The Crown Estate Pension Scheme
Statement of Investment Principles

September 2019

Contents

1. Introduction

1.1. What is the purpose of this Statement of Investment Principles ("SIP")?

This SIP sets out the policy of the Trustees on matters governing decisions about the investments of The Crown Estate Pension Scheme (the "Scheme").

The Scheme is made up of four separate sections, two of which are classed as being Defined Benefit ("DB") in nature and another two of which are classed as being Defined Contribution ("DC") in nature.

The specific DB sections are:

- Opal; and
- Quartz Core.

The specific DC sections are

- Quartz Top-Up; and
- Topaz

The Scheme is registered with Her Majesty's Revenue & Customs ("HMRC") for the purpose of the Finance Act 2004. The Opal section is closed to new entrants, but remains open to the future accrual of benefits. The Quartz and Topaz sections are open to new entrants and the future accrual of benefits.

1.2. What is the legal and statutory background to the SIP?

The SIP is designed to meet the requirements of Section 35 of the Pensions Act 1995 & 2004 (the "Act") and the Occupational Pension Schemes (Investment) Regulations 2005 (the "Regulations"). The SIP also reflects the Trustees' response to the voluntary code of investment principles set out in Paul Myners' publication "Institutional Investment: a review".

The Pension Regulator's Code of Practice 13, which was published in July 2016, has also been considered by the Trustees when drafting this SIP. The SIP also takes into account the Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification) Regulations 2018 for policy on financially material considerations, including Environmental, Social and Corporate Governance ("ESG") factors (including climate change), their stewardship policy (voting and engagement) and their approach to member views (if any).

1.3. Who has had input to the SIP?

This SIP has been formulated after obtaining and considering written professional advice from Quantum Advisory LLP ("Quantum"), the Trustees' investment adviser, and consulting The Crown Estate (the "Sponsoring Employer") as required by the Act and subsequently by the Regulations. Quantum has the knowledge and experience required under the Regulations to provide professional advice on the management of the Scheme's investments.

2. DB section – investment objectives and strategy

2.1. Investment policy

The Scheme's assets are held in trust by the Trustees. The investment powers of the Trustees are set out in the Scheme's Trust Deed.

The Trustees are aware of the need to invest assets in the best and sole interest of the members and that the powers of investment must be exercised in a manner which supports the security, quality, liquidity and profitability of the Scheme as a whole.

The Trustees recognise that the assets of the Scheme must consist predominantly of investments admitted to trading on regulated markets and investment in assets which are not admitted to trading on such markets must, in any event, be kept to a prudent level.

2.2. Investment objective

The Trustees, with the help of their advisers and in consultation with The Crown Estate, set the current investment strategy following a consideration of its objectives and other related matters during 2019.

The Trustee's primary concern is to act in the best financial interests of the Scheme's beneficiaries. This requires that a rate of investment return is achieved, which supports the long-term funding plan (which has been discussed with The Crown Estate), that is consistent with a prudent and appropriate level of risk.

2.3. What risks were considered and how are they managed?

The Trustees' primary concern is to act in the financial interests of the Scheme's members. As such, the primary risk is the inability of the Scheme to meet member benefit payments as they fall due.

In order to achieve their objectives, the Trustees recognise the need to invest in both "liability matching" and "return seeking" assets (see 2.5). The Trustees identified the following investment risks:

- the risk that investment returns in general will not achieve expectations;
- the risk that an investment manager will not meet its targets;
- the risk that the value of liabilities may increase due to changes in actual and expected inflation and interest rates;
- the risk of mis-match between the value and timing of the Scheme's income and outgoings;
- the risk of a shortfall in the liquid assets held by the Scheme relative to its immediate liabilities;

- the risk that the performance of any single investment within the Scheme assets may disproportionately affect the ability of the Scheme to meet its overall investment objectives; and
- the risk of misappropriation, unauthorised use or mis-delivery of Scheme assets.

The Trustees recognise these different types of risk and seek to minimise them as far as possible by the use of regular monitoring of investment performance; by a deliberate policy of diversification; by taking into account the timing of future payments; and by regularly reviewing the appropriateness of the prevailing strategy against the Scheme's objectives.

2.4. Financially material considerations, non-financial matters and stewardship policies

2.4.1. Financially material considerations

The Trustees acknowledge the potential impact upon the Scheme's investments (both in terms of risk and return) arising from financially material matters. The Trustees define these as including, but not limited to, ESG factors (including climate change).

