

Statement of Investment Principles

Introduction

This Statement has been prepared in accordance with Section 35 of the Pensions Act 1995 (the “Act”, as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005). The effective date of this Statement is 30 April 2025. This document has been drafted in the light of the Myners' Principles and specifically Myners' recommendations relating to the content of Statements of Investment Principles. The ultimate power and responsibility for deciding investment policy of the Canada Life UK Division Staff Pension Fund (the “Fund”) lies solely with the Trustee of the Fund (the “Trustee”). However, the Trustee consults the Principal Employer (CLFIS (UK) Limited) on changes in investment policy. In preparing this document the Trustee has had regard to the requirements of the Act concerning diversification and suitability of investments, and the Trustee will consider those requirements on any review of this document or any change in investment policy.

Consultations Made

The Trustee can confirm that it has consulted with the Principal Employer as required by the Act prior to constructing this statement and will take the Principal Employer's comments into account when it believes it is appropriate to do so. The Trustee has also obtained written advice from its Investment Consultant, Hymans Robertson LLP, who is authorised and regulated by the Financial Conduct Authority to give investment advice. It is the Trustee's intention to review this document no later than three years after the effective date of this document or sooner if appropriate.

Financial Services and Markets Act

In accordance with the Financial Services and Markets Act 2000, the Trustee sets general investment policy but delegates the responsibility for selection of specific investments to the appointed Investment Manager. The Trustee endeavours to appoint an Investment Manager capable of providing the skill and expertise necessary to manage the investments of the Fund competently.

Division of responsibilities

1. **Trustee** - the Trustee's investment responsibilities include:

- Determining the investment policy of the Fund and setting the performance aims
- Appointing and monitoring the Investment Manager
- Monitoring the performance of the Fund
- Monitoring compliance with the Statement of Investment Principles

2. **Investment Manager** - the Investment Manager's responsibilities include:

- Reporting on a regular basis to the Trustee
- Ensuring fund management activities are compliant both externally and internally
- Reviewing fund performance under Treating Customer Fairly parameters and taking relevant action to correct any issues
- Appointing and monitoring the Custodian of the Fund's assets

The Trustee has appointed Canada Life Limited as its Investment Manager who delegates the management of assets to Canada Life Asset Management through the Trustee Investment Plan.

3. **Custodian** - Northern Trust are the Fund's custodian. For pooled funds in which the Trustee invests, custodial duties are undertaken by the appointee of the Investment Manager. Investment in pooled funds gives the Trustee a right to the cash value of the units rather than to the underlying assets. The Custodian is independent of the Principal Employer. The Custodian is paid through a combination of transaction-based fees and ad-valorem fees. This is consistent with market practice. Fees are paid via an adjustment to unit prices of the pooled funds in which the assets are invested.
4. **Investment Consultant** – the Investment Consultant's responsibilities include:
 - Advising on investment strategy including asset liability modelling
 - Monitoring the Investment Manager
 - Investment training requirements from the Trustee
 - Advising the Trustee on compliance with investment regulations

The Trustee has appointed Hymans Robertson LLP as the Trustee's Investment Consultant.

5. **Actuary** - the Actuary's responsibilities, as they relate to investment matters, include liaising with the Investment Consultant on the suitability of the Fund's investments given the characteristics of the Fund.

Where they have not been otherwise set or agreed, advisory fees will be calculated with reference to the time spent on, the importance, complexity and urgency of, and the value of the knowledge and skills applied in the context of any particular assignment. Such fees are paid by the Principal Employer.

Investment Objectives

The Trustee's primary objectives are:

- "funding objective" - to ensure that the Fund is fully funded using assumptions that contain an appropriate margin for prudence. Where an actuarial valuation reveals a deficit, a recovery plan will be put in place which will take into account the financial covenant of the Principal Employer;
- "stability objective" – to have due regard to the likely level and volatility of required contributions when setting the Fund's investment strategy; and
- "security objective" – to ensure that the solvency position of the Fund (as assessed on a gilt basis) is expected to improve. The Trustee will take into account the strength of employer's covenant when determining the expected improvement in the solvency position of the Fund.

The Trustee recognises that these objectives may conflict. For example, a greater allocation to more defensive assets may give greater security but may result in a level of contributions which the Principal Employer may find too difficult to support. The Trustee also recognises that in resolving this conflict, it is necessary to accept some risk.

