



# LCD Savings and Retirement Plan

Statement of investment principles – September 2020



**Punter Southall**  
Aspire

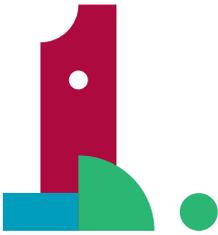


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Punter Southall Aspire is a trading name of Punter Southall Defined Contribution Consulting Limited, which is authorised and regulated by the Financial Conduct Authority. Our Financial Services Register reference number is: 121328.

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# Introduction

This document constitutes the Statement of Investment Principles (the SIP) required under Section 35 of the Pensions Act 1995 for the LCD Savings and Retirement Plan (the “Plan”). The SIP also reflects the requirements of the Occupational Pension Schemes (Investment) Regulations 2005 and other applicable legislation.

This SIP applies from 1 October 2020.

The Plan is a defined contribution (also known as money purchase) arrangement that operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries and is a registered pension scheme with HMRC under the Finance Act 2004.

The member’s retirement benefits depend on:

- (i) The level of contributions made by or in respect of the member
- (ii) The investment growth (positive or negative) achieved by the selected unitised fund(s)
- (iii) When and how the member chooses to access their accumulated fund

Before preparing this SIP, the Plan Trustee confirmed that it has consulted with the Plan’s Principal Employer, Leonard Cheshire. The Trustee has also considered advice from its appointed Investment Adviser.

The Plan provides members with access to a core range of funds which are operated by Aviva (the Plan’s current Administrator and Investment Platform provider). The Plan is a wholly-insured arrangement which has no investments other than earmarked policies.

The Trustee is responsible for the investment of the DC assets and arranging administration of the member’s account. Where the Trustee is required to make an investment decision, it will first receive advice from an Investment Adviser. The Trustee understands that this, together with its own expertise, ensures that it is appropriately familiar with the issues concerned.

The Trustee understands the Investment Adviser, Punter Southall Aspire, to be qualified by its ability in, and practical experience of, financial matters and to have the appropriate knowledge and experience of the investment arrangements that the Plan requires.

The SIP will be reviewed at least every three years, or following any significant change in investment policy.



# Plan governance

The Trustee considers that the following governance structure is appropriate for the Plan, since it enables the Trustee to retain the decision-making role on the investments available to members, while delegating the operational aspects to Aviva as administrator and Investment Platform manager.

## Trustee

The Trustee is responsible for, amongst other things:

- Reviewing from time to time (at least every three years, or following any significant change in investment policy) the content of this SIP and modifying it if deemed appropriate in consultation with the Principal Employer and on advice from the appointed Investment Adviser
- Selecting and reviewing the default fund and core investment options available at least every three years or following significant change in investment policy, or the demographic profile of the Plan membership
- Assessing the quality of the performance and processes of Aviva by means of regular reviews, at least annually, of the investment performance results of each fund through meetings and written reports in consultation with the appointed Investment Adviser
- Appointing or dismissing of the administrator and Investment Platform Provider (currently Aviva) on advice from an appointed adviser
- Assessing the ongoing effectiveness of an Investment Adviser
- Consulting with the Principal Employer when reviewing the default fund, core fund range or investment policies
- Monitoring compliance of the investment manager(s) of the default fund and core fund range on an ongoing basis
- Providing any appointed organisations/individuals with a copy of the SIP, where appropriate

The Trustee has sufficient knowledge and understanding to undertake key investment review and monitoring tasks, with support from its appointed Investment Adviser when required.

## Investment Platform provider

The Investment Platform provider (Aviva) will be responsible for, amongst other things:

- At its discretion, but within the guidelines agreed with the Trustee, selecting and undertaking transactions in specific investments at a fund level
- Acting in accordance with the principles set out in the SIP
- Providing administration for the Plan on behalf of the Trustee, including investment of members' contributions in the default fund or the members' selected fund(s) and providing information to the Trustee in an agreed format and timescale

- Providing the Trustee with sufficient information to facilitate the review of its activities, including:
  - Performance and rationale behind past and future strategy for each fund,
  - A full valuation of the assets
  - A transaction report which includes details of any transaction costs in an acceptable format as prescribed in any guidance from the Financial Conduct Authority or other regulatory body.
- Informing the Trustee immediately of:
  - Any breach of this SIP
  - Any serious breach of internal operating procedures
  - Any material change in the knowledge and experience of those involved in the Plan's investment options

