Combined Nuclear Pension Plan – DC Sections
Statement of Investment Principles

This Statement sets out the principles for investing the assets of the Defined Contribution (DC) Structure, Shift Pay Pension Plan (SPPP) and Additional Voluntary Contributions (AVCs) sections of the Combined Nuclear Pension Plan ('the Plan') as adopted by the Combined Nuclear Pension Plan Trustees Limited ('the Trustee').

This Statement has been written in accordance with Section 35 of the Pensions Act 1995 (as amended by Section 244 of the Pension Act 2004) and is consistent with the Trustee's investment powers as set out in the Trust Deed (clauses 11 and 12).

This Statement also takes into account the Pensions Regulator (tPR) Defined Contribution (DC) Code of Practice.

In preparing this statement the Trustee has consulted with the Lead Company, the Nuclear Decommissioning Authority ('NDA'), as sponsor to the Plan, and has taken and considered written advice from the Plan's Investment Advisers, Hymans Robertson LLP. Participating employers within the Plan have signed a 'Deed of Participation' allowing the NDA to act on their behalf in consultation with the Trustee.

The Trustee will review this Statement every three years or more frequently as considered appropriate by the Trustee, and specifically in response to legislative and regulatory changes, changes to the investment strategy or a marked change in the membership profile, if appropriate.

The Plan has a Defined Benefit ("DB") Structure and a DC Structure. DB members also pay contributions based on shift pay to a defined contribution arrangement, the SPPP, and have the option to make AVCs. This Statement is in relation to the Plan's DC Structure, SPPP and AVC sections only. The Trustee has prepared a separate Statement in relation to the Plan's DB Structure.

To ensure effective management of investment issues, the Trustee has established an Investment Sub Committee ("ISC") to deal with the investment issues facing the Trustee. The Terms of Reference for this committee have been set by the Trustee and are shown in Appendix 1. They may be changed by the Trustee from time to time.

The power and obligation for deciding on the strategic investment policy rests with the Trustee. However, the Trustee has delegated specific powers to the ISC around the implementation of the investment strategy within certain parameters. The aim is to lead to a more efficient and effective implementation of any recommended changes to the Plan's investment arrangements.

The appendices do not formally form part of the Statement of Investment Principles.

Signed For and on Behalf of the Trustee of the Combined Nuclear Pension Plan
September 2019

This Statement of Investment Principles supersedes the previous version dated December 2017.

Aims and objectives for the DC Investment Options

Primary Objective
The primary objective for all investment options under the DC Structure, SPPP and AVCs is to provide, on a defined contribution basis, benefits for members on their retirement or benefits for their dependents on death before retirement.

The Trustee recognises that members have differing investment needs and that these may change during the course of their working lives. It also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee's objective is therefore to make available a range of investment options that, whilst avoiding excessive complexity, should assist members in achieving the following objectives:

- Optimising the value of retirement benefits from the given contributions.
- Protecting the value of those benefits in the years approaching retirement against market falls.
- Protecting the value of those benefits in the years approaching retirement against fluctuations in turning fund values into retirement benefits.
- Tailoring their investments to meet their own needs.

Default arrangements
The Trustee has established default investment arrangements because:

- The Plan is a qualifying scheme for auto-enrolment purposes and so must have a default arrangement;
- It should be easy to become a member of the Plan and start building retirement benefits without the need to make any investment decisions; and
- A majority of the Plan's members are expected to have broadly similar investment needs.

Objectives for the default arrangements

- The main objective of the default arrangements is to support good member outcomes at retirement while subject to a level of investment risk appropriate to the majority of members who do not make active investment choices;
- The default arrangements manage the principal investment risks members face, gradually changing where they are invested as they approach retirement; and
- Reflect that DC Structure and SPPP members are expected to choose different benefits at retirement.

Choosing the default arrangements
The Trustee believes that understanding the Plan's membership is essential to designing and maintaining a default arrangement which meets the needs of the majority of members.

The Trustee has taken into account a number of aspects of the Plan's membership including:

- The members' age and salary profile;
- The likely sizes of pension pots at retirement;
- The level of income in retirement that members are likely to need; and
- Members' likely benefit choices at and into retirement.

Other investment options
In addition to the default arrangements, the Plan offers members a choice of investment options because:

- While the default arrangements are intended to meet the needs of a majority of the Plan's members, it may not meet the needs of a wider cross-section of members;
- Attitudes to investment risks and the need for investment returns will vary from member to member and will also vary for each member over time and, in particular, as they approach retirement;

- Members have differing investment needs and these needs change during their working lives; and
- Some members will want to be more closely involved in choosing where their contributions are invested.

