CNR International (U.K.) Limited Pension Scheme ("the Scheme")

Chair's statement regarding the governance of defined contribution ("DC") arrangements

Scheme year - 1 April 2021 to 31 March 2022

1. Introduction

1.1. This statement has been prepared by the Scheme's Trustees ("the Trustees") to report on compliance with defined contribution (DC) governance standards, as required by the Occupational Pension Schemes (Scheme Administration) Regulations 1996.

2. The Scheme's DC arrangements

2.1. The Scheme's DC arrangements comprise:

2.1.1. DC provision arising from CNR International (U.K.) Ltd ("the Company") contributions and both minimum and additional voluntary contributions (AVCs) made by members. The Scheme is open to future contributions and new members, and is administered by Barnett Waddingham LLP (Barnett Waddingham).

2.1.2. Scottish Widows supports the investment administration of the Scheme's investments via its Corporate Savings Platform (CSP).

2.1.3. BlackRock Advisors (UK) Limited (BlackRock), Standard Life Investments Limited (Standard Life), Newton Investment Management Limited (Newton) and Capital International Management Company Sárl (Capital International) are the investment managers, selected by the Trustees via the Scottish Widows CSP.

2.2. The Scheme is used as a qualifying scheme for automatic enrolment purposes.

3. Default investment arrangement

3.1. The Scheme's default investment arrangement is the Continued Lifestyle Strategy ("the default"). The key features of the default are as follows:

3.1.1. It uses a 'lifestyle' strategy to automatically reduce risk/volatility in the years approaching a member's target retirement age. Target retirement age is age 65, unless a member instructs otherwise.

3.1.2. For the period up to 10 years before a member's target retirement age, the default aims to allocate 65% to the BlackRock Aquila (50:50) Global Equity Index Fund, 12.5% to both the BlackRock DC Diversified Growth and LGIM Diversified Fund and 10% to the Capital International Emerging Markets Total Opportunities Fund.

3.1.3. Over the 10 years preceding the member's target retirement age, the default automatically and gradually switches out of the growth phase funds named in 3.1.2 and into the LGIM Retirement Income Multi Asset Fund and the BlackRock Sterling Liquidity Fund. At target retirement age, the aim is for members to be invested in allocation of 75% in the LGIM Retirement Income Fund and 25% in the BlackRock Sterling Liquidity Fund.

Aims and objectives of the default

3.2. The default aims to grow the value of members' DC pension savings over the longer term by investing in a diversified range of growth assets.

3.3. The automatic switching of assets in the 10-year period before the members target retirement age is aimed at more closely matching the perceived needs and characteristics of the average member's expected retirement benefits who invests in the default. The asset allocation at retirement age is based on the expectation members will access their DC pension savings by taking 25% of the value of their DC pension savings as a tax-free lump sum, with the remainder used to access benefits flexibly.

Review of the default

3.4. No review has been undertaken during the Scheme year

3.5. The last review of the default commenced on 7 December 2018 and the changes were implemented in March 2021. Both the default's strategy and performance were considered.

3.6. The Trustees are currently undertaking a formal review of the default investment strategy and it is expected to be completed by March 2023.

Further information on the default

3.7. Details of the default are set out in the attached statement of investment principles (SIP), including its aims and objectives. This SIP was last updated in August 2021 to include the Trustees' policy regarding Environmental, Social and Governance ("ESG") factors.

4. Core financial transactions

4.1. The Trustees have a specific duty to ensure that 'core financial transactions' are processed promptly and accurately.

4.2. Core financial transactions comprise the following, in relation to each of the Scheme's DC arrangements:

4.2.1. investment of contributions

4.2.2. transfers into and out of the Scheme

4.2.3. investment switches within the Scheme

4.2.4. payments out of the Scheme

4.3. Core financial transactions are undertaken by the Scheme Administrators, Barnett Waddingham, on behalf of the Trustees.

Controls and monitoring arrangements

4.4. The Trustees delegate administration functions to Barnett Waddingham who are the appointed Scheme administrator.

4.5. The controls in place in relation to ensuring the promptness of core financial transactions are:

4.5.1. The Trustees have a Service Level Agreement (SLA) in place which covers the promptness of transactions, under which Barnett Waddingham aims to ensure at least 95% of core financial transactions within service levels for each type of transaction set out below:

Core Financial Transaction	Service Level Agreement
Contributions/allocations	5 working days
Transfer payments in	3 working days
Transfer payments out	3 working days
Investment switches	5 working days

Core Financial Transaction	Service Level Agreement
Retirement payments out of the Scheme	5 working days
Payments on death of a member	2 working days

4.5.2. In order to monitor Barnett Waddingham's performance against agreed SLAs, the Trustees receive regular administration reports from Barnett Waddingham. These reports include cash flow monitoring, summaries of member transactions, reporting of service performance against the SLAs and identifying any issues arising regarding administration timeliness and/or accuracy. Reports are considered at each regular quarterly Trustees' meeting.

4.5.3. Barnett Waddingham monitors that contributions are paid within regulatory timescales, and processes are in place to invest these contributions accurately and in a timely manner.

4.6. The controls in place in relation to ensuring the accuracy of core financial transactions are:

4.6.1. Barnett Waddingham operates a pooled banking facility. The Barnett Waddingham pension administration system is updated daily to show reconciled balances to the pooled banking system. Financial Conduct Authority regulations for holding client monies mean that Barnett Waddingham must carry out an internal and external reconciliation every day. Barnett Waddingham is audited annually and this is evidenced to the independent auditor.

4.6.2. Monitoring of accuracy is undertaken via the auditing of the Scheme's annual report and accounts and periodic auditing of the Scheme's membership data. In addition, Barnett Waddingham's processes are subject to internal controls procedures.

4.6.3. Barnett Waddingham also publishes an annual Assurance Report on Internal Controls that is externally audited.

4.7. The Trustees believe that these measures enable it to monitor the promptness and accuracy of core financial transactions.

Performance during the scheme year

4.8. In this Scheme year, the SLAs delivered by the administrator have averaged 95%.

4.9. There were no issues during the Scheme year raised for the Trustees' consideration in the regular administration reports.

