

Berry Birch & Noble Staff Pension Fund ("the Scheme")

Chair's Statement regarding defined contribution benefits

Reporting period covered – 1 July 2022 to 30 June 2023

1. Introduction

- 1.1. This statement has been prepared by Independent Trustee Services Limited (now trading as Independent Governance Group), the Scheme's Trustee ("the Trustee") and reports on how the Trustee complies with the governance standards, introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015 ("the Regulations").
- 1.2. The governance standards relate to defined contribution (DC) benefits, also commonly referred to as money purchase benefits.
- 1.3. This statement covers the scheme year 1 July 2022 to 30 June 2023.

2. The Scheme's defined contribution arrangements

- 2.1. Hybrid benefits are provided through the Scheme, comprising DC benefits, underpinned by Guaranteed Minimum Pension (GMP) benefits provided on a defined benefits (DB) basis, because of members previously being contracted-out of the State Earnings Related Pension Scheme ("SERPS")/State Second Pension ("S2P").
- 2.2. The Scheme is closed to benefit accrual and is currently in the Pension Protection Fund (PPF) assessment period. It is expected that the Scheme will enter the PPF in the near future, once the DC benefits have been appropriately identified and discharged.
- 2.3. It is expected that all but four members will rely on the DB underpin for their retirement benefits, based on an assessment undertaken by the Scheme Actuary.
- 2.4. No AVC funds were held under the Scheme during the reporting period.
- 2.5. The Scheme has never been used for auto-enrolment purposes.

3. Investment arrangements

- 3.1. The Scheme has no default (investment) arrangements for the purposes of the Regulations.
- 3.2. All DC funds are held in the Legal & General Investment Management ("LGIM") AF Over 15-year Gilts Index Fund.
- 3.3. Members do not have the option to move assets attributable to their own DC fund into alternative investment options.

4. Core financial transactions

- 4.1. The Trustee has a duty to ensure that 'core financial transactions' are processed promptly and accurately.
- 4.2. The Scheme's core financial transactions potentially comprise of the following:
 - transfers out of the Scheme
 - payments out of the Scheme

- 4.3. Activity levels in relation to the Scheme's DC benefits are so low that all transactions undertaken on a DC basis are referred to the Trustee by Barnett Waddingham, the Scheme Administrator, who then monitors and approves individual payments to ensure these are paid promptly and correctly by the Scheme Administrator.
- 4.4. The controls in place in relation to ensuring the promptness and accuracy of core financial transactions are:
- The Trustee has a Service Level Agreement (SLA) in place covering the accuracy and promptness of transactions, under which Barnett Waddingham have defined SLAs for certain tasks. This covers not only payments out of the Scheme but also the administrator's other services, such as assisting with member queries and amending member records.
 - The Scheme's membership data is periodically reviewed and will be assessed as part of the process to discharge DC benefits before the Scheme enters the PPF.
 - Barnett Waddingham's administration processes are subject to a formal external audit for the annual assurance report on internal controls.
 - External audit of the annual report and accounts.
- 4.5. No transfers or payments have been made on a DC basis during the reporting period and therefore, no material issues were identified regarding administrative performance or accuracy of core financial transactions.

5. Charges and transaction costs

- 5.1. Charges and transaction costs will differ depending on the investment options in which their pension savings are invested (only one investment option for this Scheme):
- Charges: these are expressed as a percentage of the value of a member's holdings within an investment fund and can be made up of a combination of charges, e.g., annual management charge and additional expenses. We refer to the total annual charge as the Total Expense Ratio (TER).
 - Transaction costs: these relate to the variable costs incurred within an investment fund arising from the trading activities of the fund, e.g., incurred in the buying and selling of securities, which are not accounted for in the TER charge.
- 5.2. No member-borne charges were levied during the reporting period for the Scheme's DC benefits. All administration, communication, governance, and fund management charges were borne by the Scheme, and these are not passed onto Scheme members. However, transaction costs were incurred by members during the scheme year.
- 5.3. We provide details of the charges and transaction costs for the Scheme's investment fund incurred by members over the scheme year below (data sourced from LGIM):

Investment option	TER (p.a.) *	Transaction costs (p.a.)
Legal & General Investment Management ("LGIM") AF Over 15-year Gilts Index Fund	0.237%	0.031%

*The only expenses borne by members are transaction costs.