### **Investment Managers**

Each fund made available will be overseen by an Investment Manager, with the manager being responsible for, amongst other things:

- At its discretion, but within the guidelines agreed with the Trustee, selecting and undertaking transactions in specific investments within each fund
- Acting in accordance with the defined objective and mandate of the fund
- Providing the Trustee, through the Investment Platform provider, with sufficient information to facilitate the review of their activities, including:
  - Performance and rationale behind past and future strategy for each fund,
  - A full valuation of the assets
  - A transaction report which includes details of any transaction costs
- Informing the Trustee through the Investment Platform provider, or Investment Adviser, immediately of:
  - Any change of fund objective
  - Any serious breach of internal operating procedures
  - Any material change in the knowledge and experience of those involved in the Plan's investment options

The investment managers are remunerated implicitly through the annual management charge met by the members of the Plan. The Trustee ensures that the managers continue to deliver in line with the policies established in this SIP, including ensuring decisions are made over an appropriate time horizon and with appropriate consideration of financial and non-financial matters through its monitoring of the investment managers set out in Section 7.

The current investment managers are:

- BlackRock (since June 2019)
- Aviva Investors (since October 2015)

These arrangements are ongoing and are anticipated to remain in place for the duration of the Plan but subject to ongoing monitoring and reviews by the Trustee.

#### **Investment Adviser**

The Investment Adviser would be responsible for, amongst other things:

- Participating with the Trustee in reviews of the SIP
- Advising the Trustee on how any changes, such as in the Plan's membership demographic and in legislation, may affect the manner in which the assets should be invested
- Advising the Trustee of any changes relating to the administrator and Investment Platform provider and other investment providers that could affect the interests of the Plan
- Assisting the Trustee with monitoring the administrator and Investment Platform provider
- Discussing with the Trustee any changes in the investment environment that could either present opportunities or problems for the Plan
- Undertaking reviews of the Plan investment arrangements when requested by the Trustee including reviews of the investment options, administrator, Investment Platform provider, and selection of new provider(s) as appropriate



# Risks

The Trustee recognises a number of risks are involved in the investment of DC assets.

Defined contribution members face four key risks:

- *Inflation risk* – the risk that the purchasing power of their retirement pot is not maintained
- *Pension income risk* – the risk that the value of pension benefits (or annuity) that can be purchased by a given retirement pot amount is not maintained
- *Investment risk* – the risk that the value of their retirement pot may fall in value with the impact considered higher to members approaching retirement who may not have sufficient time to regain the value of investments
- *Opportunity risk* – the risk that members take insufficient investment risk, especially at younger ages, which results in a smaller pot of money with which to provide benefits

The importance of each risk varies with time and the potential impact of inflation is important throughout the savings period. Pension income and investment risks become increasingly significant as retirement approaches. The Trustee mitigates these risks through making available a suite of investment options to members with a range of risk and return profiles.

Other risks involved in the investment of assets include the following:

- *Underperformance risk* – the risk that a fund does not perform in line with its objective - addressed through monitoring the performance of the Investment Platform Provider and Investment Managers taking necessary action when this is not satisfactory.
- *Transaction cost risk* - this risk includes the potential impact of inefficient or expensive trading which through the aggregate cost of completing transactions detracts disproportionately from the performance of the fund. Transaction costs are provided by the Investment Manager, and are monitored by the appointed Investment adviser and detailed in the annual Chair's statement. The Trustee with the support of the Investment Adviser may investigate alternative fund or funds, if the transaction cost operates at a level beyond which the Trustee deems acceptable
- *Liquidity risk* – the risk that members or the Trustee will be unable to encash members' funds in a timely fashion to support member transactions. As far as possible the Plan invests in liquid, unit-linked investments that can be quickly realised as required
- *Communication risk* – the risk that communications, or the lack of communications, to members leads to poor decisions being made. This is addressed through the Trustee regularly monitoring member communications and updating them, where appropriate, as part of the ongoing governance of the Plan
- *Inappropriate member decision* – mitigated through communications to members and highlighting the benefits of members seeking financial advice
- *Organisational risk* – addressed through regular monitoring of the administrator, Investment Platform Provider, Investment Managers and Investment Adviser
- *Geographical/political risk* – the risk of an adverse influence on investment performance from geo-political interventions is mitigated by offering investment options for members which are diversified across a broad range of geographical territories

- *Environmental, social and governance risks* – the risk factors which can influence long-term performance of investments. These factors will be considered within the Plan’s investment monitoring and review processes and reported in the SIP.

