



# Trustee of the Aspire Savings Trust

Statement of Investment Principles for the DC section

Updated: September 2019

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# Background information for members

## What is a Master Trust?

A Master trust is a multi-employer occupational pension scheme where each employer has its own section within the "master" trust. Employers can then pay contributions into the master trust to help their employees save for retirement, in addition to contributions paid in by individuals.

This master trust is called the Aspire Savings Trust (the "Master Trust").

## Who looks after members' savings in the Master Trust?

The Trustee of the Master Trust is Punter Southall Aspire Pension Trust Company Limited (the "Trustee") and it is the Trustee that is responsible for looking after members' savings in the Master Trust. The Master Trust was set up by Punter Southall Aspire and, as is required by law, a majority of the directors of the Trustee Company are 'non-affiliated'. Non-affiliated means the director is independent of and not connected to any undertaking which provides advisory, administration, investment or other services in respect of the Master Trust, and independent of Punter Southall Aspire and all other companies within the wider Punter Southall Group.

## What is a Statement of Investment Principles?

This is the Statement of Investment Principles for the defined contribution section of the Aspire Savings Trust (the "DC section"). Its purpose is to set out the principles and policies that the Trustee takes into account when deciding how to manage members' savings in the DC section. Decisions are taken by the Trustee based on the advice that it receives from its investment adviser to ensure that they reflect the objectives of the Master Trust and so provide members' with benefits in retirement.

This Statement of Investment Principles for the DC section should be read in conjunction with the Master Trust's periodic reports of the performance of the investment funds in which members have chosen to invest, and the annual Trustee report and accounts.

A separate Statement of Investment Principles will apply to the other sections of the Master Trust.



# Introduction

This document constitutes the Statement of Investment Principles (the SIP) required under Section 35 of the Pensions Act 1995 for the Trustee of the Master Trust for the DC section. The SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

The SIP applies from 30 September 2019.

The DC section is a defined contribution (also known as money purchase) arrangement that operates for the exclusive purpose of providing retirement benefits to eligible participants and beneficiaries and is registered with HMRC under the Finance Act 2004.

The members' retirement benefits depend on:

- (i) The level of contributions made by or in respect of the member
- (ii) The charges deducted from a member's savings
- (iii) The investment return achieved by the selected investment fund
- (iv) When and how members choose to access their accumulated fund

Before preparing this SIP, the Trustee confirms that it has consulted with the Master Trust's Establishing Employer, Punter Southall Defined Contribution Consulting Limited ("PSDCC"). The Trustee has also considered advice from its appointed Investment Adviser and from the legal adviser.

The Trustee is responsible for the investment of the scheme assets and arranging administration of these funds. Where the Trustee is required to make an investment decision, it will first receive written advice from an Investment Adviser. The Trustee believe that this, together with their own expertise, ensures that they are appropriately familiar with the issues concerned.

The Trustee has ensured that that they are in compliance with section 36 of the Pensions Act 1995 when delegating and exercising their investment powers as to the suitability before investing, and periodically thereafter.

The Trustee believes the Investment Adviser to be qualified by their ability in, and practical experience of, financial matters and to have the appropriate knowledge and experience of the investment arrangements that the Master Trust requires.

The SIP will be reviewed at least every three years, or without delay following any significant change in investment policy.

The Trustee also confirms that it will consult with the Establishing Employer and take advice from the Investment Adviser prior to this SIP being revised.

This document contains the Trustee's investment principles, aims, objectives and strategy. The Trustee receives written recommendations from the Investment Adviser(s) as to how these principles and strategy are applied into specific arrangements, including the default arrangement.

Upon joining, members have the opportunity to self-select a fund. Those that do not are allocated to the default arrangement. Details of the default arrangement are set out in the Guide to Investments, which is provided to members. This SIP also relates to the default arrangement, except where specific reference is made to self-select options.



# Master Trust Governance

## 2.1 Governance Structure

The Trustee considers that the following governance structure is appropriate for the DC section, since it enables the Trustee to retain the decision-making role on the investments available to members, while delegating the day-to-day aspects to the relevant advisers as appropriate.

The Investment Adviser is Punter Southall Defined Contribution Consulting Limited trading as Punter Southall Aspire, which is authorised and regulated by the Financial Conduct Authority (FCA), and the Legal Advisers are Pinsent Masons and Norton Rose Fulbright (collectively referred to as 'the Advisers'). The Trustee believes the Investment Adviser to be qualified by its ability and practical experience of financial matters and to have appropriate knowledge of the investment arrangements that the Master Trust requires.

