The Inductotherm Europe
Limited Retirement Benefits Plan
(1971)
(The "Plan")

# Chairman's Statement

Annual statement regarding
Defined Contribution
Governance
Year ended 31 March 2020

## Introduction

I am pleased to provide the Trustees' Governance Statement for the Defined Contribution section of the Plan for the year ended 31 March 2020.

This Plan is used as a qualifying Scheme for the purposes of auto-enrolment.

This Statement reports on how the Trustees comply with the defined contribution ("DC") governance standards that were introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015 ( the "Regulations"), The Occupational Pension Schemes (Scheme Administration) Regulations ("the Administration Regulations") 1996 (as amended) and the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 "The 2018 Regulations" .

It describes how the Trustees have met the statutory governance standards in relation to:

- the default fund
- requirements for processing financial transactions
- assessment of charges and transaction costs
- disclosure of charges and transaction costs for default funds
- disclosure of charges and transaction costs for funds selected by individual members
- the requirement for trustee knowledge and understanding

between 1 April 2019 and 31 March 2020 ("the Plan Year").

## Pooled Funds

The Plan invests in pooled investment vehicles only including the Default Fund. The Trustees disclose in this statement the names of the funds in which they were directly invested on behalf of the members during the year.

## Default Funds

Where a Plan member does not decide which funds to invest their member account in it is invested in the default fund.

The following is the Plan's "default arrangement" for the purposes of the Regulations

| Fund Name | Type | Charges | Transaction costs | Total Expense Ratio |
|---|---|---|---|---|
| Inductotherm Diversified Growth Fund | Diversified Growth blend of 50% Legal and General Life Dynamic Diversified Fund and 50% Threadneedle Multi Asset Fund | 0.465% | 0.005% | 0.47% |

The strategy of the Fund is firstly to blend two funds from active managers in equal proportions to reduce the risk of an individual manager underperforming and to benefit from the additional styles of each manager. In the event of either or both funds ceasing to fulfil the Trustees' objectives the manager can be substituted easily.

The Individual Manager objectives are:

Legal and General Life Dynamic Diversified Fund – to provide long term investment growth through dynamic exposure to a diversified range of asset classes;
Threadneedle Multi Asset Fund – to achieve total returns equivalent to the benchmark of the fund gross of fees, over the economic cycle (expected to be 5 – 7 years). The benchmark is the Bank of England Base Rate plus 4% per annum.

## Statement of Investment Principles

Appended to this statement is a copy of the Plan's latest Statement of Investment Principles (Defined Contribution Section) governing decisions about investments for the purposes of the default fund, prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 (the "Statement of Investment Principles").

## Member Selected Funds

The Trustees also offer a range of funds in which the member may decide to invest their member account should they not opt for the default arrangement as follows:

| Fund Name | Type | Charges | Transaction costs | Total Expense Ratio |
|---|---|---|---|---|
| L&G Life UK Equity Index Fund | UK Equity | 0.07% | 0.0% | 0.07% |
| L & G Life Global Equity Fixed Weights Index Fund | Global Equity | 0.12% | 0.00% | 0.12% |
| L & G Life Cash Fund | Cash | 0.09% | 0.00% | 0.09% |
| L & G Life over 15 year gilts Index Fund | Gilts | 0.08% | 0.00% | 0.08% |
| L & G Life Dynamic Diversified Fund | Multi Asset | 0.39% | 0.01% | 0.40% |
| Threadneedle Life Multi Asset Fund | Multi Asset | 0.54% | 0.00% | 0.54% |
| For existing members at June 2017 only Standard Life Global Absolute Return Fund | Multi Asset | 0.74% | 0.005% | 0.745% |

## Review of investment strategy

The Trustees confirm they carried out in 2017 a full review of the strategy, the period of this and performance of the Default Fund and the other funds they offer. This review led to a change of default fund and Managers. A blended fund was introduced as the default fund during the 2017/18 Plan Year in order to further diversify individual manager performance.

The Trustees reviewed the performance of the Plan's investment options on a quarterly basis during the 2019/20 Plan year by means of a detailed quarterly monitoring report produced by independent regulated Investment Consultants and reviewed the funds on an ongoing basis against their performance benchmarks and member profile.

