The J.P. Morgan UK Pension Plan

Statement of Investment Principles – August 2024

1. Introduction

1.1 This Statement of Investment Principles has been prepared by J.P. Morgan Chase Pension Plan Trustee Limited (the "Trustee") of the J.P. Morgan UK Pension Plan (the "Plan"). It sets out the principles that govern its decisions about the investment of the Plan's assets. The Trustee will refer to this Statement when making investment decisions, to ensure that the decisions are consistent with these principles.

1.2 This Statement is designed 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 (Charges and Governance) Regulations 2015).

1.3 The Plan is a defined contribution pension plan which provides members with money purchase benefits.

1.4 The Plan's investment arrangements, including the benchmark returns attending each fund, are detailed in this Statement.

1.5 The Trustee has appointed a firm of professional consultants (the "Investment Consultant") to provide relevant advice to the Trustee. In preparing this Statement, the Trustee has obtained written advice from the Plan's Investment Consultant. The Trustee will obtain similar advice whenever it reviews this Statement.

1.6 The Trustee's investment powers are set out within the Plan's governing documentation and relevant legislation. If necessary, the Trustee will obtain and consider legal advice regarding the interpretation of these.

1.7 The Trustee will seek to maintain a constructive working relationship with the Employer, J.P. Morgan Chase Bank N.A., and will consult on any proposed changes to this Statement with the Employer. However, the Trustee's fiduciary obligations to Plan members will take precedence over the Employer's wishes, should these ever conflict.

1.8 The Employer has ensured the availability of two post-retirement drawdown vehicles for members who wish to withdraw benefits flexibly during retirement, both of which are external to the Plan. These arrangements enable members to choose between a Self-Invested Personal Pension (SIPP) and a Master Trust arrangement. Each vehicle offers members competitive terms negotiated by the Employer. Additionally, each aims to replicate the Plan's fund range to help provide a frictionless and cost-free transfer of member funds. While the Master Trust arrangement is designed to help retirees self-manage drawdown with the support of online tools, the SIPP offers both a self-managed drawdown option and a discretionary managed service through which retirement income needs can be agreed and implemented, with the offer of regulated financial advice.

1.9 The Trustee believes its governance, investment policies and their implementation are in keeping with best practice. This includes, but is not limited to, the Pension Regulator's relevant Codes of Practice and accompanying regulatory guidance.

1.10 The Trustee will review this Statement at least annually, and without delay if there are relevant, material changes to investment policy or the Plan's demographic profile.

2. Investment Governance

2.1 The Trustee has established an Investment Committee (the “IC”) to focus on investment matters. The IC is subject to a documented Terms of Reference that is set by the main board of the Trustee and reviewed at least annually.

2.2 The Trustee has set the Plan’s Investment Consultant specific objectives as required by the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022 (formerly this was managed by the Competition and Markets Authority). The Trustee also takes advice as appropriate from other professional advisers.

2.3 The Trustee is responsible for deciding which funds to offer to members. Details of the Trustee’s policies in relation to investment manager and fund arrangements are provided in Section 10. The majority of the Plan’s investment options, with the exception of certain legacy additional voluntary contribution policies held with third party providers are accessed via an investment platform arrangement held via a policy of assurance issued to the Trustee by Legal and General Assurance (Pensions Management) Limited (“PMC”). The terms of the PMC’s appointment is contained in the policy of assurance issued by PMC to the Trustee. PMC’s responsibilities are also governed by applicable law. The Investment Managers or providers of the underlying funds, made available to the Trustee by PMC under the policy, have agreements in place directly with PMC. In some cases those agreements are Investment Management Agreements (“IMAs”), while in other cases they are re-assurance contracts or agreements under which direct investments are made into open-ended investment companies (“OEICs”) or other collective investment schemes.

2.4 As noted above, the Plan invests in a policy of assurance issued by PMC and does not appoint Investment Managers directly. However, notwithstanding the fact that PMC as investment platform provider has the contractual relationship with Investment Managers in relation to the Plan, the Trustee seeks to ensure that Investment Managers remain accountable to it. To that end, IC meets each of the Plan’s Investment Managers at least annually and engages in discussion with them on performance, charges and other risk and value-related matters. The Trustee’s policies relating to the underlying Investment Managers are documented in this Statement.

2.5 The Trustee delegates day to day stock selection decisions to investment managers via the Plan’s investment platform. The implementation of the Trustee’s investment decisions is delegated to the IC who oversee the work carried out by the investment platform provider, the underlying investment managers and the Plan’s Investment Consultant. All delegates remain accountable to the Trustee and subject to its ongoing programme of review.

2.6 The Trustee retains direct responsibility for setting objectives and establishing risk and return targets. It makes these decisions after considering proposals from the IC that are made after the IC obtains and considers professional investment advice. The IC implements them under powers delegated to it by the Trustee by monitoring investment managers, and other service providers in order to ensure that the Trustee’s objectives are being achieved. The IC reports to the main board of the Trustee on key developments at each of its meetings.

2.7 Custodians are responsible for the safekeeping of the Plan’s assets, for performing the associated administrative duties such as trade settlement, dividend collection, corporate actions, tax reclamation and proxy voting. As the Plan is invested in pooled funds, through the PMC policy, the underlying Investment Managers are responsible for appointing the Custodians.

2.8 Depositaries have oversight responsibilities for the Investment Manager's activities in a number of key areas and are also responsible for the safeguarding of the assets of funds. As the Plan is invested in pooled funds through the PMC policy, the underlying Investment Managers are responsible for appointing the Depositaries.

3. Investment Aims and Objectives

3.1 The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. In addition, the Trustee acknowledges that the Plan has a significant proportion of its membership who wish to make their own investment decisions based on their individual circumstances. The Trustee regards its duty as making available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs but has no direct influence over the choices made by members. The Trustee also recognises the statutory requirement to provide a default investment strategy, and regards as its duty the provision of a well-constructed and good value default investment strategy broadly suitable for those members who have made the decision not to make active investment choices.

3.2 The following encapsulates the Trustee's objective:

"to make available a range of investment vehicles which serve to adequately meet the varying investment needs and risk tolerances of Plan members".

These investment vehicles are provided through the PMC policy.

3.3 The Trustee has put in place a fund range so as to meet a variety of member needs, for example long-term growth, inflation protection, capital preservation, liquidity and benefit conversion protection. This range provides growth funds aimed at providing long term returns in excess of price and average earnings inflation and defensive funds aimed primarily at members who are approaching retirement. This mix reflects the differing investment time horizons, in other words the periods of time over which different members will be invested and, in turn, their differing requirements for return and tolerances of risk.

3.4 The Trustee makes available lifestyle strategies in order to recognise the diverse ways in which members withdraw benefits at retirement and the diverse investment time horizons that exist within the Plan and, in turn, the differing requirements for return and tolerances of risk that they give rise to. Typically, younger members are expected to have a higher tolerance of risk than older members and the lifestyle strategies therefore invest more in higher risk and return seeking assets for younger members than for older members. The Trustee reviews the suitability of the investment arrangements at least every three years having regard to factors such as risk and return expectations and experience, investment ratings (including those in respect of environmental, social and governance matters) published by the Investment Consultant, membership demographics, and how the Trustee expects members to withdraw benefits at retirement. The need for adequate diversification is taken into account in the choice of fund options, asset allocation of certain funds, and the Investment Manager structure. The range of investment options and managers allows self-select members to achieve adequate diversification. In addition, for members who invest via the lifestyle strategies, including those who invest in the Default Option, diversification is achieved by blending various asset classes and funds so that members are less exposed to the risk of one asset class.

4. Risk and Return Targets

4.1 The Trustee recognises that there are a number of risks facing members of the Plan and has taken these into consideration when determining the types of funds to offer to members. The range of funds provides members with sufficient choice across the risk/return spectrum to allow them to manage the risks they face within the Plan.