Choosing Investments

The types of investment held and the balance between them will be such as is deemed appropriate given the liability profile of the Fund, its cash flow requirements, the funding level of the Fund and the Trustee's objectives set

out above. The Trustee will seek advice on this following actuarial valuations or significant changes in the Fund's circumstances. The assets of the Fund are invested in the best interests of the members and beneficiaries.

The Trustee exercises its powers of investment (or delegation where these powers have been delegated to a fund manager) in a manner calculated to ensure the security, quality, liquidity and profitability of the portfolio as a whole. In order to avoid an undue concentration of risk a spread of assets is held. The diversification is both within and across the major asset classes. The extent of this diversification will reflect the Trustee's investment return expectations detailed below. Assets held to cover the Fund's technical provisions (the liabilities of the Fund) are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Fund.

Kinds of investment to be held

The Fund may invest in quoted and unquoted securities of UK and overseas markets, including equities and fixed interest and index-linked bonds, cash and property, either directly or through pooled funds.

The Fund may also make use of contracts of insurance, derivatives and contracts for difference (or in pooled funds investing in these products) for the purpose of efficient portfolio management or to hedge specific risks. The Trustee considers all of these classes of investment to be suitable in the circumstances of the Fund.

The Balance between Different Kinds of Investments

The Trustee recognises that the key source of financial risk (in relation to meeting its objectives) arises from asset allocation. It therefore retains responsibility for setting asset allocation and takes expert advice as required from its professional advisers.

The Trustee reviews its investment strategy following each formal actuarial valuation of the Fund (or more frequently should the circumstances of the Fund change in a material way). The Trustee takes written advice from its professional advisers regarding an appropriate investment strategy for the Fund. A broad range of available asset classes has been considered. This includes consideration of so called "alternative" asset classes (namely private equity and hedge funds). It is the view of the Trustee that these alternative asset classes are not suitable for investment at the current time.

In setting the Fund's investment strategy, the Trustee's primary concern is to act in the best financial interests of the Fund and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. The Trustee believes that in order to fulfil this commitment and to protect and enhance the value of the Fund's investments, it must act as a responsible steward of the assets in which the Fund invests.

Investment Risk Measurement and Management

The Fund is exposed to a number of risks which pose a threat to meeting its objectives. The principal risks affecting the Fund are:

Funding risks

- Financial mismatch – The risk that Fund assets fail to grow in line with the developing cost of meeting the liabilities.
- Changing demographics – The risk that longevity improves, and other demographic factors change, increasing the cost of the Fund benefits.
- Systemic risk - The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of

meeting the Fund's liabilities. Climate change is a particular systemic risk that has the potential to cause economic, financial and demographic impacts.

The Trustee measures and manages financial mismatch in two ways. The Trustee has set a strategic asset allocation benchmark for the Fund. The Trustee assesses risk relative to that benchmark by monitoring the Fund's asset allocation and investment returns relative to the benchmark. The Trustee also assesses risk relative to liabilities by monitoring the delivery of returns relative to liabilities.

The Trustee keeps mortality and other demographic assumptions, which could influence the cost of benefits, under review. These assumptions are considered formally at triennial valuations and the Trustee may enter into insurance contracts (bulk annuities or longevity swaps) to reduce these demographic risks.

The Trustee seeks to mitigate systemic risks through a diversified portfolio, but it is not possible to make specific provision for all possible eventualities that may arise under this heading.

Asset risks

- Concentration - The risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives.
- Illiquidity - The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets.
- Currency risk – The risk that the currency of the Fund's assets underperforms relative to Sterling (i.e. the currency of the liabilities).
- Manager underperformance - The failure by fund managers to achieve the rate of investment return assumed in setting their mandates.
- Environmental, Social and Governance (ESG) risks – the extent to which ESG issues are not reflected in asset prices and/or not considered in investment decision making leading to underperformance relative to expectations.
- Climate risk - The extent to which climate change causes a material deterioration in asset values as a consequence of factors including but not limited to policy change, physical impacts and the expected transition to a low-carbon economy.

The Trustee does not expect asset managers to take excess short-term risk and will regularly monitor their performance against the benchmarks and objectives set on a short, medium and long term basis.

Other provider risk

- Transition risk - The risk of incurring unexpected costs in relation to the transition of assets among managers.
- Custody risk - The risk of loss of Fund assets when held in custody or when being traded.
- Credit default - The possibility of default of a counterparty in meeting its obligations.

