Peel Ports Final Salary Pension Scheme (the "Scheme")
Statement of Investment Principles (the "Statement")

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 Scheme's investment strategy no later than three years after the effective date of this statement and without delay after any significant change in investment policy.

Consultations Made

The Trustee has consulted with the relevant employer, prior to writing this Statement and will take the employer's comments into account when they believe it is appropriate to do so.

The Trustee is responsible for the investment strategy of the Scheme. They have obtained written advice on the investment strategy appropriate for the Scheme and on the preparation of this Statement. This SIP has been prepared after obtaining and considering written professional advice from Lane Clark & Peacock ('LCP'), the Scheme's investment adviser, whom the Trustee believes to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments including the need for diversification given the circumstances of the Scheme and the principles contained in this SIP. The Trustee has consulted with the relevant employer in producing this SIP.

The day-to-day management of the Scheme's assets has been delegated to investment managers who are appropriately authorised and regulated as required under the Financial Services and Markets Act 2000 (amended by the Financial Services Act 2012). Their regulatory status can be verified on the Financial Services Register at www.fca.org.uk/register/. A copy of this Statement is available to the investment managers appointed and to the members of the Scheme.

Objectives and Policy for Securing Objectives

The Trustee's objectives for setting the investment strategy of the Scheme have been set with regard to the Scheme's Statutory Funding Objectives as set out in the Statement of Funding Principles.

The Trustee's primary objectives are*:*

- "funding objective" - to ensure that the Scheme is fully funded using assumptions that contain a margin for prudence. Where an actuarial valuation reveals a deficit, a recovery plan will be put in place which will take into account the financial covenant of the employer;

- "stability objective" – to have due regard to the likely level and volatility of required contributions when setting the Scheme's investment strategy;

- "security objective" – to ensure that the solvency position of the Scheme (as assessed on a gilt basis) is expected to improve. The Trustee will take into account the strength of employer's covenant when determining the expected improvement in the solvency position of the Scheme; and

- "risk management" – to manage the risks of matching assets against the method used by the Scheme Actuary in funding calculations.

Strategy

The Trustee has implemented a de-risking framework. The framework is considered as complementary to, and separate from, the formal triennial actuarial valuation. The framework defines a target of 110% funded for pensioners and 100% funded for non pensioners. This is assessed on a technical provisions basis.

The Trustee intends to monitor progress against the framework with consideration of various risk measures (including value at risk and deficit value at risk). The Trustee has agreed not to prejudge actions that would be taken if a Section were to get ahead of plan. Any action would depend on a number of factors at the time.

Choosing Investments

The types of investments held and the balance between them is deemed appropriate given the liability profile of the Scheme, its cashflow requirements, the funding level of the Scheme and the Trustee's objectives.

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

The assets of the Scheme are invested in the best interests of the members and beneficiaries. This means that due consideration is given to the security of the assets as well as the need to generate an appropriate return. The priority of the Trustee when considering these factors is the needs of the members and the beneficiaries.

The Trustee exercises their powers of investment (or delegation where these powers have been delegated to a fund manager) in a manner calculated to ensure the security, quality, liquidity and profitability of the portfolio as a whole. In order to avoid an undue concentration of risk a spread of assets is held. The diversification is both within and across the major asset classes.

Assets held to cover the Scheme's technical provisions (the liabilities of the Scheme) are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme.

The assets of the Scheme are invested predominantly on regulated markets (with investments not on regulated markets being kept to a prudent level) and properly diversified to avoid excessive reliance on any particular asset, issuer or group of undertakings so as to avoid accumulations of risk in the portfolio as a whole.

Investment in derivatives is only made in so far as they contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed such as to avoid excessive risk exposure to a single counterparty or other derivative operations.

The Trustee's investments reflect their investment beliefs about how investment markets work, and which factors are most likely to impact investment outcomes.

The Trustee has limited influence over managers' investment practices because all the Scheme's assets are held in pooled funds, but they encourage their managers to improve their practices where appropriate.

The Trustee‘s view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustee’s responsibility to ensure that the managers’ investment approaches are consistent with their policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustee expects investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. They assess this when selecting and monitoring managers.