Assessment

4.10. In view of the controls and monitoring arrangements, the Scheme year, the Trustees believe that core financial transactions have been processed promptly and accurately.

5. Charges and transaction costs

5.1. Members bear charges deducted from the funds in which their DC pension savings are invested. The charges differ between the investment options available and consist of both explicit and implicit charges:

5.1.1. Explicit charges: these are collected by explicit deduction of investment units and are expressed as a percentage of the value of each member's holdings within an investment fund. We refer to these explicit charges as the Total Expense Ratio (TER).

5.1.2. Implicit charges: these relate to the charges and costs incurred within an investment fund arising from the trading activities of the fund, e.g. incurred in the buying and selling of securities, which are not accounted for in the explicit charges. These implicit charges vary according to each fund's investment approach and prevailing market conditions. We refer to these implicit charges as the Transaction Costs.

5.2. In addition to the charges above, transaction costs are incurred in the day-to-day operation of the investment funds, e.g. in relation to an investment fund's trades and switching between investment funds. Transaction costs in particular will vary significantly depending on a fund's investment remit and on the market environment.

5.2.1. It should be noted that a positive figure is where the transaction costs have been a drag on the fund and a negative figure is where transaction costs have actually resulted in a gain. This may occur, for example, when buying an asset, the valuation price when placing the order might be higher than the actual price paid. This gain may offset other transaction costs resulting in a total negative transaction cost for the fund.

5.2.2. All administration, communication and governance costs in respect of the Scheme's benefits are met by CNR International (U.K.) Limited.

Charges and transaction costs in relation to the default investment arrangement

5.3. The charges applied to members within the Scheme are structured by the investment managers as an annual TER and transaction costs which cover the cost of investment management.

5.4. The TER applicable to the default investment arrangement was between 0.304 % and 0.340% depending on the weighting of funds held by the member, as determined by the period to normal retirement age.

5.5. The transaction costs applicable to the default investment arrangement was between 0.105% and 0.012% depending on the weighting of funds held by the member, as determined by the period to normal retirement age.

5.6. The following tables provide details of the charges and transaction costs applied to default investment arrangement and the individual investment funds used by the default investment arrangement. This data has been sourced from Scottish Widows, whose platform is used to access the Scheme's investment funds and there is no charge or transaction cost data missing.

Investment option*	TER (p.a.)	Transaction costs to 31 March 2022 (1 yr)
Default – Continued Lifestyle Strategy*	0.304-0.340%	0.105%-0.012%
BlackRock Diversified Growth Fund	0.702%	0.372%
LGIM Diversified Fund	0.409%	0.000%
Capital Emerging Markets Total Opportunities Fund	0.939%	0.422%
LGIM Retirement Income Multi Asset Fund	0.399%	0.010%
BlackRock Aquila (50:50) Global Equity	0.109%	0.025%
BlackRock Sterling Liquidity	0.164%	0.018%

5.7. The following table provides details of the TER charges and transaction costs for the investment funds available to members during the Scheme year on a self-select basis in addition to those above which are also available on a self-select basis.

Investment Option	TER (p.a.)	Transaction costs to 31 March 2022 (1 yr))
Aquila Emerging Markets Equity SW21	0.314%	-0.280%
Aquila Pacific Rim Equity Index SW21	0.109%	0.035%
BlackRock Corporate Bond All Stocks Index SW21	0.119%	0.033%
BlackRock European Equity Index SW21	0.119%	0.007%
BlackRock Index-Linked Over 5 Year Gilt Index SW21	0.109%	0.049%
BlackRock Japanese Equity Index SW21	0.109%	0.011%
BlackRock Over 15 Year UK Gilt Index SW21	0.109%	0.005%
BlackRock UK Equity Index SW21	0.099%	0.074%
BlackRock US Equity Index SW21	0.099%	0.032%
Newton Real Return SW21	0.844%	0.361%

Impact of costs and charges – illustrative examples

5.8. The Trustees have produced illustrations in line with October 2021 guidance from the Department for Work & Pensions entitled "Reporting of costs, charges and other information: guidance for trustees and managers of occupational schemes".

Parameters used for the illustrations

5.9. To determine the parameters used in these illustrations, the Trustees have analysed the Scheme's membership and investment options offered relevant to the reporting period of this statement and ensured that the illustrations take into account the following:

5.10. Contributions: To simplify the impact of costs and charges, the Trustees have decided to produce illustrations that assume no future contributions will be paid.

5.11. Pot size: Pot sizes of £10,000, £87,000 (rounded median) and £100,000 are used. Pot sizes of £10,000 and £100,000 are used as a guide for members whose pot size is materially lower or higher than the median.

5.12. Timeframe: the illustrations are projected from age 24 and age 48 to age 65, the Scheme's Normal Retirement Date. The Trustees have selected these two scenarios as they reflect the youngest member of the Scheme and the median age of the Scheme's membership based on 31 March 2022.

Guidance to the illustrative examples

5.13. For each individual illustration, each savings pot has been projected twice: firstly for the assumed investment return before costs and charges of the fund are applied; and secondly for the assumed investment return after the costs and charges of the fund are applied.

5.14. Projected pot sizes are shown in today's terms, so recognise the effects of future inflation which is assumed to be at a rate of 2.5% p.a. For certain Funds this means, based on the fund growth rate applied, the real value of the savings pot relative to the impact of price inflation is assumed not to increase over time.

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

5.16. Values shown are estimates and not guaranteed.

5.17. The starting date for the illustrations is 31 March 2022.

5.18. The illustrations are presented in two different ways:

5.19. For the default, the Continued Lifestyle Strategy, the illustrations should be read based on the number of years until the member reaches their Normal Retirement Age (65). This is because the underlying funds used and therefore the costs and charges change over time and this is reflected in the illustrations.

5.20. For the self-select funds, the illustrations should be read based upon the number of future years that a member expects to be invested in those funds.

