Annual Chair's Statement for the Agility Pension Plan ("the Plan")

The Occupational Pension Scheme (Charges and Governance) Regulations 2015 require the Trustee to prepare an annual statement regarding governance, which should be included in the Annual Report.

This statement issued by the Plan covers the period from 1 January 2020 to 31 December 2020 and is signed on behalf of the Trustee by the Chair.

This statement covers governance and charge disclosures in relation to the following:

- The Default arrangement,
- Processing of core financial transactions,
- Member borne charges and transaction costs,
- Illustrations of the effects of costs and charges,
- Value for members assessment, and
- Trustee knowledge and understanding.

This statement covers the Defined Contribution ("DC") benefits provided by the Plan. The Plan offers DC benefits to members within the 2006 Plan, LUMP Section and via Additional Voluntary Contribution ("AVC") policies in the LUFS Section (together referred to as the "DC Sections" in this Statement). The 2006 Plan is used as a qualifying scheme for auto-enrolment purposes. The LUMP Section is closed to future accrual.

Where relevant, this year's statement has also incorporated commentary regarding the additional actions the Trustee has taken to manage the Plan in light of the COVID-19 pandemic.

1. The Default arrangement

In relation to the 2006 Plan and the LUMP Section, the Trustee has designed a default arrangement which is kept under review. The Trustee takes account of the level of costs and the risk profile that are appropriate for the membership in light of the overall objective of the default arrangement strategy. In relation to the LUFS Section AVCs, a default arrangement is not applicable, and so these funds are excluded from the comments in this part of the statement.

The Trustee is responsible for investment governance including setting and monitoring the investment strategy for the Plan's default arrangement. The default arrangement is provided for members who join the Plan and do not choose an investment option for their contributions. Members can also choose to invest in the default arrangement or self-select funds which are offered within the Plan.

The default arrangement for the Plan is as follows:

- For all new entrants and those members who had not already started de-risking into bonds and cash as at April 2016, the default arrangement is the Aon Managed Retirement Pathway Fund series, which assumes members draw down income at retirement.
- For those members who had already started de-risking into bonds and cash as at April 2016, the default arrangement is the Aon Managed Retirement Pathway to Annuity Fund series, which assumes members purchase an annuity at retirement.

Both the Aon Managed Retirement Pathway Fund and Aon Managed Retirement Pathway to Annuity Fund consist of a series of target date funds that seek to provide an appropriate balance between expected risk and return as members move through their working lives. The funds aim to provide real growth (in excess of inflation) for the period up to 15 years before a member's selected retirement age. From 15 years before a member's selected retirement age, lower risk investments are gradually introduced.

The current strategy for the default arrangement was put in place by the Trustee in June 2016 and was last reviewed at the 15 April 2019 and 29 May 2019 Investment Sub Committee meetings, the outcome of which was reported on in last year's statement. No strategy review of the default arrangement took place over the period covered by this statement. The next formal review is scheduled for the first quarter of 2022, consistent with the Trustee's business plan, which targets formal triennial reviews of the default arrangement.

Although no strategy review of the default arrangement took place during the Plan year, the Trustee did regularly monitor and review the performance of the default arrangement.

This monitoring considered the return of each Aon Managed Retirement Pathway Fund and Aon Managed Retirement Pathway to Annuity Fund against its benchmark over both short and longer time periods, as well as comparison with broader market indices. The Trustee also considered the investment performance in light of the market volatility caused by the COVID-19 pandemic and were assured that the default arrangement was performing as expected. Furthermore, the Trustee considered any changes made by the investment manager to the underlying asset allocation and managers used within the default arrangement (and wider fund options available). This information was provided on a quarterly basis through investment reports provided by the investment manager and discussed at each Investment Sub-Committee meeting over the year.

Based on the above, together with updated member outcome analysis also undertaken, the Trustee remains comfortable that the default arrangement is performing in line with the stated objectives.

In regards to changes made by the investment manager to the underlying asset allocation and managers within the default arrangement (and wider fund options available), over the Plan year changes were made to incorporate greater focus on Environmental, Social and Governance considerations through specific funds. These changes included the replacement of one of the underlying funds used within the default arrangement with a fund that adopts a low carbon approach and excludes companies involved with tobacco, thermal coal and controversial weapons as well as companies that violate the UN Global Compact. Since the end of the Plan year, further changes have been made to incorporate a dedicated allocation to impact investing within the default arrangement. Having considered the changes, and after discussion with the Trustee's investment adviser, the Trustee is comfortable that the changes were appropriate for the Plan's membership and consistent with the Trustee's investment beliefs.

The Trustee maintains a Statement of Investment Principles (SIP), which governs decisions about investments in the default arrangement. The latest SIP, dated 24 September 2020, covering the default arrangement is attached to this statement.

2. Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members) relating to the DC benefits provided by the Plan are processed promptly and accurately.

During the reporting period, these transactions were mainly undertaken on the Trustee's behalf by the Plan's administrator (see below), who worked with the appointed investment managers (Aegon, through Aon's Delegated DC Services). In relation to the DC AVCs within the LUFS Section of the Plan, some core financial transactions are carried out by the AVC providers (Royal London and Standard Life) on the Trustee's behalf.

In previous years' statements the Trustee has highlighted that service issues had been identified with the Plan's administrator, Capita. Due to this, the Trustee made a decision to appoint a new administrator for the Plan, Barnett Waddingham. The new appointment took effect on 1 February 2020, meaning that Barnett Waddingham was the Plan's administrator for the vast majority of the period covered by this statement. A large amount of work went into Barnett Waddingham taking on the Plan's administration and the Trustee has worked closely with Barnett Waddingham leading up to and since the 1 February 2020 appointment.

As part of the appointment, the Trustee considered the administration practices that Barnett Waddingham would adopt for the Plan, along with the controls and processes they would put in place. The Trustee also noted that Barnett Waddingham holds an independent accreditation from the Pension Administration Standards Association (PASA), which means that their processes meet the administration standards that PASA expects.

The Trustee agreed and put in place a Service Level Agreement with Barnett Waddingham, which covers the timely and accurate processing of all administration tasks, including core financial transactions. For the majority of such transactions, the agreed timescale is 5 to 10 working days. Overall, the Trustee has agreed with Barnett Waddingham that financial penalties will apply if less than 90% of tasks are processed within agreed timescales over three consecutive quarters.

Barnett Waddingham has a number of processes in place to ensure that they adhere to the Service Level Agreement. Examples of these processes include regular monitoring of the Plan bank account, comprehensive money handling procedures (with two individuals checking all transactions) and a dedicated team for processing contributions (which includes carrying out a monthly reconciliation of the amounts received).

In order for the Trustee to monitor the above, Barnett Waddingham provides quarterly administration reports, which are presented and discussed at each Trustee meeting. Amongst other things, these reports:

- Confirm that monthly contributions due over the period have been received and invested in line with agreed timescales.
- Show the administration tasks competed over the period and compare the time taken for each task to the agreed timescale. An overall score is then provided showing the percentage of tasks completed within agreed timescales over the period.
- Report any breaches of the law, administrative errors or member complaints.
- Confirm some of the processes and controls that Barnett Waddingham have in place and have followed over the period.
- Provide updates on how Barnett Waddingham has continued to administer the Plan during the COVID-19 pandemic. In particular, Barnet Waddingham's Smart Working infrastructure has meant staff have been able to work from home and still operate 'business as usual', being fully contactable by phone/e-mail and able to provide members with the same level of service.

The Trustee is aware that at the point of the administration handover there remained a backlog of tasks to process, some of which involved financial transactions that had already missed their agreed turnaround time. In addition, there were some outstanding member complaints to investigate, some of which involved financial transactions.

