Lion Group Pension Plan

Chair's Statement

1 November 2023 - 31 October 2024

01 Introduction

This is the Chair's Statement for The Lion Group Pension Plan (the 'Plan') covering the period 1 November 2023 to 31 October 2024.

As the Chair of the Trustees ('the Trustees'), I provide you with a yearly statement which explains what steps have been taken by the Trustee, with help from our professional advisers, to look to meet the required governance standards. The law sets out what information must be included in my Statement, and this is designed to help members achieve a good outcome from their pension savings.

The Lion Group Pension Plan was established to provide retirement benefits for the Company's employees. The operation of the Plan is governed by the definitive trust deed. The Plan is a hybrid scheme and has two sections, a Defined Benefit ('DB') section in relation to accrual for active members until 31 December 1996 and a Defined Contribution ('DC') section for accrual of benefits for active members from 1 January 1997 onwards. This statement is in relation to the DC section as required by regulation. The DC section Is a qualifying scheme for the purposes of automatic enrolment obligations for the Sponsoring Employer (the "Employer") Lion Laboratories Limited. However, the Employer managed actual automatic enrolment via an alternative Group Personal Pension Plan ('GPP') of which this statement does not apply to.

If you have any questions about anything that is set out below, suggestions about what can be improved, or queries about your Plan's benefits, please do contact Royal London via the following link https://www.royallondon.com/existing-customers/contact-us/

02 Default Investment Strategy

02.01 The default investment arrangement

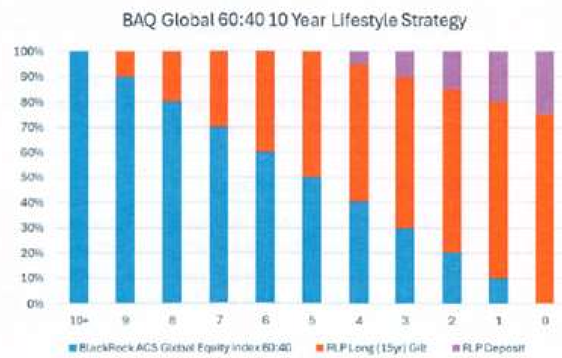
If members do not make their own investment choices in the Plan, their funds are invested in the default investment strategy. Members can also choose to invest in this strategy.

The current default investment strategy is the BAQ Global 60:40 10 Year Lifestyle Strategy.

The objective of the strategy is to provide long term returns above wage inflation and after charges in the early years, with gradual automatic switching into lower risk investments over the 10 year period up to the Plan's Normal Retirement Age. The strategy assumes that members will purchase an annuity at retirement (with allowance for members to take cash-free cash).

The default strategy invests in a range of largely growth focussed investments, when a member is 10 years or more away from retirement. This higher exposure to equities and other return seeking assets allows for a greater opportunity to grow the savings, while having enough time left before retirement to make up for any falls in value. Members' savings are then gradually (and automatically) moved over the last 10 years before their chosen retirement date into assets more suitable to purchasing an annuity at retirement.

This is shown in the graph below.



Source: Royal London. XPS calculations

Members can opt out of the default investment option and invest in any other funds offered by the Trustees, however any requests to self-select or switch funds must be approved by the Trustees.

02.02 Reviewing the default investment arrangement

The Trustees are required to review the default strategy and performance at least every three years or immediately following any significant change in investment policy or in the Plan's member profile.

The last review of the default strategy was undertaken on 15 September 2019. The Trustees worked with their investment adviser (Creative Benefit Solutions) in reviewing the investment strategy. In making this decision, the Trustees considered the member profile, approach to investment risk and return, and the manner in which members are likely to take their benefits at retirement. The strategy was deemed to remain appropriate for the members of the Plan and no changes were made at that time.

The Trustees are working with their current advisors, XPS Group, to review the investment strategy during the 2024/25 Plan year.

02.03 Investment Performance

Changes in legislation introduced in October 2021 require trustees of relevant occupational pension schemes to report on the net investment returns for the default arrangement and for each fund which scheme members are, or have been able to, select, and in which scheme members are invested during the scheme year.

Net investment returns refer to the returns on funds after the deduction of all transaction costs and charges and including them in this Statement is intended to help members understand how their investments are performing.

02.04 Fund Performance

Royal London has provided the Trustees with the investment performance information to monitor the Default strategy and self-select funds.

This table shows how the Default strategy has performed for members at three different ages, over the last one, three and five years to 31 October 2024 with a normal retirement age of 65.

	1 year (01/11/2023 – 31/10/2024)	3 years annualised (01/11/2021 – 31/10/2024)	5 years annualised (01/11/2019 – 31/10/2024)
Current default strategy	% p.a	% p.a	% p.a
Age 25	16.05%	5.26%	6.17%
Age 45	16.05%	5.26%	6.17%
Age 55	16.05%	5.26%	6.17%

Source: Royal London.