## 2.2 Trustee

The Trustee is solely responsible for the governance and investment of the Master Trust's assets, and in particular amongst other things:

- Determining the investment objectives of the Master Trust and reviewing these from time to time.
- Agreeing an investment strategy designed to meet the investment objectives of the Master Trust.
- Reviewing from time to time (at least every three years, or without delay following any significant change in investment policy) the content of this SIP and modifying it if deemed appropriate in consultation with the Establishing Employer and on advice from an Investment Adviser.
- Selecting and reviewing the investment options and the performance of the available funds at least every three years or following significant change in investment policy, or the demographic profile of relevant members.
- Assessing the quality of the performance and processes of the Investment Managers and providers by means of regular reviews of the investment results of each fund through meetings and written reports in consultation with the Investment Adviser.
- Appointing and dismissing of an investment manager or provider on advice from the Investment Adviser.
- Assessing the ongoing effectiveness of an Investment Adviser.
- Consulting with the Establishing Employer when reviewing investment policy issues.
- Monitoring compliance of the investments with the SIP on an on-going basis.
- Providing any appointed organisations/individuals with a copy of the SIP, where appropriate.

The Trustee consider that they have sufficient skills and investment knowledge to give appropriate focus to investment issues without appointing a separate investment sub-committee.

### **2.3 Investment Adviser**

An Investment Adviser is responsible for, amongst other things:

- Participating with the Trustee in reviews of the SIP.
- Advising the Trustee how any changes, such as in the membership and demographics, and legislation, may affect the manner in which the assets should be invested.
- Advising the Trustee of any changes relating to the Investment Manager(s) and other investment providers that could affect the interests of the Master Trust.
- Assisting the Trustee with monitoring the Investment Manager(s) and arrangements.
- Discussing with the Trustee any changes in the investment environment that could either present opportunities or problems for the DC section.
- Undertaking reviews of the DC section investment arrangements when requested by the Trustee including reviews of the investment options and current Investment Manager(s), and selection of new manager(s) as appropriate.
- Providing advice and recommendations regarding a suitable range of funds and appropriate default strategies.

### **2.4 Investment Manager**

The Investment Manager(s) will be responsible for, amongst other things:

- At their discretion, but within the guidelines agreed with the Trustee, selecting and undertaking transactions in specific investments within each fund.
- Acting in accordance with the principles set out in the SIP.
- Providing administration for the DC section on behalf of the Trustee, including investment of members' contributions in their chosen funds and providing information to the Trustee in an agreed format.
- Providing the Trustee with sufficient information to facilitate the review of their activities, including:
  - Performance and rationale behind past and future strategy for each fund,
  - A full valuation of the assets,
  - A transaction report.
- Informing the Trustee immediately of:
  - Any breach of this SIP,
  - Any serious breach of internal operating procedures,
  - Any material change in the knowledge and experience of those involved in the Master Trust's investment options.

The benefits that members will receive at retirement will depend on the level of contributions they have paid in and the investment returns achieved less any charges that have been deducted. It will be the responsibility of the Master Trust's administrator to ensure that members continue to be invested in accordance with their investment fund selection.



# Risks

The Trustee recognises a number of risks involved in the investment of the DC assets.

Defined contribution members face four key risks:

- *Inflation risk* – the risk that the purchasing power of their retirement pot is not maintained
- *Pension income risk* – the risk that the value of pension benefits (or annuity) that can be purchased by a given retirement pot amount is not maintained
- *Investment risk* – the risk that the capital value of their retirement pot may fall . (This is most important to members approaching retirement who may not have sufficient time to regain the value of investments)
- *Opportunity risk* – the risk that members take insufficient investment risk, especially at younger ages, which results in a smaller pot of money with which to provide benefits

The importance of each risk varies over time. Inflation is important throughout the savings period. Pension income and investment risks only become significant as retirement approaches.

Other risks involved in the investment of assets include the following:

- *Underperformance risk* – addressed through monitoring the performance of the Investment Manager(s) and taking necessary action when this is not satisfactory
- *Currency risk* – the risk of the effect of currency movements on the capital value of the assets held in non-sterling denomination. Addressed by the investment managers' investment decisions
- *Communication risk* – the risk that communications (or the lack of communications) to members lead to poor decisions being made including mismatch of investments against attitude to risk and/or intended retirement route – addressed through the range of options offered and the Trustee regularly monitoring member communications and updating them, where appropriate, as part of the ongoing governance of the Master Trust
- *Inappropriate member decision* – addressed through communications to members and highlighting the benefits of members seeking independent financial advice
- *Organisational risk* – addressed through regular monitoring of the Investment Manager(s) and Investment Adviser
- *Operational risk* – addressed through regular monitoring by the Trustee of its advisers and other suppliers.
- *Sponsor risk* – the risk of the Sponsor ceasing to exist which is addressed through the maintenance of a continuation policy.