With specific regard to ESG factors, the Trustees consider how these are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the evaluation of ESG factors. Representatives of the incumbent investment managers attend Trustees' meetings, at a frequency determined by the Trustees, to present on various matters including their ESG policies. The Trustees also periodically consider publicly available ESG related publications pertaining to the incumbent investment managers.

The Trustees acknowledge that a significant proportion of the Scheme's investments are implemented on a passive basis. This restricts the ability of the investment manager(s) to take active decisions on whether to hold securities based on their consideration of ESG factors. The Trustees do however expect the incumbent investment managers, where relevant, to utilise their position to engage with investee companies on these matters.

The Trustees also consider ESG factors when determining future investment strategy decisions. To date, the Trustees have not established any restrictions on the appointed investment managers, but may consider this in future.

2.4.2. Stewardship

The Trustees acknowledge the constraints that they face in terms of influencing change due to the size and nature of the Scheme's investments. They do, however, acknowledge the need to be responsible stewards and exercise the rights associated with their investments in a responsible manner.

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the stewardship of their investments. Representatives of the incumbent investment managers attend Trustees' meetings, at a frequency determined by the Trustees', in order to present on various matters including their stewardship policies.

2.4.3. Non-financial matters

The Trustees do not consider non-financial factors and do not employ a formal policy in relation to this when selecting, retaining and realising investments. However, where members have been forthcoming with their views, the Trustees may consider these when setting investment strategy.

2.5. What is the investment strategy?

The investment strategy uses two key types of assets:

- "Matching assets": these exhibit characteristics similar to those of the Scheme's liabilities. Typically, matching assets are low risk fixed income investments and the return from them is similar to the return on UK government bonds (referred to as the 'minimum risk' return).

  The Trustees recognise that there are benefits to be derived from the use of Liability Driven Investment ("LDI") solutions, such as the use of gearing. However, such solutions come with enhanced governance criteria, such as the management of collateral and counterparty risk.

- "Return seeking assets": these target a rate of return in excess of the minimum risk return. Typically, these are equities or a diversified pool of other non-matching assets.

Following the investment review in 2019, a strategic asset allocation was agreed. The strategy aims to deliver an appropriate mix of investments, both across and within the two broad asset classes, which support the Scheme's investment objectives. Details of this are set out in Appendix 1.

The Trustees have agreed the appropriateness of the asset allocation benchmarks, performance benchmarks and the various controls adopted by the incumbent managers in managing each fund in which Scheme assets are invested.

The Trustees monitor the performance of the Scheme's DB investments on a quarterly basis. Written advice is received as required from their investment advisers.

2.6. Fund managers, style and target returns

The funds in which the DB Section invests are pooled funds, which the Trustees believe are appropriate given the size and nature of the DB Section. Details of the fund managers, styles, benchmarks and target returns used can be found in Appendix 1.

2.7. Re-balancing

Where practicable, cash flows into and out of the DB section of the Scheme will be used to rebalance allocations across the main asset classes. This procedure excludes the Scheme's LDI and Cash solution. Details of this are set out in Appendix 1.

3. DC section – investment objectives and strategy

3.1 Investment objective

The primary objective of the Scheme's DC Section is to provide, on a DC basis, benefits for members on their retirement or benefits for their dependants on death before retirement. The Trustees look to achieve this by providing members with investment choices that reflect their:

- Attitude to investment risk;
- Level of dependency on the benefits to be drawn;
- Understanding of investment matters; and
- Range of ages, cognisant of:
    - members closer to retirement have less scope to absorb risk and protect against short term fluctuation in asset values; and
    - members further from retirement have greater scope to absorb risk and short-term volatility in asset values, but also have to seek to protect against the erosion of the capital value of their assets by inflation.

3.2 Financially material considerations, non-financial matters and stewardship policies

3.2.1 Financially material considerations

The Trustees acknowledge the potential impact upon the Scheme's investments and members arising from financially material matters. The Trustees define these as including, but not limited to ESG matters (including but not limited to climate change).

With specific regard to ESG factors, the Trustees consider how these are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the evaluation of ESG factors. Representatives of the incumbent investment managers attend Trustees' meetings, at a frequency determined by the Trustees, to present on various matters including their ESG policies. The Trustees also periodically consider publicly available ESG related publications pertaining to the incumbent investment managers.