The Trustee will consider, and where appropriate, take into account these risks when determining investment strategy and will keep these risks under regular review.



# Investment aims and objectives

The Trustee aims and objectives are:

- To ensure that a sufficiently diverse choice of investment funds are available to members whilst being cognisant of the need for a manageable number of options to support member decision making
- To ensure that the range of funds includes those that aim to provide:
  - good long-term real rates of return (i.e. in excess of price and wage inflation) so that the value of members' assets can be reasonably expected to grow in real terms over the long-term.
  - protection for members' accumulated assets against sudden (and sustained) reductions in capital values or in the amount of pension that can be purchased.
- To allow members sufficient choice to tailor their investments in line with their own personal and financial circumstances.
- To offer a fund range expected to perform in line with the appropriate benchmark over rolling three-year periods.
- To consider the cost and complexity of the Plan in terms of administration and communication.

Following reviews of the Plan's investments, and analysis of the membership demographics, the Trustee and its Investment Adviser, identified that:

- The current Plan membership profile can be considered to have a moderate to low appetite for investment risk; members are neither particularly risk averse nor risk tolerant.
- The current Plan membership has a relatively low likelihood to make investment decisions when further from retirement, with engagement increasing as members approach retirement.
- Following the introduction of pension freedoms after the 2015 Budget, there are likely to be a diverse range of potential retirement objectives across the membership.



# Responsible Investment, Stewardship and Corporate Governance

The Trustee believes that good stewardship can enhance investment performance, and is therefore in the best interests of the Plan membership and beneficiaries, and aligned with its fiduciary duties.

The Trustee is of the opinion that environmental social and corporate governance (“ESG”) issues can affect the performance as part of investment portfolios and should therefore be considered during the Plan’s investment selection and monitoring process.

When reviewing or selecting investment funds, strategies and managers the Trustee has considered a range of relevant matters including financially material considerations (including, but not limited to, ESG issues), taking into account the selection, retention and realisation of investments and the impact they may have over the time horizon of the Plan. It is the Trustee’s view that an appropriate time horizon would be the period of time until a member draws their benefits. For those members further from retirement this time horizon could be 30 years or more. Over this period, the Trustee acknowledges that environmental issues including climate change may have an impact on investment performance of the selected funds.

As present, the Trustee’s policy is to delegate the considerations of the long-term financial impact of these considerations to the Investment Manager of the selected fund(s). The Trustee has reviewed the managers’ engagement processes to ensure these include engagement with relevant persons including companies invested in, other holders of those investments including equity and debt, and other key stakeholders.

When reviewing, selecting and monitoring funds and managers, the Trustee has also considered the means by which the manager takes into account the capital structure of an issuer of debt or equity and how any conflicts, real or potential, are managed. This is to ensure members’ needs and the security of assets underpinning members’ investments is robust.

The Trustee acknowledges that, from time to time, a conflict of interest may arise between key stakeholders regarding Plan’s underlying investments. An example may be that the investment manager may take a position in the market that is at odds with the sponsoring employer. The Trustee will manage these conflicts through ensuring they continue to act in the best interest of its membership by engaging with the investment managers. The Trustee delegates the day to day performance of the fund to the fund manager and will continue to do so so long as this aligns to the policies set out in the SIP.

The Trustee is also aware that some members will have further views on investment matters including investing in line with an ethical or religious mandate. The Trustee has included in the Core fund range funds that are managed in line with ethical beliefs and which meet Islamic investment principles. These funds can be selected by the member after the initial contribution has been invested in the Plan. The Trustee does not otherwise take the views of the members and beneficiaries into account in the selection, retention and realisation of investments.

The Trustee has given the Investment manager full discretion when evaluating financially material considerations (including ESG issues), and in exercising rights and stewardship obligations relating to the Plan’s investments.