- *Liquidity risk* – the risk of holding assets that cannot be easily sold should the need arise – addressed through the use of pooled funds and/or insurance policies with frequent dealing dates, and where appropriate limiting exposure to funds and/or policies that may be more difficult to realise at times, for example property funds.
- *Diversification risk* – the risk of lack of diversification of investment – addressed through investing in a range of pooled funds and/or insurance policies with appropriate asset allocation range.
- *Concentration risk* – the risk that there is an excessive exposure to a single fund or manager – addressed by a maximum control on the percentage of assets that are held in a single Investment Manager’s funds.
- *Country/political risk* – the risk of an adverse influence on investment values from political intervention is reduced by offering investment options for members to achieve diversification across several countries

The Trustee will have regard for these risks when determining investment strategy and will keep these risks under regular review.



# Investment aims and objectives

Savings in the Master Trust need to be invested in the best interests of the members and their beneficiaries. The Trustee aims and objectives are to:

- Offer a designated default investment strategy (the "default arrangement") appropriate for the majority of members should they decide not to choose their own investment strategy, which takes account of the likely characteristics and needs of members, maintaining an appropriate balance between risk and return through the appropriate and diversified allocation of assets, and in doing so aim to deliver a real return on members' investments, but with volatility smoothed.
- Offer a suitable range of funds, so that the DC section members have a suitable range of investment options to choose from that will continue to provide a positive return over the long-term after all charges have been deducted but within an acceptable level of risk.
- Retain sufficient flexibility to offer alternative investment funds to accommodate the needs and preferences of different groups of employees and/or employers.
- Use underlying investment managers that have robust Environmental, Social and Governance (ESG) and Stewardship policies which are well integrated in their investment processes (see 'Other issues' below).

ESG factors – whether from climate change, or the quality of governance and management at a company – are factors that pose potential risks and opportunities that can have a material impact on the performance of investments. Further details on this can be found at section 8.

The above aims and objectives apply to all investments offered by the Master Trust including the default arrangement. In this SIP the default arrangement aims and objectives and the policies together comprise "the Default Strategy".

The Trustee will obtain advice from suitably qualified and experienced investment adviser(s) in formulating aims, objectives and strategy, and in determining how to implement those into the Master Trust.



# Investment Strategy

## 5.1 General

- 5.1.1 There is no single investment fund or strategy that manages all of the keys risks and objectives for a diverse group of members. Of the major asset classes, equities have traditionally been used to provide the most effective means of managing inflation risk. Fixed interest and index-linked securities are most effective for managing pension purchase risk. Cash is effective at managing investment risk but does not manage inflation risk.
- 5.1.2 The varying nature of the risks faced by a defined contribution plan member through time means that a single investment product or fund may not adequately meet the needs of the investor throughout the investing period. The Trustee will therefore select long term insurance policies and/or such range of investment funds as deemed appropriate based on advice from the Investment Adviser.
- 5.1.3 The Trustee acknowledges that many members will not want to, or do not have sufficient knowledge or experience, to make their own investment decisions. As a result, a key trustee investment objective is to offer investment strategies that are intended to be appropriate for the typical member. This will involve a range of lifestyle strategies, or pathways, where the allocation of assets is automatically adjusted to reflect the level of risk and return with descending levels of volatility as members approach their selected retirement age.
- 5.1.4 Members can choose an alternative selected retirement age if they so wish, and so help manage the way their funds are invested in relation to their retirement plans.
- 5.1.5 The Trustee will utilise the investment platform or platforms deemed most appropriate based on advice from the Investment Adviser.
- 5.1.6 To ensure that its objectives are being met, the Trustee will review, in conjunction with the Investment Adviser, any fund option provided to members that either underperforms its benchmark over a significant timeframe or carries a level of risk to the security of the investment which may be thought to be unreasonable in the context of the Master Trust's investment objectives. There will be no obligation to make any changes to the range of funds offered to members as part of such a review.
- 5.1.7 The Trustee recognises that in a defined contribution scheme such as the Master Trust, where the member bears the investment risk, individual investment requirements between members will vary. As these investment funds are the responsibility of the Trustee, it may choose to add, remove or change the investment funds on offer within the self-select range, within the default arrangement and other Pathways (lifestyle strategies), from time to time based on advice provided by the Investment Adviser.