The Plan offers members a number of choices of investment options as alternatives to the default arrangements. The main objectives of the alternative options are to:

- Provide a choice of investment approaches for members who want to be more closely involved in choosing where their pension pot is invested;
- Complement the objectives of the default arrangements;
- Provide a broader choice of levels of investment risk and return;
- Provide a broader choice of investment approaches including ethical and faith based funds; and
- Help members more closely tailor how their pension pot is invested to their personal needs and attitude to risk.

Nevertheless, the self-select fund range cannot be expected to cover all the investment needs of all members.

Choosing the investment options

The Trustee believes that taking into consideration the Plan's membership is important to maintaining an appropriate range of investment options and have taken into account a number of aspects including:

- The members' age and salary profile;
- The likely sizes of members' pension pots at retirement;
- Previous sources of retirement income from the Employers;
- Members' retirement dates and likely benefit choices at retirement;
- The levels of investment risk and return members may be willing to take;
- The degree to which members are likely to take an interest in where their contributions are invested; and
- The number of members who are likely to want responsible, ethical or faith-based investment.

The Trustee has appointed providers and fund managers authorised under the Financial Services and Markets Act 2000 to undertake investment business.

The Trustee has agreed the appropriateness of the asset allocation benchmarks, performance benchmarks and the various controls adopted by the managers for each fund in which members can invest. For each fund, the benchmark and guideline controls reflect the Trustee's views on the appropriate balance between maximising the long-term return on investments and minimising short-term volatility and risk for that fund's strategic aim in keeping with the Trustee's primary objective for all the investment options.

The Trustee reviews the range of funds available on a regular basis. Advice is received as required from professional advisers. In addition, the Trustee reviews the performance of the Plan's investments on a regular basis.

Investment options

Members were transferred to a combined administration and investment services contract with Aegon on:

CPS, GPS New Joiners (from 1 February 2017) DC Structure and CPS SPPP – March 2019; and GPS New Joiners DC Structure (pre-1 February 2017) and AVCs – April (contributions) and May (transfer of accumulated assets) 2019.

Following these transfers all members have the same investment options.

Default arrangements
The default arrangements are series of target date funds, where members' contributions are invested in a mix of assets which are expected to deliver growth relative to inflation when members are younger and gradually switches into a mix of assets whose values are expected to be less volatile as members approach retirement.

New Joiners DC Structure – a series of target date funds which are suitable for members who are expected to use income drawdown in retirement.

Shift Pay Pension Plan – a series of target date funds which are suitable for members who are expected to take all their benefits in cash at retirement.

AVC – There is no default for members commencing AVCs. However, for members with AVCs included in the bulk transfer from Prudential to Aegon in April/May 2019, a series of target date funds which are suitable for members who are expected to take all their benefits in cash at retirement was used.

Self-Select Options
A range of equity, property, bond, cash and multi-asset funds which provide appropriate choices for members' different savings objectives, risk profiles and time horizons.

Additional Voluntary Contributions
The Plan also provides a facility for members who are not new joiners to make Additional Voluntary Contributions to buy additional benefits on a money purchase basis.

Managing Risk

Risk and return
The expected levels of investment returns (after the deduction of charges) and risks for the funds used are consistent with the Trustee objectives for these investment options. The expected investment returns and approach to managing investment risks including financially material considerations such as climate change are described in Section 3.

Full details of the current investment options are provided in the documents "Investment implementation for investment options outside the default arrangements" and "Investment implementation for the default arrangements".

Choosing Investments
The funds in which members invest are pooled funds, which the Trustee believes are appropriate given the size and nature of the Plan.

The majority of the Plan's assets are invested using a passive (index tracking) approach, the objective of which is for an investment manager to seek to match, rather than exceed, the performance of the chosen benchmark index in relation to the particular fund, or underlying investments. Within each fund the investment manager invests in individual stocks in such a way as to replicate, as closely as possible, the composition of the benchmark index. In adopting this approach, the manager ensures a suitably diversified portfolio.

There are also investment options where the investment manager is expected to outperform a benchmark index through active management. Such funds include those invested in property, multi-asset funds and cash.

The Trustee is satisfied that the range of funds and the assets held in each fund are suitable in relation to the needs of members.

Kinds of investment to be held
The investment managers may invest in UK and overseas investments including equities, property, fixed and index linked bonds, and cash. However, the investments in each fund will depend on the nature of each fund, its objective and benchmark and the risk controls which operate.

Balance between different kinds of investments
Each fund has a defined benchmark and the Trustee is satisfied that the benchmark, in combination with other funds, is appropriate for different categories of members.

Principal Investment Risks
The Trustee believes that the three principal investment risks most members will face are:

1) Inflation risk – investment returns over members' working lives may not keep pace with inflation and, as a result, do not produce adequate retirement benefits.

