

PROPOSED CHANGES TO THE INVESTMENT STRATEGY STATEMENT AND FUNDING STRATEGY STATEMENT TO REFLECT CHANGES TO THE ASSET ALLOCATION STRATEGY

INVESTMENT STRATEGY STATEMENT:

(a) Investing fund money in a wide variety of investments

The Fund's asset allocation strategy of 60% Global Equities, 20% Multi-Asset Income Funds, 15% Fixed Income and 5% UK Pooled Property Funds aims to ensure that the Fund's assets are broadly diversified in terms of geographic, foreign exchange, sector or asset class exposure to help reduce overall portfolio risk and volatility, whilst aiming to deliver or exceed the target returns on its investments, and providing income to pay benefits.

Within these classes, there are three investment managers with a mandate to invest in Global Equities and two for Fixed Income. Two managers for Multi-Asset Income and one for UK Pooled Property are expected to be appointed in December 2017/January 2018. All managers are authorised to invest in all assets permitted under the Regulations, subject to the provisions of their benchmarks and certain minor restrictions. Details of the Investment Guidelines and Restrictions are included below.

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Asset Allocation

The current investment strategy comprises the following strategic asset allocations:

	%
Global Equities	60
Multi-Asset Income Funds	20
Fixed Income	15
UK Pooled Property Funds	5
Grand Total	100

FUNDING STRATEGY STATEMENT:

7. LINK TO INVESTMENT POLICY AND THE INVESTMENT STRATEGY STATEMENT (ISS)

The current strategy is:

	Benchmark %
Global Equities	60
Multi-Asset Income Funds	20
Fixed Income	15
UK Pooled Property Funds	5
Total	100%