This will be achieved by means of considering advice from the Investment Adviser, which will be required to have regard for the risks and aims and objectives.

The above and below applies to all investments offered by the Master Trust including the default arrangement.

## **5.2 Expected Returns**

The expected level of returns will vary between the different funds. The benchmarks for the investment funds in which members are invested are set out in Appendix A.

## **5.3 Diversification**

Investment in pooled funds and/or insurance policies is one way of helping to ensure that the Master Trust's investments are adequately diversified. They provide members with access to a range of alternative investment options and the opportunity to diversify the way they are invested.

The Trustee will monitor the strategy regularly to ensure that they are comfortable with the level of diversification.

## **5.4 Suitability**

The Trustee will take advice from its relevant Advisers to ensure that the investment funds and policies remain suitable, given members' objectives for investing in them. Members can choose an alternative from the investment funds on offer, if they believe they are better suited to their needs.

## **5.5 Realisation of Assets**

The members' contributions are held in individual accounts with the relevant investment platform manager and are in normal circumstances sufficiently liquid to be realised easily if the member so requires.

Most of the non-cash assets are held in pooled funds and/or insurance policies with daily dealing dates, to ensure an appropriate level of liquidity.

The Trustee will realise assets as required following member requests on retirement or earlier where eligible. In selecting investment options, the Trustee considers the liquidity of the investments in the context of the likely needs of members.

## **5.6 Default arrangements**

The Default Strategy is intended to ensure that assets are invested in the best interests of members, as it takes account of the likely characteristics and needs of members, and maintaining an appropriate balance between risk and return through the appropriate and diversified allocation of assets. In doing so, it aims to deliver a real return on members' investments, but with volatility smoothed. . The Trustee will review the strategy and policies in relation to the Default at least once every three years and without delay after there has been a significant change in investment policy or the demographic of relevant members.

The Trustee (with input where appropriate from the Advisers) reviews the return on investments relating to the default arrangement (after deduction of any applicable charges) and is comfortable that they are consistent with the aims and objectives for the default arrangement. The returns reflect an appropriate balance of risk based on the likely needs of members.



# Monitoring

The Trustee will monitor the performance of the Master Trust's Investment Manager(s) against the agreed performance objective for each fund and Pathway, including the default arrangement, at every regular quarterly trustee meeting.

The Trustee will undertake regular reviews (at least annually) of the Investment Manager(s) to consider whether they are continuing to carry out their work competently and continue to have the appropriate knowledge and experience to manage the assets of the Master Trust.

In any event the Trustee should formally review the progress and performance of the Investment Manager(s), their funds and the Pathways, including the default arrangement, every three years. As part of this review, the Trustee will consider whether or not the Investment Manager(s):

- Is carrying out its work competently and proactively
- Has regard to the need for diversification of investments
- Has regard to the suitability of each investment and each category of investment
- Continues to maintain its integrated ESG and stewardship policies (see Section 8 below)
- Has been exercising its powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical

## **Advisers**

The Trustee will monitor the advice and service given by an Investment Adviser on a regular basis in accordance with the adviser objectives and service standards set out in their Service Agreement.

## **Investment Managers**

The Trustee believes that the Investment Managers are sufficiently incentivised to align their investment strategies with the Trustee's investment strategies and policies. Investment Managers will be monitored on their performance in this regard, and it will be considered when selecting and retaining Investment Managers. Investment Managers are incentivised to make decisions based on assessments about medium to long term financial considerations. The Trustee notes that Investment Managers should be motivated to make decisions to improve their medium to long term performance. The arrangements with the Investment Managers incentivises them to make decisions based on assessments of medium to long-term performance.

The life assurance policy arrangement with the Investment Managers is ordinarily unlimited as to its duration, with either party being able to terminate in accordance with the terms contained within the Policy, which in normal circumstances requires the giving of at least 3 months notice. As noted above, the Investment Manager will be monitored annually to ensure that they are complying with Trustee policies in relation to ESG. The method of evaluation of their performance and remuneration are in line with the Trustee policies detailed in section 5, the investment strategy.

**Trustee**

The Trustee will monitor all the decisions they take by maintaining a record of all decisions taken, together with the rationale in each case.