The Trustee acknowledges that the majority of members are likely to remain invested in the default investment strategy. Within the pooled investment vehicle operated by Aviva, Aviva Investors retained the voting rights for all equities. Aviva Investors operate a dedicated team to consider ESG matters and use their influence to promote good practice. The Trustee monitors the actions of Aviva Investors through its annual Implementation Statement.

This delegation of financially material considerations (including ESG issues) is based on the assessment of Aviva's stated principles and the current stated principles which are attached in Appendix A. The Trustee will monitor as part of its ongoing governance any changes to Aviva stated policy.

It is accepted that collective or pooled investments will be governed by the individual financially material considerations (including ESG policies) and processes of the Investment Managers. The Plan's Investment Manager exercises voting rights and undertakes engagement in accordance with its own policies. The Trustee requests information from the Investment Manager on how it exercises its voting rights and whether these are used to positively influence organisations or bodies invested in the relevant pooled investment vehicle. The Trustee reviews this on an annual basis to reaffirm that the Investment Manager's views continue to align with the Trustee's.

Where the Plan utilises a fund or an investment manager trading in UK equities, the authorised managers in the UK are expected to report on their compliance with the UK Stewardship Code on an annual basis.



# Investment Strategy

Having considered advice from the Investment Adviser, and having regard for the risks and the aims and objectives in sections 3, 4 and 5, the Trustee has selected a long-term insurance policy with the Investment Platform provider, which allows it to make available a default investment strategy and a number of alternative investment funds. Members can choose to invest their contributions and accumulated fund in one or more of the alternative investment funds.

The Investment Platform provider also undertakes the day-to-day administration of the Plan and acts on the Trustee's behalf to ensure that each member's funds are invested in accordance with the investment options selected by the member.

There is no single investment asset that manages all of the key risks. Of the major asset classes, equities have traditionally been used to provide the most effective means of managing inflation risk. Fixed interest and index-linked securities are most effective for managing pension purchase risk. Cash is effective at managing capital risk but does not manage inflation risk.

The varying nature of the risks faced by defined contribution scheme members over time means that it is unlikely that a single investment asset will adequately meet the needs of the investor throughout their membership investing period. Therefore, the Trustee has taken advice from its Investment Adviser to ensure that a suitably diversified default investment strategy, and a range of alternative self select investment fund options are offered to members for effective management of the risks they face.

The Trustee's policy on risk is to provide members with a range of investment options into which they may direct their contributions so as to allow each member to determine the appropriate mix of investments. This will be based on their own attitude to risk, term to retirement, investment objective, and retirement benefit objective, whilst also providing a default investment strategy option that provides a suitable investment strategy for the Trustee's understanding on what a typical member of the Plan requires, as set out in the Trustee's aims and objectives.

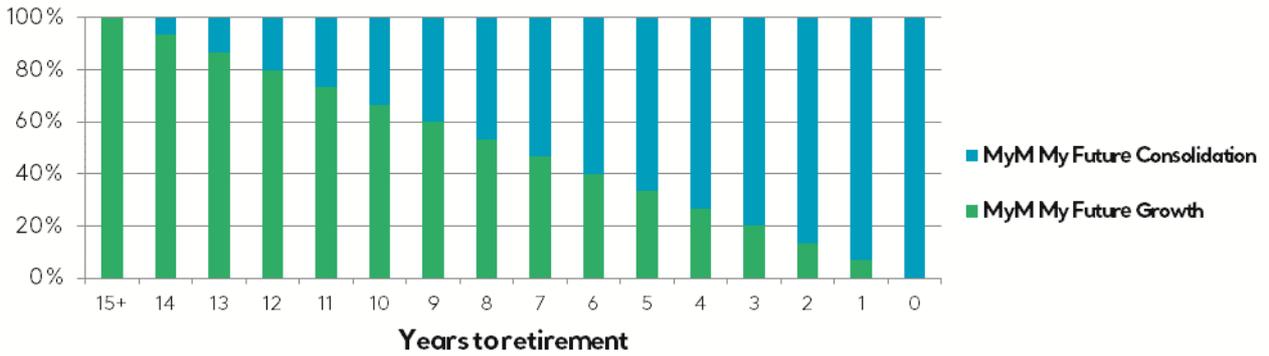
## **Default investment strategy**

Following advice from the Trustee's Investment adviser, Punter Southall Aspire, the Trustee has put in place a default investment strategy known as My Future.