4.2 The Trustee has considered these risks in making the manager and mandate selections noting that the selection, retention and realisation of assets within the pooled funds are delegated to the respective investment managers in line with the mandates of the funds.

4.3 Further, in making these selections, the Trustee is offering members the ability to invest in a manner which aims to ensure the security, quality, liquidity and profitability of a member's portfolio as a whole.

4.4 The main risks faced by members which the Trustee has taken into account are listed below:

Risk factor	Definition
Market risk	Market risk refers to the risk of a change in value of an investment which results from a general movement in market prices. Market risk encompasses all the underlying risks within a particular market and each individual market might be affected by a variety of factors. Examples of underlying factors affecting market risk would be changes in value caused by movements in currency exchange rates, interest rates, equity or commodity prices. Being invested in a single asset class or geographical market has potentially more market risk than being invested across a diverse mix of asset classes or regions. Sub-sets of market risk include but are not limited to: • Emerging market risk. Where a fund invests in emerging markets, it is likely to be subject to greater variability in returns than funds which invest in developed markets. The fund may carry more risk as emerging markets can be less liquid and more unstable than developed markets. • Smaller company risk. Where a fund invests in the shares of smaller companies, the returns may change in value suddenly and be less liquid than a fund investing in larger company shares.
Volatility risk	The variability of investment returns for a fund. This will be influenced by the fund's exposure to different asset classes.
Inflation risk	This is the risk of investments not keeping pace with inflation.
Currency risk	Where investments are held overseas, investments will be exposed to currency risk, that is, fluctuations in the value of currencies relative to sterling.
Interest rate risk	Where a fund invests in fixed interest securities, such as gilts or corporate bonds, the value may go up and down as interest rates change.
Credit risk	Any fund investing in securities of a company (such as equities or bonds) will be impacted by the creditworthiness of that company. • If the company were to fail or deteriorate, this could have a negative impact on the value of the equity of a company or a bond issued by a company. • For holders of a bond, there is a risk that the issuer of a bond will be unable to continue the interest payments or return the capital at maturity.
Illiquidity risk	Where a fund is illiquid, it may be difficult to sell or purchase units in the fund and there may be a delay in either getting your money into or out of an illiquid fund.

Risk factor	Definition
Derivatives risk	Derivatives are complex financial instruments whose value is derived from: • Market benchmarks such as interest rates or stock exchange indices; or • The value of an underlying asset (such as gold, wheat or other commodities); or • Other financial instruments such as bonds. Funds may use derivatives to synthetically gain exposure to a particular asset; or to hedge / limit the downside of a particular investment or asset class.
Investment manager risk	There is a risk that the decisions taken by an investment manager may have a detrimental impact on the returns of a fund. A passive manager will not make many investment decisions other than how to best track the performance of an index. Active managers will buy and sell investments with the intention of outperforming a specific benchmark. The degree of active decisions made by a manager will vary by fund and will, in part, be dependent on the investment objective of the investment fund. If successful, active management can outperform relative to the benchmark. However, if the manager's decisions prove unsuccessful, they can under-perform relative to the benchmark.
Benefit matching risk	The costs of converting a member’s accumulated defined contribution account into benefits at retirement is influenced by a number of factors such as future investment growth, price volatility, long-term interest rates and life expectancy.
Environmental, Social and Governance risk	The risk that environmental, social and governance issues, including climate change, have a financially material impact on the return of the Plan’s assets. See Section 9 for our policies in this regard.

4.5 The Trustee operates a number of metrics aimed at measuring and managing the above investment risks. The performance of each fund relative to benchmark is measured quarterly over shorter and longer term periods to enable the Trustee to assess risks associated with volatility, inflation and, in the case of active funds, Investment Manager risk. The quarterly investment monitoring also includes other information on volatility including metrics that combine risk and return such as the Sharpe Ratio.

4.6 In relation to active manager risk, the IC meets each of the Plan’s selected fund management firms at least annually. During these meetings the IC is able to assess whether the Investment Manager is operating within the agreed terms of their mandate(s). The IC also discusses factors that influence performance including portfolio construction, implementation and the fund manager’s integration of responsible investment principles into its investment processes. Its Investment Consultant reports on each of these aspects. Additionally, each of the Plan’s funds is rated by the Investment Consultant based on the assessed likelihood of its target returns being attained.

4.7 Illiquidity risk is managed by investing the majority of Plan assets in funds that are traded daily and engaging regularly with managers of funds that present higher risks of illiquidity, or monthly dealing terms.

4.8 Further details regarding the Trustee’s policies on risks, in the context of the Plan’s governance policies and Investment Manager arrangements, are documented in this Statement, specifically Sections 2, 6, 9 and 10.

5. Investment Strategy

5.1 The Trustee has selected a range of investment choices as part of the investment strategy design, which it believes will meet a range of member needs taking into account the risks set out above.

6. Default Option

6.1 While members are free to choose any of the funds in the Plan, the Trustee also makes available a Default Option for members who do not wish to make their own investment decisions. The Trustee notes that such an option may not optimally cater for every individual's needs and as such, the Trustee encourages members to consider whether the Default Option is appropriate for their investments. The Default Option is a lifestyle strategy.

6.2 The Default Option aims to grow a member's pension savings above the rate of inflation over the long term until they are near to retirement by investing predominantly in equities, alongside an allocation to private markets assets. Then, as the member moves between the ages of 40 and 50 the Default Option will allocate member savings to a portfolio of equities, multi-asset investments, and private markets assets. The member will remain invested in this range of diversified investments until 6 years prior to their selected retirement age. The Default Option then aims to provide protection for a member's pension savings by gradually switching over a 5 year period into lower risk investments intended to be suitable for members who, at the point of benefit withdrawal, take 25% of their savings as tax-free cash, with the remainder not specifically aligned to any one retirement option, in order to be flexible for the range of different ways in which members can withdraw benefits.

6.3 Typically, a proportion of members will actively choose the Default Option because they feel it is most appropriate for them. However, a significant number of the Plan's members do not make an active investment decision and are invested in the Default Option.

6.4 The Default Option manages investment and other risks through a diversified strategic asset allocation consisting of traditional and alternative assets. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members.

- In designing the Default Option, the Trustee has explicitly considered the trade-off between risk and expected returns.
- If members wish to, they can opt to choose their own investment strategy or an alternative lifestyle strategy on joining but also at any other future date.
- The Default Option is designed to operate in the best interests of members, taking into account the total membership profile of the Plan.
- Assets in the Default Option are invested in a manner which aims to ensure the security, quality, liquidity and profitability of a member's portfolio as a whole.
- The majority of the Plan's assets are invested in regulated products that trade mainly on regulated markets.
- Assets in the Default Option are invested in daily traded pooled funds managed by various Investment Managers which have all been selected by the Trustee. The Trustee has considered these manager and mandate selections noting that the selection, retention and realisation of assets within the pooled funds are delegated to the respective investment managers in line with the mandates of the funds.
- In respect of environmental, social and corporate governance considerations, the Trustee's policies in this respect can be found in Section 9. A portion of the Initial

Growth phase within the Default Option is invested in an index-tracking fund which has specific objectives in relation to carbon emissions reduction. Details are provided in the tables from section 11.2 onwards.