Based on the above, the Trustee believes that although the majority of core financial transactions were processed promptly and accurately over 2020, there continued to be instances where this was not the case. The Trustee is, however, satisfied that these issues largely arose from the previous administrator and that the appointment of Barnett Waddingham has and will resolve this moving forward. The Trustee also noted that the improvement in service levels was already evidenced over 2020, where the percentage of tasks completed within agreed timescales steadily improved each quarter (from 68% in the first quarter of 2020 to 92% in the fourth quarter of 2020).

The Trustee will continue to closely monitor the administration service provided to members, in particular the processing of core financial transactions, and will provide an update in next year's Chair's Statement.

3. Member Borne Charges and Transaction Costs

The Trustee regularly monitors the level of charges borne by members through the funds. These charges comprise:

- *express explicit charges, such as the Annual Management Charge (AMC), and additional expenses that are disclosed by the fund manager as part of the Total Expense Ratio (TER);*
- *implicit charges, such as the costs borne within the fund for activities such as buying and selling of particular securities within the fund's portfolio.*

Charges related to fund management expenses are deducted from members' funds. The level of these charges varies, depending on which particular fund (or funds) a member is invested in. The table below sets out the charges, over the reporting period, for the entire fund range offered to 2006 Plan and LUMP Section members, along with the funds available to the LUFS Section AVC members.

There are also charges associated with the cost of administering the Plan. For deferred 2006 Plan and LUMP Section members, an annual fixed administration charge of £25 is deducted from each member's fund. For current employees, the cost of administration is also a fixed annual charge of £25 per member and these costs are paid by Agility Logistics Limited. For LUFS AVC members, the AMC (see below) includes the cost of administration.

The Trustee can confirm that the default arrangements (shown below) in place for the reporting period, for both the 2006 Plan and LUMP Section, have levied a TER below the statutory maximum charge for all members. The charges and costs borne by members over the reporting period (excluding the £25 fixed administration charge applicable for certain members, as discussed above) are set out in the table below, expressed as a percentage of fund value. The Trustee has taken into account statutory guidance when preparing this section and the presentation of the charges and costs complies with this guidance.

Fund	AMC (% p.a.)	TER (% p.a.)	Transaction costs (% p.a.)	Total charges (% p.a.) [5]
2006 Plan and LUMP Section Target Benefit Approaches (where applicable, Default arrangement funds are noted)				
Aon Managed Retirement Pathway 2037-2039 Fund & beyond (Default arrangement)	0.28	0.32	0.02	0.34
Aon Managed Retirement Pathway 2034-2036 Fund (Default arrangement)	0.28	0.32	0.03	0.35
Aon Managed Retirement Pathway 2031-2033 Fund (Default arrangement)	0.28	0.32	0.08	0.40
Aon Managed Retirement Pathway 2028-2030 Fund (Default arrangement)	0.28	0.31	0.11	0.42
Aon Managed Retirement Pathway 2025-2027 Fund (Default arrangement)	0.28	0.31	0.12	0.43
Aon Managed Retirement Pathway 2022-2024 Fund (Default arrangement)	0.28	0.31	0.13	0.44
Aon Managed Retirement Pathway 2019-2021 Fund (Default arrangement)	0.28	0.30	0.13	0.43
Aon Managed Retirement Pathway 2016-2018 Fund (Default arrangement)	0.28	0.30	0.13	0.43
Aon Managed Retirement Pathway to Annuity 2025-2027 Fund	0.28	0.31	0.12	0.43
Aon Managed Retirement Pathway to Annuity 2022-2024 Fund (Default arrangement for members who had started de-risking into bonds and cash as at April 2016)	0.28	0.30	0.08	0.38
Aon Managed Retirement Pathway to Annuity 2019-2021 Fund (Default arrangement for members who had started de-risking into bonds and cash as at April 2016)	0.28	0.29	0.02	0.31
Aon Managed Retirement Pathway Perpetual Annuity Fund (Default arrangement for members who had started de-risking into bonds and cash as at April 2016)	0.28	0.29	0.02	0.31
Aon Managed Retirement Pathway to Cash 2025-2027 Fund	0.28	0.31	0.12	0.43
Aon Managed Retirement Pathway to Cash 2022-2024 Fund	0.28	0.31	0.07	0.38
Aon Managed Retirement Pathway to Cash 2019-2021 Fund	0.28	0.31	0.01	0.32
2006 Plan and LUMP Section Self-Select Funds				
Aon Managed Initial Growth Phase	0.26	0.30	0.02	0.32
Aon Managed Diversified Asset Fund	0.40	0.42	0.23	0.65
Aon Managed Bond Phase Fund	0.40	0.42	0.31	0.73
Aon Managed Long-Term Inflation Linked Fund	0.20	0.20	0.00	0.20
Aon Managed Pre-Retirement Bond Fund	0.32	0.32	0.03	0.35
Aon Managed Liquidity Fund	0.20	0.23	0.01	0.24
Aon Managed Property and Infrastructure Fund	0.48	0.49	0.22	0.71
Aegon HSBC Islamic Global Equity Index Fund	0.35	0.35	0.02	0.37
LUFS Section AVCs				
Royal London Crest Secure Fund [4]	1.45	1.45	0.00	1.45
Standard Life Managed Pension Fund [1,3]	0.44 to 0.97	0.46 to 0.99	0.12	0.58 to 1.11
Standard Life Millenium With Profits Fund [1,2]	0.59 to 1.12	0.59 to 1.12	0.19	0.78 to 1.31
Standard Life UK Equity Pension Fund [1]	0.52	0.53	0.06	0.60
Standard Life UK Stock Exchange Penson Fund [1]	0.46 to 0.59	0.48 to 0.61	0.11	0.58 to 0.72
Standard Life At Retirement (Multi-Asset Universal) Penson Fund [1,3]	0.55	0.58	0.22	0.79
Standard Life Pension With Profits Fund [1,2]	1.19 to 1.47	1.19 to 1.47	0.14	1.33 to 1.61
Standard Life European Equity Pension Fund[1]	0.46	0.48	0.04	0.51
Standard Life Multi Asset Managed (20-60% Shares) Pension Fund [1,3]	0.55 to 0.97	0.57 to 0.99	0.11	0.68 to 1.10
Standard Life International Equity Pension Fund [1]	0.46	0.48	0.09	0.56
Standard Life Money Market Pension Fund[1,3]	0.55	0.56	0.00	0.56

Notes:

1. LUFS Section members invested in the Standard Life AVC arrangement receive a monthly discount. This discount differs from member to member and is not guaranteed to be applied. We have therefore shown the range of TERs paid by members of the Standard Life AVC arrangement over the reporting period, based upon the information provided by Standard Life.
2. The charges on the Standard Life With Profits funds are not explicit and are taken into account when the annual bonus rate is declared on the funds. However, Standard Life publishes an estimate of the charges on each With Profits fund on its website and this is shown above.
3. Some members have chosen to invest in one of Standard Life's lifestyle strategies and were invested in one or more of these underlying funds as part of that strategy over the reporting period.
4. The Royal London Crest Secure Fund operates in a similar manner to a With Profits fund. The charges are not explicit and are taken into account when the interest rate on the Fund is declared. However, Royal London has confirmed the maximum ongoing charge on this Fund is 1.45% p.a..
5. For each fund, the total charges have been calculated by adding together the TER and transaction costs shown (totals may not always sum exactly due to rounding).

4. Illustrations of the effect of costs and charges

The Trustee is required to illustrate the effect of the costs and charges typically paid by a member on their retirement values (as a “pounds and pence figure”).

The Trustee has produced the following illustrations to demonstrate the effect of the above costs and charges for investment funds and strategies representative of the Plan's membership. The Trustee has taken account of the statutory guidance when preparing these illustrations.