### **The aims of the default investment strategy:**

My Future targets growth while a member is further from retirement, while striking a balance between risk and return. As the member approaches retirement, the strategy switches into less risky investments from 15 years prior to the member's target retirement age. It is designed to be flexible enough to prepare members' pension savings for the different options available, but does not specifically target any one particular option. The below table sets out the glide path and investment allocation throughout a member's journey to retirement:

## **Default fund investment allocation**



**The growth phase investment strategy**

The below table sets out the fund utilised in the growth phase alongside the fund objective and charge:

Allocation (100%)	Fund and objective	Total charge
100%	<p>Av MyM My Future Growth Fund</p> <p>The fund aims to achieve a total overall return from capital growth and reinvested income by investing in a diversified portfolio of predominantly passively managed underlying funds. The fund will predominantly invest in UK and overseas equities (including emerging markets), with some investment in UK Government (including index-linked) and corporate bonds. It may also invest in overseas government and corporate bonds, money market instruments and cash.</p> <p>The Trustee expects this fund to outperform inflation by a moderate amount over the long term.</p>	0.37%

**The derisking phase**

The below table sets out the fund utilised in the de-risking phase, the asset allocation at the members’ target retirement alongside the fund objective and charge:

Allocation (100%)	Fund and objective	Total charge
100%	<p>Av MyM My Future Consolidation Fund</p> <p>This fund seeks to achieve a total overall return from capital growth and reinvested income by investing in a diversified portfolio of predominantly passively managed underlying funds. A significant proportion of the fund's assets invest in UK government (including index-linked) and corporate bonds. It may also invest in UK and overseas equities (including emerging markets), property, money market instruments and cash. Derivatives may be used by the underlying fund(s) for investment purposes.</p> <p>The Trustee expects this fund to outperform inflation by a moderate amount over the long term.</p>	0.37%

**Self select investment options:**

The Plan also provides access on a member self-select basis to additional funds as detailed below. The Trustee considers that each available fund contains suitable investments given each fund's objective and that each fund provides a properly diversified portfolio.

Fund and objective
<p><b>MyM BlackRock Emerging Markets Equity (Overseas equities)</b> BlackRock state that the fund's objective is to achieve a return that is consistent with the return of the MSCI Emerging Markets Index.</p>
<p><b>MyM BlackRock UK Equity Index Tracker (UK equities)</b> BlackRock state that the fund invests in the shares of UK companies and aims to achieve a return that is consistent with the return of the FTSE All-Share Index.</p>
<p><b>MyM BlackRock World ex UK Equity Index Tracker (Overseas equities)</b> BlackRock state that the fund aims to achieve returns in line with global equity markets, excluding the UK. Within each of those markets, the fund aims to generate returns consistent with those of each country's primary share market. The fund aims to achieve a return in line with the FTSE All World Developed ex UK Index.</p>
<p><b>MyM HSBC Islamic Global Equity Index (Overseas equities)</b> The fund aims to create long term appreciation of capital through investment in a diversified portfolio of securities as defined by a relevant world index, which meets Islamic investment principles as interpreted and laid down by the Shariah Committee and provided to the Board of Directors.</p>
<p><b>MyM Legal &amp; General (PMC) Ethical UK Equity Index (UK equities)</b> Legal &amp; General state that the fund aims to track the Sterling total return of the FTSE4Good UK Equity Index (including reinvested income, less withholding tax) to within +/- 0.5% per annum for two years in three.</p>
<p><b>MyM My Future Annuity</b> This fund is designed for members approaching retirement and considering buying a fixed (or level) annuity. The fund will predominantly invest in UK Government (including index-linked) and corporate bonds, mainly through passively managed funds. Derivatives may be used by the underlying fund(s) for investment purposes. The fund factsheet shows the underlying fund(s) and weightings.</p>
<p><b>MyM My Future Cash Lump Sum</b> This fund seeks to achieve a positive total return over a full market cycle (which includes one complete uptrend and one complete downtrend) from capital growth and reinvested income by investing in a diversified portfolio of predominantly passively managed underlying funds. A significant proportion of the fund's assets invest in UK and overseas Government (including index-linked) and corporate bonds, money market instruments and cash. Derivatives may be used by the underlying fund(s) for investment purposes.</p>
<p><b>MyM My Future Consolidation</b> This fund seeks to achieve a total overall return from capital growth and reinvested income by investing in a diversified portfolio of predominantly passively managed underlying funds. A significant proportion of the fund's assets invest in UK government (including index-linked) and corporate bonds. It may also invest in UK and overseas equities (including emerging markets), property, money market instruments and cash. Derivatives may be used by the underlying fund(s) for investment purposes.</p>
<p><b>MyM My Future Drawdown</b> This fund seeks to achieve a total overall return from capital growth and reinvested income by investing in a diversified portfolio of predominantly passively managed underlying funds. The fund will invest in UK, overseas equities (including emerging markets), UK government (including index-linked) and corporate bonds. It may also invest in property, money market instruments and cash. Derivatives may be used by the underlying fund(s) for investment purposes.</p>
<p><b>MyM My Future Growth</b> <b>The fund aims to achieve a total overall return from capital growth and reinvested income by investing in a diversified portfolio of predominantly passively managed underlying funds. The fund will predominantly invest in UK and overseas equities (including emerging markets), with some investment in UK Government (including index-linked) and corporate bonds. It may also invest in overseas government and corporate bonds, money market instruments and cash.</b></p>