6.5 In addition to the Trustee's Investment Objectives (covered in Section 3), the Trustee believes that:

- The Default Option should provide growth with some downside protection and some protection for members against inflation. As such, the growth phase invests in equities and private markets assets initially and then gradually switches into a blend of equities with downside protection, diversified growth funds, and private markets.
- As a member's pot grows and members approach retirement, investment losses will have a greater impact on member outcomes. Therefore, the Trustee has structured the Default Option to gradually reduce investment risk as the member approaches retirement. In this context, risk is considered to be the variability of investment returns and cash rates.
- The Trustee believes that an investment strategy that allows for flexibility of benefit withdrawal is likely to be the most appropriate strategy for those members who have decided not to make their own investment choices. Members are able to withdraw their benefits in a range of ways and can also invest in funds that are more suited to specific forms of benefit withdrawal, such as annuity purchase. Alternative lifestyle strategies are made available that offer automated de-risking paths that recognise the diverse ways in which members withdraw benefits at retirement. Members also have the option to construct their own investment strategy from the range of funds available.

6.6 Taking into account the demographics of the Plan's membership, the Trustee's views of how the membership will withdraw benefits, as well as the risk/return metrics deployed, the Trustee believes that the current Default Option (along with the lifestyle alternatives provided) is appropriate. It will continue to review this over time, at least triennially, or after significant changes to the Plan's demographic, if sooner. In particular, the Trustee will review the benefit choices members make at retirement as market and member practice develops over time. This review process seeks to align the aims, objectives and policies the Trustee has adopted as regards the Default Option with the best interests of the Plan's members.

Default Option – Illiquid Assets Policy

6.7 The Trustee considers illiquid assets to be assets of a type which cannot easily or quickly be sold or exchanged for cash; including where such assets are invested as a component of a daily-dealing multi-asset fund. The Plan's Default Option includes exposure to illiquid investments, through a strategic allocation of 15% to the Partners Group Generations Fund and 4% to the LGIM Private Markets Access Fund in the Initial Growth Portfolio, and a strategic allocation of 10% to the Partners Group Generations Fund and 4% to the LGIM Private Markets Access Fund in the Mid Growth Portfolio. These allocations include investments in private equity, private debt, infrastructure, and real estate.

6.8 The Trustee is comfortable investing in a proportion of the Initial and Mid Growth Portfolios in illiquid assets in order to provide the potential for higher long term returns, and the benefits of diversification, relative to more traditional asset classes (such as bonds or equities). While these benefits are recognised by the Trustee, it is also aware of the risks. For example, given the potential for valuations of illiquid assets to not reflect their true value at a given time and risks associated with liquidity management, the Trustee includes the allocations to illiquid assets in these portfolios alongside highly liquid investments. The Trustee also only includes an allocation to illiquid assets in the initial and mid phases of the Default Option, where members are further from retirement.

6.9 In selecting investments for the Default Option, the Trustee considers qualitative and quantitative analysis to review the impact of strategic allocations. It is the Trustee's policy to review the Default Option, including the allocation to illiquid investments, on at least a triennial basis.

6.10 The following disclosures in other parts of this Statement also apply also to the Default Option:

- Disclosures in Section 3 on the different kinds of investments that are held.
- Disclosures in Section 4 on how risk is measured and managed, including risks around illiquidity and the realisation of investments.
- Disclosures on Responsible Investment and Corporate Governance in Section 9.
- Disclosures in Section 10 on Investment Manager Arrangements.
- Disclosures in Section 11 in relation to benchmark or expected returns.

6.11 The Default Option's investment arrangements, based on the principles set out in this Statement, including the benchmark returns and charges in relation to each fund, are detailed elsewhere in this Statement.

7. Additional Defaults

7.1 There are a number of cases where the Trustee has sought to close funds for various reasons. Due to these actions being taken, the Trustee selected suitable replacement funds based on all relevant factors for each closure.

7.2 In accordance with the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Trustee has identified that the investment options selected as suitable replacement funds are to be treated as 'default arrangements' (as defined by these regulations) in addition to the current default investment option (as detailed in 6). These have been identified as 'default arrangements' as member contributions have been automatically directed to replacement funds without members having instructed the Trustee where their savings and future contributions are to be invested.

7.3 The performance of these funds is monitored quarterly, with a strategic review carried out at least triennially since falling under the categorisation of a 'default arrangement'.

7.4 Further details of these Additional Defaults, including the reasons for closures of the previous funds, details of the suitable replacement funds and the Trustee's policies in relation to these Additional Defaults, are included in the Default Supplement included in this Statement.

8. Day to Day Investment Management

8.1 The fund range offered to members is accessed through the investment platform provided by PMC. PMC is authorised by the Prudential Regulation Authority (the "PRA") and regulated by the PRA and the Financial Conduct Authority (the "FCA").

8.2 Day-to-day management of the assets is delegated via the Plan's investment platform to professional Investment Managers that are all regulated by the Financial Conduct Authority (the "FCA"). The range of funds offered to members incorporates funds from a number of different Investment Managers.

8.3 The Investment Managers have full discretion to buy and sell investments on behalf of the Plan, subject to agreed constraints and applicable legislation. Our policies in respect of Investment Manager arrangements are detailed in Section 10.

9. Responsible Investment and Corporate Governance

9.1 The Trustee believes that environmental, social, and corporate governance (ESG) factors can have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. These beliefs cover the entire fund range including the investments used within the Default Option.

9.2 The Trustee invests in pooled funds and therefore, has delegated day to day management of the assets to its underlying investment managers. The selected managers have full discretion - within the mandate provided - to evaluate ESG factors, including climate change considerations and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice.

9.3 The Trustee, therefore, considers how ESG including climate change and stewardship is integrated within managers' own corporate governance policies. investment strategy and investment process when selecting new investment managers and funds. Further, it also considers these areas when monitoring existing investment managers on an annual basis, specifically, the application of stated policies across the range of ESG factors and stewardship principles. The Trustee undertakes monitoring of managers against these requirements on a regular basis using the following approaches:

- Ongoing reviews of engagement activity through meetings with the investment managers and discussion of case studies.
- Monitoring each underlying manager's record of executing and disclosing voting activity (for mandates that invest in equities). This is expected to be aligned with the principles of the UK Corporate Governance Code and UK Stewardship Code. The Trustee prepares disclosures annually to document voting records and examples of significant votes, including public disclosure via an accessible website.
- Regular manager presentations where the application of policies and evidence of ongoing compliance is discussed.
- Monitoring the ESG ratings of all investment managers, provided by the Investment Consultant. Specifically, ESG ratings are disclosed in the quarterly performance report which is reviewed by the Trustee.
- Considering the Investment Consultant's assessment of how the investment manager embeds ESG into the investment process and how the manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. The Trustee will use this assessment in decisions around selection, retention and realisation of manager selections.

9.4 The Trustee regularly reviews the decisions made by their managers in respect of the above, including voting history (in respect of equities) and engagement activity, and can challenge such decisions to try to ensure the best long term performance over the medium to long term.

9.5 In addition to the above, the Trustee has selected a specific sustainability and impact themed investment choice aiming to support member interest in taking greater account of these themes in their investment strategy. The Trustee will also keep the provision of sustainability themed investments under review, as both the market and member interest develops.

9.6 The Trustee considers feedback from members and where appropriate, will reflect on feedback received as part of any discussions relating to the available fund range.

9.7 The Trustee will reflect on any personal views expressed by members on financial, non-financial, ethical and social considerations as part of their discussions relating to the selection and realisation of investments that comprise the fund range.

9.8 Members have a variety of methods by which they can make views on financial and non-financial matters known to the Trustee.

9.9 The Trustee is satisfied that these measures correspond with its responsibilities to the Plan's beneficiaries.

10. Investment Manager Arrangements

Overview

10.1 The Trustee has selected Investment Managers that are responsible for the day-to-day management of the Plan's assets, taking into account the specifics of each mandate and the mandate's investment guidelines. The Investment Managers have discretion to buy, sell or retain individual positions in accordance with their mandate and guidelines. The Investment Managers regularly report to the IC regarding their investment performance and how they are integrating and have engaged with firms regarding ESG considerations.