Note: Returns shown above are an estimate calculated by using the annualised returns of the underlying funds and the default lifestyle glidepath.

02.05 Self-select funds

For Self-select funds, performance is shown for one, three and five years (annualised):

	1 year (01/11/2023 – 31/10/2024)	3 years annualised (01/11/2021 – 31/10/2024)	5 years annualised (01/11/2019 – 31/10/2024)
Self-select funds	% p.a	% p.a	% p.a
RLP Deposit	4.45%	2.60%	1.25%
RLP Long (15yr) Gilt	5.67%	-12.59%	-7.87%
RLP UK Small Cap Specialist	33.28%	-10.49%	2.13%
RLP BlackRock ACS Global Equity (60:40) Index	16.05%	5.26%	6.17%
RLP BlackRock Gold & General	37.06%	6.76%	7.18%
RLP Fidelity Special Situations Blended	22.80%	5.51%	7.79%
RLP Ninety One UK Special Situations	34.44%	10.96%	7.56%
RLP Jupiter European Special Situations	7.36%	-5.20%	1.77%
RLP Emerging Markets Core Plus (JPM Emerging Markets)	10.83%	-6.37%	0.65%

Source: Royal London. Figures are net of fees. Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and members may get back less than they invest.

02.06 Asset allocation disclosure requirements

The new 2023 regulations require Trustees of relevant occupational pension schemes with a scheme year end of 1 October 2023 onwards to disclose and explain the percentage of assets allocated in the default arrangement(s) to specified asset classes.

The regulator believes that publication of asset allocation data will be an important step towards transparency, standardisation and comparability across the pensions market and that it is important that members have access to all relevant information surrounding the investments being made using their savings and the outcomes these investments could have on their future retirement.

02.07 Asset allocation

XPS has received a report on how the Plan's default investment strategy is invested in light of these new regulations and have provided a breakdown of the default strategy's asset allocation as at 31 October 2024.

BAQ Global 60:40 10 Year Lifestyle Strategy (the default option)	Percentage allocation: Age 25	Percentage allocation: Age 45	Percentage allocation: Age 55	Percentage allocation: Day before SPA
Cash	0.0%	0.0%	0.0%	20.4%
Bonds	0.0%	0.0%	0.0%	78.4%
Corporate bonds	0.0%	0.0%	0.0%	0.0%
Govt bonds	0.0%	0.0%	0.0%	78.4%
Other bonds	0.0%	0.0%	0.0%	0.0%
Listed equities	89.8%	89.8%	89.8%	0.0%
Private equity	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other *(including cash)*	10.2%	10.2%	10.2%	1.3%

03 Charges and transaction costs

03.01 Investment Manager Charges

The Trustees have selected a range of funds which it believes to be appropriate for members of the Plan. Each of these funds are provided by Royal London. Members may self-select their investment strategy, investing in any of these funds in whatever proportions they choose, or select the default investment option. Alternatively, if they do not make a choice, their funds will be invested in the default investment option.

Irrespective of the funds they are invested in, members will pay two annual charges in respect of their DC pension benefits. These are as follows:

Total Expense Ratio ('TER')

Members meet what is known as the Total Expense Ratio ('TER') in respect of their individual pension pots. This is comprised of an annual Fund Management Charge ('FMC') and other indirect fees which are incurred. The TER is calculated as a percentage of all applicable assets under management.

The FMC does not include other costs of running the Plan outside of administration and investment management.

Transaction costs

The Trustees are also required, as far as is reasonable and practical, to calculate the transaction costs paid by members during the assessment period and assess the extent to which these transaction costs represent good value for members. Transaction costs are incurred when investments are bought and sold. Since investment requires the buying and selling of assets, transaction costs are an essential part of generating investment returns on behalf of Plan members and managing risk.

The TERs and transaction costs applicable to the funds are set out in the table below, as at 31 December 2024:

	OCF (% p.a.)	Transaction Costs (%)
Default strategy - underlying funds		
BlackRock ACS Global Equity Index 60:40	0.40%	0.000%
RLP Long (15yr) Gilt	0.40%	0.000%
RLP Deposit	0.40%	0.000%

Source: Royal London

Charges and transaction costs
continued

Self select funds	OCF (% p.a.)	Transaction Costs (%)
RLP Deposit	1.00%	0.000%
RLP Long Gilt	1.00%	0.000%
RLP UK Small Cap Specialist	1.79%	0.080%
RLP BlackRock ACS Global Equity (60:40) Index	0.00%	0.000%
RLP BlackRock Gold & General	1.99%	0.304%
RLP Fidelity Special Situations Blended	1.86%	0.163%
RLP Investec UK Special Situations	1.79%	0.410%
RLP Jupiter European Special Situations	1.94%	0.050%
RLP Emerging Markets Core Plus	1.90%	0.367%