5.21. The projected growth rates, gross of costs and charges, for each fund or arrangement are in line with the 2022 Statutory Money Purchase Illustrations (SMPI). We provide details for each investment option used to produce the illustrations in the table below:

Investment option	Assumed return above inflation	TER	Transaction Cost*
Default – Continued Lifestyle Strategy	-1.00%-3.50%%	0.259%-0.340%	0.023%-0.104%
Capital International Emerging Markets Total Opportunities Fund	3.00%	0.939%	0.652%
BlackRock UK Equity Index SW21	3.50%	0.099%	-0.006%

*Statutory guidance requires trustees to use an average of the last five years' transaction costs (insofar as they are able) when producing the illustrations. As we have data for the last four years only, the figures are the average over the four years to 31 March 2022.

Default - Continued Lifestyle Strategy

5.22. This has been included as it is the default investment arrangement for the Scheme

Years of investment from age 24	Starting pot size: £10,000		Starting pot size: £87,000		Starting pot size: £100,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£10,000	£10,000	£87,000	£87,000	£100,000	£100,000
1	£10,122	£10,087	£88,061	£87,753	£101,220	£100,866
3	£10,470	£10,365	£91,091	£90,176	£104,703	£103,651
5	£10,969	£10,794	£95,432	£93,904	£109,692	£107,936
10	£12,658	£12,255	£110,121	£106,619	£126,576	£122,550
15	£14,674	£13,935	£127,661	£121,233	£146,737	£139,349
20	£17,011	£15,845	£147,994	£137,851	£170,108	£158,450
25	£19,720	£18,017	£171,566	£156,747	£197,202	£180,169
30	£22,861	£20,487	£198,892	£178,233	£228,611	£204,865
35	£26,502	£23,295	£230,570	£202,664	£265,023	£232,947
41	£31,645	£27,177	£275,313	£236,441	£316,451	£271,771

5.23. Note on how to read this table: If a member aged 24, had £10,000 invested in this strategy on 31 March 2022 when they came to retire at age 65, the fund could grow to £31,645 if no charges were applied. The impact of the costs and charges over time, however, would mean that at age 65 the fund value would be

£27,177. The default involves automatic switching to alternative investment funds as normal retirement age approaches. Because the assumed growth on the fund and charges vary, the closer a members is to normal retirement age, the illustration does not mean someone ten years from taking benefits with a starting pot of £10,000 would have a pot after charges of £12,255.

Years of investment from age 48	Starting pot size: £10,000		Starting pot size: £87,000		Starting pot size: £100,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£10,000	£10,000	£87,000	£87,000	£100,000	£100,000
1	£10,122	£10,087	£88,061	£87,753	£101,220	£100,866
3	£10,470	£10,365	£91,091	£90,176	£104,703	£103,651
5	£10,969	£10,794	£95,432	£93,904	£109,692	£107,936
10	£12,658	£12,255	£110,121	£106,619	£126,576	£122,550
15	£14,674	£13,935	£127,661	£121,233	£146,737	£139,349
17	£15,567	£14,670	£135,436	£127,626	£155,673	£146,696

5.24. Note on how to read this table: If a member aged 48, had £10,000 invested in this strategy on 31 March 2022 when they came to retire at age 65, the fund could grow to £15,567 if no charges were applied. The impact of the costs and charges over time, however, would mean that at age 65 the fund value would be £14,670. The default involves automatic switching to alternative investment funds as normal retirement age approaches. Because the assumed growth on the fund and charges vary, the closer a members is to normal retirement age, the illustration does not mean someone ten years from taking benefits with a starting pot of £10,000 would have a pot after charges of £12,225.

Highest charge self-select fund - Capital International Emerging Markets Total Opportunities Fund

5.25. This has been included as it is the fund with the highest charges in which all members may choose to invest.

Years of investment from age 24	Starting pot size: £10,000		Starting pot size: £87,000		Starting pot size: £100,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£10,000	£10,000	£87,000	£87,000	£100,000	£100,000
1	£10,293	£10,137	£89,546	£88,196	£102,927	£101,375
3	£10,904	£10,418	£94,865	£90,637	£109,040	£104,181
5	£11,552	£10,706	£100,499	£93,146	£115,516	£107,065
10	£13,344	£11,463	£116,093	£99,727	£133,440	£114,629
15	£15,414	£12,273	£134,106	£106,772	£154,145	£122,727
20	£17,806	£13,140	£154,914	£114,316	£178,062	£131,397
25	£20,569	£14,068	£178,951	£122,392	£205,691	£140,680
30	£23,761	£15,062	£206,717	£131,038	£237,606	£150,619
35	£27,447	£16,126	£238,792	£140,296	£274,474	£161,260
41	£32,634	£17,503	£283,917	£152,272	£326,342	£175,025

5.26. Note on how to read this table: If a member had £10,000 invested in this strategy on 31 March 2022, after 10 years of membership, the fund could grow to £32,634 if no charges were applied, but to £17,503 with charges applied.

Years of investment from age 48	Starting pot size: £10,000		Starting pot size: £87,000		Starting pot size: £100,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£10,000	£10,000	£87,000	£87,000	£100,000	£100,000
1	£10,293	£10,137	£89,546	£88,196	£102,927	£101,375
3	£10,904	£10,418	£94,865	£90,637	£109,040	£104,181
5	£11,552	£10,706	£100,499	£93,146	£115,516	£107,065
10	£13,344	£11,463	£116,093	£99,727	£133,440	£114,629
15	£15,414	£12,273	£134,106	£106,772	£154,145	£122,727
17	£16,330	£12,612	£142,071	£109,728	£163,300	£126,124

5.27. Note on how to read this table: If an active member had £10,000 invested in this strategy on 31 March 2022, after 10 years of membership, the fund could grow to £16,330 if no charges were applied, but to £12,612 with charges applied.