Additionally, on 17 September 2019 the Trustees reviewed the policies of the Investment Managers in respect of their views and actions on Environmental and Social Governance (ESG), noting that the funds used were not specifically weighted towards ESG issues. The Trustees distributed a newsletter to members asking for their views on whether they would like to see a more strongly focused ESG fund. Additionally, the Trustees asked the members if they would like to see a higher risk rated fund than is currently available. There was only a very limited response to the questionnaire, and as a result no new funds were introduced.

The reviews on the existing funds on 17 September 2019 revealed that the investment returns for funds that remain open to new money are consistent with the aims and objectives of the investment strategy and took into account the impact of the investment performance on different groups of membership. The Trustees are satisfied that the design of the investment strategy continues to meet the needs of the members.

The next full review will take place in April 2021.

## Requirements for processing financial transactions

The Trustees employ administrators and the principal employer to provide the core financial transactions for the Plan.

"Core financial transactions" include (but are not limited to):

- investment of employee/employer contributions in the Plan
- transfers of assets relating to members into and out of the Plan
- transfers of assets relating to members between different investments within the Plan (switching investments)
- payments from the Plan to, or in respect of, members (refunds, Pension Commencement Lump Sums, Uncrystallised Funds Pension Lump Sums, purchase of annuities)

During the Plan Year, the Trustees confirmed that core financial transactions were processed promptly and accurately by reviewing the half yearly administration reports produced by the Plan administrator, Cartwright Benefit Consultants Limited.

The administration reports demonstrated that the administrator was operating good procedures and controls, and performance was within the agreed service levels within the Plan administration agreement. Ongoing discussions between the Trustees and the Plan administrator ensure that this is kept under regular review. The key Service Level Agreement indicators are:

- The number of actions to be taken and the number taken within the agreed service levels are clearly set out with a numeric percentage score of targets achieved.
- Contributions are monitored by the Administrators and diarised for receipt ahead of the agreed deadline. The exact dates received are recorded in the Administration reports.
- Investment/disinvestment instructions to the Investment Platform manager must be signed off by two Cartwright authorised signatories.
- Authorised signatories are signed off by the Trustees.
- Investment Platform Manager Statements are checked on receipt to ensure they match the instructions given.
- Cashflow statements are provided to the Trustees in the Administration Reports and on request.

During the 2019/20 Plan year all contributions have been paid to the Plan by 19th of the month following the collection of contributions. These contributions have been invested by the end of each relevant month. The administrator operated within appropriate procedures which are independently audited annually with a copy of the report seen by the auditors. There were no material administration errors in relation to core financial transactions.

## Trustees' assessment of member-borne charges and transaction costs

### Level of member-borne charges and transaction costs

In accordance with regulation 25(1)(a) of the Administration Regulations, and "the 2018 Regulations" the Trustees assessed the "charges" and, so far as they were able to do so, the "transaction costs", borne by members of the Plan for the Plan year to 31 March 2020.

For these purposes,

- "charges" means "administration" charges other than:
  - "transaction costs"
  - where an order of the court provides for the recovery by the trustees or managers of costs incurred in complying with the order, the amount of those costs
  - charges permitted by regulations made under section 24 or 41 (charges in respect of pension sharing costs) of the Welfare Reform and Pensions Act 1999
  - "winding up costs"
  - costs solely associated with the provision of death benefits.

- "transaction costs" means the costs incurred as a result of the buying, selling, (switching), lending or borrowing of investments

- "Winding up costs" means the costs of winding up a pension scheme including (but not limited to) the cost of:
  - legal advice
  - tracing, consulting and communicating with members
  - advice on exiting investments
  - selection of an alternative scheme or investments.