Members are primarily invested in the default arrangement, the Aon Managed Retirement Pathway Funds. This fund aims to provide real growth (in excess of inflation) for the period up to 15 years before a member’s selected retirement age. From 15 years before a member’s selected retirement age, lower risk investments are gradually introduced, including protection and income generating investments. Members are also offered two alternative pathway funds which target different benefits at retirement, namely annuity purchase and cash, plus a range of self select funds.

The tables below illustrate the effect of the costs and charges at different ages on accumulated retirement pots for two representative members. The illustrations for each member are provided based on investment in the Aon Managed Retirement Pathway Funds (the default), along with investments wholly in the Aon Managed Property and Infrastructure Fund (being one of the self-select funds with the highest ongoing charge) and the Aon Managed Long Term Inflation Linked Fund (being one of the self-select funds with the lowest ongoing charge), to provide an indication as to the range of potential outcomes.

Representative member 1: For an active member aged 24 as at 31 December 2020, invested in the Aon Managed Retirement Pathway 2061-2063 Fund, the Aon Managed Property and Infrastructure Fund and the Aon Managed Long Term Inflation Linked Fund the estimated impact of charges on projected retirement values is shown below. Projections are based on an initial fund value of £1,000 and current salary of £22,000 p.a. and are shown in current money terms.

	Aon Managed Retirement Pathway 2061-2063 Fund (Default arrangement)			Aon Managed Property and Infrastructure Fund			Aon Managed Long Term Inflation Linked Fund		
Age	**Estimated fund value (before charges) £**	**Estimated fund value (after charges) £**	**Effect of charges £**	**Estimated fund value (before charges) £**	**Estimated fund value (after charges) £**	**Effect of charges £**	**Estimated fund value (before charges) £**	**Estimated fund value (after charges) £**	**Effect of charges £**
30	18,977	18,756	221	18,452	18,102	350	15,428	15,320	108
35	37,670	36,866	804	35,774	34,541	1,233	25,950	25,633	317
40	65,262	63,321	1,941	60,725	57,845	2,880	39,416	38,792	624
45	100,330	96,410	3,920	91,240	85,609	5,631	52,322	51,285	1,037
50	143,246	136,192	7,054	127,028	117,231	9,797	63,757	62,230	1,527
55	191,790	180,281	11,509	169,000	153,247	15,753	73,890	71,818	2,072
60	237,683	220,770	16,913	218,225	194,268	23,957	82,868	80,219	2,649
65	277,221	254,377	22,844	275,954	240,989	34,965	90,823	87,578	3,245

Representative member 2: For an active member aged 50 as at 31 December 2020, invested in the Aon Managed Retirement Pathway 2034-2036 Fund, the Aon Managed Property and Infrastructure Fund and the Aon Managed Long Term Inflation Linked Fund, the estimated impact of charges on projected retirement values is shown below. Projections are based on a fund value of £70,000 and current salary of £40,000 p.a. and are shown in current money terms.

	Aon Managed Retirement Pathway 2034-2036 Fund (Default arrangement)			**Aon Managed Property and Infrastructure Fund**			**Aon Managed Long Term Inflation Linked Fund**		
Age	**Estimated fund value (before charges) £**	**Estimated fund value (after charges) £**	**Effect of charges £**	**Estimated fund value (before charges) £**	**Estimated fund value (after charges) £**	**Effect of charges £**	**Estimated fund value (before charges) £**	**Estimated fund value (after charges) £**	**Effect of charges £**
55	120,524	118,713	1,811	118,501	115,592	2,909	93,655	92,780	875
60	172,717	167,929	4,788	175,382	167,519	7,863	114,615	112,738	1,877
65	222,385	213,593	8,792	242,091	226,663	15,428	133,187	130,222	2,965

The following assumptions have been made for the purposes of the above illustrations:

- The assumed growth rates (gross of costs and charges) are based on Aon's ten-year Capital Market Assumptions as at 31 December 2020 and are as follows:
  - Initial Growth Phase Fund 6.7% p.a.
  - Global Impact Fund 7.1% p.a.
  - Diversified Asset Fund 3.8% p.a.
  - Diversified Multi Strategy Bond Fund 2.4% p.a.
  - Passive Corporate Bond Fund 0.8% p.a.
  - Short Term Inflation Linked Fund -0.1% p.a.
  - Up to 5 Year UK Gilt Index Fund 0.2% p.a.
  - Long Term Inflation Linked Fund 0.1% p.a.
  - Property and Infrastructure Fund 5.8% p.a.
- Annual salary growth and inflation of 2.5% p.a.
- Future annual charges have been set in line with the TERs shown for each fund over the year to 31 December 2020, apart from the Aon Managed Retirement Pathway Funds, where future charges have been set as 0.35% p.a. (to reflect a change to the Annual Management Charge made at the start of 2021). In addition, an allowance has been made for future annual transaction costs, based on the average costs reported for each fund over the last three years.
- Retirement is assumed at the normal retirement age of 65.
- For Representative member 1: Member contributions of 6%, Company contributions of 6% pensionable pay until 31 December 2031, increasing to Member contributions of 8%, Company contributions of 9% of pensionable pay thereafter.
- For Representative member 2: Member contributions of 8%, Company contributions of 9% of pensionable pay.
- The projected fund values shown are estimates for illustrative purposes only and are not guaranteed.

5. Value for Members assessment

The Administration Regulations require the Trustee to make an assessment of charges and transactions costs borne by members of the DC sections and the extent to which those charges and costs represent good value for money for members.

There is no legal definition of "good value" and the process of determining this for members is a subjective one. The Trustee appreciates that low cost does not necessarily equate to better value and so a wider range of benefits should be considered.

The Trustee has carried out an assessment of the Plan over the reporting period to consider whether good value is provided to members in terms of the benefits and services they receive given the level of charges paid.

The assessment was split into two areas:

i. Costs

   The cost side of the analysis considered the costs and charges members pay, recognising that the Company meets the majority of the costs associated with the administration and governance of the Plan.

   The Trustee concluded that the TERs paid by 2006 Plan, LUMP Section and LUFS Section AVC members are competitive when compared with current market rates for similar schemes/arrangements.

   Since transaction cost disclosure is relatively new, there is no market benchmarking data available, so the Trustee has not been able to compare the transaction costs on the Plan's funds to the market. However, the Trustee has received confirmation from their advisers that the transaction costs associated with the arrangements are reasonable based on their general experience of similar funds.

ii. Benefits

   The benefit side of the analysis considered the quality of the Plan with regards to:

   - Governance, which is the time spent by the Trustee in making sure that the Plan is run in compliance with the law and regulations: the Trustee considered the Plan's practices against the Pensions Regulator's expectations (as set out in the DC Code of Practice) and other industry benchmarks/surveys, concluding that the Plan compared well. In particular, the Trustee has built a suitable governance approach for the Plan, with DC issues allocated sufficient time at Trustee meetings and included in the Plan's risk register. The Trustee also considered the impact of the COVID-19 pandemic on the Trustee board over the year and put in place appropriate plans to ensure that the board could continue to perform effectively during this time.
   - The administration service provided to members: as discussed in section 2, the Trustee regularly monitors the performance of the Plan's administrator and implemented a change of administrator from 1 February 2020 to address service issues identified. The Trustee is satisfied that improvements have started to come through, but will continue to monitor administration service levels moving forward. The Trustee also regularly monitors the administration services provided by the AVC providers for the LUFS Section AVC arrangements, the last such review was completed in December 2020.
   - Investment, including the default arrangement in place as well as the wider fund range offered to members and the ongoing monitoring of the performance and suitability of those funds: the Trustee considered the Plan's practices against the Pensions Regulator's expectations (as set out in the DC Code of Practice) and other industry benchmarks/surveys, concluding that the Plan compared well. The 2006 Plan and LUMP Section offer a number of investment options, including a suitable default arrangement, covering a range of member risk profiles and asset classes. The investment funds available have been designed with the specific needs of members in mind and are regularly monitored. The investment options for the LUFS Section AVCs are also regularly reviewed and monitored. The latest review of the AVCs carried out in December 2020, didn't highlight any concerns over the fund options available, although did note a small number of underperforming funds which the Trustee is considering.