**Other**

The Trustee will review this SIP regularly (at least triennially) and modify it if deemed appropriate, in consultation with the Establishing Employer and an Investment Adviser.



# Charges

## 7.1 Member Charges

The Ongoing Charge and Fund Management costs shown are the fees levied on the members to cover the costs of managing their funds. Management and administration cost covers the management and administration costs of running the Master Trust.

Both are calculated as a percentage of the value of the fund.

The Trustee will ensure that the fees charged for the funds, including the transaction costs, are consistent with levels typically available in the industry on a like-for-like basis, and comply with the default arrangement charge cap.

The overall charge on members per annum in June 2019 was as follows:

<b>Fund</b>	<b>Management and administration cost</b>	<b>Ongoing Charge and Fund Management cost</b>	<b>Overall charge</b>
<b>Aspire One</b>	0.30%	0.334%	0.634%
<b>Aspire Two</b>	0.30%	0.349%	0.639%
<b>Aspire Three</b>	0.30%	0.305%	0.605%
<b>Aspire Annuity Focus</b>	0.30%	0.361%	0.661%
<b>Retirement Builder</b>	0.30%	0.175%	0.475%
<b>Sterling Liquidity</b>	0.30%	0.100%	0.400%

The list of the funds available will be extended and changed from time-to-time and the fee basis for each one will be included in the quarterly investment report that will be presented to the Trustee at its meetings and this SiP will be updated accordingly.

The default arrangement is the Open Pathway, which is a 'lifestyle strategy' consisting of a combination of Aspire Three, Aspire Two and Sterling Liquidity, based upon the members' term to selected retirement age.

## **7.2 Custodian**

The insurer of the insurance policies in which the Master Trust is invested will be responsible for the custodianship of the investments in their policy. The cost will be included in the charges above.

As the Master Trust will also invest in pooled funds, with Winterflood as the custodian of those assets who will be responsible for the custody and safeguarding of the assets, the custodianship fees will be met out of the administration management charge levied on members.

## **7.3 Trustee**

In line with industry practice, the Directors of Punter Southall Aspire Pension Trust Company Limited, which is the Trustee of the Master Trust, have been appointed and the services to the Master Trust are paid for by the scheme. These costs will be met out of the administration management charge levied on members.

## **7.4 Advisers**

The fees for consulting, administration and investment advisory and insurance mediation services are met out of the administration management charge levied on members. All other advisers' fees are met by the Establishing Employer of the Master Trust.





# Other Issues

## **8.1 Investment of Contributions**

Members' contributions will be invested in line with their selected choice of funds.

## **8.2 Environmental, Social and Governance (ESG) issues (including voting rights)**

### **Financially material considerations**

Financially material considerations can include (but are not limited to) ESG considerations (including but not limited to climate change), which the Trustee considers financially material. The Trustee also considers unsound corporate governance and unsustainable business practices, along with climate change, as financially material considerations.

ESG considerations are viewed as 'financially material' as they can help mitigate risks, including climate change, and have the potential to lead to better financial outcomes for members. The extent to which such ESG factors should be taken into account depends on both the timeframe of the investor and the expected impact the factor may have. Investments which demonstrate strong positive ESG characteristics are expected to increase the likelihood of more predictable/sustainable returns.

Responsible ESG investing seeks to quantify risks that can't be measured by traditional financial metrics. These include the risk that government regulation will force a company to rectify its poor (even if profitable) environmental practices, the risk of controversies such as lawsuits and financial penalties, and the risk to workers of unsafe working conditions (which, in turn, is a risk to the company). Most investors now accept that managing ESG risks is a key contributor to downside protection and the preservation of capital.

The Trustee recognises the potential financial impact of ESG factors in investment decision making and that they can help preserve long-term value by countering short-termism within the management of investment managers, and the underlying companies, in which it invests. It believes that ESG factors should be considered as part of an integrated approach to investment decision making, rather than an issue in their own right. They therefore form part of the Trustee's investment strategy which is designed to improve member outcomes, and therefore the success of the Master Trust, The Trustee considers that the appropriate time horizon for the Master Trust to be 20 to 30 years. Accordingly, the Trustee considers these factors to be financially material for the lengths of time that are necessary for the funding of future benefits by the investments of the Master Trust.

Due to the way assets are invested, for example through pooled funds, the Trustee accepts that it has limited influence over the ESG policies and practices of the companies in which the funds invest and it has limited ability to take these factors into account in the selection, retention and realisation of investments. The Trustee will, therefore, rely on the policies and judgement of its investment managers and will review these policies and review compliance against them on an annual basis.