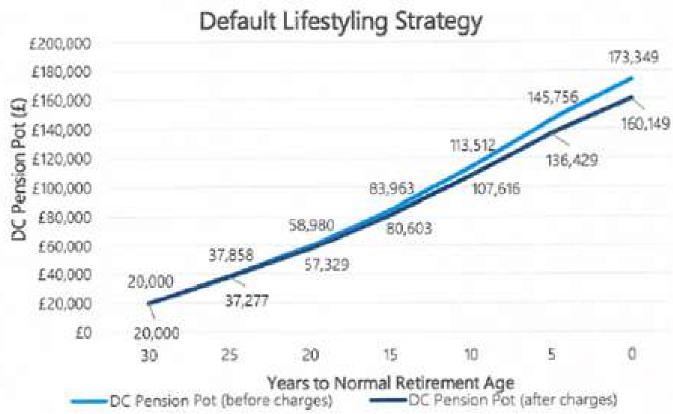
Source: Royal London

The charge for the default arrangement is below the charges cap of 0.75% pa.

Charges and transaction costs
continued

03.02 An illustration of the charges levied on members

Below you can find illustrations showing the possible effect of the costs and charges met by members on an example pension pot (for members in the DC section) over time. This is for illustration purposes only. The projected figures are not guaranteed, and actual returns earned and member fund values are likely to be different.



The following assumptions have been used to prepare the illustrations:

> An initial pension pot of £20,000, which was the average pot size during the Plan year.

> The member is currently 30 years from Normal Retirement Date.

> The total cost (TER + transaction costs) for investing in the BlackRock ACS Global Equity Index 60:40 fund is 0.40%, for the RLP Long (15yr) Gilt the cost is 0.65% and for the RLP Deposit the cost is 0.40%.

> The expected return for the BlackRock ACS Global Equity Index 60:40 fund is 6.00%, for the RLP Long (15yr) Gilt the expected return is 4.00% and for the RLP Deposit the expected return is 2.00%.

> Inflation of 2.50% p.a.

Projected pension pot values are shown in terms of current prices.

03.03 What are the assumptions based on?

In preparing these illustrations, the Trustees have considered statutory guidance including the following:

> The Department for Work and Pensions' Reporting of costs, charges, and other information: Guidance for trustees and managers of relevant occupational schemes'

> The Financial Conduct Authority (FCA) Transaction cost disclosure in workplace pensions Policy Statement PS17/20; and

> The Pensions Regulator's quick guide to the Chair's Statement and the Technical Appendix

04 Core financial transactions

04.01 Assessing Core Transactions

During the year, the Trustees are required to ensure the requirements of Regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 are met and that the Plan's core financial transactions are processed promptly and accurately.

Royal London

Royal London provides administration and investment platform services to the DC section of the Plan.

Royal London prepares an annual account statement showing the individual member holding over the period, how these holdings have changed in value, and the financial transactions that occurred during the period. The Trustees monitor Royal London on the basis of this statement.

Royal London do not prepare a Scheme specific service level report. However, Royal London do make governance reports available to trustees which are not plan specific but cover the aggregate service level that has been achieved in respect of core financial transactions across all of their participating employers. This is comparable to many legacy pension providers for plans of this size.

The Trustees generally believe that the processes in place by the administrator are appropriate and adequate. The Trustee will however discuss reporting with Royal London in an effort to obtain more Plan specific data.

There is no formal service level agreement in place with Royal London as Scheme administrator, however Royal London aims to accurately complete all financial transactions within 5 working days. This covers, amongst other matters:

- Investment switches;
- Processing retirements;
- Processing transfers out of the Scheme; and
- Processing death claims

The Trustees are not aware of any member concerns reported during the Plan year.

Based on the above, the Trustees confirm that they are comfortable with the accuracy and timeliness of the core transactions processed in the year.

04.02 Administration

The Trustees recognise that good administration often correlates with positive member outcomes. Administration is considered on an ad-hoc basis, when DC matters are discussed at Trustee meetings.

05 **Value for Members**

05.01 Assessment of Value

The Value for Members assessment is based on the matters which must be covered, as set out in the relevant regulations and guidance. The Plan had assets of less than £100m at the date of its last set of audited accounts and therefore must comply with the regulations as set out in that guidance, which state that for plan years ending on or after 1 January 2022, plans with less than £100m in assets and having been in operation for at least three years, must undertake a VfM assessment each year, based on a set range of matters (including: costs and charges, core financial transactions, record keeping, communications, managing conflicts, investment strategy and trustee knowledge and understanding). This must determine whether the DC benefits provided to members are good value, or not.