10.2 The Plan's Investment Managers are selected based on their capabilities and potential to meet the Plan's objectives. These selections are therefore informed by the Investment Managers' perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected over the market cycle.

10.3 The Trustee receives advice from its Investment Consultant in relation to forward-looking assessments of an Investment Manager's ability to outperform over a full market cycle, for mandates where outperformance is the objective. This view will be based on the Investment Consultant's assessment of the Investment Manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment portfolio(s) that the Plan invests in. For passively managed mandates, or those where outperformance is not the primary goal, the Trustee will seek guidance from the Investment Consultant in relation to their forward looking assessment of the Investment Manager's ability to achieve the stated mandate objectives.

10.4 If the investment objective for a particular Investment Manager's fund changes, the Trustee will review the fund, to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

10.5 The Plan offers members both actively and passively managed funds. Performance targets are in place with the Investment Managers, and results are assessed against these targets. A fund will be reviewed following periods of sustained underperformance or failure to meet the mandate objectives, and the Trustee has put in place quarterly monitoring to seek to manage this risk. The Trustee will review the appropriateness of using actively managed funds (on an asset class basis) periodically.

10.6 As the Trustee invests in pooled vehicles it accepts that there is no ability to specify the risk profile and return targets of the funds managed by the Investment Managers. However, appropriate mandates are selected to align with the overall investment strategy as documented in this Statement. Furthermore, the Trustee recognises that it is the platform provider that has the contractual relationship with the Investment Managers (albeit that the Trustee seeks, where possible, to ensure that any favourable Plan-specific terms previously agreed with the Investment Managers are preserved, either through the platform or directly through side letters). Nevertheless, notwithstanding how the assets are managed, the Trustee takes appropriate legal and investment advice regarding the initial and ongoing suitability of the governing investment documentation and relevant investment vehicles. Additionally, as stated in Section 2, the Trustee seeks to ensure that the Plan's Investment Managers remain accountable to it. To that end, IC meets each of the Plan's investment managers at least annually and engages in direct discussion with them on performance, charges and other risk and value-related matters.

The Trustee's approach to incentivising the Investment Managers

10.7 Paragraphs 10.1 and 10.6, along with other paragraphs in this Statement disclose the relationship between the Investment Managers and the Trustee and makes clear that the Investment Managers are responsible for the day to day management of the assets and for setting the risk profile and return targets of the Plan's funds. Paragraph 9.2. makes clear that the selected managers have full discretion - within the mandate provided - to evaluate ESG factors, including climate change considerations and exercising voting rights and stewardship obligations attached to the investments.

10.8 Paragraph 10.2 states that the Trustee selects Investment Managers based on their capabilities and potential as regards the Plan's objectives which includes the perceived likelihood of them meeting the Trustee's risk and return requirements over the market cycle. In relation to incentives, paragraph 10.11 states that Investment Managers are made aware that they are expected to achieve the set objectives in order to retain their appointments.

10.9 The Trustee implements this approach to incentivising with a number of measures aimed at monitoring the Investment Managers' strategies and their continued alignment with the Trustee's own principles and policies, including those relating to ESG. These measures are also used to encourage Investment Managers to remain focussed on factors that drive financial performance when making decisions. The measures are documented elsewhere in this Statement and include the following:

- Paragraphs 2.4, 4.6 and 10.6 disclose that the IC meets with each of its Investment Managers at least annually to discuss value-related factors such as performance, risk and whether the Investment Managers are operating within the mandates on which the Trustee has selected them.
- Section 9 of this Statement covers how the Trustee monitors the Investment Managers' decisions in relation to both ESG, corporate stewardship, voting history and other factors that drive financial performance. The IC discusses these items with the Investment Managers at each of its meetings with them and, where appropriate, challenges them on their strategies.
- Paragraph 10.4 states that if the Investment Manager changes the objectives for a particular fund, the Trustee will review its ongoing suitability.
- Paragraphs 10.11 to 10.13 set out some of the means by which the Trustee evaluates the Investment Managers.
- Paragraph 10.23 makes clear that the Trustee monitors each of the Investment Manager's compliance with this Statement at least annually.

10.10 In relation to non-financial factors, Section 9 makes clear that the Trustee will consider views expressed by members on such factors as part of its discussions on the available fund range.

Evaluating Investment Managers

10.11 Investment Managers are aware that their continued selection is based on their success in delivering the objectives of the mandate for which they have been appointed to manage over the market cycle. If the Trustee is dissatisfied, then it will look to replace the manager.

10.12 The Trustee meets with its Investment Managers and maintains an annual schedule of Investment Manager meetings. During such meetings the Trustee is able to review the decisions made by the Investment Managers, including investment decisions, voting history (in respect of equities) and engagement activity with investee companies, and can review and interrogate such activities.

10.13 The Trustee considers, among other things, the Investment Consultant's investment research and ESG research ratings within quarterly reporting. Through these ratings and its wider ESG monitoring framework which includes discussions with the Investment Managers, the Trustee is able to assess for example how each investment manager embeds ESG into its investment process and how each manager's investment philosophy aligns with the Trustee's policies.

Time horizon and duration of appointments

10.14 The Trustee receives performance reports on a quarterly basis, which present performance information (where available) over 3 months, 1 year, 3 years, 5 years and since inception. The Trustee reviews the absolute performance, relative performance against a suitable benchmark, and against each fund's stated target performance (over the relevant time period).

10.15 The funds used within the Plan are open-ended with no set end date for the arrangement, and the Trustee is a long-term investor. Accordingly, it does not seek to change the investment arrangements on a frequent basis. The focus is therefore on long term performance but the Trustee may review an Investment Manager's fund and consider terminating a mandate if:

- There are sustained periods of underperformance.
- There is deviation from the agreed mandate terms, or a breach of mandate investment guidelines.
- There are changes to the investment management process, personnel or business management of the Investment Manager that could lead to a loss of confidence in the Investment Manager's ability to achieve the relevant objectives over the appropriate time horizon.
- There is a change in the underlying objectives of the fund.
- There is a significant change to the Investment Consultant's rating of the fund.
- There is a strategic change to the overall strategy that no longer requires exposure to that asset class or Investment Manager.
- The Trustee decides there is a more suitable product in the market following a review of a manager's selection. This may be as a result of, but is not limited to, a more desirable risk/return profile, the investment opportunity set, potential developments in the investment management industry and the fees being offered.
- There is low membership take-up.

10.16 If an Investment Manager's fund is not meeting the performance objectives, over a sustained period of time, and after consideration of all relevant factors, the Trustee may take the decision to terminate the Investment Manager in respect of the use of that fund.

Investment Manager remuneration

10.17 The Investment Managers are remunerated by way of a fee calculated as a percentage of assets under management. In each case, the principal incentive is for the Investment Manager to retain their appointment (in full), by achieving their objectives, in order to continue to receive their fee.

10.18 As part of the annual Value for Members assessment, the Trustee reviews all costs and charges borne by members of the Plan.

10.19 Investment managers are not remunerated based on portfolio turnover.

Portfolio turnover costs

10.20 The Trustee considers portfolio turnover costs as part of the transaction cost charges disclosures provided for the annual Value For Members' assessment.

10.21 The Trustee receives Markets in Financial Instruments Directive (MiFID II) reporting from some of the Investment Managers. At the current time this is not consistent across all Investment Managers. The Trustee focuses its analysis of cost information on the assessment of costs and charges as reported separately in the annual Value for Members assessment.