The Trustees acknowledge that a significant proportion of the Scheme's investments are implemented on a passive basis. This restricts the ability of the investment manager(s) to take active decisions on whether to hold securities based on the investment managers consideration of ESG factors. The Trustees do however expect the incumbent managers, where relevant, to utilise their position to engage with investee companies on these matters.

The Trustees also consider ESG factors when determining future investment strategy decisions. To date, the Trustees have not established any restrictions on the appointed investment managers, but may consider this in future.

3.2.2 Stewardship policy

The Trustees acknowledge the constraints that they face in terms of influencing change due to the size and nature of the Scheme's investments. They do, however, acknowledge the need to be responsible stewards and exercise the rights associated with their investments in a responsible manner.

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the stewardship of their investments. Representatives of the incumbent investment managers attend Trustees' meetings, at a frequency determined by the Trustees', to present on various matters including their stewardship policies.

3.2.3 Non-financial matters

The Trustees do not consider non-financial factors and do not employ a formal policy in relation to this when selecting, retaining and realising investments. However, where members have been forthcoming with their views, the Trustees may consider these when setting investment strategy.

3.3 Risks

The major component of risk is strategic risk which arises from the asset allocation of each individual member's portfolio. In selecting the funds made available to members, the Trustees have provided a range which can be tailored to members' individual requirements at different ages and terms to retirement.

For the Life-Styling matrix approach, the Trustees are comfortable that the benchmark asset allocations of members' funds are appropriate to their age and the targeted method of retirement income.

3.4 Investment strategy

The Scheme has two lifestyle profiles: Balanced Drawdown Lifestyle and the Adventurous Drawdown Lifestyle. The Balanced Drawdown Lifestyle is the Scheme's default investment strategy. Two members are able to continue to invest their member account in the Cautious Lifestyle profile, the Scheme's previous default investment strategy.

The Trustees have also selected a range of funds from which members may self-select. This range is intentionally diverse but not considered by the Trustees to be unduly so. Further details can be found in Appendix 4.

The Scheme's DC funds are accessed through an investment solution. Details of the investment managers and funds used can be found in appendix Appendices 2, 3 and 4.

Members are not able to invest their member account in a lifestyle profile and a self-select fund(s) within a single period of pensionable service. It is possible that a member with two separate periods of pensionable service will hold monies in a self-select fund(s) and a lifestyle profile.

The Scheme's default investment option targets flexi-access drawdown in at retirement The Trustees, believe that this retirement outcome is most likely having undertaken the following:

- Analysis of the Scheme's DC membership
- Member survey of the Scheme's DC membership
- Consideration of product developments and market trends since the introduction of pension flexibilities on 6 April 2015.

The Trustees have agreed the appropriateness of the asset allocation benchmarks, performance benchmarks and the various controls adopted by the incumbent manager in managing each fund in which members can invest. For each fund, the benchmark and the guideline controls reflect the Trustees' view on the appropriate balance between maximising the long-term return on investments and minimising short-term volatility and risk for that fund's strategic aim.

The Trustees monitor the performance of the Scheme's DC investments on a quarterly basis. They also review the continued appropriateness of the targeted retirement outcome at appropriate frequencies. Written advice is received as required from their investment advisers.

3.5 Fund managers, style and target returns

The funds in which DC members invest are pooled funds, which the Trustees believe are appropriate given the size and nature of the DC Section. The managers of the pooled funds are given full discretion (within the bounds of the investment policy relating to the fund) over the choice of individual stocks and are expected to maintain a diversified portfolio within each fund. The Trustees are satisfied that the assets held in each fund are suitable in relation to the needs of members.

3.6 Currency hedging

The Trustees do not have a policy of hedging all foreign currency back to Sterling. For the avoidance of doubt, several of the funds utilised are exposed to currency risk.

3.7 Rebalancing

The Scheme's administrators rebalance the underlying fund allocations of the two lifestyle profiles on a quarterly basis.

Rebalancing of member accounts is not undertaken for self-select members. However, the investment of contributions is made in accordance with their investment instruction.

4. Additional Voluntary Contributions (AVCs)

4.1. What is the strategy for new AVCs?

Active members of the Opal section are able to supplement their DB pension accrual by paying AVCs.

The Trustees periodically review the suitability and performance of these investments to ensure they remain appropriate to the members' needs.

The AVC assets are currently invested with LGIM, Schroder and BlackRock.