- The communications and support provided to members: the Plan provides appropriate communications to members of the DC Sections, making use of a variety of communication media, which includes providing members with access to information online via the BWebstream site. Previously, the Trustee commissioned an independent review of the communications provided to members of the DC Sections, the results of which were incorporated as part of the transition to the new administrator.

The Trustee's assessment concluded that the charges and transaction costs borne by members of the DC Sections do represent good Value for Members. The Trustee does however acknowledge that the transition of the administration to a new provider (as discussed in section 2) continues to be a key area of focus to further improve the level of service and support for members.

6. Trustee Knowledge and Understanding (TKU)

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for the Trustee to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7.

The comments in this section relate to the Trustee as a body in dealing with the whole Plan and are not restricted to the DC sections.

Over the reporting period no new Trustee Directors were appointed. One Trustee Director retired at the end of the Plan year, but after considering the mix of skills on the Trustee board, the Trustee Directors agreed not to appoint a replacement. The Plan does, however, have a trustee training induction process, which is followed when a new Trustee Director is appointed.

The Trustee Directors have put in place arrangements for ensuring that they take personal responsibility for keeping themselves up-to-date with relevant developments in pensions. Training logs are maintained for all Trustee Directors and during the Plan year the Trustee Directors carry out a self-assessment of training needs to identify any gaps in knowledge or particular areas of focus. Over the period covered by this statement, the Trustee Directors didn't identify any particular knowledge gaps to focus on, concluding that they would like to continue to be provided with relevant training at the point they are taking decisions.

All Trustee Directors have completed the Pension Regulator's Trustee toolkit and have access to an online document storage tool ("Aon Pension Organiser"), which provides them with access to copies of key Plan documents. This helps for ease of reference and ensures that all Trustee Directors have a working knowledge of the Plan's Trust Deed and Rules and other key documents relevant to the Plan's policies/practices.

Over the reporting period, amongst other things, the Trustee Directors have:

- Made decisions on specific member cases, taking into account the requirements of the Plan's Trust Deed and Rules, the Plan's policies/practices and also the wider law relating to pensions and trusts;
- Carried out regular tasks, such as completing the annual Trustee Report & Accounts, including work on the annual Chair's statement on DC governance;
- Regularly monitored the funding position of the Defined Benefit (DB) section of the Plan and considered longer-term funding targets and principles;
- Regularly monitored the investment performance of the assets held in both the DB and DC sections of the Plan;
- Put in place a new Statement of Investment Principles for both the DB and DC sections of the Plan, to reflect the Trustee's views on Environmental, Social and Governance issues and to comply with regulatory changes from 1 October 2020;
- Received training on a new regulatory requirement to produce an Implementation Statement, which reports on how the policies in the Plan's Statement of Investment Principles have been implemented by the Trustee over the year;

- Considered updated analysis of the impact of recent market performance on DC member outcomes;
- Considered a review by their advisers of the LUFS Section AVC arrangements;
- Received initial training ahead of the 31 December 2020 actuarial valuation of the DB section of the Plan; and
- Received regular updates on topical issues in pensions and developments in pensions legislation/regulations, to help maintain their knowledge of the law relating to pensions and trusts.

Based upon the above, the Trustee considers that it has demonstrated a working knowledge of the Plan's Trust Deed and Rules, Statement of Investment Principles and other key documents relevant to the Plan's policies/practices, along with sufficient knowledge and understanding of the law relating to pensions and trusts, and the principles relating to the funding and investment of occupational pension schemes. Therefore, the Trustee considers that it has met the Pension Regulator's TKU requirements (as set out under Code of Practice No 7) during the Plan year.

Over the period covered by this statement, the Trustee considered the impact of the COVID-19 pandemic on the operation of the Plan and Trustee board. The Trustee put in place appropriate plans to ensure that the board could continue to perform effectively during this time, which included reviewing the regularity and format of Trustee meetings (virtual Trustee meetings have been held). In addition, issues such as key person risks have been considered and mitigated against.

The Trustee Directors have a range of skills and experiences and consist of a mixture of Member Nominated directors, Company Nominated directors and professional trustees with varying backgrounds. In addition to their own knowledge and expertise, the Trustee Directors have also engaged with their appointed professional advisers regularly throughout the year.

The Trustee Directors maintained a business plan over the year, setting out planned actions and activities. This included holding four regular Trustee meetings, as well as Investment and Governance sub-committee meetings. Due to the COVID-19 pandemic, most of these meetings were held virtually. Providers and advisers were in attendance at the meetings, who provided reporting and specialist advice before asking the Trustee Directors to take relevant decisions as required. Minutes of each Trustee meeting document the information shared, advice given and decisions made.

At the end of the Plan year, the Trustee Directors carried out a self-evaluation of their performance and effectiveness, by answering a number of questions. In addition, the Trustee's advisers were asked to comment on the performance of the Trustee board. The Chair of the Trustee collated responses and provided feedback to the Trustee Directors.

Based upon the above, the Trustee Directors believe that the Plan is well run and that the Trustee's functions have been exercised properly over the year.

Signed on behalf of the Agility Pension Plan Trustees Limited

__Kim Nash___________

Chairman of the Trustee

Date of signing _ 3 June 2021

Agility Pension Plan ("the Plan") – 2006 Plan and LUMP sections Statement of Investment Principles ("the Statement")

1. Scope of Statement

This Statement has been prepared in accordance with Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005).

The effective date of this Statement is 30 September 2020. The Trustee will review this Statement and the Plan's investment strategy annually and without delay after any significant change in investment policy.

The Plan is comprised of three sections: one providing defined benefits (LUFS), a section providing Money Purchase benefits (LUMP), both of which have been closed to new members and future accrual since 2006, and the third is a Defined Contribution Section (2006 Plan). There is no cross-subsidy between the different sections. This statement relates only to the 2006 Plan and LUMP sections ("the DC Sections").

2. Consultations Made

The Trustee has consulted with the Employer prior to writing this Statement and will take the Employer's comments into account when it believes it is appropriate to do so.

The Trustee is responsible for the investment strategy of the Plan. It has obtained written advice on the investment strategy appropriate for the Plan and on the preparation of this Statement. This advice is provided by its investment adviser, Aon Solutions UK Limited, who are authorised and regulated by the Financial Conduct Authority.

The Trustee has decided to implement the DC Sections' investment strategy through Aon's Delegated DC Services. Under this approach, the Trustee delegates the selection of the platform provider, available fund range and day to day management of the funds to Aon, through Aon Investments Limited ('the Manager'). The available fund range consists of a number of white-labelled blended funds. The choice of underlying managers and structure of each blended fund is delegated to the Manager.

3. Objectives and Policy for Securing Objectives

The Trustee's primary objectives are:

- "asset choice" to ensure members have an appropriate choice of assets for investment; and
- "return objective" to enable members to benefit from investment in "growth" assets until they approach retirement, when they will be able to switch to "matching" assets which are more related to the purchasing cost of their income and cash in retirement.

4. Choosing Investments (LUMP and 2006 Plan sections)

The investment options offered to members are deemed appropriate, given the nature of the membership.

The Trustee has put in place a default arrangement, described below, in acknowledgement that some members will be unwilling (or feel unable to) make investment choices and to provide an appropriate balance between return and risk over the lifetime of a typical member. A range of alternative funds is also available to members through the Manager, so that members can tailor their investment choices to meet their requirements, if they so wish. The objectives for each of these funds are set out in the Appendix.

Day to day management of the funds including the selection of the underlying investment managers and asset allocation structure is delegated to the Manager under Aon's Delegated DC Services. The selection of stocks is delegated to the underlying investment managers used within each fund, as chosen by the Manager.