Other Investment Manager Policies

10.22 In the interests of managing actual and/or perceived conflicts of interest, where the Trustee has selected J.P. Morgan Asset Management as an Investment Manager in an asset class, it will seek, where it considers that it is appropriate and proportionate to do so for the purposes of conflict management, to also select an alternative Investment Manager in that asset class. Additionally, the Trustee Directors will adhere to their conflicts of interest protocol in relation to the selection and dismissal of Investment Managers or other service providers or potential service providers of whom they are, or have at any time in the previous three years been, an employee, director or officer, or engaged in its business, or by whom they are otherwise appointed or remunerated. This restriction applies also to any Trustee Director who has at the time of the vote agreed to take up such a role at a future date with the entity to whom the vote relates.

10.23 The Trustee will monitor the Investment Managers' compliance with this Statement annually. A copy is shared with all of the Investment Managers to help assist with alignment of policies and practices.

10.24 Where recommendations are made or decisions are taken with regard to the selection or dismissal of Investment Managers, each of the Trustee Directors are committed to declaring, in advance, any conflict that may exist as a result of current or former employment or from external appointments.

11. Investment Implementation

11.1 The Trustee offers members both "growth" funds and "defensive" funds. Growth Funds aim to deliver above-inflation growth over longer term periods. They are more volatile than defensive funds and are therefore generally better suited to members who have many years remaining until they withdraw benefits. Defensive funds aim for lower volatility and providing more modest growth. They are typically better suited to members who are closer to retirement. In each of the growth and defensive categories, both active and passive funds are offered. Additionally, there are two blended growth funds which are comprised of a combination of active and passive assets.

11.2 The following tables show each of the Plan's funds and other information relating to it, including its benchmark return. In the tables overleaf, "D" denotes funds which underlie the blended portfolios, used with the Default Option.

Growth Funds

Passive

Investment Manager	Fund	D	Asset Class	Benchmark	Performance Objective
Legal & General Investment Management ("LGIM")	Global Equity Fixed Weight (30:70) Index		Global Equity	30% FTSE All Share / 70% FTSE All World ex UK (75% currency hedged on developed market exposures)	To match the benchmark (net of fees) over 3 year rolling periods.
	Carbon Transition Global Equity (30:70) Index	✓	Global Equity	Solactive L&G Low Carbon Transition Global Index (weighted to target 30% UK / 70% overseas exposures). The index is a low carbon index designed to reduce the portfolio's carbon footprint by 70% compared to the standard global MSCI index, targeting net zero by 2050. LGIM also aim to exclude controversial weapons, thermal coal mines and companies non-compliant with LGIM's Climate Impact Pledge.	
	MSCI Minimum World Volatility Equity Index	✓	Global Equity	MSCI Minimum Volatility Index	
	World Small Cap Index (Sustainable)	✓	Global Equity	MSCI World Small Cap ex Selected Securities Index	
	UK Equity (5% Capped) Index		UK Equity	FTSE All Share 5% Capped Index	
	UK World Equity (Hedged) Index		Global Equity	FTSE All World ex UK – Hedged	
	UK World Equity (Unhedged) Index		Global Equity	FTSE All World ex UK	
	Europe (ex-UK) Equity Index		European (ex-UK) Equity	FTSE Developed Europe ex-UK Index	
	North America Equity Index		North American Equity	FTSE North America Index.	
	Japan Equity Index		Japan Equity	FTSE Japan Index	
	Asia Pacific (ex-Japan) Developed Equity Index		Asia Pacific (ex-Japan) Equity	FTSE Developed Asia Pacific (ex-Japan) Index.	To match the benchmark (net of fees)

Investment Manager	Fund	D	Asset Class	Benchmark	Performance Objective
	World Emerging Markets Equity Index		Emerging Market Equity	FTSE Emerging Markets Index	over 3 year rolling periods
	Diversified*	✓	Diversified Growth	UK Base Rate	
HSBC	Islamic Global Equity Index		Global Equity	Dow Jones Islamic Market Global Titans 100 Index	To match the benchmark (net of fees)
Berenberg	Managed Volatility Equity	✓	Global Equity with downside protection	70% MSCI World Climate Change / 30% GBP Sonia	To match the benchmark net of fees
Berenberg	Limited Volatility Equity**	✓		Composite based on the underlying funds: 50% Berenberg Managed Volatility Equity / 50% JPMAM UK Liquidity	

*While predominantly managed on a passive basis, some underlying assets may be actively managed and there is an element of dynamic asset allocation.
**At inception in November 2022 structured as a blended fund. Should Berenberg launch a new share class of the underlying strategy, assets will move out of the blend into the new share class.

Active

Investment Manager	Fund	D	Asset Class	Benchmark	Performance Objective
Baillie Gifford & Company ("Baillie Gifford")	Paris-Aligned Global Alpha		Global Equity	MSCI AC World Index	To outperform the benchmark by 2% p.a. (net of fees) over a 5 year period. The Fund also aims to have a weighted average carbon intensity lower than the MSCI ACWI Paris-aligned index, which itself has a carbon footprint 50% lower than the standard MSCI index. There is an annual decarbonisation target of at least 7%.
	Positive Change			MSCI AC World Index	2% p.a. over rolling 5 year periods.
	Worldwide Discovery			MSCI AC World Small Cap Index	To outperform over the long term. There is no set level of outperformance, reflecting the nature of the mandate.
Jupiter Asset Management	Global Sustainable Equities			MSCI AC World (NDR) Index	To outperform the benchmark net of fees over the long term (at least 5 years), with a focus on companies leading the transition to a more sustainable economy.
Nordea	Global Climate and Social Impact			MSCI AC World (NDR) Index	To outperform by 2.6% p.a. (net of fees) over 3 year rolling periods.

Investment Manager	Fund	D	Asset Class	Benchmark	Performance Objective
J.P. Morgan Asset Management (“JPMAM”)	Global Sustainable Equity			MSCI AC World (NDR) Index	To outperform by 2.6% p.a. (net of fees) over 3 year rolling periods.
JPMAM	UK Dynamic		UK Equity	FTSE-All Share Index	To outperform the benchmark by 2.0% p.a. (net of fees) over 3 year rolling periods.
Baillie Gifford	UK Equity Alpha				To outperform the benchmark by 1.5% p.a. (net of fees) over 5 year rolling periods.
JPMAM	UK Sustainable Equity				To outperform by 2.6% p.a. (net of fees) over 3 year rolling periods.
Baillie Gifford	Emerging Markets		Emerging Market Equity	MSCI Emerging Markets	To outperform the benchmark by 2% p.a. (net of fees) over rolling 5 year periods
JPMAM	All-Emerging Markets			MSCI Emerging Markets (Net) Index	To outperform the benchmark by 2.2% p.a. (net of fees) over 3 year periods.
Partners Group	Generations	✓	Private Markets	Absolute return based	Long term target return of 9-12% p.a. (net of fees)
LGIM	Private Markets Access	✓	Private Markets	Absolute return based	Long term target return is 8-10% p.a. (net of fees)
Baillie Gifford	Managed		Balanced	IA Mixed Investment 40% - 85% Shares Sector Median	To outperform the benchmark by 0.7 – 1.2% p.a. (net of fees) over 3 year rolling periods.
Baillie Gifford	Sustainable Multi-Asset	✓	Diversified Growth	UK Base Rate	To outperform the benchmark by 3.5% p.a. (net of fees) over 5 year periods.
Nordea	Diversified Returns Strategy	✓		3 month Sterling SONIA	To outperform the benchmark by 4% p.a. (net of fees) over 3 year periods.
Abrdn	Pooled Property Pension		Property	MSCI All Balanced Property Funds Index	To outperform the benchmark (net of fees) over a 3 year rolling period.

Defensive Funds

Passive

Investment Manager	Product	D	L	Asset Class	Benchmark	Performance Objective
LGIM	Pre-Retirement Annuity	✓	✓	UK Bonds	FTSE UK Adjusted Annuities Composite	To match the benchmark (net of fees) over 3 year rolling periods.
	Over 5 Year Index Linked Gilts Index		✓		FTSE A Over 5 Years Index-Linked Gilts Index	To match the benchmark (net of fees) over 3 year rolling periods.