Lowest charge self-select fund - BlackRock Aquila UK Equity Index Fund

5.28. This has been included as it is the fund with the lowest charges in which all members may choose to invest

Years of investment from age 24	Starting pot size: £10,000		Starting pot size: £87,000		Starting pot size: £100,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£10,000	£10,000	£87,000	£87,000	£100,000	£100,000
1	£10,341	£10,332	£89,971	£89,892	£103,415	£103,324
3	£11,060	£11,031	£96,220	£95,967	£110,598	£110,307
5	£11,828	£11,776	£102,903	£102,453	£118,280	£117,762
10	£13,990	£13,868	£121,714	£120,650	£139,901	£138,678
15	£16,547	£16,331	£143,962	£142,079	£165,474	£163,310
20	£19,572	£19,232	£170,278	£167,315	£195,722	£192,316
25	£23,150	£22,647	£201,405	£197,033	£231,499	£226,475
30	£27,382	£26,670	£238,221	£232,030	£273,817	£266,701
35	£32,387	£31,407	£281,766	£273,242	£323,869	£314,071
41	£39,615	£38,215	£344,652	£332,470	£396,152	£382,149

5.29. Note on how to read this table: If a member had £10,000 invested in this strategy on 31 March 2022, after 10 years of membership, the fund could grow to £39,615 if no charges were applied, but to £38,215 with charges applied.

Years of investment from age 48	Starting pot size: £10,000		Starting pot size: £87,000		Starting pot size: £100,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£10,000	£10,000	£87,000	£87,000	£100,000	£100,000
1	£10,341	£10,332	£89,971	£89,892	£103,415	£103,324
3	£11,060	£11,031	£96,220	£95,967	£110,598	£110,307
5	£11,828	£11,776	£102,903	£102,453	£118,280	£117,762
10	£13,990	£13,868	£121,714	£120,650	£139,901	£138,678
15	£16,547	£16,331	£143,962	£142,079	£165,474	£163,310
17	£17,697	£17,435	£153,962	£151,682	£176,968	£174,347

5.30. Note on how to read this table: If a member had £10,000 invested in this strategy on 31 March 2022, after 10 years of membership, the fund could grow to £17,697 if no charges were applied, but to £17,435 with charges applied.

6. Net investment returns

6.1. From 1 October 2021, trustees of all relevant pension schemes, are required to calculate and state the annualised return, net of transaction costs and charges, of all of the investment options members were able to select, and in which members' assets were invested, during the Scheme year. When preparing this section the Trustees have taken account of the relevant statutory guidance.

6.2. For the arrangements where the investment returns vary with age, such as for the Continued Investment, Annuity and Cash Lifestyle Options, the investment returns must be shown over 1 year and 5 years for a member aged 25, 45 and 55 at the start of the period. The tables below only show returns for 1 year as the current lifestyle options were only introduced from 1 April 2022.This is reflected in the tables below:

6.3. For the default investment arrangement, net returns are shown over various periods to the end of the Scheme year for a member aged 25, 45 and 55 at the start of the period.

Default investment arrangement – Continued Investment Lifestyle Strategy

Age of member at start of investment period	Annualised Return –1 year to 31 March 2022	Annualised Return – 5 years to 31 March 2022
25	7.41%	Not available
45	7.41%	Not available
55	7.41%	Not available

-Annuity Lifestyle Strategy

Age of member at start of investment period	Annualised Return –1 year to 31 March 2022	Annualised Return – 5 years to 31 March 2022
25	7.41%	Not available
45	7.41%	Not available
55	7.41%	Not available

Cash Lifestyle Strategy

Age of member at start of investment period	Annualised Return –1 year to 31 March 2022	Annualised Return – 5 years to 31 March 2022
25	7.41%	Not available
45	7.41%	Not available
55	7.41%	Not available

Self-select funds

Investment fund	Annualised Return –1 year to 31 March 2022	Annualised Return – 5 years to 31 March 2022
BlackRock Diversified Growth Fund	0.0%	4.3%
LGIM Diversified Fund	6.0%	N/A
Capital Emerging Markets Total Opportunities Fund	-3.5%	2.0%
LGIM Retirement Income Multi Asset Fund	3.8%	N/A
BlackRock Sterling Liquidity	0.0%	0.3%
BlackRock Aquila (50:50) Global Equity	10.8%	7.0%
Aquila Emerging Markets Equity SW21	-7.8%	4.6%
Aquila Pacific Rim Equity Index SW21	1.9%	6.0%
BlackRock Corporate Bond All Stocks Index SW21	-5.3%	1.6%
BlackRock European Equity Index SW21	6.5%	7.2%
BlackRock Index-Linked Over 5 Year Gilt Index SW21	3.7%	3.0%
BlackRock Japanese Equity Index SW21	-2.7%	5.0%
BlackRock Over 15 Year UK Gilt Index SW21	-7.5%	0.8%
BlackRock UK Equity Index SW21	12.0%	4.5%
BlackRock US Equity Index SW21	20.8%	14.9
Newton Real Return SW21	1.3%	4.5%

7. Value for members

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

7.2 The value for members assessment was undertaken in accordance with the statutory guidance for the Scheme year. Analysis was undertaken by Barnett Waddingham LLP and the findings considered and the outcome confirmed at a Trustee meeting on 14 October 2022.

7.3 The outcomes of the three components of the assessment were:

7.3.1 Giving greater weight to the default investment arrangement, in which the large majority of assets are invested, costs and charges for the Scheme were significantly higher than the average for the comparator schemes. The Trustees therefore concluded that the Scheme provides poor value for members in relation to costs and charges.

7.3.2 Again, giving greater weight to the default investment arrangement, in which the large majority of assets are invested, net returns for the Scheme were closely comparative with the average for the comparator schemes. The Trustee therefore concluded that the Scheme provides good value for members in relation to net investment returns.

7.3.3 The Trustees considered all seven metrics across scheme administration and governance. The Trustees concluded that the Scheme provides good value for members in relation to administration and governance.

7.4 Taking the three components into account, the Trustees concluded that overall the Scheme provides good value for members.

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

7.6 The assessment comprises three components:

7.6.1 An assessment of costs and charges relative to the average costs and charges for three comparator schemes.

7.6.2 An assessment of net investment returns relative to the average net investment returns for three comparator schemes.

7.6.3. A self-assessment across seven key metrics of scheme administration and governance.

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

7.8 The following comparator schemes were used for the relative components of the assessment: Aegon Master Trust, Aviva Master Trust and Legal & General WorkSave Mastertrust.

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

7.9.1 the services fully paid for by CNR International (UK) Limited, e.g. the administration and communication services, and the services of legal advisers, consultants and auditors;

7.9.3 the employer contributions available through the Scheme; and

7.9.4 the operation of salary sacrifice for employee contributions, for members that opt-in to the arrangement

8. Trustee knowledge and understanding

The Trustee Board

8.1. During the reporting period, the Trustees comprised four trustees, two of whom are nominated by the members and two who are appointed by the Company.