The Trustee takes professional advice when formally reviewing the investment managers and funds offered to members. This advice is taken at least every three years. The Trustee reviewed the Default Option and fund options available to members in 2019.

5. Balance between Different Kinds of Investments

The Trustee recognises that the key source of financial risk (in relation to members meeting their objectives) normally arises from the choice of funds offered to members. The Trustee therefore retains responsibility for the investment fund options made available to the membership and takes expert advice as required from its professional advisers.

Three distinct asset allocation strategies are offered to members, which target different benefits at retirement, namely drawdown, annuity purchase and cash. These asset allocation strategies are offered through a target date fund structure, namely the Aon Managed Retirement Pathway Fund series. Details of the three asset allocation strategies are provided in the Appendix. For members who do not wish to make an active decision regarding the investment of their assets, a Default Option has been put in place following consideration of the Plan membership, the risks associated with investment and after taking advice from Aon Solutions Limited. Furthermore, as the 2006 Plan is being used for auto-enrolment purposes, the Trustee is required to designate a default arrangement into which members are invested. The Default Option that applies is as follows:

- For all new entrants and those members who had not already started de-risking into bonds and cash as at April 2016, the Default Option is the Aon Managed Retirement Pathway Fund series, which assumes members draw down income at retirement.
- For those members who had already started de-risking into bonds and cash as at April 2016, the Default Option is the Aon Managed Retirement Pathway to Annuity Fund series, which assumes members purchase an annuity at retirement.

Each member is allocated to the relevant Retirement Pathway Fund with a target date that most closely matches their selected retirement date. The switching of assets between the different underlying funds used within each asset allocation strategy is carried out within each target date fund.

Each asset allocation strategy aims to provide members with the potential for higher levels of growth during the accumulation of their retirement savings through exposure to growth assets including equities, and then to gradually diversify their investments in the years approaching retirement, to reduce volatility and to provide a broad base of assets from which members can choose the type of benefits they wish to take.

In setting the three asset allocation strategies, the Trustee has reviewed the extent to which the return on investments (after deduction of any charges relation to those investments) is consistent with the objectives of the strategy, which is broadly to provide an appropriate risk/return profile given the needs of members. The Trustee has also considered analysis of the existing membership of the DC Sections, including considerations of factors such as age, contribution rates and term to retirement.

The Trustee regularly reviews the appropriateness of the three asset allocation strategies, taking into account any significant changes in the demographic profile of the relevant members, and may make changes from time to time. Members are advised accordingly of any changes.

Whilst the Trustee retains responsibility for choosing the funds made available to members, it is the individual member's responsibility to:

- choose which specific funds they invest in, either by choosing the Default Option, one of the alternative asset allocation strategies, or by following their own investment strategy;
- monitor the performance of their own investments; and
- review the ongoing appropriateness of their chosen funds in light of their own individual circumstances.

6. Investment Risk Measurement and Management

The main areas of risk with this type of arrangement are as follows:

- **Market fluctuations** – where unit linked policies are used, the value of assets allocated for member benefits may fluctuate with the movement in the underlying asset values. This means that, at a member's retirement, there is the possibility that the fund will have to be realised at an inopportune time to provide retirement benefits. The DC Sections' rules allow a degree of flexibility when benefit payments may start, helping to mitigate the risk of a member having to take benefits at an inopportune time.

  For those members invested in one of the three asset allocation strategies, members' funds will automatically be switched into lower risk funds, as described in the Appendix, as they approach retirement, with the aim of reducing market volatility. Where members are making their own investment choices, it should be noted that the risk profile of the members' assets will be affected by their choice of funds, and that the range of funds that is available includes funds that are aimed at offering relative security as retirement approaches.

- **Annuity purchase risk** – the rates applied when pension funds are used to buy annuities may be more expensive than anticipated and the more expensive annuity rates could coincide with a time when retirement funds have lost value due to market fluctuations, as described above. Again, the DC Sections' rules allow flexibility in the timing of when benefit payments may start for a member, to help reduce the impact of this risk. For those members invested in the asset allocation strategy targeting annuity purchase, members' funds will automatically be switched into bonds and cash as they near retirement, with the aim of protecting the value of the benefits that will be provided.

- **Inflation risk** – the absolute return on investments, and hence the value of the pension policy, may be diminished by inflation. To help mitigate this risk, a range of funds is offered, including growth funds which aim to provide real growth (in excess of inflation) over the long term.

- **Assets may not be readily realisable** – a member may want to use asset proceeds for benefits at a time when there may be a delay in realisation. The fund options available, however, enable members to link their assets to more liquid investments as they approach retirement.

- **Manager risk** – the failure by the Manager to achieve the rate of investment return expected by the Trustee. This risk is considered by the Trustee and its advisers both upon the initial appointment of the Managers and on an ongoing basis thereafter, through quarterly investment reports prepared by its advisers.

- **Operational risk** - the risk of fraud, poor advice or acts of negligence. The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received.

The Trustee recognises that investment risk is borne by the members of the DC Sections. It takes account of this in the selection and monitoring of the iManagers and the choice of funds offered to members.

The Trustee monitors the performance of the assets on a quarterly basis via investment monitoring reports prepared by its investment adviser.

The Trustee acknowledges that investment returns achieved outside the expected deviation (positive or negative) maybe an indication that the Manager is taking a higher level of risk than agreed.

The Trustee has established a separate Investment Sub-Committee to consider matters with regard to investment, including performance monitoring.

7. Default Fund

As the 2006 Plan is being used for auto-enrolment purposes, the Trustee is required to designate a default arrangement into which members are invested. As outlined above, the Trustee has made available a Default Option for those members of the DC Sections who do not want to make a decision with regards their investments. Further details are set out in the Appendix.

8. Custody

Investment in pooled funds gives the Trustee a right to the cash value of the units rather than to the underlying assets.

The managers of the pooled funds are responsible for the appointment and monitoring of the custodians of the funds. The custodians are independent of the Employer.

9. Expected Returns on Assets

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

- For units representing "growth" assets (UK equities, overseas equities, multi-asset funds and property) to achieve a real return (in excess of price inflation) over the long term. The Trustee considers short-term volatility in asset price behaviour to be acceptable, given the general expectation that over the long term these assets will outperform asset classes which may be regarded as matching the liabilities;
- For units representing monetary assets (UK bonds) to achieve a rate of return which is expected to be approximately in line with changes in the cost of providing fixed income annuities; and
- For units representing cash to protect the capital value of the investment and achieve a rate of return in line with money market interest rates.

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

10. Realisation of Investments/Liquidity

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 (either through the sale of direct holdings of stocks, bonds etc. or the sale of units in pooled funds).

11. Social, Environmental or Ethical Considerations

In setting the investment strategy, the Trustee's primary concern is to act in the best financial interests of the Plan 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 Plan's investments, it must act as a responsible steward of the assets in which the Plan invests.

Environmental, Social and Governance considerations: The Trustee further 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 Plan's Manager and underlying investment managers to take into account corporate governance, social, and environmental considerations (including long-term risks posed by sustainability concerns including but not limited to climate change risks) in the selection, retention and realisation of investments. Any decision should not apply personal, ethical or moral judgments 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 risks and opportunities:

- The Trustee will have periodic training on Responsible Investment to understand how ESG factors, including climate change, could impact the Plan's assets and liabilities.

- When reviewing the investment strategy and strategic risks, the Trustee considers the implication of ESG risks, including climate change, using the available modelling tools, including deterministic scenarios.
- As part of the ongoing monitoring of the Plan's investments, the Trustee will use ESG ratings information on the underlying investment managers provided by the Plan's Manager, where relevant and available, to monitor the level of integration of ESG on a regular basis.
- The Trustee will include ESG-related risks, including climate change, on the Plan's risk register as part of ongoing risk assessment and monitoring.