## Illustrative examples of the cumulative effect of scheme specific charges and transaction costs on the value of the member's Defined Contribution benefits

In order to comply with "the 2018 Regulations" the Trustees provide below an illustrative example. The administration charges are all borne by the Sponsoring Company on behalf of the Trustees. The charges borne by members are investment management charges. The table shows the effect over time of the application of charges and transaction costs borne by the Plan membership on the value of their accrued rights to defined contribution benefits of the default fund which over 80% of members use, and the two most frequently used self select funds:

| | Inductotherm Diversified Growth | | Legal &General Global Equity Fixed Weights Index | | Legal &General UK Equity Index | |
|---|---|---|---|---|---|---|
| Years | Before charges | After all charges and transaction costs | Before charges | After all charges and transaction costs | Before charges | After all charges and transaction costs |
| 1 | £43,902 | £43,704 | £28,799 | £28,766 | £23,660 | £23,644 |
| 3 | £51,932 | £51,272 | £36,690 | £36,575 | £31,255 | £31,200 |
| 5 | £60,267 | £59,053 | £44,990 | £44,769 | £39,238 | £39,129 |
| 10 | £82,527 | £79,494 | £67,676 | £67,069 | £61,016 | £60,707 |
| 15 | £106,970 | £101,420 | £93,420 | £92,225 | £85,667 | £85,048 |
| 20 | £133,815 | £124,943 | £122,635 | £120,601 | £113,573 | £112,505 |
| 25 | £163,296 | £150,177 | £155,789 | £152,611 | £145,162 | £143,478 |
| 30 | £195,672 | £177,247 | £193,414 | £188,720 | £180,921 | £178,418 |
| 35 | £231,228 | £206,286 | £236,111 | £229,453 | £221,401 | £217,832 |
| 40 | £270,277 | £237,439 | £284,566 | £275,402 | £267,223 | £262,292 |

## Notes:

| | |
|---|---|
| 1 | Projected pension fund values are shown in today's terms, and do not need to be further reduced for the effect of future inflation. |
| 2 | The starting fund is assumed to be:<br>Inductotherm Diversified Growth Fund (default option) £40,000<br>L&G Global Equity Fixed Weights Index £25,000<br>L&G UK Equity Index £20,000 |
| 3 | Inflation is assumed to be 2.5% each year |
| 4 | Contributions are assumed to be 9% of salary (5% from the employee and 4% from the employer). For illustrative purposes a salary of £35,000 is assumed. Salary is assumed to increase in line with inflation. |
| 5 | Values shown are illustrative only and are not guaranteed |
| 6 | The projected investment return, before charges, transaction costs and the effects of inflation, for each fund is as follows:<br>Inductotherm Diversified Growth Fund (default option): 4.45%<br>L&G Global Equity Fixed Weights Index: 5.1%<br>L&G UK Equity Index: 5.1% |
| 7 | Transaction costs are provided by the Investment Platform Manager – Mobius Life. |
| 8 | Illustrations are provided for the default option and the main member selected funds being utilised. Projections for any of the other member selected funds are available upon written request. |

## Value assessment

In accordance with regulation 25(1)(b) of the Administration Regulations, the Trustees assessed the extent to which the charges and transaction costs represent good value for members.

The Trustees' assessment on 17 September 2019 included reviewing the Plan's investment funds in the context of their investment charges, a review of the non-financial benefits of the Plan and a comparison of the level of charges with the benefits delivered to members.

- The combination of costs and the quality of what is provided to members overall in return for these charges are appropriate for the Plan membership as a whole, particularly compared to the alternatives available in the marketplace. This assessment was undertaken in accordance with the Pensions Regulator Code of Practice No 13.

The specific areas considered by the Trustees at their 17 September 2019 meeting were:

- The default fund is managed so that any underperformance is handled quickly by the Trustees by appointing a new manager to replace any manager not meeting the Trustees' objectives. This avoids any prolonged underperformance. Members have access to most pension flexibilities (not Flexible Drawdown) directly, without needing to transfer out
- annuity broking at retirement is free of charge to members and currently automatic
- communications from the Trustees are frequent and detailed
- there is a wide range of investments at low investment charges. All funds have charges below the charge cap.
- Members meet the costs of investment and transaction charges only, the company meet the cost of all other Plan charges including the costs of the Governance Committee who are available to answer questions from the members and consider views of what members wish to see change within the Plan. Annual newsletters are issued inviting views from members.

- Feedback forms are included with all member communications and all responses reported back to the Trustees. This ensures that the Trustees' assessment is supported by members' views.
- As part of the review the Investment Funds were considered and in particular it was noted that the Default fund has been specifically designed to iron out volatility based on how members chose to crystallise their funds at retirement.