8.2. One of the member nominated Trustees, Marcus Lethaby, acts as the Chair.

Trustee knowledge and understanding requirements

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

Approach

8.4. The Trustees aim to remain conversant with the Scheme's Trust Deed and Rules (TD&R) as well as all other Scheme documents such as the Statement of Investment Principles (SIP), the risk register and current policies, e.g. conflicts of interest. They do so through their experience in governing the Scheme, as well as specific activities over the Scheme year and access to professional advice.

8.5. The Trustees aim to achieve and maintain knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets through a combination of training and taking professional advice.

8.6. An induction process is in place for newly appointed Trustees, which involves completion of The Pensions Regulator's trustee toolkit within 6 months of appointment.

8.7. The prioritisation of ongoing Trustees training considers the areas of business the Trustees are expected to address during each reporting period, and an assessment of the individual and collective current knowledge and future training needs identified are assessed relative to these considerations. A training log is maintained in relation to training undertaken and is reviewed at each Trustees meeting.

8.8. In addition, emerging legislation and market developments are considered at each regular quarterly Trustees' meeting. Any expected impact and timing of such developments are reflected in the Trustees' Business Plans and any future training needs are identified and assessed relative to these considerations.

8.9. The Trustees supplement the structured training above with activities such as attending relevant seminars and conferences whenever feasible to do so.

8.10. The Trustees consult with professional advisers as and when required, for example on consultancy, investment and legal matters. The professional advisers are engaged to pro-actively alert the Trustees on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Scheme's documents, attending Trustees meetings and often in the delivery of training at these meetings.

Activities over the Scheme year

8.11. The Trustees by reference to the existing TD&R, pensions and trust law, and with regard to the investment of scheme assets, during the Scheme year:

8.11.1. Reviewed their investment advisers objectives, in line with new regulatory requirements.

8.11.2. Gave due consideration in the exercise of their powers relating to the distribution of benefits payable in the event of a members death.

8.11.3. Where deemed necessary, input was sought from the Trustees advisers.

8.12. During the year the Trustees also reviewed, and where appropriate updated, the following Scheme documents:

8.12.1. Payment Schedule

8.12.2. Register of conflicts of interest

8.12.3. Internal Dispute Resolution Procedure

8.12.4. Business plan and budgets

8.12.5. Risk register

8.12.6. Scheme Member Guide

8.12.7. Trustees training log

8.13. The Trustees' training programme priorities were reviewed ongoing at each quarterly meeting, as part of ongoing business planning and consideration of future pension regulatory changes.

8.14. The Trustees received training at Trustees meetings over the Scheme year on the following topics:

8.14.1. DC Scheme regulation including the push of the government towards scheme consolidation.

8.14.2. Pension Scams awareness

8.14.3. The Occupational and Personal Pension Scheme (Conditions of Transfers) Regulations 2021 – New regulations introduced from 30 November 2021

8.15. In addition, the Trustees took professional advice on:

8.15.1. Compliance with the disclosure of costs, charges and investments requirements.

8.15.2. Undertaking the annual value for members assessment; and

8.15.3. Investment accumulation rate assumptions used for members' statutory money purchase illustrations.

Assessment

8.16. The Trustees consider that their combined knowledge and understanding, together with their access to professional advice, enables them to properly exercise their trustee functions.

Marcus Lethaby 14/10/2022

Marcus Lethaby, Chair of the Trustees Date

CNR International (UK) Limited Pension Scheme

Statement of Investment Principles

August 2021

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1. Introduction

1.1. This Statement of Investment Principles ("the Statement") has been prepared by the Trustees ("the Trustees") and relates to the defined contribution (DC) benefits provided through the CNR International (UK) Limited Pension Scheme ("the Scheme)". The Statement sets down the principles which govern the decisions about the investments that enable the Scheme to meet the requirements of:

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

1.2. In preparing this statement the Trustees have consulted CNR International (UK) Limited, the Principal Employer, and obtained advice from Barnett Waddingham LLP, the Trustees' investment consultants. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

1.3. This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates).

1.4. The Trustees will review this Statement at least every three years or if there is a significant change in any of the areas covered by the Statement or the demographic profile of members.

1.5. The investment powers of the Trustees are set out in Section 12.9 of the Definitive Trust Deed and Rules, dated 18 March 2002. This statement is consistent with those powers.

2. Choosing investments

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

2.2. The Trustees set the overall investment target and then monitor the performance of their managers against that target. The Trustees' policy is to offer a default investment arrangement plus a core range of investment funds suitable for the Scheme's membership profile into which members can choose to invest their contributions and those contributions made by the employer. Details of these are given in the Appendix. In doing so, the Trustees consider the advice of their professional advisers, whom they consider to be suitably qualified and experienced for this role.

2.3. The day-to-day management of the Scheme's assets is delegated to the investment managers. The Scheme's investment managers are detailed in the Appendix to this Statement. The investment managers are authorised and regulated by the Financial Conduct Authority, and are responsible for stock selection and the exercise of voting rights. The investment managers are accessed through an investment platform provider, Scottish Widows.

2.4. The Trustees monitor the appropriateness of the Scheme's investment strategy on an ongoing basis. This includes consideration of the continued competence of the investment managers with respect to their performance within any guidelines set. The Trustees will also consult the employer before amending the investment strategy.