# Monitoring

The Trustee will monitor the performance of the Plan's Investment Platform provider and Investment Manager against the agreed performance of the objective for each fund.

The Investment Adviser provides a quarterly investment performance report to the Trustee to analyse the performance of the Investment Managers. The report will include short-term performance (3 month and 1 year) but focus on and draw conclusions from the long-term time performance (3 and 5 year). The Trustee will seek to also ensure that the investment manager's remuneration via the annual management charge delivers value in relation to the performance delivered as outlined below.

The Trustee will undertake regular reviews (at least annually) of the Investment Platform Provider to consider whether it is continuing to carry out its work competently and continues to have the appropriate knowledge and experience to manage the assets of the Plan.

In any event the Trustee will formally review the progress and performance of the Investment Platform Provider and Investment Manager every three years. As part of this review, the Trustee will consider whether or not the Investment Platform Provider and Investment Manager:

- is carrying out its work competently
- has regard to the need for diversification of investments
- has regard to the suitability of each investment and each category of investment
- has been exercising its powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical
- Continue to align with the policies set out in the Statement of Investment Principles

## Investment manager

In addition to the monitoring set out above, the Trustee will further monitor the underlying investment managers through the following processes:

- **Passive manager remunerations** – The majority of funds utilised by the Plan are passively managed. Managers are remunerated through the member's annual management charge. The Trustee ensures that remunerations remain appropriate through ensuring they align with the broader passively managed market while continuing to deliver in line with their stated objective, with particular focus on the medium to long-term strategy of the manager. This approach ensures the managers continue to align with the policies set out in this SIP.
- **Active manager remunerations** – Where funds are actively managed, managers are also remunerated through member's annual management charge. Each active manager is currently remunerated though on a fixed basis (i.e. no performance related charging). The Trustee monitors the investment performance, underlying portfolio and asset allocation with a focus on medium to long-term decision making of the manager. Where the manager forms part of the default investment strategy, the Plan's Investment Adviser engages directly with the manager to understand its future strategy and drivers of past performance. This approach ensures the managers continue to align with the policies set out in this SIP.
- **Portfolio turnover** – The Trustee delegates underlying portfolio decisions to the investment manager without restriction. However, the Trustee reviews turnover costs as part of its annual process to assess transaction costs

over each Scheme Year. The Trustee will assess via their Value For Members analysis whether the level of turnover costs has provided value to its membership in the context of the investment manager's objective and performance. Within the review of actual portfolio turnover, the Trustee shall also have regard to the manager's targeted portfolio turnover.

- **Stewardship** - From October 2020 onwards, the Trustee will on an annual basis gather information on how the Investment Manager has exercised their stewardship, including how they exercise their voting rights and engagement with bond and equity issuers. The Trustee will report in its Implementation Report annually whether it believes the manager continues to act in line with Section 5 of this Statement of Investment Principles and the objective of the Investment Managers fund(s).