Members' views and non-financial factors: In setting and implementing the Plan's investment strategy, the Trustee will ensure that the investments comply with the appropriate regulations, but does not explicitly take into account the views of Plan members and beneficiaries in relation to ethical views, social and environmental impact matters and present and future quality of life of the members and beneficiaries of the Plan (defined as "non-financial factors"). The Trustee will review its policy towards this at least every three years.

Initiatives and industry collaboration: In recognition of the commitment of the Plan's Manager to environmental, social and corporate governance issues, the Manager is a signatory of the UN Principles for Responsible Investment ("UN PRI" or the "Principles"). The Principles are a voluntary set of global best practices that aim to provide a framework for integrating environmental, social and corporate governance issues into financial analysis, investment decision-making and ownership practices. The UN PRI are voluntary and aspirational. Where consistent with their fiduciary responsibilities, the Manager will aim to pursue each of the six Principles, these being:

- Incorporating environmental, social and corporate governance issues into investment analysis and decision-making processes.
- Being active owners and incorporating environmental, social and corporate governance issues into their ownership policies and practices.
- Seeking appropriate disclosure on environmental, social and corporate governance issues by the entities in which they invest.
- Promoting acceptance and implementation of the Principles within the investment industry.
- Working together to enhance their effectiveness in implementing the Principles.
- Reporting on their activities and progress toward implementing the Principles.

The Plan's Manager has also signed up to the UK Stewardship Code. This Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. It sets out good practice on engagement with investee companies to which the Financial Reporting Council believes institutional investors should aspire and operates on a 'comply or explain' basis.

Disclosure and reporting: The Trustee will report to its stakeholders on its responsible investment activities on an annual basis.

12. Arrangements with the Manager

The Trustee has appointed the Manager, which it considers to be its investment manager. References in this policy to ‘underlying investment managers’ refers to those investment managers which the Manager in turn appoints to manage investments on behalf of the Trustee.

The Trustee recognises that the arrangements with the Manager, and correspondingly the underlying investment managers, are important to ensure that interests are aligned. In particular, the Trustee seeks to ensure that the Manager is incentivised to operate in a manner that generates the best long-term results for the Plan and its beneficiaries.

The Trustee receives quarterly reports and verbal updates from the Manager on various items including the default investment strategy and wider fund range, performance and longer-term positioning of the funds in which the Trustee invests. The Trustee focuses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Plan's objectives, and assesses the Manager over rolling three and fiveyear periods.

The Trustee also receives annual stewardship reports on the monitoring and engagement activities carried out by the Manager, which supports the Trustee in determining the extent to which the Plan's engagement policy has been followed throughout the year.

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

The Trustee delegates the ongoing monitoring of underlying investment managers to the Manager. The Manager monitors the Plan's investments to consider the extent to which the investment strategy and decisions of the underlying investment managers are aligned with the investment objectives of each fund used by the Plan. This includes monitoring the extent to which the underlying investment managers:

- make decisions based on assessments about medium- to long-term financial and non-financial performance of an issuer of debt or equity; and
- engage with issuers of debt or equity in order to improve their performance in the medium- to long-term.

Before appointing a new fiduciary manager, the Trustee will review the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies. Where required, the Trustee will seek to amend that documentation or will express its expectations by other means (such as through a side letter, in writing, or verbally at Trustee meetings) so that there is more alignment.

The Trustee believes that having appropriate governing documentation, setting clear expectations to the Manager, and regular monitoring of the Manager's performance and investment strategy, is sufficient to incentivise the Manager to make decisions that align with the Trustee's policies and base those decisions on assessments of medium- and long-term financial and non-financial performance.

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

The Trustee has not set a duration for its arrangements with the Manager, although its continued appointment is reviewed periodically, and at least every 5 years. Similarly, there are no set durations for arrangements with the underlying asset managers that the Manager invests in, although this is regularly reviewed as part of the manager research and portfolio management processes in place.

13. Costs and Performance

The Trustee is aware of the importance of monitoring its Manager's total costs and the impact these costs can have on the overall value of the Plan's assets. The Trustee recognises that in addition to annual management charges, there are other costs incurred by investment managers that can increase the overall cost incurred by their investments.

The Trustee receives annual cost transparency reports from the Manager. These reports present information in line with prevailing regulatory requirements for fiduciary managers. They clearly set out on an itemised basis:

- The total amount of investment costs incurred by the Plan;
- The fees paid to the Manager;
- The fees paid to the investment managers appointed by the Manager;
- The amount of portfolio turnover costs (transaction costs) incurred by the investment managers appointed by the Manager;

1. The Trustee defines portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the funds of the investment managers appointed by the Manager;

- Any charges incurred through the use of pooled funds (custody, admin, audit fees etc.);
- The impact of costs on the investment return achieved by the Plan.

The Trustee acknowledges that portfolio turnover costs are a necessary cost to generate investment returns and that the level of these costs varies across asset classes and manager. The Manager monitors the level of portfolio turnover (defined broadly as the amount of purchases plus sales) of all the investment managers appointed on behalf of the Trustee.

The Trustee delegates the management of the underlying manager cost transparency relationships to the Manager, however the Trustee expects full compliance with the provision of the cost transparency disclosure templates and that the Manager reports back any non-compliance immediately.

The Trustee benefits from the economies of scale provided by the Manager in two key cost areas:

- The ability of the fiduciary manager to negotiate reduced annual management charges with the appointed investment managers;
- The ability of the fiduciary manager to monitor ongoing investment costs (including additional fund expenses and portfolio turnover) incurred by the investment managers and achieve efficiencies where possible.

Evaluation of performance and remuneration:

The Trustee assesses the (net of all costs) performance of the Manager over rolling three and five-year periods for both the default strategy and wider range of funds offered to members by comparing performance against benchmark and the stated investment objective. The remuneration paid to the Manager and the fees incurred by third parties appointed by the Manager are provided annually by the Manager to the Trustee. This cost information is set out alongside the performance of the Manager to provide context. The Trustee monitors these costs and performance trends over time.

14. Stewardship – Engagement and the Exercise of the Rights Attaching to Investments

The Trustee recognises the importance of its role as a steward of capital and the need to assess all financially material risks in its investment decision making process. This includes risks associated with climate change, as well as other ESG-related factors. To this end, the Trustee strives to maintain a high standard of governance, promotion of corporate responsibility and respect of environmental factors throughout the Plan’s portfolio. The Trustee believes that doing so ultimately creates long-term financial value and reduces risk for the Plan and its beneficiaries.

The Trustee carefully reviews the Manager’s approach to stewardship, and other ESG-related matters, and communicates its expectations and standards to the Manager. These standards include:

- The Trustee expects the Manager to be a signatory to the PRI.
- The Trustee expects the Manager to be a signatory to the UK Stewardship Code.
- The Trustee expects the Manager to ensure that, where appropriate, underlying asset managers use their influence as major institutional investors to exercise the Plan's rights and duties as a shareholder.
- The Trustee expects the Manager to provide adequate transparency around stewardship activities, including an annual report on the stewardship activities of the underlying managers.

The Trustee will engage with the Manager as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned. This will take the form of annual reporting.

Where possible, the transparency for voting should include voting actions and rationale with relevance to the Plan, in particular where: votes were cast against management; votes against management generally were significant; votes were abstained; and voting differed from the voting policy of the underlying investment manager. Furthermore, where voting is concerned, the Trustee expects underlying investment managers to recall stock lending, as necessary, in order to carry out voting actions.

The disclosures offered for engagements should include the objectives and relevance to the fund, methods of engagement, progress and perspectives around shortcomings and outcomes to date, as well as escalation points and procedures as necessary.