3. Investment objectives

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

4. Kinds of investments to be held

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

5. The balance between different kinds of investments

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

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

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

6. Risks

6.1. Risk in a defined contribution scheme lies with the members themselves. The Trustees have considered a number of risks when designing and providing suitable investment choices to members. A comprehensive list of risks is set out in the Trustee risk register, however, the main investment risks affecting all members are:

Inflation risk	The risk that the investments do not provide a return at least in line with inflation, thus eroding the purchasing power of the retirement savings. The Trustees make available investment options that are expected to provide a long-term real rate of return.
Conversion risk	The risk that fluctuations in the value of assets held, particularly in the period before retirement savings are accessed, lead to uncertainty over the benefit amount likely to be received. In the lifestyle arrangements made available through the Scheme (see Appendix), the Trustees change the proportion and type of investments so that in the run up to retirement the investments gradually start to more closely match how the Trustees expect members to access their retirement savings. The Trustees keep under review the appropriateness of the strategies.
Retirement income risk	The risk that a member's retirement income falls short of the amount expected, whether this is due to lower investment returns than expected or insufficient contributions being paid. The Trustees periodically review the appropriateness of the investment options offered to ensure member outcomes can be maximised. Communications to members will seek to encourage them to regularly review the level of their contributions, but ultimately this is a risk which lies with each member.
Investment manager risk	The Trustees monitor the performance of the Scheme's investment managers on a regular basis in addition to having meetings with them from time to time as necessary. The Trustees have a written agreement with Scottish Widows, the platform provider, which contains a number of restrictions on how they operate the Scheme's investments.
Concentration/ Market risk	Each investment manager is expected to manage properly diversified portfolios and to spread assets across a number of individual shares and securities.
Currency risk	The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management.
Loss of investment	The risk of loss of investment by the investment manager and custodian is assessed by the Trustees. This includes losses beyond those caused by market movements (e.g. default risk, operational errors or fraud).

7. Expected return on investments

7.1. The Trustees have regard to the relative investment return, net of fees, and risk that each asset class is expected to provide. The Trustees are advised by their professional advisors on these matters, whom they have deemed to be appropriately qualified. However, the day-to-day selection of investments is delegated to the investment manager.

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

8. Realisation of investments

8.1. The Trustees have delegated the responsibility for buying and selling investments to the investment manager.

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

9.1. The Trustees, with their investment advisor, have considered the financial materiality of environmental, social and governance issues, including climate change (referred to together as "ESG issues"), within their default investment strategy and self-select member options. The Trustees view ESG issues within an investment context as financially material, however, the Trustees appreciate that taking ESG into account within an investment strategy process will yield different returns and/or risks for different asset classes. The Trustees' view on ESG integration within each asset class is outlined below:

9.1.1. **Passive equities** – the Trustees accept that when investing passively in equity index tracker funds, there is little that the manager can do within the investment process selecting stocks. However, the Trustees believe that positive engagement on ESG issues can lead to improved risk-adjusted returns. Therefore, the Trustees look to the passive equity manager to positively engage with companies where there is scope to improve the way ESG issues are taken into account when running the company.

9.1.2. **Passive gilts and cash** – the Trustees do not believe there is scope for ESG issues to improve risk-adjusted returns within the Scheme's passive gilt and cash holdings.

9.1.3. **Passive corporate bonds** – the Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's corporate bond managers given ESG factors can be informative with regard to risk adjusted returns. However, in respect of passive corporate bond funds, the managers cannot actively select issues based on ESG criteria but acknowledge stewardship potential, covered in the next section.

9.1.4. **Multi-asset and credit funds** – the Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's multi-asset fund and credit managers given these funds have a degree of active management and some scope to select stocks by ESG factors. The investment process for each multi-asset fund manager should take ESG into account in the selection, retention and realisation of investments. Further to this, the process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

9.2. The Trustees are also cognisant of the different investment timeframes that members will have. Further to this, the Trustees believe that ESG issues will be more important for members who are further from retirement, as the financial materiality of such issues will have a greater impact over their longer timeframe. Therefore, within the Scheme's default investment strategy, the Trustees consider the financial materiality of ESG over various timeframes and will consider changes in relation to this as part of their periodic investment reviews.

9.3. The Trustees are comfortable that all of the investment managers are managing the respective funds with ESG taken into account, where appropriate, for that particular asset class and within applicable guidelines and restrictions.

9.4. Before considering any new mandate, the Trustees will consider if the manager is a signatory to the United Nations supported Principles for Responsible Investment (PRI). At time of writing, all of the Scheme's investment managers are PRI signatories.

9.5. The Trustees will take advice on ESG from their advisers and report on the ESG in an implementation statement in the annual Trustees Report and Accounts, which is available to members.

Stewardship

9.6. Stewardship encompasses the exercise of rights (including voting rights) attaching to the Scheme's investments, and the engagement by and with investment managers.

9.7. The Trustees delegate responsibility for stewardship activities attaching to the Scheme's investments to its investment managers. Managers are expected to exercise voting powers with the objective of preserving and enhancing long term shareholder value. In addition to the exercise of voting rights, managers are expected to engage with key stakeholders (which may include issuers of debt or equity, corporate management, regulators and governance bodies) relating to their investments in order to improve corporate behaviours and governance, improve performance and social and environmental impact and to mitigate financial risks.

9.8. The Trustees periodically review engagement activity undertaken by their investment managers to ensure that the policies outlined above are being met and may explore these issues with its investment managers as part of the ongoing monitoring of the ESG integration and stewardship activities of its investment managers.

9.9. The Trustees are supportive of the UK Stewardship Code published by the Financial Reporting Council and expect the Scheme's investment managers to have corporate governance policies in place which comply with these principles.

Engagement activities

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

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

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

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

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

9.15. Through their consultation with the Principal Employer when setting this Statement of Investment Principles, the Trustees have made the Principal Employer aware of their policy on ESG factors, how they intend to manage them and the importance that the pensions industry as a whole, and its regulators, place on them.

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

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

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

Non-financial matters

9.19. The Trustees do not make specific allowance for non-financial matters (such as member ethical views) within the investment strategy. However, the Trustees consider that it is important to ensure that a suitable range of funds are offered for members who wish to express an ethical preference in their pension saving and review these provisions from time to time.

10. Policy on arrangements with asset managers

Incentivising alignment with the Trustees' investment polices

10.1. Prior to appointing an investment manager, the Trustees consider the investment manager's approach to the management of ESG risks with input from the Scheme's investment consultant, and how their policies are aligned with the Trustees' own investment beliefs.

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

10.3. The Trustees carry out a strategy review at least every three years where they assess the continuing relevance of the strategy in the context of the Scheme's membership and their aims, beliefs and constraints. Within the default solution and core fund range, the Trustees monitor the investment managers' approach to ESG risks on an annual basis.