## Trustees' knowledge and understanding

The Trustees' own knowledge and understanding, together with the advice of their advisors which is available to them without limit, enables them to properly exercise their functions as Trustees of the Plan. The advisors send out updates as and when changes in legislation or guidance occur and hold meetings to ensure these are covered promptly. A training log is kept which is reviewed at each meeting. During the 2019/20 Plan year the Trustees received external Training on the Environmental and Social Governance policies of their Investment Managers in order for them to assess suitability against their objectives.

The Trustees believe they have met the Pensions Regulator's trustee knowledge and understanding requirements (as set out under Code of Practice No 7) during the Plan Year.

Additionally there is a Defined Contribution Governance Committee who undertake additional work on behalf of the Trustees and report back to them, with particular oversight on member views.

All of the Trustees and Governance Committee members have passed the Trustee Toolkit within a short period of appointment.

The Trustees have access to a portal housing all of the Plan's formal governing documents and key papers.

The Trustees have a Business Plan against which they evaluate their activities. By invitation Company representatives are included in meetings to ensure Trustee duties are executed well.

One of the Trustees is a Solicitor and one an accountant both of which are very relevant skills on the Trustee Board. Therefore, taking into account the knowledge and experience of the Trustees, with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors, the Trustees believe they are well placed to exercise their functions as Trustees of the Plan properly and effectively.

**Chairman:** Signed by David Hitchiner

**The Inductotherm Europe Limited Retirement Benefits Plan (1971)**

Date: 2 September 2020

**THE INDUCTOTHERM EUROPE LIMITED RETIREMENT BENEFITS PLAN (1971)**
**DEFINED CONTRIBUTION SECTION**

**STATEMENT OF INVESTMENT PRINCIPLES**

**SEPTEMBER 2020**

## 1. INTRODUCTION

The Trustees of the Inductotherm Europe Limited Retirement Benefits Plan (1971) (the "Plan") have adopted this Statement of Investment Principles ("the Statement") to comply with the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005. This Statement replaces all previous Statements.

When making their investment decisions and reviewing this Statement, the Trustees obtained and considered the written advice of Cartwright Benefit Solutions Limited, whom the Trustees reasonably believe to be qualified by its ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes. Cartwright Benefit Solutions Limited is also authorised under the Financial Services and Markets Act 2000 to provide investment advice to the Trustees.

Whilst the Trustees are solely responsible for the Plan's investment strategy, the Trustees consulted Inductotherm Europe Limited (the "Employer") on both the investment decisions taken by the Trustees and this Statement's content.

The Plan has a Defined Benefit Section, a Defined Contribution Section, and legacy Additional Voluntary Contribution facilities. The Defined Contribution Section is discussed in this Statement. The Defined Benefit Section and the legacy Additional Voluntary Contribution arrangements are discussed in a separate Statement.

## 2. INVESTMENT OBJECTIVES

The primary investment objective of the Trustees is to help to ensure that the Defined Contribution Section members of the Plan are able to retire on a reasonable level of pension taking into account the contributions paid into their individual accounts and the timescale over which those contributions were invested. Members will make individual choices about retirement, meaning the appropriate time horizon over which their retirement benefits are funded will vary from member to member. The Trustees have put in place investment options that they believe help members with these objectives.

## 3. INVESTMENT STRATEGY

The Trustees will offer a sufficient range of funds to satisfy the risk and return requirements of most members.

The Trustees have in place a range of investment options that they believe can allow members to strike an appropriate balance between long-term needs for capital growth and shorter-term volatility of returns.

The Trustees have designed their own Diversified Growth Fund blending two funds in equal proportion in order to reduce the risk of an individual manager underperforming, and to benefit from the differing investment styles of each manager. The structure of the fund allows the Trustees to review and replace a manager who ceases to fulfil the Trustees' objectives.

The Trustees will formally review the fund range offered from time-to-time to take into account changes in various considerations such as: the membership profile, legislation and regulations, and developments in investment products. The next review is expected no later than within 5 years.

**4. RISK MEASUREMENT AND MANAGEMENT**

The Trustees regularly review a wide range of risks to which the Defined Contribution Section is exposed and mitigate these risks where possible and practical to do so. The Trustees believe that the investment options offered to members provide adequate choice and diversification both within and across different asset classes.