The financially material considerations are taken into account in the selection, retention and realisation of investments as follows:

- (a) Selection of investments: The Trustee has undertaken an assessment of its principal and underlying Investment Managers to ensure that ESG factors, including climate change, are integrated into their investment processes. This ensures that ESG factors are considered at the initial investment stage. This includes the Master Trust's life insurer, which also manages the funds that make up the Master Trust's default arrangement, and its sub-investment manager that provides advice on asset allocation and manager selection. The Trustee will continue to monitor the Investment Managers continued consideration of ESG factors on an annual basis at this stage.
- (b) Retention of investments: The Trustee has 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. This ensures that financially material considerations are considered beyond just the point of selection of investments.
- (c) Realisation of investments: The Trustee will request information from its Investment Adviser and Investment Managers about how ESG considerations are taken into account in decisions to realise investments.

### **Stewardship**

In relation to the exercise of the rights (including voting rights) attaching to the investments and in undertaking engagement activities in respect of the investments the Trustee has delegated the day-to-day management of the assets to investment managers (under the terms of agreements with managers and/or insurers).

The Investment Managers are expected and encouraged to evaluate ESG factors including climate change considerations. All the Investment Managers that make up the various investment options offered to members have had their ESG and stewardship policies assessed by the Trustee's Investment Adviser. The Trustee will continue to monitor the Investment Managers on an annual basis through its Investment Adviser to ensure that these policies are being maintained and adhered to. An assessment of ESG and stewardship will be a consideration when reviewing investment strategies and selecting new investment managers.

The Investment Managers will be responsible for maintaining their robust ESG and stewardship policies. This will include the exercising of voting rights, engagement with companies and organisations in which they invest and issues of corporate governance. Investment Managers are expected and encouraged to exercise voting rights and stewardship obligations attached to the investments in accordance with these policies. To encourage this, the Trustee understands that PSDCC, intend to become a signatory to:

- UN Principles of Responsible Investment (UNPRI), which is a set of best practice principles on responsible investment.
- The Financial Reporting Council (FRC) Stewardship Code, which is seen as the UK standard for good stewardship. It is perceived by many institutional investors as a minimum requirement and a stepping stone to improving stewardship in the UK.

As noted above, the Trustee has delegated the engagement activities in respect of the investments to the Investment Managers. The Trustee will consider proportionally engaging with relevant parties to improve the impact of engagement, when requested by the Investment Manager. Therefore in most circumstances, engagement with relevant persons (such as the issuers or holders of a debt or equity) will be by the Investment Manager. The circumstances in which the Trustee would monitor and engage, and method of engagement, would vary depending on the request made by the Investment Manager.

**Non-financial matters**

We expect members to be increasingly engaged with efforts to integrate ESG considerations into their default and self-select options. However, non-financial matters are not currently taken into account by the Trustee in the selection, retention and realisation of investments. For this purpose, non-financial matters mean the views of the members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and environmental impact and present and future quality of life of the members and beneficiaries of the Master Trust.



# Declaration

The Trustee confirms that this SIP reflects the investment strategy it has implemented for the DC section of the Master Trust. The Trustee acknowledges that it is its responsibility, with guidance from the Investment Adviser, to ensure the assets of the DC section are invested in accordance with these principles.

This SIP was approved by the Trustee in September 2019.

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Signed

**Chair, Trustee of the Aspire Savings Trust**

# Appendix A

Fund Fund options agreed as at September 2019:

<b>Fund</b>	<b>Return Benchmark</b>	<b>Volatility Benchmark</b>
<b>Aspire One</b>	CPI + 2% p.a.	40% of composite benchmark (50% MCSI World Index / 50% FTSE All Share Index (GBP))
<b>Aspire Two</b>	CPI + 3% p.a.	60% of composite benchmark (50% MCSI World Index / 50% FTSE All Share Index (GBP))
<b>Aspire Three</b>	CPI + 4%	90% of composite benchmark (50% MCSI World Index / 50% FTSE All Share Index (GBP))
<b>Aspire Annuity Focus</b>	FTSE Actuaries UK Conventional Gilts All Stocks Total Return Index	N/A
<b>Retirement Builder</b>	CPI + 3%	N/A
<b>Sterling Liquidity</b>	7-day LIBID	N/A

The default arrangement is the Open Pathway, which consists of a combination of Aspire Three, Aspire Two and Sterling Liquidity based upon the members' term to selected retirement age.