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

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

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

10.6. The Trustees are mindful that the impact of ESG factors have a long-term nature. However, the Trustees recognise that the potential for change in value as a result of ESG factors may occur over a much shorter term than the factors themselves.

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

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

Method and time horizon for assessing performance

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

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

10.11. The Trustees believe that this fee structure enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

10.12. The Trustees ask the Scheme's investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered regularly.

Portfolio turnover costs

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

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

Duration of arrangement with asset manager

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

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

11. Monitoring

11.1. **Investment Performance:** The Trustees review the performance of each investment option offered through the Scheme against the stated performance objective and, in doing this, the Trustees receive a performance monitoring report on a regular basis. This monitoring takes into account both short-term and long-term performance. The investment manager's overall suitability for each mandate will be monitored as frequently as the Trustees consider appropriate in light of both its performance and other prevailing circumstances.

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

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

12. Agreement

12.1. This Statement was agreed by the Trustees, and replaces any previous statements. Copies of this Statement and any subsequent amendments will be made available to the employer, the investment managers and the Scheme auditor upon request.

Agreed by the Trustees of the CNR International (UK) Limited Pension Scheme on 20 August 2021.

Appendix 1 Note on investment policy in relation to the current Statement of Investment Principles dated August 2021

1. The balance between different kinds of investment

The Trustees' main investment objectives are:

- to provide a suitable default investment option that is likely to be suitable for a typical member;
- to offer an appropriate range of alternative investment options so that members who wish to make their own investment choices have the freedom to do so, recognising that members may have different needs and objectives; and
- seek to achieve good member outcomes net of fees and subject to acceptable levels of risk.

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

The Trustees have made available a range of funds to suit the individual needs of the Scheme's members. For example, a range of equity funds is available for those members willing to accept a greater level of volatility in pursuit of higher expected retirement savings. Bond and cash funds are also offered for those members who are less comfortable with the likely volatility of the equity funds.

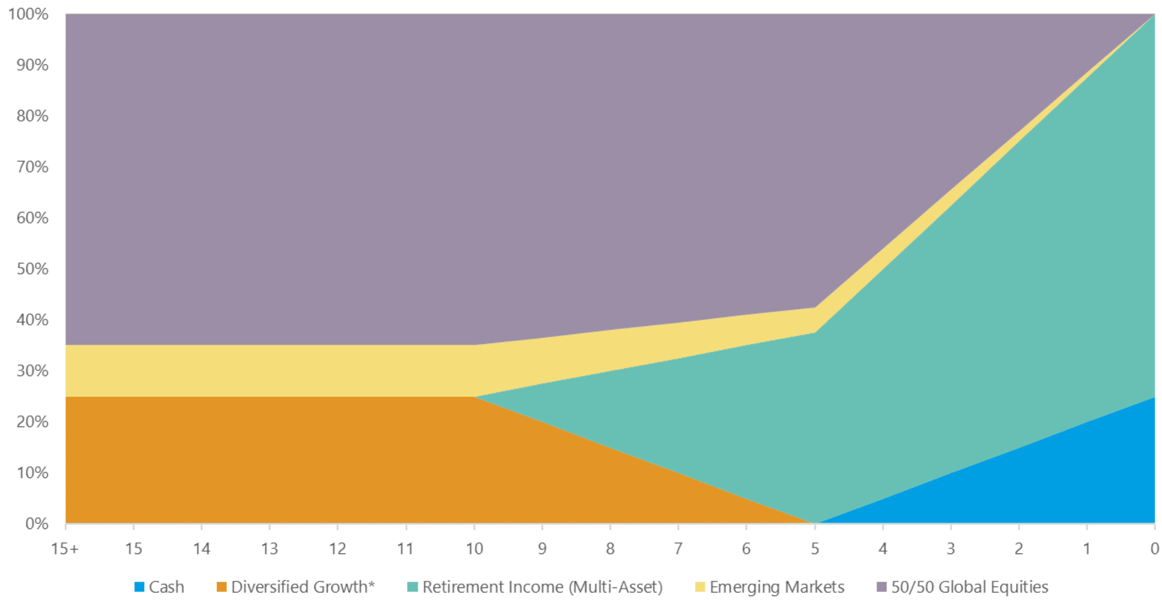
Alternatively, the Trustees have made available a lifestyle arrangement, whereby a member's assets are automatically invested in line with a pre-determined strategy that changes as the member gets closer to accessing their retirement savings. Emphasis is placed on medium to higher risk funds (i.e. investment largely in growth assets) in search of long-term inflation-protected growth whilst the member is a long way off accessing their retirement savings, switching progressively to protection assets over the years preceding the member's target retirement date so as to protect the purchasing power of the retirement savings.

The lifestyle arrangement is constructed from some of the funds mentioned above that are offered to members wanting to manage their own asset allocation decisions.

2. Default option

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

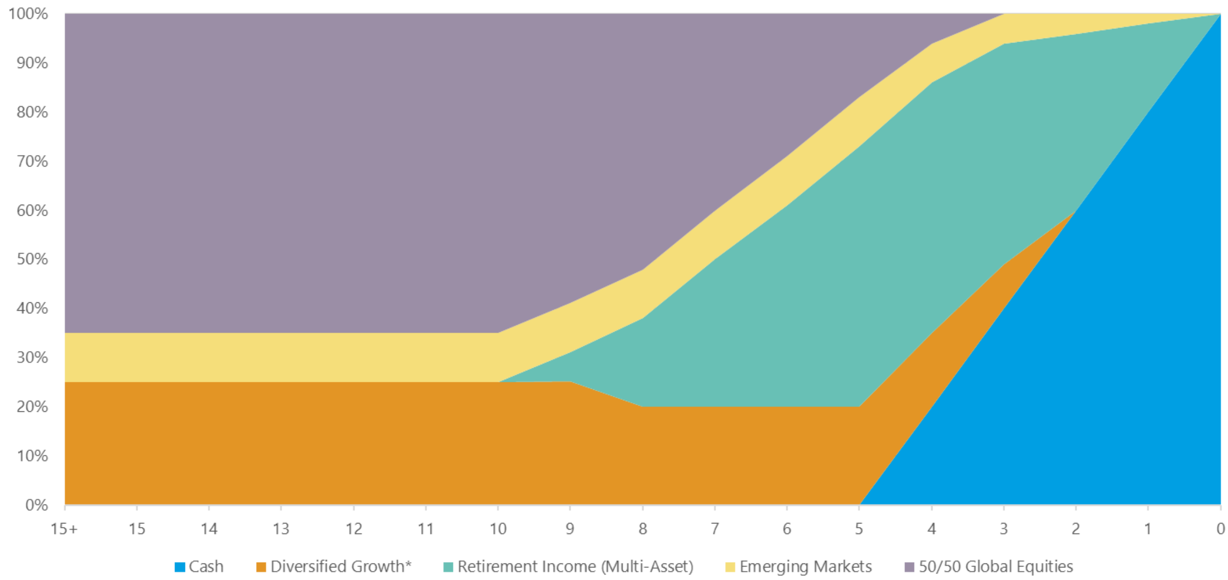
The objective of the continued investment lifestyle strategy is to grow members' assets during the accumulation phase whilst managing downside risk. It then shapes member's assets towards a portfolio at retirement designed to be appropriate to regular withdrawals over the course of a member's retirement. This is consistent with the Trustees' main investment objectives.