The Trustees take professional advice on whether this is the case and having considered the advice provided by its advisers, has concluded that the Plan does not generally offer good value for members. In summary, the Trustee concluded that:

> The net returns achieved by the funds do not provide good value to the members of the Plan in comparison to the three large comparator plans used for the assessment. On average, the net returns are lower than comparator returns.

> The Trustees believe that the charges associated with the Plan represents good value to members as the overall charges are within the range of charges for the three large comparative plans. Current charges are reasonable compared to the comparators' default arrangements and fairly typical for a legacy style arrangement like the Plan. The annual management charge covers the administrative costs of Royal London and their investment management charges. There are other costs associated with the administration of the Plan which are all borne by the Employer.

> The Trustees will be undertaking a review of the current investment fund range during the next Plan year to consider alternative investment options and whether value for members can be improved in respect of net returns and the level of costs and charges.

> The processes that are in place to ensure the efficient administration and governance of the Plan (which include those explained in the 'Core financial transactions' and the 'Knowledge and understanding of the Trustee' sections of this Statement) are generally deemed to be appropriate.

> Although Plan level reporting could be improved, this is not expected to be pragmatic as bespoke reporting would be required (which is likely to be cost prohibitive). The Trustees will approach Royal London to see whether additional reporting information can be made available on a scheme specific basis (particularly in respect of service levels).

> The Trustees rely on the standard communications issued out by the Plan's administrators. These communications satisfy the regulatory requirements for the arrangement. The Trustees do not send out any further communications, however this is a pragmatic approach given the size and structure of the Plan.

Following this assessment, the Trustees do not believe that the Plan represents good value for the members.

The Trustee will be considering options to improve member value.

06 Trustee Knowledge and Understanding

06.01 Knowledge and understanding of the Trustees

The Trustees are required to have appropriate levels of knowledge and understanding. This includes a working knowledge of the Plan's Trust Deed and Rules and documents setting out the Trustee's current policies. Further, it must have sufficient knowledge and understanding of the law relating to pensions and trusts; and the principles relating to the funding and investment of occupational plans.

The Trustee is satisfied that they have complied with the knowledge and understanding requirements set out in section 248 of the Pensions Act 2004.

The Trustee has access to, and knowledge of, the Scheme's documentation (e.g. Deed and Rules). These documents are available to the Trustee via the Chair of the Trustees.

The Trustees receive updates from its advisors on pensions law developments and any other areas of particular importance, including appropriate training. However, no direct training relating to DC matters has been received during the reporting period.

The Trustees use the TPR's online Toolkit in order to acquire the relevant knowledge and understanding to effectively manage the Scheme. The Trustees are currently in the process of completing the Toolkit training in relation to hybrid arrangements.

Any new trustee would be expected to carry out this training and be fully conversant with the Scheme's documentation within 6 months.

The Trustees will also develop a DC training plan to ensure that all Trustees are able to acquire and maintain the required level of knowledge and understanding.

07 **Conclusion**

07.01 Conclusion

The annual production of this Statement provides members with a narrative of how the Trustees look after members' interests, especially in the areas of the five key elements within this Statement listed below.

> Fund range

> Charges and transaction costs / net returns

> Core financial transactions

> Providing Value for Members

> Trustee Knowledge and Understanding

The Trustees will continue to monitor these key areas and report to members both via the annual Chair's Statement and other communications as appropriate.

In conclusion, I submit this report in accordance with the Chair's Statement requirements.

Signature	**Date**
Toby S Hall	29 May 2025
Name	**Qualification**
Toby Hall	Chair of the Trustees

08 Appendix A - Statement of investment Principles

Lion Group Pension Plan (the "Scheme")

Statement of Investment Principles (the "SIP") for the Defined Contribution Section of the Scheme

INTRODUCTION

This Statement of Investment Principles ("SIP") has been prepared for the Trustees of the Lion Group Pension Plan ("the Scheme") in consultation with the Scheme's sponsoring employer Lion Laboratories Limited ("the Employer"). This SIP relates only to the Defined Contribution (Money Purchase) section of the Scheme for accrual after 31 December 1996. A separate SIP has been produced for the Defined Benefit (Final Salary) section of the Scheme in relation to accrual of benefits before 1 January 1997. This SIP is produced to meet the requirements of the Pensions Acts 1995 & 2004, the Occupational Pension Schemes (Investment) Regulations 2005 and any and all other relevant legislation and regulations. The Trustees also comply with the requirements to maintain and take advice on the SIP and with disclosure requirements and take account of The Pensions Regulator best practice guidance. The Scheme's assets are held in trust for the Scheme by the Trustees, whose powers of investment are set out in the Trust Deed and Rules and any subsequent amendments.

The Trustees have obtained written advice from their previous Investment Adviser, Creative Benefit Solutions Limited, on the investment strategy. Their current adviser, XPS Investment Limited, has advised on the production of this SIP. Where not explicit, the policies and principles set out below should be taken to refer to both the Scheme as a whole and its default arrangement.