The Trustee monitors and manages risks in these areas through a process of regular scrutiny of its providers. In certain circumstances the Trustee will delegate such monitoring and management of risk to the appointed Investment Manager as appropriate (e.g. custody risk in relation to pooled funds). When carrying out significant transitions, the Trustee seeks professional advice.

Other risks

- Political risk – The risk of an adverse influence on investment values arising from political intervention.
- Geographic risk – The risk of an adverse influence on investment values arising from geographical exposure.

The Trustee manages these risks by undertaking regular reviews of the actual investments relative to the policy and through regular assessment of the levels of diversification within the existing portfolio.

In terms of its investment strategy the Trustee views risk as the danger that the chosen strategy would result in the objectives not being met. The strategy is designed to strike a balance between risk and return and meet the objectives whilst monitoring those other factors that may result in the failure to meet the objectives.

The key investment risks are recognised as arising from asset allocation. These are assessed triennially in conjunction with the actuarial valuation of the Fund, following which the Trustee takes advice on the continued appropriateness of the existing investment strategy.

Risks associated with changes in the employer covenant are assessed by monitoring the Failure Score (as defined for the purposes of calculating the risk-based element of the Pension Protection Fund levy). The Trustee also has an agreement with the Principal Employer to receive notification of any events which have the potential to alter the creditworthiness of sponsoring employers in particular; the Trustee will be informed of Type A events, as defined in appropriate guidance issued by the Pensions Regulator, and employer-related Notifiable Events. On receipt of such notification, the Trustee will re-consider the continued appropriateness of the Fund's existing investment strategy.

The performance of the Investment Manager will be reviewed semi-annually. The Trustee monitors the risks arising through the selection or appointment of fund managers on a six-month basis via investment monitoring reports prepared by its Investment Manager. The Trustee has requested its Investment Consultant to alert it to any matters of material significance that might affect the ability of the investment manager to achieve its objectives.

The Trustee acknowledges that investment returns achieved outside the expected deviation (positive or negative) maybe an indication that the Investment Manager is taking a higher level of risk than indicated. The Trustee expects the Investment Manager to maintain appropriate monitoring systems to ensure compliance with any relevant investment manager agreements.

Realisation of Investments / Disinvestment

The Trustee recognises that there is a risk in holding assets that cannot be easily realised should the need arise. The majority of the assets held are realisable at short notice (through the sale of units in pooled funds) or the sale of gilts and bonds. The realisation of assets from the Investment Manager must be authorised by the authorised signatories as arranged between the Investment Manager and the Trustee. The Trustee will advise the Investment Manager of any additions or deletions of authorised signatories when they occur.

Strategic Asset Allocation

The Trustee has translated its objectives into a suitable strategic (asset allocation) benchmark for the Fund. The Trustee monitors strategy relative to its agreed asset allocation benchmark. It is intended that investment strategy will be reviewed at least every three years following actuarial valuations of the Fund. Written advice is received as required from professional advisers.

Although the Trustee has not made explicit allowance for the risks of climate change in setting the Fund's current investment strategy, ESG and climate change considerations are increasingly becoming key agenda items, and the Trustee will continue to discuss these issues with the Investment Manager and its advisors.

After receiving advice on the Fund's current circumstances, the Trustee has agreed the assets should be invested in the following manner. There are two portfolios, the Growth Portfolio and the Matching Portfolio.

- The Growth Portfolio's objective is to provide positive long-term returns, to outperform the liabilities and help to eliminate any deficit. This portfolio represents 10% of the Fund's assets.
- The Matching Portfolio, which represents the remaining 90% of assets, has the objective to provide a better match to the interest rate and inflation sensitivities of the liabilities as measured by the Long-Term Funding Target (gilts + 0.5%). The target hedge ratio is 100% of interest rates and inflation measured on the Long-Term Funding Target basis. The actual hedge ratio will be dependent on market conditions, cashflows and membership changes.
- Any monies required to pay benefits, or any monies that require investing from the Fund's bank account (after allowing for benefit payments) can be disinvested from or invested in either portfolio respectively depending on Trustee instructions.

Asset allocation

	Range (%)	Target (%)	Benchmark
Growth Portfolio			
UK Equities	30-40	35	FTSE All Share Index
Overseas Equities	60-70	65	FTSE World ex-UK Index
Total Growth Portfolio		100	
Matching Portfolio			
Index Linked Bonds	30-50	40	Model Bond Portfolio (details below)
Fixed Interest Bonds	50-70	60	Model Bond Portfolio (details below)
Cash	0-10	0	
Investment Grade Sterling Credit	0-100		
Total Matching Portfolio		100	
Total Matching Portfolio Duration	+/- 2yrs		Model Bond Portfolio (details below)
Total Portfolio Cash	0-10		Note any cash held is deemed to be part of the Matching Portfolio for performance measurement purposes
Total		100	

Within these asset classes the following guidelines apply regarding diversification.