The Trustee evaluates investment manager performance by considering performance over both shorter and longer-term periods as available. Except in closed-ended funds where the duration of the investment is determined by the fund’s terms, the duration of a manager’s appointment will depend on strategic considerations and the outlook for future performance. Generally, the Trustee would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustee’s policy is to evaluate each of their investment managers by reference to the manager’s individual performance as well the role it plays in helping the Scheme meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager’s remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustee expects their investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme’s investment mandates. Specific details of the investment management arrangements are provided in the Appendix of this Statement.

The Balance Between Different Kinds of Investments

The Trustee recognises that the key source of financial risk (in relation to meeting their objectives) arises from asset allocation.

They therefore retain responsibility for setting asset allocation and take expert advice as required from their professional advisers.

The Trustee reviews their investment strategy following each formal actuarial valuation of the Scheme (or more frequently should the circumstances of the Scheme change in a material way). The Trustee takes written advice from their professional advisers regarding an appropriate investment strategy for the Scheme.

A broad range of available asset classes has been considered.

The asset allocation of each Section of the Scheme is set out in the Appendix.

Investment Risk Measurement and Management

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

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

The Trustee monitors the risks arising through the selection or appointment of fund managers on a quarterly basis via investment monitoring reports prepared by their professional advisors. Expected deviation from the benchmark (for the passive manager) or out-performance target (for the active managers) are detailed in the Appendices of this statement. The Trustee has appointed LCP to alert them on any matters of material significance that might affect the ability of each fund manager to achieve its objectives.

The Trustee acknowledges that investment returns achieved outside the expected deviation (positive or negative) may be an indication that the investment manager is taking a higher level of risk than indicated.

Matters with regard to investment are considered by the Trustee body as a whole and the Scheme managers are generally seen once per year.

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 custodian of the fund's assets.

The custodians are independent of the employer.

Expected Returns on Assets

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

- the best-estimate expected return for the "growth" assets is for these to achieve a return of gilts + 4.0% per annum. The Trustee is willing to incur short-term volatility in asset price behaviour with the expectation that over the long term these assets will outperform asset classes which may be regarded as matching the liabilities;

- for the "matching" assets to achieve a rate of return of gilts + 0.8% per annum;

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

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 therefore realisable at short notice, through the sale of units in pooled funds.

Consideration of financially material and non-financial matters

The Trustee has considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme and its members.

The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations). The Trustee seeks to appoint managers that have appropriate skills and processes to do this, and from time to time reviews how its managers are taking account of these issues in practice.

The Trustee has limited influence over managers' investment practices where assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

The Trustee does not take into account any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments.

Activism, and the Exercise of the Rights Attaching to Investments

The Trustee recognises its responsibilities as owners of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustee from time to time, taking into account the long-term financial interests of the beneficiaries. The Trustee has limited influence over managers' stewardship practices where assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

Environmental, social and governance risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Scheme's investments, some of which could be financially material, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance. The Trustee seeks to appoint investment managers who will manage these risks appropriately on their behalf and from time to time reviews how these risks are being managed in practice.

Additional Voluntary Contributions ("AVC's") Arrangements

Some members had obtained further benefits by paying Additional Voluntary Contributions (AVCs) to the Scheme, more details are provided in the Appendix.

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

NEIL LEES ………………………….. **TRUSTEE CHAIR** **30 September 2020**

Appendix to Statement of Investment Principles

This Appendix sets out the Trustee's current investment strategy 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 achieving the primary objectives set out in the attached Statement. The details are laid out below.

1. Actuarial Assumptions

The table below details the Trustee's assumptions adopted for the actuarial valuation of the Scheme as at 5 April 2018. These assumptions are likely to change at the next actuarial valuation of the Scheme.

	Assumption
Salary Growth	RPI/CPI Inflation (as defined below), depending on Scheme Section
Price Inflation RPI	Determined from the gilt market implied break-even inflation, based on the Bank of England's published data, extrapolated by Aon Hewitt
Price Inflation CPI	RPI less 0.5% p.a.
"Growth" Assets (Pre Retirement)	RPI inflation (as above) plus 2.0% p.a.
"Matching" Assets (Post Retirement)	Fixed interest gilt yield curve plus 0.5% p.a. The fixed interest gilt yield curve is the gross redemption yield on gilts, in line with data published by the Bank of England, as extrapolated by Aon Hewitt.