This SIP is made available to members of the Scheme on request and to the Investment Manager(s).

INVESTMENT OBJECTIVES

The Trustees' key objectives are to enable members to build up and secure appropriate retirement benefits while being exposed to an acceptable level of investment risk.

In order to do that the Trustees have set up a default investment strategy as well as alternative self-select investment options.

The objective of the default investment strategy (the "BAQ GLOBAL 60:40 10 YEAR LIFESTYLE STRATEGY") is to provide long term returns above wage inflation, as measured by the Average Weekly Earnings ("AWE") Index, after charges in the early years with gradual automatic switching into lower risk investments over the 10 year period up to the Scheme Normal Retirement Age.

The objective of the alternative self-select options is to allow members who decide the BAQ GLOBAL 60:40 10 YEAR LIFESTYLE STRATEGY is not appropriate, to manage their pension investment at an alternative risk level and/or to invest in alternative assets classes.

RISKS

The Trustees are required to assess the investment risks to the Scheme's assets, including measurement of those risks. In doing this the Trustees aim to take account of the members' circumstances. Specifically the Trustees have identified the following risks:

Members' Attitude to Risk

The Trustees have taken advice on the likely distribution of members' attitude to risk and selected a default investment strategy that is aimed to match the majority of expected members' attitude to risk over the term to Normal Retirement Age. However, the Trustees have also made available alternative investment options to allow members to invest at alternative risk levels. Investment risk is primarily measured in terms of the volatility of the underlying investments.

Members' Term to Retirement

The Trustees are aware of the risk that market movements in the years prior to retirement might lead to a substantial reduction in the value of the funds that could otherwise have been built up. In setting the default strategy the Trustees have included automatic investment risk reduction for members approaching Normal Retirement Age.

In addition the Trustees have made available alternative risk investment options on a self-select basis.

Pension Conversion Risk

This is the risk that the funds in a member's Accumulated Fund are not invested appropriately for the timing of when a member wants to take benefits from the Scheme or the method by which they want to take those benefits. The Trustees measure this risk by taking account of the experience within the Scheme as well as data available for the whole of the UK pension industry. The Trustees have designed the default strategy to target conventional lifetime annuity purchase after 25% tax free cash lump sum (Pension Commencement Lump Sum, PCLS) payment at the Scheme member's Normal Retirement Date, but have made alternative self-select options available to members to allow them to manage the timing and form of their retirement benefits in alternative ways.

Inflation Risk

Inflation reduces the purchasing power of an investment over time. The Trustees measure inflation in line with the increase in the Consumer Price Index ("CPI") and monitor the returns of the default strategy and the alternative self-select investment options against that.

Investment Manager Risk

This is the risk that a given investment manager fails to meet the agreed mandate for the investment. The performance of the Investment Manager against their mandate is assessed by various performance measures including volatility, returns and investment style.

Liquidity Risk

The assets of the Scheme need to be available when required to pay benefits and there is a risk that some investments may not be realisable at the appropriate time. This is measured by how often the investment is valued and how quickly any investment can be sold (in part or in full).

The BAQ GLOBAL 60:40 10 YEAR LIFESTYLE STRATEGY may not be suitable for members who retire before or after their NRA, or wish to draw their benefits using a method other than taking a 25% tax free lump sum and purchasing a conventional lifetime annuity with the remaining fund.

Alternative Investment Options

The Trustees are aware that the default strategy may not be appropriate for all members. The Trustees have therefore made alternative investment options available on a self-select basis.

It is the Trustees' policy to provide suitable information for members so that they can make appropriate investment decisions. The range of investment options was selected by the Trustees after taking advice from the Trustees' Investment Adviser and after taking consideration of the follow points:

- A range of asset classes
- The need for diversification
- The suitability of each asset class for different members
- Operational Risk

The Trustees have sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced, authorised and regulated by the Financial Conduct Authority (where appropriate) and that suitable liability and compensation clauses are included in all contracts for professional services received. The Investment Manager is also assessed based on its independent financial strength ratings.

The Trustees monitor the performance of the investments and Investment Manager against pre-set benchmarks and the mandates for the underlying investments.

The Trustees' policy is to use pooled investment funds (i.e. investment in unitised collective investment funds) and not to hold any direct investments.

Policy on Illiquid Assets

The role of illiquid assets within all aspects of the strategy has been considered by the Trustees. The Trustees' policy is to consider the benefits of all available asset classes when constructing the default investment strategy. This is to seek to improve member outcomes through improved risk-adjusted returns. At present, the Default Arrangement has no allocation to illiquid assets. This is due to prior decisions on appropriate levels of charges for members, the need to better understand the risk and reward profile of that asset class, and the implementation costs of introducing the asset class onto the investment platform used by the Trustees. The Trustees will monitor the asset class and will, in conjunction with training and research from their Investment Adviser, determine whether there are suitable, future opportunities to invest in illiquid assets.