UK Equities

Investments in equities will be made through a diversified pooled fund or by a combination of pooled funds. No single equity position will represent more than 7% (or 110% of the weighting of that equity within the FTSE All Share Index if greater) of the Fund's total equity component as measured by market value, unless approved by the Trustee. The Investment Manager will notify the Trustee and Investment Consultant as soon as practicable of any breach of this limit.

Overseas Equities

Investment in equities will be made through a diversified pooled fund or by a combination of pooled funds. No single equity position will represent more than 7% of the Fund's total equity component as measured by market value, unless approved by the Trustee. No more than 75% of the total value of overseas equities will be invested in any single foreign country. The Investment Manager will notify the Trustee and Investment Consultant as soon as practicable of any breach of this limit.

Investment Management Restrictions and Guidelines

Restrictions apply to ensure that the Fund is invested in a prudently diversified manner:

- The Investment Manager is restricted from investing assets in hedge funds and using derivative instruments.
- The Investment Manager is not permitted to take an action that will deliberately move the asset allocation outside of the ranges quoted above unless sanctioned by the Trustee.
- If the assets move outside of the ranges quoted in the table above due to market movements, the Investment Manager should notify the Trustee and Investment Consultant within five business days, so that corrective action can be discussed and agreed.
- Furthermore, if the split between the Growth and Matching Portfolios deviates by more than +/- 5% of the allocations defined above due to market movements, the Investment Manager should notify the Trustee and Investment Consultant within five business days, so that corrective action can be discussed and agreed.

Matching Portfolio

Investments will be made directly into index-linked gilts, fixed interest gilts or sterling denominated investment grade credit.

- The Investment Manager has the discretion to invest in Sterling denominated investment grade credit.
- It is expected that, if utilised, the credit will have an average rating of A or better, based on an internal credit rating. Internal credit ratings will be no higher than that assigned by an external credit rating agency, where such a rating exists.
- If utilised the credit is expected to exhibit a similar duration to the gilt it replaces.
- The Investment Manager will have the ability to invest up to 10% of the Matching Portfolio in private issuance.
- The Investment Manager will not be allowed to directly invest in sub-investment grade bonds but, if any credits that are purchased are subsequently downgraded, the Trustee will be notified of a change in the credit rating and the Investment Manager's recommendation to hold or sell.
- No single issuer will represent more than 5% of the Fund's Matching Portfolio as measured by market value. This limitation does not apply to bonds issued or guaranteed by the UK government.
- The Matching Portfolio will be managed to duration within +/- 2 years of the Matching Portfolio benchmark.
- The Matching Portfolio benchmark is set out in the Investment Policy Implementation Document ("IPID").

Expected Returns on Assets

Over the long-term the Trustee's expectations are:

- For units representing "growth" assets (for example, equities and property), to achieve a return which keeps pace with the increase in national average earnings over the same period. The Trustee considers short-term volatility in equity price behaviour is acceptable, given the general expectation that over the long-term these assets will outperform the other asset classes.
- For the "matching" assets:
 - investments in index-linked bonds, to achieve a rate of return linked to price inflation, and short-term price behaviour in line with the investments underlying the provision of index-linked annuities.
 - for units representing monetary assets (for example, corporate bonds and gilts), to achieve a rate of return which is at least in line with the investments underlying the provision of fixed income annuities.

Returns achieved by the fund managers are assessed against performance benchmarks set by the Trustee in consultation with its advisers and fund managers.

Fee Structure

Remuneration for each mandate is determined at the inception of each mandate based on commercial considerations and typically set on an ad valorem basis. The Trustee periodically reviews the fees paid to managers against industry standards.

The charges applied are consistent with those charged to other policyholders on the same funds. Where direct investments are held the manager charges 0.1% p.a.

Performance Targets

The Trustee has instructed the Investment Manager to deliver a specific benchmark, which overall will align to deliver the broader investment strategy. The Trustee ensures that all manager engagements have clearly defined benchmarks, objectives and management parameters.

