews of the Scheme's investments.

The Trustee will continue to monitor and assess ESG factors, and risks and opportunities arising from them, as follows:

- The Trustee will obtain regular training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments;
- As part of ongoing monitoring of the Scheme's investment managers, the Trustee will use any ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues; and
- Through their investment consultant the Trustee will request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes on an annual basis.

2. Non-financially material considerations

The Trustee does not take account of non-financial matters (such as member ethical views) within the default investment strategy. However, they considers that it is important to ensure that a suitable range of funds are offered for members who wish to express an ethical preference in their pension saving.

3. The exercise of voting rights

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities in respect of the investments is that these rights should be exercised by the investment managers on the Trustee's behalf. In doing so, the Trustee expects that the investment managers will use their influence as major institutional investors to exercise the Trustee's rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

The Trustee will monitor and engage with the pension provider who will then engage with the investment managers about relevant matters (including matters concerning an issuer of debt or equity, including their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance), through the Scheme's investment consultant.

Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis. The Trustee will, with input from their investment consultant, monitor and review the information provided by the investment managers. Where possible and appropriate, the Trustee will engage with their investment managers for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.

4. Engagement activities

The Trustee acknowledges the importance of ESG and climate risk within their investment framework. When delegating investment decision making to their investment managers they provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

The Trustee is of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities, i.e. that they apply to equity, credit and property instruments or holdings. The Trustee also recognises that ESG and climate related issues are constantly evolving and along with them so too are the products available within the investment management industry to help manage these risks.

The Trustee considers it to be a part of their investment managers' roles to assess and monitor developments in the capital structure for each of the companies in which the managers invest on behalf of the Scheme or as part of the pooled fund in which the Scheme holds units.

The Trustee also considers it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme.

Should an investment manager be failing in these respects, this should be captured in the Scheme's regular performance monitoring.

The Scheme's investment consultant is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustee confident that the investment manager recommendations they make are free from conflict of interest.

The Trustee expects all investment managers to have a conflict of interest policy in relation to their engagement and ongoing operations. In doing so the Trustee believes they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustee/investment manager and the investee companies.

In selecting and reviewing their investment managers, where appropriate, the Trustee will consider investment managers' policies on engagement and how these policies have been implemented.