The Trustees' policies on the key investment-related risks are as follows:

- Active manager risk: the Trustees recognise that the use of active management involves a risk that the assets do not achieve the expected return and potentially increases the governance requirements. For this reason two managers have been selected to form the default fund and regular monitoring reports are considered to monitor performance. In order to provide lower costs solutions and to ensure market returns the self select funds include index tracking options.

- Diversification: in addition to diversifying across different risk factors, where appropriate, the Trustees also diversify across asset classes, and geographically. This helps to avoid excessive concentrations of risk. To achieve cost-effective diversification, the Plan's assets are all invested in pooled funds.

- Liquidity: the Trustees only offer fund options to members which are expected to be liquid, particularly under normal financial market conditions. This recognises that even though members may be long term investors, members may wish to switch investments or leave the Plan earlier than expected. The selection, retention, and realisation of investments within each investment fund is delegated to the relevant investment manager.

- Security of assets: The safe custody of the Plan's assets is delegated to professional custodians via the use of pooled vehicles.

- Regulatory: the Plan's assets are invested on regulated markets.

**5. MONITORING THE INVESTMENT STRATEGY**

The Trustees will formally review and obtain written advice on the suitability of the investment strategy at least every 3 years. These reviews will include the ongoing suitability of the retention of the investment funds used. The Trustees will also regularly review the performance of the investment strategy, including each investment funds' performance against their benchmark index, and cash flows.

**6. FEE STRUCTURES**

The investment managers are each paid a percentage of the market value of the assets within their fund(s). The investment platform provider is paid a percentage of the assets on its platform. No additional performance fees are payable.

Some operational expenses are also incurred by each fund to cover administration, audit, legal and custodial costs, along with the transaction costs associated with the buying and selling of the underlying securities as the investment manager changes the constituents of the fund over time (particularly for actively managed funds).

The investment adviser is paid on a time-cost, fixed fee or other basis, as agreed from time-to-time between the Trustees and the investment adviser.

**7. ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE ('ESG')**

The Trustees believe that their primary responsibility is to invest the Plan's assets for the longer-term financial best interests of the Plan's beneficiaries, as reflected by the Trustees' strategic investment objectives (including the Plan's investment time horizon). The Trustees believe that ESG factors (including climate change risks) can potentially have a material positive or negative financial impact on the Plan.

The Plan's investment funds are chosen to aim to achieve the Plan's strategic investment objectives, with consideration given to ESG factors over the Plan's investment time horizon when these fund choices are both made and reviewed from time-to-time. The Trustees are aware of and regularly monitor the Plan's investment time horizon. This means that the Trustees are able to take a long-term view of the Plan's investments when assessing managers' performance and/or asset allocation.

The Plan's investment funds are deliberately and consciously chosen to align with the Trustees' strategic investment policies and objectives, in particular the investment funds' asset class exposure(s), the balance between different asset classes (where appropriate) and expected return and risk. In addition, the fees applicable to the Plan's investment funds are taken into account to ensure that these are also consistent with the Trustees' investment policies and objectives, as well as being compatible with the asset class(es) that the fund invests in and returns it is seeking to achieve.

A key element of the selection of the Plan's investment funds is the Trustees' assessment of the likelihood of each investment fund achieving its performance target on a medium/long term and sustainable basis. For actively managed funds this is in part based on each investment fund's ability to select investee companies, for both debt and equity, that are sustainable and will produce good medium/long term performance on financial measures.

The Trustees also believe that, in general, good long term performance on non-financial measures will support and contribute to good long term performance on financial measures.

An important part of each investment fund's ability to invest sustainably in this way is to use the fund's position as a stakeholder, either unilaterally or in concert with other stakeholders, to engage with investee companies to look to improve their financial and non-financial performance. The Trustees believe that active engagement with company management can often lead to better outcomes in the long term than simply excluding companies or sectors from portfolios.

The Trustees measure and monitor the performance versus target of all their investment funds on an after fees basis where practical to do so. Part of this monitoring process includes the consideration of the portfolio turnover costs of each investment fund and whether (or not) the twelve-month turnover is consistent with the investment philosophy and process of the investment fund. Any inconsistencies will be considered. The portfolio turnover costs will be part of the after fees fund performance and are therefore reflected in that figure.