2. Asset Allocation Strategy

The long-term asset allocation benchmark for the Section is as follows:

Section	Asset Class	Weight	Range
MDHC Salaried Officers	Growth Assets	29%	26% - 32%
	Matching Assets	71%	68% - 74%
MDHC Weekly Staff	Growth Assets	23%	20% - 26%
	Matching Assets	77%	74% - 80%
Medway Ports	Growth Assets	57%	54% - 60%
	Matching Assets	43%	40% - 46%
Manchester Ship Canal	Growth Assets	29%	26% - 32%
	Matching Assets	71%	68% - 74%
Clydeport	Growth Assets	43%	40% - 46%
	Matching Assets	57%	54% - 60%

The weightings in the table above represent the range that the Scheme’s asset allocation is expected to lie within. The Trustee is in the process of considering changes to the investment strategy, and these weights may change as a result of any decisions taken.

3. Investment governance, responsibilities, decision-making and fees

The Trustee has decided on the following division of responsibilities and decision-making for the Scheme. This division is based upon the Trustee's understanding of the various legal requirements placed upon it, and its view that the division of responsibility allows for efficient operation and governance of the Scheme overall. The Trustee's investment powers are set out within the Scheme's governing documentation.

Trustee

In broad terms, the Trustee is responsible in respect of investment matters for:

- developing a mutual understanding of investment and risk issues with the employer;
- setting the investment strategy, in consultation with the employer;
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change);
- setting the policy for rebalancing between asset classes;
- setting a policy on the exercise of rights (including voting rights) and undertaking engagement activities in respect of the investments;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form;
- appointing (and, when necessary, dismissing) investment managers, investment advisers, actuary and other service providers;
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- communicating with members as appropriate on investment matters, such as the Trustee's assessment of its effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged;
- reviewing the investment policy as part of any review of the investment strategy;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate; and
- consulting with the employers when reviewing the SIP.

Investment managers

In broad terms, the investment managers will be responsible for:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation;
- taking account of financially material considerations (including climate change and other ESG considerations) as appropriate when managing the portfolios of assets;
- exercising rights (including voting rights) attaching to investments and undertaking engagement activities in respect of investments;

- providing the Trustee with regular information concerning the management and performance of their respective portfolios; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

The custodians of the portfolios (whether there is a direct relationship between the custodian and the Trustees or not) are responsible for safe keeping of the assets and facilitating all transactions within the portfolios.

Investment adviser

In broad terms, the investment adviser will be responsible, in respect of investment matters, as requested by the Trustee, for:

- advising on how material changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested and the asset allocation policy;
- advising on the selection, and review, of the investment managers, incorporating its assessment of the nature and effectiveness of the managers' approaches to financially material considerations (including climate change and other ESG considerations); and
- participating with the Trustee in reviews of this SIP.

Performance assessment

The Trustee is satisfied, taking into account the external expertise available, that there are sufficient resources to support its investment responsibilities. The Trustee believe that it has sufficient expertise and appropriate training to carry out its role effectively.

It is the Trustee's policy to assess the performance of the Scheme's investments, investment providers and professional advisers from time to time. The Trustee will also periodically assess the effectiveness of its decision-making and investment governance processes and will decide how this may then be reported to members.

Working with the Scheme's employer

When reviewing matters regarding the Scheme's investment arrangements, such as the SIP, the Trustee seeks to give due consideration to the employer's perspective. While the requirement to consult does not mean that the Trustee needs to reach agreement with the employer, the Trustee believes that better outcomes will generally be achieved if the Trustee and employer work together collaboratively.

4. Investment Manager Arrangements

The following describes the mandates given to the fund manager within each asset class. The Trustees take the benchmark weights into consideration when setting the actual asset allocation of the Scheme and consider the appropriateness of rebalancing the assets on a regular basis.

3.1 Developed Equities

All Sections of the Scheme invest in the same passive Legal & General equity funds. These funds and the allocation between them are as follows:

Assets	Allocation
Legal & General Global Equity Fixed Weights (60:40) Index Fund	30%
Legal & General Global Equity Fixed Weights (60:40) Index Fund – GBP Currency Hedged	70%

Legal & General Global Equity Fixed Weights (60:40) Index Fund

Region	Benchmark	Equity Weight	Target Gross of Fees	Expected Tracking Error
UK	FTSE All Share Index	60%	Track the benchmark	+/- 0.25% p.a.
North America	FTSE World North America Index	14%	Track the benchmark	+/- 0.5% p.a.
Europe (ex-UK)	FTSE World Europe (ex-UK) Index	14%	Track the benchmark	+/- 0.5% p.a.
Japan	FTSE World Japan Index	7%	Track the benchmark	+/- 0.5% p.a.
Asia Pacific (ex-Japan)	FTSE World Asia Pacific (ex-Japan) Index	5%	Track the benchmark	+/- 0.75% p.a.