In respect of the assets of the Fund the objective is to achieve performance over and above each of the indices/securities detailed in the investment strategy section (net of fees), for the relevant region/asset class annualised over rolling 3-year periods. It is the Investment Manager's objective to invest the Fund's assets in a mixture of units of its various pooled pension funds and direct holdings in bonds to achieve the desired asset allocation.

The Investment Manager's performance will also be monitored with respect to a composite benchmark covering all asset classes listed in the investment strategy above. The actual asset value at the end of each month of the Matching and Growth portfolios will be used to weight each portfolio in order to construct a composite benchmark.

Arrangements with Investment Manager

The Trustee has delegated all day-to-day investment decisions to its Investment Manager.

The Trustee regularly monitors the Fund's investments to consider the extent to which the investment strategy and decisions of the Investment Manager are aligned with the Trustee's policies, including those on non-financial matters. This includes monitoring the extent to which the Investment Manager makes decisions based on assessments about medium- to long-term financial and non-financial performance of an issuer of debt or equity, and how it engages with such issuers in order to improve their performance in the medium- to long-term.

The Trustee is supported in this monitoring activity by its Investment Consultant. Where necessary, the Trustee will highlight any areas of concern identified during such reviews to the Investment Manager as part of its engagement process and request that it takes appropriate action. This may include concerns over performance, risk management, stewardship practices, investment process and operational issues and, where such concerns are raised, the Trustee will require the manager to demonstrate levels of improvement. Failure to achieve the desired improvements will result in the mandate being reduced or terminated.

The Trustee receives semi-annual reports and verbal updates from the Investment Consultant on various items including the investment strategy, performance, and longer-term positioning of the portfolio. The Trustee challenges the Consultant and focuses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Fund objectives and assesses the Investment Manager over 3-year periods.

The Trustee also receives annual stewardship reports and challenges the Investment Manager on the monitoring and engagement activities that it carries out, which supports the Trustee in determining the extent to which the Fund's engagement policy has been followed throughout the year.

The Trustee shares the policies, as set out in this SIP, with the Investment Manager, and requests that the Investment Manager reviews and confirm whether its approach is in alignment with the Trustee's policies.

Before appointment of a new Investment Manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies. Where possible, the Trustee will seek to amend that documentation so that there is more alignment.

The Trustee believes that having appropriate governing documentation, setting clear expectations to the Investment Manager by other means (where necessary) and regular monitoring of the Investment Manager's performance and investment strategy is, in most cases, sufficient to incentivise the Investment Manager to make decisions that align with the Trustee's policies and are based on assessments of medium- and long-term financial and non-financial performance.

Where the Investment Manager is considered to make decisions that are not in line with the Trustee's policies, expectations or other considerations set out above, the Trustee will first engage with the Investment Manager and could ultimately replace the Investment Manager where this is deemed necessary.

There is no set duration for arrangements with the Investment Manager, although its continued appointment and that of its asset managers will be reviewed at least every five years. For certain closed-ended vehicles, the duration is defined by the nature of the underlying investments.

Cost Monitoring

The Trustee is aware of the importance of monitoring its Investment Manager's total costs and the impact these costs can have on the overall value of the Fund's assets. The Trustee recognises that, in addition to annual management charges, there are a number of other costs incurred by investment managers including turnover costs (i.e. the costs incurred when the asset managers buy and sell underlying investments).

The Trustee has expectations of the level of turnover within each mandate which is determined at the inception of the mandate, based on the Trustee's knowledge of the asset manager, investment process and the nature of the portfolio. Whilst the Trustee expects performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustee expects its Investment Manager to report on at least an annual basis on the underlying assets held within the portfolio and details of any transactions over the period. The Trustee will challenge its Investment Manager if there is a sudden change in portfolio turnover or if the level of turnover seems excessive.

The Trustee asks its Investment Manager to provide full details of the costs incurred in managing the Fund's assets and expect it to provide this information in line with the CTI cost transparency template. The costs are reviewed annually to determine the overall cost level and, where these costs are out of line with expectations, the Investment Manager will be asked to explain the rationale, including why it is consistent with the strategy and the extent to which it expects it to continue in the future.

The Trustee accepts that transaction costs will be incurred to drive investment returns and that the level of these costs varies across asset classes and by manager style within an asset class. In both cases, a high level of transaction costs is acceptable as long as it is consistent with the asset class characteristics and manager's style and historic trends.