The Trustees' intention is to appoint investment managers for the long term and avoid switching between investment funds based solely on short term performance, thus incurring transaction costs which may or may not be offset by future returns. However, if the Trustees believe that an investment fund can no longer achieve its performance target, and believe that it is in the Plan's best interests to make a change, they will do so.

Due to the Trustees' use of pooled investment funds, the application of ESG factors and the stewardship of the assets (including the exercising of voting and other rights attached to investments), are, ultimately,

delegated to each investment manager and may differ depending on the objectives of each investment fund and the manager's own policies in this regard.
The Trustees periodically obtain and review the relevant ESG and Stewardship policy documents for each pooled investment fund in which they are invested. When relevant, the Trustees will challenge the investment manager on their policies. Should the Trustees be unsatisfied with the response, they will take the approach that is believed to be in the best interests of the Plan's beneficiaries, which could involve further engagement with the investment manager or disinvesting in favour of a more appropriate investment fund. This creates an incentive for the investment manager to ensure that they are aware of, and as far as possible, meet the Trustees' expectations with regard to ESG and Stewardship policy.

When making investment decisions about the investment options to make available to members, the Trustees do not explicitly take into account the views of the Plan's beneficiaries, including (but not limited to) ethical views and views in relation to social and environmental impact and present and future quality of life of the Plan's beneficiaries.

**8. FUTURE REVIEW**

The Trustees will review this Statement at least every three years and without delay after any significant change in investment policy.

Any such review will be based on written investment advice from someone whom the Trustees reasonably believe to be qualified by his or her ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes. The Employer will also be consulted.

Signed by David Hitchiner Date 22 September 2020

**For and on behalf of the Trustees of the Inductotherm Europe Limited Retirement Benefits Plan (1971)**

## APPENDIX – DEFINED CONTRIBUTION SECTION INVESTMENT ARRANGEMENTS

**Self-Select Funds**

The range of self-select funds has been chosen to provide members who wish to decide for themselves how to invest some flexibility to do so. The self-select funds offered are listed below:

| Investment fund | Management Style | Benchmark | Objective and investment return expectations |
|---|---|---|---|
| LGIM Dynamic Diversified | Active/Passive | Bank of England Base Rate + 4.5% per annum (after fees) | To provide long-term investment growth through dynamic exposure to a diversified range of asset classes. |
| Threadneedle Multi-Asset | Active | Bank of England Base Rate + 4% per annum (before fees) | To achieve total returns equivalent to the benchmark, gross of fees, over the economic cycle (expected to be 5-7 years). |
| LGIM Global Equity Fixed Weights 50:50 Index | Index -tracking | Composite of 50:50 distribution between UK and overseas equity indices | To provide diversified exposure to the UK (50%) and overseas (50%) equity markets. The fund's overseas asset distribution is fixed with 17.5% in North America, 17.5% in Europe (ex-UK), 8.75% in Japan and 6.25% in Asia Pacific (ex-Japan). |
| LGIM UK Equity Index | Index -tracking | FTSE All-Share Index | To track the total return performance of the benchmark to within +/-0.25% p.a. for two years out of three. |
| Standard Life Aberdeen GARS* | Active | 6 Month GBP LIBOR + 5% per annum (before fees) | To provide positive investment returns in all market conditions over the medium to long term and target the benchmark return over rolling three-year periods. |
| LGIM Over 15 Year Gilts Index | Index -tracking | FTSE A Government (Over 15 Year) Index | To track the performance of the benchmark to within +/- 0.25% p.a. for two years out of three. |
| LGIM Cash | Active | 7 Day LIBID | To perform in line with 7 Day LIBID, without incurring excessive risk. |

*Not open to new entrants

**Default Fund**

The default strategy reflects the increased flexibilities following the UK Government's 2014 Freedom and Choice in Pensions reforms.

The default fund invests 50% in each of the LGIM Dynamic Diversified Fund and the Threadneedle Multi-Asset Fund.

This fund is expected to provide long-term investment growth through dynamic exposure to a diversified range of asset classes. The benchmark is 50% of the LGIM Dynamic Diversified Fund benchmark and 50% of the Threadneedle Multi-Asset Fund benchmark, as given above.