Legal & General Global Equity Fixed Weights (60:40) Index Fund – GBP Currency Hedged

Region	Benchmark	Weight	Target	Expected Tracking Error
UK	FTSE All Share Index	60%	Track the benchmark	+/- 0.25% p.a.
North America	FTSE World North America Index - Currency Hedged	14%	Track the benchmark	+/- 0.5% p.a.
Europe (ex-UK)	FTSE World Europe (ex-UK) Index – Currency Hedged	14%	Track the benchmark	+/- 0.5% p.a.
Japan	FTSE World Japan Index - Currency Hedged	7%	Track the benchmark	+/- 0.5% p.a.
Asia Pacific (ex-Japan)	FTSE World Asia Pacific (ex-Japan) Index – Currency Hedged	5%	Track the benchmark	+/- 0.75% p.a.

To hedge the currency exposure, FTSE follows a conventional method which aims to replicate the normal market practice for currency hedging. This method assumes that each currency in the index is hedged for one month against sterling by selling it at the one month forward rate. The amount of forwards sold mirrors the underlying exposure of each currency in the index at the start of the month.

The hedged position remains in place for the month, and is not changed because of underlying stock price movements or index constituent changes. The currency hedged index return for the month is calculated by adding gains/losses on the forward transactions on expiry to the return of the unhedged index.

This is repeated at the end of each subsequent month.

3.2 Emerging Market Equity

All Sections of the Scheme invest in the same Legal & General emerging market equity fund, details of which are shown below.

Assets	Allocation
Legal & General World Emerging Markets Equity Index Fund	100%

Region	Benchmark	Weight	Target	Expected Tracking Error
Emerging Markets	FTSE AW - All Emerging Markets Index (less withholding tax if applicable)	100%	Track the benchmark	+/- 1.5% p.a.

3.3 Fund of Hedge Funds

Multi Strategy Fund of Hedge Funds

The Trustee is in the process of disinvesting from the BlackRock Appreciation Fund IV, and the JP Morgan Multi Strategy Fund II.

The Trustee is also in the process of disinvesting from the BlackRock Tempus Fund.

3.4 Private Credit

All Sections of the Scheme invest in the same Private Credit fund. Details of the fund are as follows

Manager	Fund	Benchmark	Performance Objective
Arcmont	Senior Loan Fund II	1-month LIBOR	To seek a return (net of all fees) of 6% to 7.5% pa in Sterling and a 5% to 6% cash yield

3.5 Infrastructure

All Sections of the Scheme invest in the same un-listed Infrastructure fund. Details of the fund are as follows

Manager	Fund	Benchmark	Performance Objective

IFM	Global Infrastructure Fund	Absolute return of 10% pa, in local currency terms	Target portfolio return of 10% pa (after fees) over the long-term (more than 10 years), in local currency terms

3.6 Multi-Asset Credit Fund

All Sections of the Scheme invest in the same Multi-Asset Credit Fund. Details of the fund are as follows:

Manager	Fund	Benchmark	Performance Objective
M&G	Alpha Opportunities Fund GBP (A Share Class)	1-month LIBOR	Benchmark plus 3% gross of fees over a rolling 3 year period

3.7 Short Dated Buy and Maintain Credit Fund

All Sections of the Scheme invest in the same Shot Dated Buy and Maintain Credit Fund. Details of the fund are as follows:

Manager	Fund	Benchmark	Performance Objective
Insight	Short Dated Buy and Maintain Credit Fund	N/A	To seek to generate a return for investors by investing primarily in a portfolio of short dated debt securities

3.8 Liability Driven Investment

All Sections of the Scheme invest in the same Liability Driven Investment funds. Details of the funds are as follows:

Manager	Fund
Insight	Enhanced Selection Longer Nominal Fund
Insight	Enhanced Selection Shorter Nominal Fund
Insight	Enhanced Selection Longer Real Fund
Insight	Enhanced Selection Shorter Real Fund

3.9 Money market assets

A working balance of money market assets is held for all Sections for the imminent payment of benefits, expenses, and to provide a collateral buffer for the LDI portfolio.