Active

Investment Manager	Product	D	L	Asset Class	Benchmark	Performance Objective
Fidelity Investments	Sustainable UK Aggregate Bond		✓	UK Bonds	50% IBOXX Sterling Non Gilt Index 50% iBoxx Sterling Gilts	Outperform benchmark by 0.51-0.76% p.a. (net of fees) over 3 year rolling periods.
Insight Investments	Bond Plus 300		✓	Global Bonds	UK Sterling Overnight Index Average SONIA	Outperform benchmark by 2.5% p.a. (net of fees) over rolling 3 year periods
JPMAM	Flexible Credit		✓		Absolute Return of 3% p.a.	As per benchmark
Putnam	Global High Yield		✓		ICE BofAML Global High Yield Constrained Index	Outperform benchmark by 1.0–2.5% p.a. over the long term.
Colchester	Emerging Markets Bond (Local Currency)		✓	Emerging Market Debt	JP Morgan GBI-EM Global Diversified (GBP Unhedged)	Outperform benchmark by 1.5% – 2.5% p.a. over 3-5 year rolling periods.
JPMAM	UK Liquidity	✓	✓	Cash	UK Sterling Overnight Index Average SONIA	Outperform benchmark over 3 year rolling periods.
LGIM	Euro Liquidity				7 Day EUR LIBID	Outperform benchmark over 3 year rolling periods.

Blended Funds

Fund	D	Asset Classes	Benchmark	Performance Objective
Initial Growth Portfolio	✓	Global equities and private markets	Composite consistent with the benchmark of each of the underlying sub-funds: 55% LGIM Carbon Transition Global Equity (30:70) Index Fund (implemented using UK and overseas underlying funds) 15% LGIM World Small Cap Index (Sustainable) Fund 11% LGIM MSCI Minimum Volatility Equity Index Fund 15% Partners Group Generations Fund 4% LGIM Private Markets Access Fund	To achieve the benchmark.
Mid Growth Portfolio	✓	Multi asset	Composite consistent with the benchmark of each of the underlying sub-funds: 25% LGIM Diversified Fund 21% Nordea Diversified Returns Strategy Fund 20% Baillie Gifford Sustainable Multi Asset Fund 10% Partners Group Generations Fund 4% LGIM Private Markets Access Fund 20% Berenberg Managed Volatility Global Equity Fund	To achieve the benchmark.
Flexible Portfolio	✓	Multi asset	50% Berenberg Limited Volatility Equity Fund 25.0% JPMAM UK Liquidity Fund 10.0% LGIM Pre-Retirement Annuity Fund 7.5% LGIM Diversified Fund 7.5% Nordea Diversified Returns Strategy	To achieve the benchmark.
Annuity Portfolio	*	Bonds and cash	Composite consistent with the benchmark of each of the underlying sub-funds: 75% LGIM Pre-Retirement Annuity Fund 25% JPMAM UK Liquidity Fund	To achieve the benchmark.
Sustainable Global Equity Portfolio		Global equity	Composite consistent with the benchmark of each of the underlying sub-funds: 40% JPMAM Global Sustainable Equity 30% Nordea Global Climate and Social Impact Fund 30% Jupiter Global Sustainable Equity Fund	To outperform by 2 – 3% p.a. net of fees over the long term.

* Used in legacy default arrangement.

Lifestyle strategies

The Trustee offers members four lifestyle strategies (known as Default Strategy, Drawdown Pathway, Drawdown and Cash Pathway, Annuity Pathway). Each of the Plan's lifestyle strategies follow a pre-set investment strategy that switches members progressively from the Initial Growth Portfolio to the Mid Growth Portfolio over a 10 year period as follows:

Member's age	**Less than 40**	**41**	**42**	**43**	**44**	**45**	**46**	**47**	**48**	**49**	**50**
Initial Growth Portfolio	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
Mid Growth Portfolio	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%

Members who elect the Drawdown Pathway remain in the Mid Growth Portfolio until they withdraw benefits. Members who elect the Drawdown and Cash Pathway also remain in the Mid Growth Portfolio, but with an allocation additionally made to the JPMAM UK Liquidity Fund such that 25% of the member's funds will be invested in the JPMAM UK Liquidity Fund at their target retirement date.

Members in the Default Strategy are switched from the Mid Growth Portfolio to the Flexible Portfolio as follows:

Years to selected retirement age	More than 5	5	4	3	2	1	0
Default Mid Growth Portfolio	100%	80%	60%	40%	20%	0%	0%
Default Flexible Portfolio	0%	20%	40%	60%	80%	100%	100%
Total	100%	100%	100%	100%	100%	100%	100%

Members in the Annuity Pathway are switched from the Mid Growth Portfolio to the Annuity Portfolio as follows:

Years to selected retirement age	More than 5	5	4	3	2	1	0
Mid Growth Portfolio	100%	80%	60%	40%	20%	0%	0%
Annuity Portfolio	0%	20%	40%	60%	80%	100%	100%
Total	100%	100%	100%	100%	100%	100%	100%

12. **Other Assets**

There are additional assets in a range of investment options in respect of funds which are now closed to contributions. With the assistance of the Plan's Investment Consultant, the arrangements will be reviewed periodically to ensure that the investment profile of the funds available remains consistent with the objectives of the Trustee and the needs of the members. Details are provided in the supplement below.

Default Supplement – Additional Defaults

The following table provides details of the Additional Defaults as described in Section 7:

Fund	Reason for identification as a 'default arrangement'	Date categorised as a default arrangement
Baillie Gifford Emerging Markets Equity	As part of the move to the PMC investment platform in September 2017, the Trustee became aware that the Dimensional Emerging Market Equity Fund was incompatible with the new structure due to contractual issues. As such, members' existing savings and future contribution choices were moved to the Baillie Gifford Emerging Markets Equity Fund on behalf of members (i.e. without their consent).	8 May 2018
JPMAM Flexible Credit	As part of the move to the PMC investment platform in September 2017, the Trustee became aware that the JPMAM Strategic Bond Fund was incompatible with the new structure due to the type of assets in which the Fund invests. As such, members' existing savings and future contribution choices were moved to the JPMAM Flexible Credit Fund on behalf of members (i.e. without their consent).	8 May 2018 (and prior change in November 2013)
Insight Bond Plus 300	Due to a prolonged period of poor performance and the Trustee's lack of confidence in the manager's ability to turn this around, the Trustee moved members savings and future contributions from the Abrdn Absolute Return Global Bond Strategies Fund into the Insight Bond Plus 300 Fund on behalf of members (i.e. without their consent).	8 May 2018 (and prior change in November 2013)
LGIM Diversified; Nordea Diversified Returns Strategy	According to the administrators of the Plan, member allocations in the JPMAM Life Diversified Growth Fund were redirected in part to the LGIM Diversified Fund and the Abrdn Global Absolute Return Strategies Fund on behalf of members (i.e. without their consent). The Abrdn Global Absolute Return Strategies Fund was later removed from the Plan. In the absence of member decisions, assets in this fund were transferred to the Nordea Diversified Returns Strategy Fund. In addition to the above, in order to effect an exit from the assets there previously invested in the LGIM Consensus Fund, it was necessary to transfer the assets to another fund within the Plan's existing fund range on behalf of members (i.e. without their consent) who did not elect an alternative fund from the Plan's fund range. After taking advice from its Investment Consultant, Mercer, the Trustee decided that the most suitable fund for this purpose was the LGIM Diversified Fund.	January 2012 for the Abrdn Global Absolute Return Strategies Fund, subsequently moved to the Nordea Diversified Returns Strategy in July 2023 August 2019 for the LGIM Diversified Fund