GOVERNANCE

The Trustees of the Scheme are responsible for the investment of the Scheme assets. The Trustees take some decisions themselves and delegate others. When deciding which decisions to take themselves and which to delegate, the Trustees have taken into account whether they have the appropriate training and advice in order to make an informed decision. The Trustees have established the following decision making structure:

Trustees

- Set the structures and processes for carrying out its role
- Select appropriate experts to provide advice as and when required
- Set the structure for the implementation of the investment strategy

- Select and monitor the planned asset allocation strategy for the default strategy
- Review the self-select fund range and default strategy on a regular basis
- Monitor the Investment Manager(s) and Investment Custodian(s)
- Make ongoing decisions relevant to the operational principles of the Scheme's investment strategy

Investment Adviser

- Advises on all aspects of the investment of the Scheme's assets, including implementation
- Negotiation of fee terms and contractual terms
- Advises on this SIP
- Ensures that it delivers advice that is compliant with the requirements of the Financial Conduct Authority where required

Investment Managers & Custodians

- Operate within the terms of this SIP and their written contracts
- Selects individual investments with regard to their suitability

Scheme Administrator

- Administrative and operational liaison with the Investment Managers and Custodians
- Scheme secretarial and reporting liaison with the Investment Manager and Custodians

The Trustees expect the Investment Managers to manage the assets delegated to them under the terms of their respective contracts and to give effect to the principles in this SIP so far as is reasonably practicable.

The Trustees accept that the assets are subject to the Investment Manager's and Custodian's own corporate governance policies. However, the Trustees expect the Manager and Custodian to discharge their responsibilities by taking account of current best practice, which includes the UK Corporate Governance Code and the UK Stewardship Code. The Investment Manager's policies are monitored on a regular basis.

INVESTMENT MANAGER ARRANGEMENTS

Delegation to Investment Manager(s)

In accordance with the Pensions Act 1995 (as amended), the Trustees may appoint one or more Investment Managers and delegate to them the responsibility for investing the Scheme's assets in a manner consistent with this Statement.

The Investment Managers are authorised and regulated to provide investment management services to the Scheme. Within the UK, the authorisation and regulation of the Investment Managers falls under the Financial Conduct Authority (FCA). Specific products in which the Scheme invests may also be regulated by the Prudential Regulatory Authority (PRA). For non-UK Investment Managers, authorisation and regulation is undertaken by the home state regulator.

Where Investment Managers are delegated discretion under section 34 of the Pensions Act 1995, the Investment Managers will exercise their investment powers with a view to giving effect to the principles contained in this Statement so far as reasonably practicable. In particular, the Investment Managers must have regard to the suitability and diversification of the investments made on behalf of the Scheme.

The Investment Managers will ensure that suitable internal operating procedures are in place to control individuals making investments for the Scheme.

Performance objectives

The Trustees monitor the performance of the investments and Investment Manager against pre-set benchmarks and the mandates for the underlying investments.

Review Process

Appointments of Investment Managers are expected to be long-term, but the Trustees will review the appointment of the Investment Managers in accordance with their responsibilities. Such reviews will include analysis of each Investment Manager's performance and processes and an assessment of the diversification of the assets held by the Investment Manager. The review will include consideration of the continued appropriateness of the mandate given to the Investment Manager within the framework of the Trustees' investment policies. Fund manager remuneration is considered as part of the review process. It is also monitored regularly with the help of the Investment Consultant to ensure it is in line with the Trustees' policies and with fee levels deemed by the Investment Consultant to be appropriate for the particular asset class and fund type.

Alignment of Interests

Based on the structure set out in Appendix I, the Trustees consider the arrangements with the Investment Managers to be aligned with the Scheme's overall strategic objectives. Details of each specific mandate are set out in agreements and pooled fund documentation with each Investment Manager. The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Managers' tactical asset allocation preferences at any time, within any scope given to them through asset allocation parameters set by the Trustees or governing the pooled funds in which the Scheme is invested.

The Trustees will ensure that the Scheme's assets are predominantly invested in regulated markets to maximise their security.

Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Scheme's investment strategy - and hence the fees they receive - are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustees' expectations, including the selection / deselection criteria set out below.

The Trustees encourage Investment Managers to make decisions in the long-term interests of the Scheme. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights, on the basis that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns. As covered in more detail in the section on ESG investment policy, the Trustees also require the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustees believe these factors could have a material financial impact in the long-term. The Trustees therefore make decisions about the retention of Investment Managers, accordingly.