Impact of costs and charges

- 5.4. To demonstrate the impact of charges and transaction costs on members' pension savings over time, the Trustee has produced an illustration set out in Appendix 1.

6. Net investment returns

6.1. The Trustee is required to disclose returns, net of charges and transaction costs, for the investment funds that members were invested in during the scheme year. When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

Investment fund	Annualised Return – 1 year to 30 June 2023	Annualised Return – 3 years to 30 June 2023	Annualised Return – 5 years to 30 June 2023
Legal & General Investment Management (“LGIM”) AF Over 15-year Gilts Index Fund	-24.89%	-19.79%	-7.91%

7. Value for members

7.1. Regulations require the Trustee to assess the extent to which the Scheme provides value for members.

7.2. The method to be used for this assessment changed for schemes with assets of less than £100m that have been operating for three years or more, effective for scheme years ending after 31 December 2021. The Scheme fits these criteria.

7.3. The assessment comprises three components:

- An assessment of costs and charges relative to the average costs and charges for three comparator schemes.
- An assessment of net investment returns relative to the average net investment returns for three comparator schemes.
- A self-assessment across seven key metrics of scheme administration and governance.

7.4. For the relative assessments, costs and charges and net returns for default arrangements should be compared with those for the default arrangements of the comparator schemes. In addition, costs and charges and net returns for popular self-select funds should be compared with those for the nearest comparable funds in the comparator schemes (or, where there is no comparable fund, a comparator scheme's default arrangement).

7.5. The value for members assessment was undertaken in accordance with the statutory guidance for the scheme year. Analysis was undertaken by Barnett Waddingham LLP and the findings provided to the Trustee on 16th January 2024.

7.6. The following comparator schemes were used for the relative components of the assessment: The People's Pension, Smart Pension Master Trust and the National Employment Savings Trust (NEST).

7.7. The outcomes of the three components of the assessment were:

- Considering just the investment fund in which the DC assets are invested, costs and charges for the Scheme are moderately lower than the average for the default arrangements of the comparator schemes. Whilst the comparator schemes' default arrangements are not comparable investment funds (there were no closely comparable funds), we nevertheless therefore conclude that the Scheme provides good VFM in relation to costs and charges.
- Again, considering just the investment fund in which the DC assets are invested, net returns for the Scheme are significantly lower than the average for the default arrangements of the comparator

schemes. Whilst the comparator schemes' default arrangements are not comparable investment funds, we therefore necessarily conclude that the Scheme provides poor VFM in relation to net returns.

- The Trustee considered the prescribed metrics across scheme administration and governance. Given the status of the Scheme – in assessment for entry to the PPF – the Trustee is focusing resources and efforts in governing and managing the discharge of the DC benefits rather than ongoing administration and governance. Certain aspects therefore, such as good investment governance have not been prioritised and the Trustees have carried out a proportionate approach to the VFM assessment. The Trustee concluded that the Scheme provides moderate value for members in relation to administration and governance.

7.8. Taking the three components into account and the statutory guidance for deciding the overall outcome, the Trustee concluded that overall, the Scheme does not provide good value for members.

7.9. The method of assessment is prescribed. Factors that were not considered but that add value include:

- The services of the Trustee, legal advisers, consultants, and auditors.

8. Trustee knowledge and understanding

The Trustee Board

- 8.1. Independent Trustee Services Limited ("ITS") (now trading as Independent Governance Group ("IGG")) acts as Sole Trustee with Helen Frisby acting as Chair.
- 8.2. IGG is represented by Helen Frisby as Lead Trustee and Karen Collins as second Trustee, bringing a high degree of pensions experience, knowledge and expertise.