Details of the Fund are below:

Manager	Fund	Benchmark	Target Gross of Fees
Insight	Liquidity Plus Fund	3-month LIBID	To provide investors with stability of capital and income

3.9 Re-balancing arrangements

In order to ensure the assets are re-balanced in line with the Asset Allocation Strategy, the Trustee reviews the balance of the assets on a regular basis, following which appropriate corrective action is taken.

4 Fee structure for advisers and managers

4.1 Advisers

A fixed fee for core investment consulting services has been agreed with the Trustee. For all other work 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 one off special jobs, or large jobs, such as asset and liability modelling), 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 managers

For passive mandates, or mandates where the manager is seeking to add incremental value in excess of the performance benchmark, the investment manager is remunerated as a set percentage of the assets under management. This is in keeping with market practice.

4.3 Summary of investment management fee arrangements

Each Section's investment management fee arrangements are detailed below:

Asset Class	Manager	Fee Scale (pa) (on assets under management unless otherwise stated)	Inception of mandate
Equities	L&G	Passive Equities: 0.08% pa Passive Equities – GBP Hedged: 0.09% pa	June 2000 December 2006
Emerging Market Equities	L&G	0.450% pa of the first £5 million, plus 0.350% pa of the next £5 million, plus 0.300% pa of the balance above £10 million.	December 2005
Private Credit	Arcmont	0.75% pa on invested capital Arcmont charge a performance fee calculated with respect to the Fund's internal rate of return ("IRR"). The performance fee is as follows: If the fund generates less than 4% pa net return, there is no performance fee. Arcmont receive 100% of any investment distribution greater than 4% pa, until total performance fee collected is 10% of the total return. Thereafter, Arcmont earns 10% of any excess return, and the Scheme 90%. Arcmont estimates additional expenses of around 0.25% pa.	July 2020 (capital committed)
Infrastructure	IFM	0.77% pa on the value of the Scheme's holding in the fund. IFM estimates additional expenses of around 0.27% pa. In addition, IFM amortises establishment costs within the partnership, these costs equate to approximately 0.02% of NAV, which is shared with investors in line with their proportionate holdings. IFM also charges a performance fee of 10% pa with a hurdle rate of 8% pa. The performance fee includes a "catch-up" provision which means that: the Plan receives 100% of any returns while the fund's returns are less than 8% pa (the hurdle rate); IFM then receives 33% of any returns greater than the hurdle rate until full catch-	[30 September 2020]

		up is reached (ie until IFM has received 10% of all returns to that point); and IFM receives 10% of any returns thereafter, with the balance of 90% being assigned to the Scheme.	
Multi-Asset Credit	M&G	Fixed Fee: 0.50% pa	March 2015
Short Dated Buy and Maintain Credit	Insight	Fixed Fee: 0.08% pa Fixed Operating Expenses ("FOE") of 0.05% pa are expected on the Fund.	April 2020
LDI Portfolio (shorter dated funds)	Insight	0.055% pa on the first £100 million (inclusive) of combined exposure value of all investments in the LDI funds[1] 0.05% pa on the next £150 million (inclusive) of combined exposure value of all investments in the LDI funds[1] 0.045% pa on any amount above £250 million of combined exposure value of all investments in the LDI funds[1]	May 2015
LDI Portfolio (longer dated funds)	Insight	0.075% pa in addition to the above (shorted dated LDI funds) of combined exposure value of all investments in the LDI funds[1]	May 2015
Cash	Insight	0.10% pa on leverage-event capital 0.05% pa thereafter 0.06% pa average fee.	December 2019

[1] This fee a specially negotiated fee for LCP clients and is reduced from the previous fee structure.

5 Additional Voluntary Contributions

Each Section's AVC arrangements are detailed below:

Section	AVC Provider
MDHC Salaried Officers	Prudential Assurance Company Ltd London Life Limited
Weekly Staff	Prudential Assurance Company Ltd London Life Limited
Medway Ports	Prudential Assurance Company Ltd Standard Life Ltd
Manchester Ship Canal	AVCs are invested with the main Scheme assets but their capital value at retirement or death is calculated as if they had been earning interest at the rates payable on local authority borrowings.

Clydeport Prudential Assurance Company Ltd