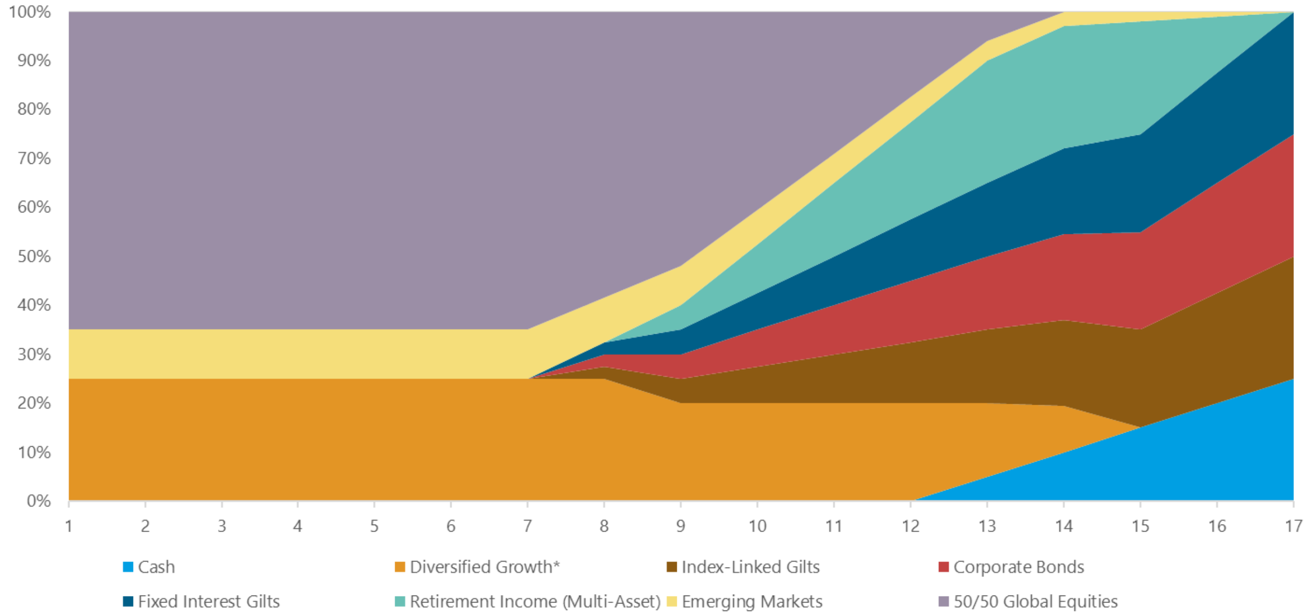
3. Alternative investment options

Acknowledging the challenge of identifying the best solution for different groups of members, and in focusing on its key objective, the Trustees have focused on the default strategy. Alongside the default investment option, the Trustees also make available a range of alternative investment choices as set out below:

Cash lifestyle strategy



Annuity investment lifestyle strategy



Self-select fund range

The self-select fund range includes all the investment funds used for the lifestyle strategies and some additional funds. The entire fund range is shown in the table below:

Investment manager	Fund	Benchmark	Objective
Blackrock	Aquila 50/50 Global Equity Index	50% FTSE All-share and 50% overseas equity	To match benchmark performance
	BlackRock DC Diversified Growth	Bank of England Base Rate	Outperform benchmark by 3.5% p.a. (gross of fees) over rolling 3 year periods
	Aquila Corporate Bond All Stocks Index	iBoxx UK Sterling Non-Gilts All Maturities	To match benchmark performance
	Aquila Index-Linked Over 5 Year Gilt Index	FTSE Actuaries UK Index-Linked Over 5 Years	To match benchmark performance
	Aquila Over 15 Year UK Gilt Index	FTSE Actuaries UK Conventional Gilts Over 15 Years	To match benchmark performance
	BlackRock Sterling Liquidity	7 day LIBID	Outperform benchmark
	Aquila UK Equity Index	FTSE All Share	To match benchmark performance
	Aquila Pacific Rim Equity Index	Zurich Aquila Pacific Rim Custom BM	To match benchmark performance
	Aquila US Equity Index	FTSE USA	To match benchmark performance
	Aquila European Equity Index	FTSE Developed Europe ex UK	To match benchmark performance
	Aquila Emerging Markets Equity	MSCI Emerging Markets	To match benchmark performance
	Aquila Japanese Equity Index	Zurich Aquila Japan Custom BM	Meet benchmark net/gross of fees
Capital Group	Emerging Markets Total Opportunities	MSCI Emerging Markets	Outperform benchmark
Newton	Real Return Fund	LIBOR GBP 1 month	Outperform benchmark by over 4% p.a. (gross of fees) over rolling 5 year periods
LGIM	Diversified Fund	FTSE Developed World Index-50% GBP hedged	Perform broadly in line with comparator
	Retirement Income Multi Asset Fund	Bank of England base rate	Comparator +3.5% p.a.