5. Implementation solution

5.1 Implementation solutions in general

An implementation solution is a facility that enables pension schemes to buy, sell and hold their investments all in one place. This can allow greater flexibility and efficiency when switching investments as the scheme strategy changes or fund managers have to be replaced. The administrative burden in undertaking the transitions and the associated costs are thus reduced, allowing for a more efficient implementation of the strategy at a potentially lower cost.

The centralisation of funds should also allow consolidated reporting to be obtained more easily and more regularly. All of these features should allow pension schemes greater administrative efficiency, enhanced ease of strategy implementation and potential fee reductions.

5.2 Accessing the implementation solution

Each pension scheme enters into a unit linked life policy through a Trustee Investment Policy ("TIP"). The policy's value is linked to the underlying investments, which the implementation solution provider, in this case Mobius Life Limited ("Mobius Life"), has been directed to purchase. Mobius Life is responsible for investing into the underlying funds and takes responsibility for the relationship with the underlying fund managers. This includes transactions, reporting and governance. This differs from a traditional relationship that pension schemes would have had with fund managers where they would have invested directly with these managers and maintained a number of these individual relationships.

It is worth noting that:

- The DB sections of the Scheme do not currently utilise Mobius Life; and
- The DC sections utilise Mobius Life.

6. Appointment of investment managers

6.1. How many investment managers are there?

Details of the appointed investment managers, together with fund objectives and characteristics are outlined in Appendices 1 to 4. The DC sections of the Scheme currently holds assets with its investment managers through Mobius Life.

6.2. What formal agreements are there with the investment managers?

The Trustees have signed the appropriate policy documents, agreements and application forms with the investment managers (for the DB sections of the Scheme) and Mobius Life (for the DC sections of the Scheme), setting out in detail the terms on which the portfolio is managed, including the need for suitable and appropriately diversified investments.

6.3. What are the investment managers' responsibilities?

The investment managers are responsible for the day-to-day management of the Scheme's investments and are responsible for appointing custodians, if required.

The investment managers are authorised under the Financial Services and Markets Act 2000 to carry out such activities.

Any performance requirements for the investment managers are detailed in Appendix 1.

6.4. Custodians and administrators

The Scheme's investments are through pooled investment vehicles. There is no need for the Trustees to formally appoint a custodian as the investments comprise of units held in listed investment vehicles rather than the underlying stocks and shares. However, the investment managers have themselves appointed custodians for the safe custody of assets.

As the DC sections of the Scheme invest via Mobius Life, custody of the assets held with investment managers is under the Mobius Life name.

7. Other matters

7.1. What is the Trustees' policy on the realisation of investments?

With regards to the DB sections of the Scheme, the investment managers have discretion over the timing of realisation of investments within the pooled vehicles held by the Scheme and in considerations relating to the liquidity of investments.

Under the circumstances where the Scheme experiences negative cashflow, the Trustees and their advisers will decide on the amount of cash required for benefit payments and other outgoings and will inform the investment managers of any liquidity requirements.

In the absence of any strong conviction concerning the future movement of markets, assets will be disinvested to rebalance the Scheme's assets taking into account the asset allocation outlined in Appendix 1; and the costs and risks associated with any rebalancing.

With regards to the DC sections of the Scheme, the assets are either invested in line with the default strategy or in accordance with member requests.

7.2. How are various parties who are involved in the investment of the Scheme's assets remunerated?

Quantum Advisory is remunerated on a fixed fee or time-cost fee basis, with budgets agreed in advance for ad hoc project work whenever possible.

The investment managers and Mobius Life are remunerated on an ad valorem fee basis, which is calculated as a fixed percentage of the total value of the Scheme's funds they hold under management. This structure has been chosen to align the fund managers' and Mobius Life's interests with those of the Scheme.

In addition, the fund managers pay commissions to third parties on many trades they undertake in the management of the assets. The Trustees can seek to obtain an annual statement from the investment managers setting out all the costs of the investments of the Scheme.

7.3. Direct Investments

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager with a written contract and those where a product is purchased directly.

The Trustees' policy is to review their direct investments (if any) and to obtain written advice about them at regular intervals. When deciding whether to make any new direct investments or terminate any direct investments, the Trustees will obtain written advice from the Scheme's investment adviser. If the Trustees believe that an investment is no longer suitable for the Scheme, it will withdraw the assets from the arrangement deemed to be unsuitable and select a suitable alternative.

The written advice from the Scheme's investment adviser will consider the suitability of the investments, the need for diversification and the principles contained in this SIP. The adviser will have the knowledge and experience required under Section 36(6) of the Pensions Act to provide this advice.