Fund	Reason for identification as a 'default arrangement'	Date categorised as a default arrangement
Baillie Gifford UK Equity Alpha	To effect an exit from the Abrdn UK Specialist Equity Fund in May 2019, it was necessary to transfer assets to another fund within the Plan's existing range on behalf of members (i.e. without their consent) who did not elect an alternative fund from the Plan's fund range. After taking advice from its Investment Consultant, Mercer, the Trustee decided that the most suitable fund for this purpose was the Baillie Gifford UK Equity Focus Fund, which subsequently was merged by Baillie Gifford into the UK Equity Alpha Fund and renamed the Baillie Gifford UK Equity Alpha Fund. In addition to the above, according to the administrators of the Plan, the JPMAM Life UK Equity Fund was closed and member savings and further contributions were redirected to the JPMAM Life UK Specialist Equity Fund on behalf of members (i.e. without their consent). These assets have subsequently been moved into the Baillie Gifford UK Equity Alpha as per the note above.	May 2019 (and previously, November 2009)
JPMAM UK Dynamic Fund	In order to effect an exit from the New Star UK Equity Higher Income Fund, it was necessary to transfer the assets to another fund within the Plan's existing fund range on behalf of members (i.e. without their consent). After taking advice from its Investment Consultant, Mercer, the Trustee decided that the most suitable fund for this purpose was the JPMAM Life UK Dynamic Fund. In order to effect an exit from the JPMAM UK Specialist Equity Fund, it was necessary to transfer the assets to another fund within the Plan's existing fund range on behalf of members (i.e. without their consent) who did not elect an alternative fund from the Plan's fund range. After taking advice from its investment consultant, Mercer, the Trustee decided that the most suitable fund for this purpose was the JPMAM Life UK Dynamic Fund.	April 2009 and May 2019
JPMAM UK Liquidity	This Fund was used on a number of occasions for receipt of contributions where members made no election for where to switch their contributions given one or more funds were being removed from the Plan.	Multiple
Baillie Gifford Positive Change Fund	In order to effect an exit from the L&G UK Equity Ethical Index Fund, it was necessary to transfer the assets to another fund within the Plan's existing fund range on behalf of members (i.e. without their consent) who did not elect an alternative fund from the Plan's fund range. After taking advice from its Investment Consultant, Mercer, the Trustee decided that the most suitable fund for this purpose was the Baillie Gifford Positive Change Fund.	May 2019

Fund	Reason for identification as a 'default arrangement'	Date categorised as a default arrangement
Baillie Gifford Global Alpha Paris Aligned Fund	In order to reflect the Trustee's ESG policy, the decision was made to replace the existing Baillie Gifford Global Alpha Pension Fund with a Paris Climate Accord aligned version of this fund. After taking advice from its Investment Consultant, Mercer, the Trustee decided the Paris Aligned version would be expected to retain the existing risk and return characteristics of the replaced fund and was suitable for the Plan. To effect this change the Baillie Gifford Global Alpha Fund was closed to members and the assets held in the Fund were transferred to the Paris Aligned fund.	April 2021
Baillie Gifford Managed Fund	Following the closure of the JPMAM Life Balanced Fund, and having explored alternative options and taken advice from its Investment Consultant, Mercer, the Trustee decided to transfer assets from the JPMAM Life Balanced Fund to the Baillie Gifford Managed Fund as a suitable replacement for the closing fund.	April 2021
Sustainable Global Equity Portfolio (blended fund)	Following the closure of the JPMAM Life Diversified Equity Fund, and having explored alternative options (noting that an equivalent OEIC version of the closing fund was not available), the Trustee decided to transfer assets from the JPMAM Life Diversified Equity Fund to a new Sustainable Global Equity Portfolio, which is a blended fund. The JPMAM Life Diversified Equity Fund had itself previously been classified as a technical default, because in 2012, according to the administrators of the Plan, member allocations in the AB Global Equity Blend Portfolio and the Capital International Global Equity funds were moved in part to the Baillie Gifford Global Alpha Pension Fund (subsequently replaced by the Baillie Gifford Paris Aligned Global Alpha Fund) and the JPMAM Life Diversified Equity Fund on behalf of members (i.e. without their consent).	October 2021
Annuity Pathway (lifestyle)	A new end phase for the Plan's Default Lifestyle Strategy was put in place in 2022. However, any members who were already in the consolidation phase of the prior Annuity targeted Default Lifestyle Strategy were not transferred to the new end phase, in recognition of their proximity to retirement. As such, the Annuity Pathway Lifestyle profile constitutes a default arrangement.	November 2022
Baillie Gifford Sustainable Multi Asset Fund	Having taken investment advice, the Trustee decided to switch members' holdings in Baillie Gifford Diversified Growth Fund into an responsible investment focussed version of that fund (the Baillie Gifford Sustainable Multi-Asset Fund). The Fund objectives did not change, and the portfolio is managed by the same investment team within Baillie Gifford.	May 2022

In addition to the Trustee's Investment Aims & Objectives (covered in Section 3) and risks (Section 4) , the Trustee's policies in respect of these Additional Defaults is summarised in the table below:

<table>
<tr><th>Fund</th><th>Trustee’s policies</th></tr>
<tr><td>Baillie Gifford Emerging Markets Equity</td><td>Trustee’s Aims and Objectives
To provide members with a fund that:
– aims to capture the return of emerging markets across Latin America, Europe/Middle East/Africa and Asia; and
– seeks to outperform the benchmark return.
Types of investment primarily held
This fund invests entirely in equities.
Expected risk and return
This fund has an outperformance target of 3% p.a. (gross of fees) over rolling 5 year periods. The tracking error is usually within 4% - 10% p.a.</td></tr>
<tr><td>JPMAM Flexible Credit</td><td>Trustee’s Aims and Objectives
To provide members with a fund that:
– adopts an unconstrained approach to managing a fixed income portfolio; and
– seeks to provide diverse exposure to the global credit universe with some degree of downside protection.
Types of investment primarily held
This fund invests in a broad range of corporate credit assets (investment grade and high yield) across developed and emerging markets. Financial derivative instruments are used where appropriate.
Expected risk and return
This fund aims to deliver a target return of 5% p.a. (gross of fees) over a market cycle. The tracking error target is a maximum of 5% p.a.</td></tr>
<tr><td>Insight Bond Plus 300</td><td>Trustee’s Aims and Objectives
To provide members with a fund that
– invests in fixed income securities and aims to achieve a positive return over cash across all market conditions; and
– has an emphasis on capital preservation and seeks to avoid interest rate risk of traditional bond funds.
Types of investment primarily held
This fund primarily invests in bonds (government, inflation linked, corporate, emerging market debt, high yield, loans) with a moderate allocation to asset backed securities and some exposure to currency. Long and short positions in OTC derivatives are also utilised.
Expected risk and return
This fund aims to achieve a return of 3% p.a. (gross of fees) above cash over rolling 3 years. The tracking error target is a maximum of 5% p.a.</td></tr>
</table>

Fund	Trustee's policies
LGIM Diversified	***Trustee's Aims and Objectives*** To provide members with a fund that – aims to deliver a similar rate of return as developed market equities over the long term with about two-thirds of the volatility; and – provides exposure to a broad range of asset classes; and – delivers a low-cost diversified investment approach. ***Types of investment primarily held*** This fund invests in a range of asset classes through other passive funds managed by LGIM, with the exception of the commodity part, which may not necessarily be managed by LGIM. Two components allocations of the fund are actively managed, namely property and high yield bond exposures. ***Expected risk and return*** This fund has a long term return expectation in line with global equities, at 3.0% - 3.5% above cash (gross of fees). The fund aims to deliver this return with two-thirds of global equity volatility.
Nordea Diversified Returns Strategy	***Trustee's Aims and Objectives*** To provide members with a fund that – invests in a broad range of instruments, from traditional assets to derivatives in order to create beta and relative value exposures; and – delivers a more idiosyncratic approach to multi-asset investing. ***Types of investment primarily held*** This fund invests in a broad range of asset classes, but also makes use of futures, options and other derivate instruments. ***Expected risk and return*** This fund aims to outperform 3 month Sterling SONIA by 4% p.a. over rolling 3 years.
JPMAM UK Dynamic Equity	***Trustee's Aims and Objectives*** To provide members with a fund that – invests actively in a broad range of UK equities; and – provides exposure to companies of different sizes and from different sectors. ***Types of investment primarily held*** This fund invests entirely in equities. ***Expected risk and return*** This fund aims to outperform the FTSE All Share Index by 2% p.a. (net of fees) over rolling 3 years. The tracking error is usually c. 10% p.a.