Selection / Deselection criteria

The criteria by which the Trustees will select (or deselect) the Investment Managers include:
> Parent - Ownership of the business;
> People - Leadership/team managing the strategy and client service;
> Product - Key features of the investment and the role it performs in a portfolio;
> Process - Philosophy and approach to selecting underlying investments including operational risk management and systems;
> Positioning - Current and historical asset allocation of the fund;

> Performance - Past performance and track record;
> Pricing - The underlying cost structure of the strategy;
> ESG - The consistency and extent to which ESG analysis is incorporated into the process of selecting underlying investments.

An Investment Manager may be replaced, for example (but not exclusively), for one or more of the following:
> The Investment Manager fails to meet the performance objectives;
> The Trustees believe that the Investment Manager is not capable of achieving the performance objectives in the future;
> The Investment Manager fails to comply with this Statement.

Investment Managers' fee structure

The Investment Managers are remunerated by receiving a percentage of the Plan's assets under management.

It is felt that this method of remuneration provides appropriate incentives for the Investment Managers to target the agreed level of outperformance whilst adhering to the level of risk specified by the Trustees.

Portfolio turnover

The Trustees require the Investment Managers to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence.

DAY-TO-DAY MANAGEMENT OF ASSETS

The Trustees have taken steps to ensure that the Investment Manager and Custodian have the appropriate experience for managing the Scheme's investments and they are carrying out their work competently.

The Trustees have delegated all day-to-day decisions about the investments that fall within each mandate, including the realisation of investments, to the relevant Investment Manager through a written contract. When choosing investments, the Trustees and the Investment Manager (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The Investment Managers' duties also include voting and corporate governance in relation to the Scheme's assets.

The Investment Manager is remunerated on a percentage charge basis related to the amount of assets under management.

The investment custodian is HSBC Bank plc, which administers the assets for the Investment Manager.

REALISATION OF ASSETS

The Trustees will realise assets as required following member requests on retirement or other circumstances defined in the Scheme rules. In selecting assets the Trustees consider the liquidity of the investments in the context of the likely needs of members.

ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG) INVESTMENT POLICY

The Trustees recognise that ESG considerations (including climate change) can have a material financial impact on the Scheme's investments. The Trustees have considered ESG issues with their Investment Adviser and will evaluate and manage these risks when setting the Scheme's investment strategy and in the selection and retention of their investment managers.

The Trustees have reviewed risks by reference to an 'appropriate time horizon' for the Scheme's investments, which the Trustees have defined as the median average term to the Scheme's Normal Retirement Age for members.

The Trustees have a preference for passive index tracking underlying investment management utilising Pooled Funds for the default strategy.

This is underpinned by the Trustees' core belief that the primary driver of long term investment returns is asset allocation (as opposed to individual stock/investment selection), as well as the expectation that passive management reduces the risk of significant underperformance relative to the market being tracked and minimises investment expenses.

As such the Trustees believe that passive investment management for each underlying market sector provides better value for money for Scheme members.

While the Trustees generally favour passive underlying investment management, they do recognise that there are certain areas where passive management is not available, or appropriate.

When reviewing the Scheme funds available to members, the Trustees will consider the ESG policies adopted by the underlying fund manager.

The Trustees will aim to review this ESG policy on an annual basis and at least every 3 years. The Trustees will review compliance with the ESG policy on an annual basis and report this to members. In doing so the Trustees, with the assistance of their Investment Adviser, will consider not only the direct Investment Managers' funds, but also the managers of relevant sub funds.

Voting and stewardship

The Trustees expect the Investment Manager and their sub fund managers to adhere to the UK Stewardship Code and for the sub fund managers to be signatories to the Principles for Responsible Investment (PRI) Association. The Trustees will also consider how the Investment Manager and any sub fund managers exercise their rights (including voting rights) in relation to the underlying investments they hold in line with the UK Stewardship code.

In pursuit of these aims, the Trustees will communicate this policy to the Scheme's Investment Manager. The Trustees expect the Scheme's Investment Manager will check adherence to the UK Stewardship code in relation to the sub funds they use.

The Trustees, with the assistance of their Investment Adviser will provide a copy of this policy and any subsequent updates to the Scheme's Investment Manager with the aim of exerting influence as regards the above key issues in their interactions with the sub fund managers. Additional engagement may take the form of additional meetings and communications between the Investment Managers and the Trustees; although the Trustees may delegate this to their Investment Adviser on their behalf.

The Trustees will also take into account non-financial factors in the selection and retention of the funds available to members and have utilised the experience of their Investment Advisers in that respect. Whilst the Trustees expect that many members would identify with some, if not all, ESG related issues, to date there has been no significant feedback from members to this effect. The Trustees also recognise that for the majority of members, these are likely to be secondary to risk adjusted returns. The current wide self-select fund range made available to members include several fund options that invest according to ESG principles.