Trustee knowledge and understanding requirements

- 8.3. The Trustee is required to be conversant with the Scheme's main documents and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets to enable them to properly exercise their functions.

Approach

- 8.4. The Trustee representatives aim to remain conversant with the Scheme's trust deed and rules as well as all other Scheme documents such as the statement of investment principles. They do so through their experience in governing the Scheme, as well as specific activities over the scheme year and access to professional advice.
- 8.5. The Trustee representatives aim to achieve and maintain knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets through a combination of training and taking professional advice.
- 8.6. There is a structured training programme in place that includes annual self-assessment by the Trustee representatives to identify knowledge gaps and training needs in relation to emerging legislation, Scheme changes and upcoming matters. The Trustee supplement this with activities such as attending seminars, conferences and reading pensions-related articles.
- 8.7. The IGG training programme is set with consideration of current pension topics or upcoming changes to pensions regulations and disclosure requirements. The training programme ensures that IGG is up to date with changes in pensions best practice and upcoming changes to defined contribution regulatory changes and disclosure requirements of which there have been many in the period of this statement. At the beginning of each year, IGG representatives are asked to provide input into the annual training programme based on the anticipated needs of their schemes and upcoming pensions changes or deadlines. These sessions were delivered by external specialists in their respective fields or led by internal experts. After each IGG training

session, attendees are asked to provide feedback on the quality and effectiveness of the training. If individuals have attended particularly effective training sessions externally, these may be repeated for the group.

- 8.8. On an individual level, IGG representatives evaluate their training needs on an annual basis to consider any knowledge gaps, especially on any technical and governance issues, and specifically seek out training opportunities to fill those gaps or refresh our knowledge. This external training is delivered through a mix of face-to-face learning at seminars, webinars and personal technical reading of relevant pensions industry publications and papers.
- 8.9. In addition, all IGG staff are required to complete the Trustee Toolkit assessment modules (which assess competence in a number of key areas of pensions knowledge, including pensions law, investment and the role of trustees).
- 8.10. The majority of Trustee representatives and other employees at IGG including Helen Frisby and Karen Collins are accredited professional pension trustees with APPT, a professional body which requires an ongoing commitment to fitness and proprietary assessment, a minimum of 25 hours' training per annum and passing professional skills examinations.
- 8.11. This is not an exhaustive list, but shows that individually and collectively, Helen Frisby and IGG colleagues as professional Trustees are committed to relevant and extensive training to provide good quality governance to the Scheme.
- 8.12. The Trustee representatives consult with professional advisers as and when required, for example on consultancy, governance, investment and legal matters. Professional advisers alert the Trustee, and where appropriate provide training, on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Scheme's documents and policies.
- 8.13. The Trustee's professional advisers provide support in relation to understanding and application of the Scheme's documents and policies.
- 8.14. The Trustee representatives consider that their combined knowledge and understanding, together with their access to professional advice, enables them to properly and effectively exercise their trustee functions in the following ways:
 - The Trustee representatives are able to challenge and question advisers, service providers and other parties effectively
 - Trustee decisions are made in accordance with the Scheme rules and in line with trust law duties

The Chair's Statement was approved by the Trustee on 25 January 2024

Appendix 1 – Illustrations on the impact of cost and charges

A1.1. To demonstrate the impact of member-borne charges and transaction costs on the value of members' pension savings, the Trustee has produced illustrations in accordance with statutory guidance.

Parameters used for the illustrations

A1.2. Pot size: We have used a pot size of £24,000. This represents the average of the pot values (rounded to the nearest £500) of the four members expected to secure Defined Contribution benefits.

A1.3. Contributions: the illustrations assume no future contributions.

A1.4. Timeframe: the illustrations are shown over a 10-year time frame as this covers the approximate duration that the youngest member would take to reach retirement age.