Fund	Trustee's policies
JPMAM UK Liquidity	***Trustee's Aims and Objectives*** To provide members with a fund that – invests in a range of UK short-term money market investments and aims to provide a positive return across all market conditions, before fees; and – has an emphasis on capital preservation. ***Types of investment primarily held*** This fund generally invests in highly rated short term debt instruments, where the risk of loss of capital is significantly lower than with other classes. The aim of the fund is to achieve a competitive cash return over time, in comparison with placing funds on deposit with a bank or building society. ***Expected risk and return*** This fund aims to achieve competitive returns by investing in a range of UK short-term money market investments. Its benchmark is the 7-Day Sterling London Interbank Bid Rate (LIBID). The tracking error is usually within 0.15% - 0.20% p.a.
Baillie Gifford UK Equity Alpha	***Trustee's Aims and Objectives*** To provide members with a fund that – invests actively in a broad range of UK equities; and – provides exposure to companies of different sizes and from different sectors. ***Types of investment primarily held*** This fund invests entirely in equities. ***Expected risk and return*** This fund aims to outperform the FTSE All Share Index by 1.5% p.a. (net of fees) over rolling 5 years. The tracking error is usually c. 4% p.a.
Baillie Gifford Positive Change Fund	***Trustee's Aims and Objectives*** To provide members with a fund that – invests actively in stocks held in global equity markets; and – has an emphasis on investing in high quality growth companies which can deliver positive change in one of four areas: Social Inclusion and Education, Environment and Resource Needs, Healthcare and Quality of Life; and Base of the Pyramid (addressing the needs of the world's poorest populations) ***Types of investment primarily held*** This fund invests entirely in equities. ***Expected risk and return*** This fund aims to outperform the MSCI AC World Index by 2.0% p.a. (net of fees) over rolling 5 years. The tracking error is usually within 3% - 7% p.a.

Fund	Trustee’s policies
Baillie Gifford Global Alpha Paris Aligned Fund	***Trustee’s Aims and Objectives*** To provide members with a fund that – invests actively in stocks held in global equity markets; and – has an emphasis on investing in well-managed businesses which enjoy sustainable and competitive advantages over the long term. The Fund also aims to have a weighted average carbon intensity lower than that of the MSCI ACWI Paris-aligned benchmark. ***Types of investment primarily held*** This fund invests entirely in equities. ***Expected risk and return*** This fund has an outperformance target of 2% - 3% p.a. (gross of fees) over rolling 5 year periods. The tracking error is usually within 3% - 7% p.a.
Baillie Gifford Managed Fund	***Trustee’s Aims and Objectives*** To provide members with a fund that – invests actively in a range of traditional asset classes (primarily global equities, fixed income and money market instruments) – aims to achieve capital growth over rolling 5-year periods. ***Types of investment primarily held*** This fund invests in equities, fixed income and money market instruments ***Expected risk and return*** To outperform the IA Mixed Investment 40% - 85% Shares Sector Median by 0.7 – 1.2% p.a. (net of fees) over 3 year rolling periods, with a volatility level expected to be between that of equities and fixed income.
Sustainable Global Equity Portfolio (blended)	***Trustee’s Aims and Objectives*** To provide members with a fund that – invests actively in stocks held in global equity markets; – is comprised of a complementary blend of different investment managers’ funds; and – has an emphasis on sustainability and consideration of ESG factors. ***Types of investment primarily held*** This fund invests entirely in equities. ***Expected risk and return*** This fund has an outperformance target of 2 – 3% p.a. (net of fees) over the long term.
Annuity Pathway (lifestyle)	***Trustee’s Aims and Objectives*** To provide members with a lifestyle investment arrangement that targets the purchase of a fixed annuity and the withdrawal of tax free cash at the member’s target retirement date. ***Types of investment primarily held*** Bonds and money market instruments. ***Expected risk and return*** Composite of underlying strategy component benchmarks.

Fund	Trustee's policies
Baillie Gifford Sustainable Multi Asset Fund	***Trustee's Aims and Objectives*** To provide members with a fund that – provides exposure to a broad range of asset classes; and – integrates sustainable investment principles in its asset allocation and portfolio construction. ***Types of investment primarily held*** Equities, fixed income, and alternative asset classes. ***Expected risk and return*** To outperform the Bank of England base rate by 3.5% p.a. (net of fees) over 5 year periods, with lower volatility than equity markets.
Applies to All Additional Defaults	The following applies to each of the Additional Defaults noted above: ***Trustee's Aims and Objectives*** – To provide members with a fund that is a suitable replacement for one that has been removed from the Plan. The following apply to each of the Additional Defaults noted above, as well as to the broader fund range: ***Environmental, social and governance considerations*** The Trustee believes that environmental, social, and corporate governance (ESG) factors can have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. The Trustee invests in pooled funds and therefore, has delegated day to day management of the assets to its underlying investment managers. It has given selected managers full discretion—within the mandate provided—to evaluate ESG factors, including climate change considerations and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice. The Trustee considers these areas when monitoring the additional default investment managers, specifically, the application of stated policies across the range of ESG factors and stewardship principles. Further information on the actions the Trustee takes with regards to investing responsibly can be found in Section 9. ***The realisation of investments*** The Trustee has considered these manager and mandate selections noting that the selection, retention and realisation of assets within the pooled funds are delegated to the respective investment managers in line with the mandates of the funds.

The Trustee believes that each of these defaults are in members' interests because they have similar risk, return and liquidity characteristics to those funds that members originally selected. Additionally, the Trustee reviews at least triennially whether the funds remain appropriate for members having regard to criteria such as performance, charges, risk/volatility, liquidity and the likelihood of the fund attaining its objectives in future.

The following disclosures in other parts of this Statement also apply to the Default Options listed above:

- Disclosures in Section 3 on the different kinds of investments that are held.
- Disclosures in Section 4 on how risk is measured and managed, including risks around illiquidity and the realisation of investments.

- Disclosures on Responsible Investment and Corporate Governance in Section 9.
- Disclosures in Section 10 on Investment Manager Arrangements.
- Disclosures in Section 11 in relation to benchmark/expected returns.

13. Additional Voluntary Contributions (AVCs)

13.1 The Trustee holds assets invested separately from the main Plan in the form of insurance policies, which secure additional benefits on a money purchase basis for members electing to pay additional voluntary contributions into these arrangements.

13.2 These AVC arrangements include funds managed by Prudential Assurance Company Limited, Aviva Life and Pensions UK Limited, and Phoenix Life and Pensions Limited that are available to a closed group of members. The AVCs are reviewed periodically by the Trustee.

Signed for and on behalf of the J.P. Morgan Chase Pension Plan Trustee Limited

Signature _______________ Name _______________ Date___________________

Signature _______________ Name _______________ Date___________________