In order to ensure sufficient oversight of the engagement and voting practices of their managers, the Trustees may periodically meet with their investment managers to discuss engagement which has taken place. The Trustees will also expect their investment adviser to engage with the managers from time to time as needed and report back to the Trustees on the stewardship credentials of their managers. The Trustees will then discuss the findings with the investment adviser, in the context of their own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustees recognise the Code as an indication of a manager's compliance with best practice stewardship standards.

MONITORING

The Trustees will monitor compliance with the SIP annually. In particular they will seek written confirmation from the Investment Manager that they have complied with this SIP as supplied to them and the Trustees undertake to advise the Investment Manager of any material change to the SIP.

The Trustees intend to review this SIP annually, but will do so at least every three years and immediately following any significant change in investment policy. The Trustees will take expert investment advice over any changes to the SIP.

For and on behalf of the Lion Group Pension Plan Trustees

09 Appendix B - Projections

The table shows in money terms the accumulative effect of charges taken from a member's fund over time.

		Default Fund		
Age	Years to Normal Retirement Age	*DC Pension Pot (before charges)*	*DC Pension Pot (after charges)*	*Effect of charges*
20	45	-	-	-
25	40	-	-	-
30	35	-	-	-
35	30	20,000	20,000	-
40	25	37,858	37,277	581
45	20	58,980	57,329	1,650
50	15	83,963	80,603	3,359
55	10	113,512	107,616	5,896
60	5	145,756	136,429	9,327
65	0	173,349	160,149	13,199

		Lowest Charge Fund			Highest Charge Fund		
		RLP Deposit			RLP BlackRock Gold & General		
Age	Years to Normal Retirement Age	*DC Pension Pot (before charges)*	*DC Pension Pot (after charges)*	*Effect of charges*	*DC Pension Pot (before charges)*	*DC Pension Pot (after charges)*	*Effect of charges*
20	45						
25	40	-	-	-	-	-	-
30	35	-	-	-	-	-	-
35	30	20,000	20,000	-	20,000	20,000	-
40	25	32,397	32,271	127	37,858	34,634	3,224
45	20	44,496	44,186	309	58,980	50,149	8,831
50	15	56,301	55,757	544	83,963	66,598	17,365
55	10	67,822	66,993	829	113,512	84,038	29,474
60	5	79,064	77,904	1,160	148,464	102,529	45,935
65	0	90,035	88,500	1,536	189,804	122,133	67,671

Concentration Risk

This is the risk that adverse conditions affecting a particular market or asset might significantly influence the overall performance of the Scheme's investments, especially where there is a large exposure to a single asset or market. This is measured by the proportion of the Scheme's assets held in a particular asset or market with specific reference to the sub-funds used in the default strategy, but also the proportion of the overall Scheme assets.

Currency risk

This is the risk of investment loss as a result of movements in foreign exchange rates as a result of investment in assets held in currencies other than Sterling. This is measured by the proportion of the Scheme's assets held in non-Sterling currencies as well as the split of those overseas currency holdings that are not hedged back into Sterling.

Operational Risk

This is the risk of fraud, poor advice or acts of negligence. The Trustees assess this by various measures including experience, competency and financial strength of third party service providers, such as the Investment Manager.

SELECTING INVESTMENTS

The Trustees are responsible for defining and monitoring the overall investment strategy in conjunction with its Investment Adviser and in consultation with the Employer. However, the Trustees delegate day-to-day management of the assets to Royal London Asset Management Limited ("the Investment Manager").

The Trustees have set the default investment strategy and also alternative investment options that members can self-select. If a member does not make any investment selection they will be automatically invested in the default strategy until or unless they self-select an alternative option.

The Default

The default investment is the BAQ GLOBAL 60:40 10 YEAR LIFESTYLE STRATEGY (see Appendix 1 for full details) and is designed to be appropriate for a typical member with a clearly defined retirement age and an overall balanced attitude to risk where members are prepared to take a higher level of risk in the early years to benefit from the expected higher levels of investment return with risk gradually being reduced down over the final 10 years to Normal Retirement Age.

The BAQ GLOBAL 60:40 10 YEAR LIFESTYLE STRATEGY has therefore been benchmarked against the ABI Pensions Global Equities sector average during the "Growth Phase". The Growth Phase is the period up to 10 years from Normal Retirement Age (NRA). For members with less than 10 years to NRA the BAQ GLOBAL 60:40 10 YEAR LIFESTYLE STRATEGY gradually reduces the level of investment risk so that at the NRA the member is 25% invested in the RLP Deposit fund and 75% invested in the RLP Long (15yr) Gilt fund. This approach will be reviewed on an ongoing basis to ensure the final phase of de-risking remains appropriate for the membership and the experience of how members choose to take their benefits at retirement.