Guidance to the illustrations

A1.5. For the illustration, the savings pot has been projected twice: firstly, for the assumed investment return gross of costs and charges; and secondly for the assumed investment return net of costs and charges.

A1.6. Projected pot sizes are shown in today's terms, so do not need to be reduced further for the effects of future inflation. Inflation is assumed to remain constant throughout the term of the illustrations, at 2.5% per year. It is for this reason that real growth (after inflation) may be negative.

A1.7. The real-terms rates of growth used in the illustrations are calculated by reference to the Financial Reporting Council's AS TM1.

A1.8. The projected growth rates (gross, i.e., before inflation) and costs and charges used are as follows:

Fund/Strategy	Assumed return	TER*	Transaction costs**
LGIM AF Over 15-year Gilts Index	1.91%	N/A	0.031%

*TER not applicable for illustrations as no member-borne charges

**No five-year average of transaction costs were available. The only transaction costs available were over the scheme year, of which have been used for the purposes of the illustrations.

A1.9. Values shown are estimates and not guaranteed.

A1.10. The starting date for the illustrations is 30 June 2023.

A1.11. The illustrations should be read based upon the number of future years that a member expects to be invested in those funds.

LGIM AF Over 15-year Gilts Index Fund

Years of investment	Starting pot size: £24,000 Future contributions: No	
	Before charges	After charges
0	£24,000	£24,000
1	£24,447	£24,440
3	£25,367	£25,344
5	£26,321	£26,282
10	£28,866	£28,781

A1.12. Note on how to read this table: If a member had £24,000 invested in this option on 30 June 2023, after 10 years of membership the savings pot could rise to £28,866 if no charges are applied and to £28,781 with charges applied.

Berry Birch & Noble Staff Pension Fund

Statement of Investment Principles

September 2020

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1. Introduction

- 1.1. This is the Statement of Investment Principles prepared by the Trustee of the Berry Birch & Noble Staff Pension Fund (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 and the Occupational Pension Schemes (Investment) (Amendment) 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 consultants. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority for a range of investment business activities.
- 1.3. The Scheme is currently in a Pension Protection Fund (PPF) assessment period. The members of the Scheme entered a PPF assessment period under the Fund as a result of a relevant insolvency event taking place in respect of their employer. The date each participating employer entered a PPF assessment period is as follows:
- BBB Support Services Limited – 20 March 2006
Berry Birch & Noble Financial Planning – 20 March 2006
Berry Birch & Noble Insurance Brokers Limited – 8 November 2006
Berry Birch & Noble Management Limited – 27 June 2007
- 1.4. Upon entry to the PPF Assessment Period, the Scheme consisted of a defined benefit section and a hybrid section (the "B Scheme") which provided benefits based on a members (GMP) entitlement and that individual money purchase fund. The Trustee intends to discharge all assets and liabilities relating to the B Scheme during the Assessment Period and ahead of the DB section transferring to the PPF.
- 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 the Definitive Trust Deed & Rules, dated 28 September 1983 as subsequently amended. This statement is consistent with those powers.

2. Choosing investments

- 2.1. The Trustee's policy is to set the overall investment target and then monitor the performance of their managers against that target. In doing so, the Trustee considers the advice of their professional advisers, who they consider to be suitably qualified and experienced for this role.
- 2.2. The day-to-day management of the Scheme's assets is delegated to one or more fund managers. The Scheme's investment managers are detailed in the Appendix to this Statement. The fund managers are authorised and regulated by the Financial Conduct Authority, and are responsible for stock selection and the exercise of voting rights.