The Trustee reviews the Manager's stewardship activity on an annual basis to ensure the Plan's stewardship policy is being appropriately implemented in practice. The Trustee does so to ensure that the Manager acts in a manner that is consistent with the Trustee's policies and objectives. If the Manager is found to fall short of the standards set by the Trustee, it is expected to provide satisfactory explanations as to why it is not. While the Trustee may seek to engage with the Manager if it is deemed to be falling short of its standards to reach a more sustainable position, failure to comply may result in a decision to replace it.

In line with its commitment to transparency and disclosure, the Trustee reports its responsible investment activities to the Plan's stakeholders on an annual basis within the Trustee's report and accounts.

The Trustee may engage with the Manager, who in turn is able to engage with underlying investment managers, investee company or other stakeholders, on matters including the performance, strategy, risks, social and environmental impact, corporate governance, capital structure, and management of actual or potential conflicts of interest, of the underlying investments made. Where a significant concern is identified, the Trustee will consider, on a case by case basis, a range of methods by which it would monitor examples include via the manager, media, personal and professional dealings) and engage (examples include via the manager and directly with underlying companies) so as to bring about the best long-term outcomes for the Plan.

15. Additional Voluntary Contributions ("AVCs") Arrangements

In addition to the main Plan benefits, some members obtain further benefits by paying Additional Voluntary Contributions (AVCs) to the Plan. The liabilities in respect of historic AVC arrangements are equal to the value of the investments bought by the members.

From time to time the Trustee reviews the choice of investments available to members to ensure that they remain appropriate to the members' needs.

This Statement replaces the former Statement of Investment Principles which had an effective date of 21 August 2019.

Kim Nash................................. Name (Print)	KIM NASH .... Signature	24 September 2020..... Date
Michael Woodmore .... Name (Print)	MICHAEL WOODMORE .... Signature	24 September 2020..... Date

Agility Pension Plan
Appendix to Statement of Investment Principles – 2006 Plan and LUMP sections

This Appendix sets out the Trustee's current investment strategy for the 2006 Plan and the LUMP sections ("the DC Sections") and is supplementary to the Trustee's Statement of Investment Principles (the "attached Statement").

The Trustee's investment strategy has been established in order to maximise the likelihood of members achieving the primary objectives set out in the attached Statement.

The Trustee has decided to implement the DC Sections' investment strategy through Aon's Delegated DC Services. Under this approach, the Trustee delegates the selection of the platform provider, available fund range and day to day management of the funds to Aon, through Aon Investments Limited.

With effect from June 2016, the investment strategy is consistent across both the LUMP and 2006 Plan sections.

1. Asset Options

The table below provides details of the funds used within the DC Sections' investment strategy and, for each fund option, indicates whether it is available as an asset allocation strategy or a self-select fund option:

Fund	Asset allocation strategy	Self-select
Asset allocation strategies		
Aon Managed Retirement Pathway Funds*	✓	✗
Aon Managed Retirement Pathway to Annuity Funds	✓	✗
Aon Managed Retirements Pathway to Cash Funds	✓	✗
Objective based funds		
Aon Managed Initial Growth Phase Fund	✗	✓
Aon Managed Diversified Asset Fund	✗	✓
Aon Managed Bond Phase Fund	✗	✓
Aon Managed Long Term Inflation Linked Fund	✗	✓
Aon Managed Pre-Retirement Bond Fund	✗	✓
Aon Managed Liquidity Fund	✗	✓
Asset class based funds		
Aon Managed Property and Infrastructure Fund	✗	✓
HSBC Islamic Global Equity Index Fund	✗	✓

*Default Option

2. Default Option and alternative asset allocation strategies

The Default Option that applies is as follows:

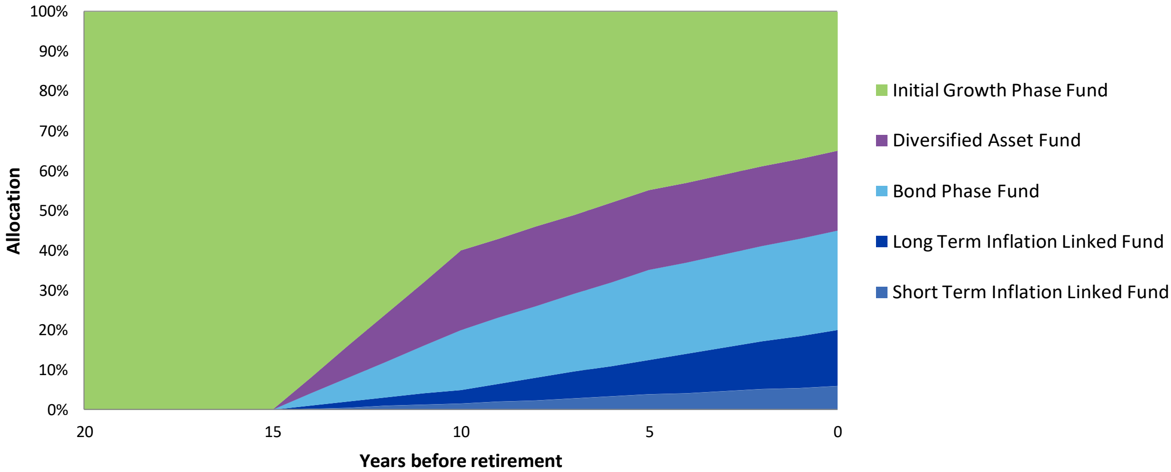
- For all new entrants and those members who had not already started de-risking into bonds and cash as at April 2016, the Default Option is the Aon Managed Retirement Pathway Fund series, which assumes members draw down income at retirement.
- For those members who had already started de-risking into bonds and cash as at April 2016, the Default Option is the Aon Managed Retirement Pathway to Annuity Fund series, which assumes members purchase an annuity at retirement.

The Aon Managed Retirement Pathway Fund series assume members draw down income at retirement. These are a series of target date funds and each member is invested in the relevant Retirement Pathway Fund with a target date that most closely matches their selected retirement date members. Each Retirement Pathway Fund initially invests wholly in the Aon Managed Initial Growth Phase Fund until 15 years before a member's selected retirement age. During this 'growth' phase, the Retirement Pathway Funds aim to provide real growth (in excess of inflation) over the long term.

From 15 years before a member's selected retirement age, lower risk investments are gradually introduced, including protection and income generating investments. At each Retirement Pathway Fund's target date, members' assets will be invested across a range of asset classes with the aim of providing a real income during the post-retirement phase whilst protecting the value of the investments.

The structure is summarised in the chart below:

Aon Managed Retirement Pathway Funds: underlying asset allocation



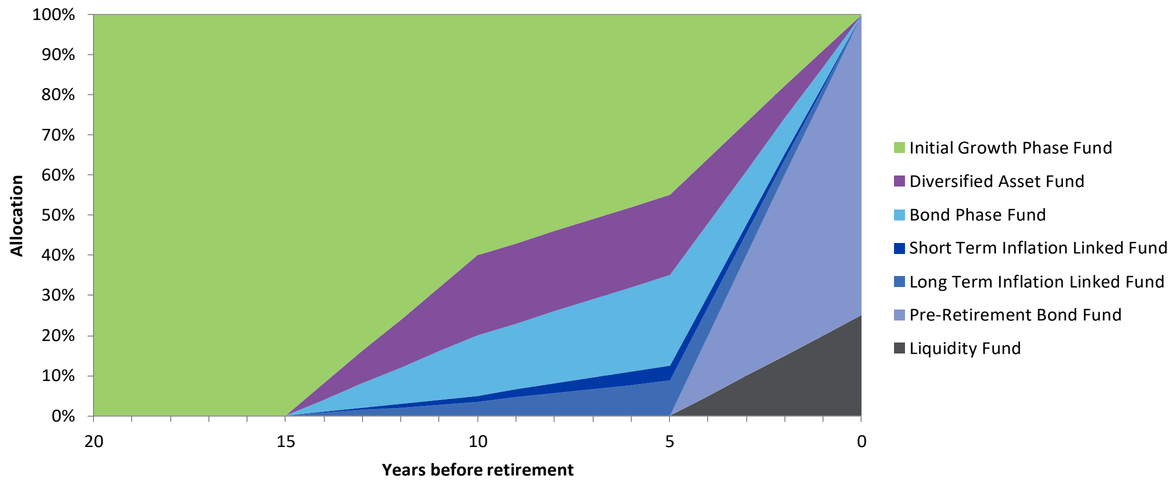
Two additional asset allocation strategies are available, alongside the Retirement Pathway Funds, which target different benefits at retirement, namely annuity purchase and cash.