7.4. Do the Trustees take any investment decisions of their own?

The Trustees are responsible for the investment of the Scheme's assets. The Trustees take some decisions and delegate others.

When deciding which decisions to take, and which to delegate, the Trustees take into account whether they have the appropriate training and expertise in order to make an informed decision.

The Trustees have established the following decision making structure:

Trustees

- Set structures and processes for carrying out their role.
- Agree structure for implementing investment strategy.
- Select and monitor planned asset allocation.
- Select and monitor investment advisors and fund managers.
- Select and monitor direct investments.
- Prepare and maintain the SIP.

Investment adviser

- Advises on the Scheme's assets, including implementation.
- Advises on this SIP.
- Provides required training.

Investment managers/Implementation solution

- Operate within the written contracts and agreements.
- Select individual investments with regard to their suitability and diversification for the individual pooled vehicles.
- Ensure the suitability of the chosen benchmark for the respective investment vehicle.

8. Review

8.1. How often are investments reviewed?

Strategy reviews for the DB and DC sections of the Scheme are undertaken periodically. Typically, a review of the DB sections will occur after triennial valuations; but more frequent reviews can occur in light of a material change of circumstances.

Investment return experience and the performance of individual funds is reviewed with assistance from Quantum Advisory as required.

8.2. How often is this SIP reviewed?

The Trustees will review this SIP periodically and without delay after any significant change in investment policy. Any change to this SIP will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in, and practical experience of, financial matters, and to have the appropriate knowledge and experience of the management of pension scheme investments; and consulting with The Crown Estate.

Appendix 1 – Managers, asset allocation & fund details

Managers and asset allocation

The following table details the strategic asset allocation for the DB sections of the Scheme. Following the full implementation of the investment strategy, should the allocation to any asset class move outside the respective tolerance ranges (to be agreed), the Trustees will, with the help of their investment adviser, undertake the necessary switches to bring the relevant funds back to the central benchmark. The Scheme's LDI & Cash solution is excluded from the rebalancing procedure.

Following the full implementation of the Scheme's investment strategy, cash flow will be used to rebalance the Scheme's investment strategy back toward the central strategic benchmark (excluding the Scheme's LDI & Cash solution). Collateral calls made by LGIM (relating to the LDI solution) are taken from the Scheme's Cash holding (in the first instance), whilst collateral payments are invested in the Scheme's Cash holding. The Scheme's Cash holding is reviewed periodically.

Performance is reviewed each quarter, with assistance from the Scheme's investment adviser as required.

Asset class	Fund	Asset allocation	Tolerance range
Return seeking assets		**40.0**	*
UK Equities (Passive)	Global Equity Fixed Weights 50:50	7.5	--
Overseas Equities (Passive)		7.5	
Multi – Asset (Active)	Dynamic Diversified	15.0	--
Alternatives (Active) *	*	10.0	--
Matching assets		**60.0**	**N/A**
LDI & Cash	Matching Core Range Cash	60.0	N/A
Total		**100.0%**	--

the Trustees are in the process of appointing an Alternatives Manager.

The Trustees are in the process of identifying an appropriate Alternatives Manager and Collateral Waterfall procedure. These components of the investment strategy will be implemented in due course.

Managers and fund details

The table below shows the benchmark and outperformance targets for each fund the DB sections of the Scheme are invested in.

Asset class	Fund	Benchmark	Objective / Outperformance target
Return seeking assets			
UK Equities (Passive)	Global Equity Fixed Weights 50:50	50% FTSE All Share	To track the benchmark, 2 years out of 3, within +/- 0.25% p.a.
Overseas Equities (Passive)		17.5% FTSE North America	+/-0.5% p.a.
		17.5% FTSE Developed Europe (ex UK)	+/-0.5% p.a.
		8.75% FTSE Developed Japan Index	+/-0.5% p.a.
		6.25% FTSE World Asia Pacific (ex Japan)	+/-0.75% pa
Multi – Asset (Active)	Dynamic Diversified	Bank of England Base Rate	4.5% pa above the benchmark over a full market cycle.
Alternatives*	*	*	*
Matching assets			
LDI	Matching Core Range	N/A	Deliver nominal and / or real returns.
Cash	Cash	7 Day GBP LIBID	7 Day GBP LIBID.

the Trustees are in the process of appointing an Alternatives Manager.