- 2.3. 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.
- 2.4. The Trustee considers any guidance set out by the PPF, including the PPF's own Statement of Investment Principles, when choosing the Scheme's investments during an Assessment Period.
- 2.5. The sponsoring employers are insolvent and so there is no requirement for employer consultation

3. Investment objectives

- 3.1. The Trustee has considered key investment objectives in light of the Scheme's liability profile as well as the constraints the Trustee faces in achieving these objectives. As a result, the Trustee's main investment objectives are:
 - to ensure that they can meet the members' entitlements as they fall due, in accordance with the Trust Deed and Rules and overriding PPF requirements during an Assessment Period;
 - to manage the expected volatility of the returns achieved relative to the Scheme's liabilities;
 - to invest in assets of appropriate liquidity.
- 3.2. The Trustee is aware of the relationship that exists between the particular investment portfolio that is held and the level of funding of the Scheme's liabilities. The Trustee has obtained exposure to investments that they expect will meet the Scheme's objectives as best as possible.

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.
- 4.2. The sponsoring employers are insolvent and so there are no employer-related investments.

5. The balance between different kinds of investments

- 5.1. The Scheme invests in assets that are expected to achieve the Scheme's objectives. The allocation between different asset classes is contained within the Appendix to this Statement.
- 5.2. The Trustee considers the merits of both active and passive management for the various elements of the portfolio and may select different approaches for different asset classes. The current arrangements are set out in the Appendix to this Statement.
- 5.3. From time to time the Scheme may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate any short-term cashflow requirements or any other unexpected items.
- 5.4. The Trustee is aware that the appropriate balance between different kinds of investments will vary over time and therefore the Scheme's asset allocation will be expected to change as the Scheme's liability profile matures.

6. Risks

The Trustee has considered the following risks for the Scheme with regard to its investment policy and the Scheme's liabilities, and considered ways of managing/monitoring these risks:

Risk versus the liabilities	The Trustee will monitor and review the investment strategy with respect to the liabilities. During the PPF assessment period, the investment strategy will be set with consideration of an appropriate level of risk, having consulted with the PPF.
Covenant risk	The sponsoring employers have entered liquidation and the investment strategy is no longer set with reference to the employer covenant. Rather it is set with reference to guidance set by the PPF.
Solvency and mismatching	This risk is addressed through the asset allocation strategy. The Trustee is aware that the asset allocation required to minimise the volatility of the solvency position may be different from that which would minimise the volatility on a PPF funding basis.
Asset allocation risk	The asset allocation is detailed in Appendix 1 of this Statement and is monitored on a regular basis by the Trustee.
Investment manager risk	The Trustee monitors the performance of the Plan's investment managers on a regular basis. The Trustee has a written agreement with the investment managers, which contains a number of restrictions on how each investment managers may operate.
Governance risk	Each asset manager is expected to undertake good stewardship and positive engagement in relation to the assets held. The Trustee monitors these and will report on the managers' practices in their annual Implementation Statement.
ESG/Climate risk	The Trustee has considered long-term financial risks to the Scheme and ESG factors as well as climate risk are potentially financially material and will continue to develop its policy to consider these, alongside other factors, when selecting or reviewing the Scheme's investments in order to avoid unexpected losses.
Concentration risk	Each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities.
Liquidity risk	The Scheme invests in assets such that there is a sufficient allocation to liquid investments that can be converted into cash at short notice given the Scheme's cashflow requirements. The Scheme's administrators assess the level of cash held in order to limit the impact of the cashflow requirements on the investment policy.
Currency risk	The Scheme's liabilities are denominated in sterling. 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 each investment manager and custodian is assessed by the Trustees. This includes losses beyond those caused by market movements (e.g. default risk, operational errors or fraud).

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.
- 7.3. In considering the expected return from investments, the Trustee recognises that different asset classes have different long-term expected returns and expected volatilities relative to the liabilities.
- 7.4. Having established the investment strategy, the Trustee monitors the performance of each investment manager against an agreed benchmark as frequently as appropriate according to market conditions and the Scheme's funding position. The Trustee meets the Scheme's investment managers as frequently as is appropriate, in order to review performance.