**Should the Trustee, working with its adviser, have any concerns that the funds are not performing in line with the policies set out within this SIP or that the level of remunerations is inappropriate the Trustee would engage with the manager in the first instance. If required, the Trustee would review and replace a manager that was not meeting the policies within this SIP, with a focus on ensuring the Scheme's investment managers deliver in the medium to long-term time horizon appropriate to the Plan membership.**

#### **Investment Adviser**

The Trustee will monitor the advice given by the Investment Adviser on a regular basis.

#### **Investment Platform Provider**

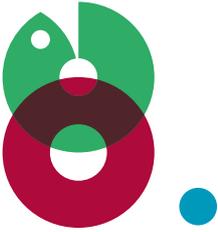
The Trustee will monitor the performance of the Investment Platform Provider on a regular basis

#### **Trustee**

The Trustee will monitor all the decisions it takes by maintaining a record of all decisions taken, together with the rationale in each case.

#### **Other**

The Trustee will review this SIP regularly (at least triennially) and modify it if deemed appropriate, or following any significant change in investment policy, in consultation with the Principal Employer and the Investment Adviser.



# Charges

A total expense ratio (TER) is an annual fee levied on the members to cover the costs of managing their funds. It is calculated as a percentage of the value of the fund.

The TER for the unit-linked funds are as follows:

## My Future (Default)

Charges as at June 2019

Fund	Total charge
Av MyM My Future Growth (Growth Phase)	0.37%
Av MyM My Consolidation (Derisking phase)	0.37%

## Self-Select Funds

Charges as at June 2019

Fund	Total charge
MyM BlackRock Emerging Markets Equity	0.57%
MyM BlackRock UK Equity Index Tracker	0.33%
MyM BlackRock World ex UK Equity Index Tracker	0.33%
MyM HSBC Islamic Global Equity Index	0.63%
MyM Legal & General (PMC) Ethical UK Equity Index	0.48%
MyM My Future Annuity	0.37%
MyM My Future Cash Lump Sum	0.36%
MyM My Future Consolidation	0.37%
MyM My Future Drawdown	0.37%
MyM My Future Growth	0.37%



# Declaration

The Trustee confirms that this SIP reflects the investment strategy they have implemented for the Plan. The Trustee acknowledges that it is responsible, with advice from the Investment Adviser and input from the Investment Platform Provider, to ensure the assets of the Plan are invested in accordance with these principles.



Signed

On behalf of the Trustee of the LCD Savings and Retirement Plan

# Appendix A: Aviva's stated principles

## ESG tilt My Future

Except for My Future Annuity, the component funds of My Future – Growth, Consolidation, Drawdown and Cash Lump Sum – invest in a range of funds that are managed by BlackRock and administered by Aviva Investors. These funds are TTFs – Tax Transparent Funds.

Aviva Investors will be taking on the voting rights of those companies whose shares are held in the TTFs. The latter will benefit from Aviva Investors' use of voting and active approach to ownership.

Manufacturers of cluster munitions are excluded.

In addition, Aviva are investing in the potential for implementing an ESG 'tilt' for the TTFs used in My Future.

This would involve Aviva Investors using its own ESG score to tilt the funds towards the stocks of companies with a higher ESG score. The proprietary ESG score is based on internal and external data.

Aviva as at September 2020.

Further details regarding Aviva's approach can be found on their website using the following link:-  
<https://www.avivainvestors.com/en-gb/about/responsible-investment/our-approach/>

These principles will be reviewed by the Trustee as part of the annual monitoring process.

# Who are we?

## About Punter Southall Aspire

Punter Southall Aspire is a major investment and savings business that blends a strong customer focused heritage with a modern and technology-led outlook.

Uniting pensions consultancy, workplace savings and individual financial advice, we work with employers, trustees and private clients through our 11 regional UK offices to design and manage solutions that meet their unique needs.

Punter Southall Aspire is part of Punter Southall, which is proudly independent and majority employee-owned.



**c. 1,250**  
PENSION SCHEMES



**c. £4.5bn**  
OF ASSETS  
UNDER ADVICE



**c. 200,000**  
SCHEME MEMBERS



**c. 1,200**  
PRIVATE CLIENTS



**11**  
OFFICES ACROSS  
THE UK



Punter Southall  
Aspire

Next

Generation

Thinking

Changing Workplace  
Pensions and Savings

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