Appendix 2 – Default strategy – DC sections

Balanced Drawdown Lifestyle Profile

Fund	Years to retirement								
	7+	**7**	**6**	**5**	**4**	**3**	**2**	**1**	**0**
BlackRock DC Aquila Connect Balanced	100.0%	80.0%	65.0%	50.0%	35.0%	20.0%	0.0%	0.0%	0.0%
Schroder Dynamic Multi Asset	0.0%	10.0%	17.5%	25.0%	32.5%	40.0%	50.0%	50.0%	50.0%
LGIM Retirement Income Multi-Asset	0.0%	10.0%	17.5%	25.0%	32.5%	40.0%	50.0%	50.0%	50.0%

Appendix 3 – Additional lifestyle profiles - DC sections

Adventurous Drawdown Lifestyle Profile

Fund	Years to retirement						
	5+	**5**	**4**	**3**	**2**	**1**	**0**
LGIM Global Equity Fixed Weights (50:50)	100.0%	80.0%	60.0%	40.0%	20.0%	0.0%	0.0%
Schroder Dynamic Multi Asset	0.0%	10.0%	20.0%	30.0%	40.0%	50.0%	50.0%
LGIM Retirement Income Multi-Asset	0.0%	10.0%	20.0%	30.0%	40.0%	50.0%	50.0%

Cautious Lifestyle Profile

Two members were permitted to retain the old default investment strategy, which is detailed below.

Fund	Years to retirement											
	10+	**10**	**9**	**8**	**7**	**6**	**5**	**4**	**3**	**2**	**1**	**0**
BlackRock DC Aquila Connect Balanced	80.0%	72.0%	64.0%	56.0%	48.0%	40.0%	32.0%	24.0%	16.0%	8.0%	0.0%	0.0%
LGIM Corporate Bond All Stocks Index	20.0%	18.0%	16%	14.0%	12.0%	10.0%	8.0%	6.0%	4.0%	2.0%	0.0%	0.0%
LGIM Pre-Retirement	0.0%	7.5%	15%	22.5%	30.0%	37.5%	45.0%	52.5%	60.0%	67.5%	75.0%	75.0%
LGIM Cash	0.0%	2.5%	5%	7.5%	10%	12.5%	15.0%	17.5%	20.0%	22.5%	25.0%	25.0%

Appendix 4 – Self-select strategy - DC sections

Fund Name	TER (% p.a.)	Objective
LGIM Global Fixed Weights (50:50) Index	0.140	To capture the sterling total returns of the composite benchmark.
LGIM World (ex UK) Equity Index	0.175	To track the sterling total returns of the FTSE AW World (ex UK) Index to within +/- 0.50% p.a. for two years in three.
LGIM UK Equity Index	0.090	To track the sterling total returns of the FTSE All Share Index to within +/- 0.25% p.a. for two in three years.
LGIM Ethical UK Equity Index	0.250	To track the sterling total returns of the FTSE 4Good UK Equity Index to within +/- 0.50% p.a. for two years in three.
LGIM Managed Property	0.700	To generate a return from a portfolio of freehold and leasehold property.
BlackRock DC Aquila Connect Balanced	0.210	To provide returns in excess of inflation and provide stability and diversification.
LGIM Pre-Retirement	0.125	To provide diversified exposure to sterling assets that reflect the broad characteristics of investments underlying the pricing of a typical non-inflation linked annuity product.
LGIM All Stocks Gilts Index	0.080	To track the sterling total returns of the FTSE A Government (All Stocks) Index to within +/- 0.25% p.a. for two years in three.

LGIM AAA-AA-A Corporate Bond All Stocks Index	0.125	To track the sterling total returns of the iBoxx £ non-Gilts (ex-BBB) Index to within +/-0.50% per annum for two years in three.
LGIM Cash	0.100	To provide capital protection with growth at short term interest rates (7 Day GBP LIBID.)
Schroder Dynamic Multi Asset	0.340	Targets a return of inflation +4% p.a. over a market cycle (typically five years) with a volatility of one half to two thirds of global equities (capped at 10% p.a.).
LGIM Retirement Income Multi Asset	0.840	To provide long-term investment growth up to and during retirement, and to facilitate the drawdown of retirement income.
LGIM Future World	0.240	To replicate the performance of the FTSE ALL-World ex CW Climate Balanced Factor Index. The anticipated annual tracking error, in normal market conditions, relative to the index is +/-0.60% in two years out of three.