8. Realisation of investments

- 8.1. The Trustee has delegated the responsibility for buying and selling investments to the investment managers. The Trustee has considered the risk of liquidity as referred to above.
- 8.2. Ultimately, the investments will all have to be sold when the Scheme's life comes to an end. In this situation, the Trustee is aware of the fact that the realisable value of some investments, were there to be a forced sale, might be lower than the market value shown in the Scheme accounts.

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

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

10. Policy on arrangements with asset managers

The Trustee is required by legislation to have a policy covering various aspects of the Scheme's arrangement with the asset managers through which the Scheme invests.

The Trustee's policies are set out below. It should be noted that the policies are short as much of the legislation is more applicable for ongoing pension schemes with long time-horizons rather than for schemes in a PPF Assessment Period where the time-horizons are much shorter.

Trustee's policies

The Trustee's investment strategy is designed to reduce investment risks by providing a match to the liabilities.

This is achieved by investing exclusively in passive gilt funds.

Given the Scheme's time-horizon is expected to be short and the strategy invests exclusively in passive gilts, the Trustee:

- Does not consider non-financial considerations when selecting, incentivising and monitoring managers and their funds' performance.
- Expects the performance of the funds to be close to that of their benchmarks over all time periods and this is reviewed from time to time.
- Does not actively monitor portfolio turnover costs as these are expected to be modest, and determined by changes to the underlying fund indices, over which the Trustee has no control.
- Plans to retain the existing manager until the Scheme transfers to the PPF or the benefits are secured with an insurance company unless there are any significant changes to the funds, for example in relation to performance, fees or benchmarks.
- Expects investment managers to be voting and engaging on behalf of the Scheme's holdings and, where relevant, the Scheme monitors this activity within the Implementation Statement in the Scheme's 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.

11. Agreement

- 11.1. 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 employer, the investment managers, the actuary and the Scheme auditor upon request.

This SIP was agreed by the Trustee on 11th September 2020

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

Choosing investments

The Trustee has appointed Legal & General Investment (LGIM) to carry out the day-to-day investment of the Scheme and all assets are held in the LGIM Over 15 Years Gilts Index.

The fund manager is authorised and regulated by the Financial Conduct Authority.

The Trustee has appointed Barnett Waddingham LLP to advise on investment matters.

The fee arrangements with the fund manager are summarised below:

Manger	Fund	Fees (% p.a.)	Allocation (%)
LGIM	Over 15 Years Gilts Index	0.1	100

As well as the annual management charges given above, an additional £1,500 p.a. flat charge is payable to Legal & General.

The investment benchmarks and objectives are given below:

Investment manager	Fund	Benchmark	Objective
LGIM	Over 15 Years Gilts Index	FTSE Actuaries UK Conv Gilts Over 15 Years Index	Track benchmark within +/-0.25% p.a. for two years out of three.

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 Scheme also holds insurance policies for pensions in payment in relation to some Scheme members.

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

Financially material consideration, Socially Responsible Investment and Corporate Governance

- The Trustee believes that environmental, social and governance factors are potentially financially material and therefore have a policy to consider these, alongside other factors, when selecting or reviewing the Scheme's investments.
- The Trustee acknowledges that the Scheme is in the PPF Assessment Period and therefore the impact of environmental, social and governance factors is not expected to be hugely significant. In part, this is due to the fact that the time horizon for the investment strategy is not expected to be long and the Scheme invests exclusively in passive gilts.
- Given the assets are exclusively in passive gilts, the Trustee has not imposed any restrictions relating to ESG issues on their investment managers and have not imposed any exclusions on their investment arrangements based on ESG factors. All the Scheme's managers are signatories to the UN Principles of Responsible Investment.

Non-financial matters

- When constructing the investment strategy and selecting investment managers the Trustee does not prioritise non-financial matters.

Engagement activities

- Given the Scheme invests exclusively in passive gilts, the Scheme does not have a policy in relation to engagement activities.