Targeted portfolio turnover is defined as the expected frequency with which each underlying asset manager's fund holdings change over a year. The Investment Manager monitors this on behalf of the Trustee as part of the manager monitoring it provides to the Trustee and flags where there are concerns.

Where the Trustee's monitoring identifies a lack of consistency the mandate will be reviewed.

The Trustee is supported in their cost transparency monitoring activity by its Investment Consultant.

Social, Environmental or Ethical Considerations

The Trustee acknowledges that an understanding of financially material considerations including environmental, social and corporate governance (ESG) factors (such as climate change) and risks related to these factors can contribute to the identification of investment opportunities and financially material risks. As part of its delegated responsibilities, the Trustee expects the Investment Manager to take into account corporate governance, social, and environmental considerations (including long-term risks posed by sustainability concerns including climate change risks) in the selection, retention and realisation of investments. Any decision should not apply personal, ethical or moral judgements to these issues, but should consider the sustainability of business models that are influenced by them.

The Trustee is taking the following steps to monitor and assess ESG-related risk and opportunities:

- ◆ The Trustee Directors will have periodic training on Responsible Investment to understand how ESG factors, including climate change, could impact the Fund's assets and liabilities.
- ◆ The Trustee will request the Investment Manager to provide its Responsible Investment policy and details of how it integrates ESG into its investment decision-making process on a regular basis. Should the Fund look to appoint a new Investment Manager, the Trustee will request this information as part of the selection process. All responses will be reviewed and monitored with input from their Investment Consultant.
- ◆ The Trustee annually reviews the carbon intensity of the portfolio and expects the carbon intensity of the overall portfolio to trend downwards. Where appropriate the Trustee will engage with asset managers who have a relatively high carbon intensity portfolio.
- ◆ The Trustee annually reviews the portfolio exposure to the following sectors: gambling, pornography, alcohol, tobacco, controversial weapons and fossil fuels. Where appropriate the Trustee will engage with managers on the rationale for such investment.

Stewardship – Voting and Engagement

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promoting corporate responsibility in the underlying companies in which its

investments reside. The Trustee recognises that ultimately this protects the financial interests of the Fund and its beneficiaries.

The Trustee expects the Investment Manager to use its influence as a major institutional investor to carry out the Trustee's rights and duties as a shareholder including voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good corporate governance, accountability and positive change.

The Trustee's regular reviews of the Investment Manager, supported by advice from its Investment Consultant, include consideration of broader stewardship matters. If performance is found to be falling short of the standards the Trustee has set out in its policy, the Trustee aims to engage with the Investment Manager and seek a more sustainable position, but may look to replace the Investment Manager.

The Trustee reviews the stewardship activities of the Investment Manager on an annual basis, covering both engagement and the exercise of voting rights. The Trustee will review the alignment of its policies to those of the Investment Manager to ensure it, or other third parties, uses their influence as major institutional investors to carry out the Trustee's rights and duties as a responsible shareholder and asset owner.

The Trustee will engage with the Investment Manager as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned. Furthermore, the Investment Manager is challenged directly by the Trustee and its Investment Consultant on the impact of any significant issues including, where appropriate, ESG issues that may impact the prospects for the return from the portfolio, on a biannual basis at Trustee meetings.

The Trustee expects the Investment Manager to produce reporting in respect of the UK Stewardship Code and TCFD Recommendations.

The transparency for voting should include voting actions and rationale with relevance to the Fund, in particular where: votes were cast against management; votes against management generally were significant; votes were abstained; voting differed from the voting policy of either the Trustee or the Investment Manager.

Where a significant concern is identified, the Trustee will consider the circumstances on a case-by-case basis and a range of methods by which it would monitor and engage with an issuer of debt or equity, an Investment Manager or another holder of debt or equity, and other stakeholders. The Trustee may engage on matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

The Trustee separately considers any conflicts of interest arising in the management of the Fund and its investments and has ensured that the investment manager has an appropriate conflicts of interest policy in place.

Members' Views and Non-Financial Factors

As outlined above, the Trustee is taking a variety of steps to monitor and assess ESG-related risks and opportunities. While the Trustee makes an effort to consider and address the views of the Fund's members, it does not currently specifically take into account the views of Fund members and beneficiaries in relation to ethical considerations, social and environmental impact, or present or future quality of life of the members and beneficiaries of the Fund (defined as 'non-financial factors' in the 2018 Regulations).

The Trustee expects to review this policy on a regular basis (with a minimum of at least once every three years) and will respond to any member or group of members who raise specific concerns.