The Aon Managed Retirement Pathway to Annuity Fund series works on the principle that a member electing this option will take the maximum tax-free cash sum and use the rest of their account to purchase an annuity at retirement.

Each Retirement Pathway to Annuity Fund follows the same asset allocation strategy as the Retirement Pathway Funds until five years before its target date. At this point, each Retirement Pathway to Annuity Fund is moved into lower risk assets, including annuity matching bonds and cash. At each Fund's target date, members' assets will be invested 75% in annuity matching bonds and 25% in cash, with the aim of protecting the value of the investments relative to movements in annuity prices and cash.

The structure is summarised in the chart below:

Aon Managed Retirement Pathway to Annuity Funds: underlying asset allocation

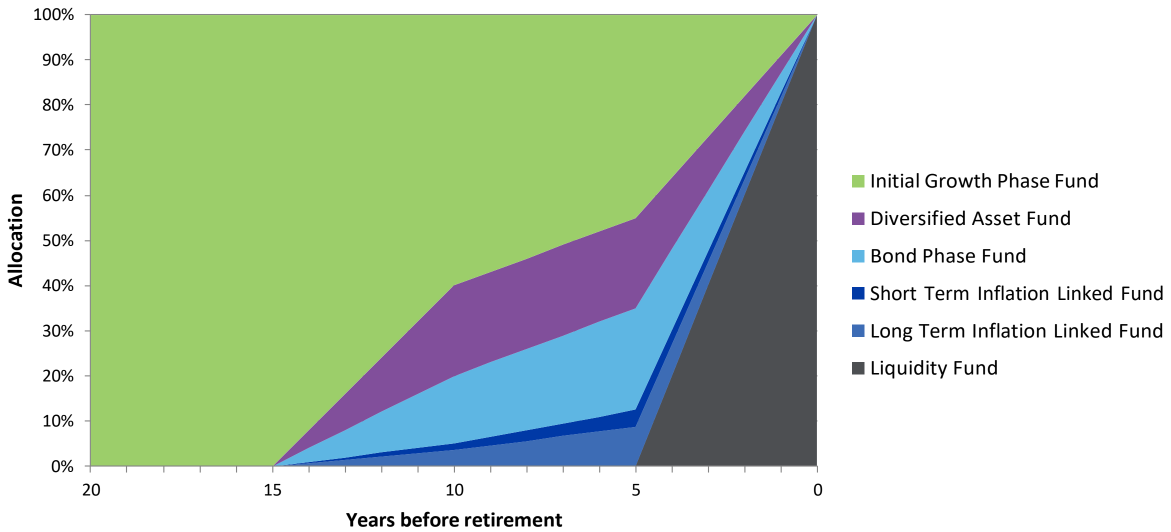


The Aon Managed Retirement Pathway to Cash Fund series works on the principle that a member electing this option will take the whole of their account as a cash lump sum at retirement

Each Retirement Pathway to Cash Fund follows the same asset allocation strategy as the Retirement Pathway Funds until five years before its target date. At this point, each Retirement Pathway to Cash Fund is moved into lower risk assets, including cash. At each Fund's target date, members' assets will be invested 100% in cash, with the aim of protecting the value of the investments relative to cash.

The structure is summarised in the chart below:

Aon Managed Retirement Pathway to Cash Funds: underlying asset allocation



3. Investment Management Arrangements

The following describes the mandates given to the investment manager within each asset class.

Fund	Benchmark	Target
Aon Managed Initial Growth Phase Fund	90% MSCI All Country World Index 7% FTSE EPRA/NAREIT Developed Index 1.5% AREF/IPD UK Quarterly all Balanced Property Funds Index 1.5% FTSE Developed Core Infrastructure Index	To outperform the benchmark
Aon Managed Diversified Asset Fund	SONIA	To outperform the benchmark by 3.25% pa, gross of fees, over a rolling market cycle
Aon Managed Bond Phase Fund	50% 3-month LIBOR GBP 50% iBoxx Sterling Non-Gilts All Stocks Index	To outperform the benchmark by 1.5% pa over rolling three-year periods
Aon Managed Long Term Inflation Linked Fund	FTSE-A Over 5 Years Index-Linked Gilts Index	To perform in line with the benchmark
Aon Managed Pre-Retirement Bond Fund	Manager bespoke	To perform in line with the benchmark
Aon Managed Liquidity Fund	7 Day LIBID Rate	To perform in line with the benchmark
Aon Managed Property and Infrastructure Fund	70% FTSE EPRA/NAREIT Developed Index 15% AREF/IPD UK Quarterly all Balanced Property Funds Index 15% FTSE Developed Core Infrastructure Index	To outperform the benchmark
HSBC Islamic Global Equity Index Fund	Dow Jones Islamic Titans 100 Index	To perform in line with the benchmark

4. Fee structure for advisers and manager

4.1 Advisers

The Trustee's investment advisers are paid for advice received on the basis of the time spent by the adviser. For significant areas of advice (for example large projects, such as a review of the operation of lifestyling), the Trustee will endeavour to agree a project budget.

These arrangements recognise the bespoke nature of the advice given, and that no investment decisions have been delegated to the adviser.

4.2 Investment manager

As at the date of the attached Statement, the Annual Management Charge (AMC), Additional Fund Expenses (AFE) and Total Expense Ratio (TER) that applies to each of the funds used by the DC Sections are set out in the table below. The AFEs are effective as at 31 March 2019. It should be noted that these figures will change from time to time as the underlying managers / structure of each of the funds change. The fee payable to Aon Investments Limited under Aon's Delegated DC Services for the management of the Delegated DC Funds is 0.15% pa; this is included in the AMCs and TERs shown below.

Fund	AMC % pa	AFE % pa	TER % pa
Asset allocation strategies			
Aon Managed Retirement Pathway Funds	0.28	0.03 to 0.05	0.31 to 0.33
Aon Managed Retirement Pathway to Annuity Funds	0.28	0.01 to 0.05	0.29 to 0.33
Aon Managed Retirements Pathway to Cash Funds	0.28	0.03 to 0.05	0.31 to 0.33
Objective based funds			
Aon Managed Initial Growth Phase Fund	0.26	0.05	0.31
Aon Managed Diversified Asset Fund	0.40	0.03	0.43
Aon Managed Bond Phase Fund	0.38	0.03	0.41
Aon Managed Long Term Inflation Linked Fund	0.20	0.00	0.20
Aon Managed Pre-Retirement Bond Fund	0.32	0.00	0.32
Aon Managed Liquidity Fund	0.20	0.03	0.23
Asset class based funds			
Aon Managed Property and Infrastructure Fund	0.48	0.01	0.49
HSBC Islamic Global Equity Index Fund	0.35	0.00	0.35

4.3 Fees for Administration

The cost of administration is borne by the Employer in respect of current employees. Deferred members pay their own administration costs which are deducted at source from the investment.

4.4 Payment of Investment Management charge

The investment management charges are built into the fund unit prices and hence paid by the members.

5. Legacy AVC funds

In addition, there are legacy AVC funds available in which some members have assets invested. These are as follows:

- Royal London unit linked polices; and
- Standard Life unit linked policies.

These funds are not available for members to select going forward.