Further from retirement, this risk should be countered by investing in funds which are expected to produce returns well in excess of inflation over the longer term. Approaching retirement, the impact of this risk needs to be balanced against the other main risks members face.

2) Benefit conversion risk – investment conditions just prior to retirement may increase the cost of turning members' fund values into retirement benefits.

For members taking cash at retirement, funds investing in cash deposits and other short-term interest bearing investments provide a high degree of (but not complete) capital security. Funds investing in a mix of different assets are expected to be broadly suitable for members planning income drawdown during retirement. For members buying an annuity at retirement, the value of funds investing in longer-dated bonds may be expected to broadly follow changes in annuity rates caused by long-term interest rates.

3) Volatility/Market risk – falls in fund values prior to retirement lead to a reduction in retirement benefits.

Funds investing in bonds or a mix of assets or investment techniques may be expected to be subject to lower levels of short-term fluctuations in values - although there may be occasions when this does not hold good.

Other investment risks
The Trustee has considered the other investment risks members may face. These include:
a) The risk that the investment returns over members' working lives will not keep pace with inflation and does not, therefore, secure an adequate pension.
b) The risk that movements in investment market values in the period prior to retirement lead to a reduction in the anticipated level of benefits.
c) The risk that market movements in the period just prior to retirement lead to an increase in the cost of turning members' fund values into retirement benefits.
d) The risk that an investment manager will not deliver investment returns in line with investment markets generally or other investment managers.
e) The risk that funds which invest in more illiquid assets will not be able to accept investments or disinvestments requested by the Trustee and/or members.
f) The risk that counterparties holding derivative based assets may default leading to a reduction in a fund's value.
g) Interest rate risk – the value of funds which invest in bonds will be affected by changes in interest rates.

h) Default risk – for bond funds (where money is lent in return for the payment of interest), the company or government borrowing money fails to pay the interest due or repay the loan.
i) The risk that environmental, social and corporate governance ("ESG") issues are not reflected in asset prices and/or not considered in investment decisions making leading to underperformance relative to expectations.
j) The risk that climate change causes a material deterioration in asset values as a consequence of factors including, but not limited to: policy change, physical impacts and the expected transition to a low-carbon economy.

Managing investment risks
The Trustees have developed and maintain a framework for assessing the impact of all investment risks on long-term investment returns.

Time horizon
The Trustees monitor the age profile of the Plan's membership to arrive at an appropriate investment horizon when considering all investment risks:

The Plan is open to new entrants from age 16;

As a result, given the likelihood of increases in retirement ages in the future, investment risks need to be considered over a time horizon approaching 50 years.

The target date funds manage the three main investment risks as members grow older by automatically switching from assets which are expected to give long-term growth relative to inflation into assets whose values should fluctuate less in the short-term relative to the benefits members are expected to take at retirement. The self-select fund range provides members with a choice of funds with differing risk and return characteristics.

The Trustee manages the other investment risks as part of the process for selecting and ongoing monitoring of the funds used by the Plan. The funds used give a good spread of investments which will help manage risks associated with market conditions. The Trustee believes that the Plan's investment options are appropriate for managing the risks typically faced by members.

In selecting the funds made available to members, the Trustee has tried to ensure that there is a sufficient range of funds across asset classes and risk profiles, which can be tailored to members' individual requirements at different ages and terms to retirement.

The decision to appoint only one investment manager for each asset class does involve some degree of manager risk relative to benchmark (which would arise from the potential underperformance of that manager). However, as the majority of the funds the Trustee has made available are managed on a passive (index tracking) basis, the risk of underperformance from the manager is materially reduced. Actively managed funds are used where passive management would not be appropriate or viable.

Financially material considerations
The Trustee recognises that the consideration of financially material considerations, including ESG factors and climate risk, are relevant to the development, selection and monitoring of the Plan's investment options.

Implementation
The Plan uses standard pooled funds offered by investment platform providers and fund managers. This gives access to a range of funds while keeping down costs to members, but means that the Trustee cannot adopt an approach to managing financially material considerations specific to the Plan. The Trustee nevertheless seeks to manage financially material considerations to protect long-term returns by:

- Choosing fund managers who have clearly articulated policies for managing financially material considerations including climate change;
- Considering the extent to which ESG issues including climate risk, where relevant, are integrated into the fund managers' investment processes and are satisfied that the fund managers follow an approach which takes account of financially material factors;
- For actively managed funds (where the fund manager decides where to invest), expect the fund managers to take financially material considerations into account when selecting which companies and markets to invest in;
- For passively managed funds, the Trustee recognises that the choice of benchmark dictates the assets held by the investment manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material. The Trustee accepts that the role of the passive manager is to deliver returns in line with the benchmark index (which may or may not include ESG factors) and believes this approach is in line with the basis on which their current strategy has been set. The Trustees will review periodically the choice of fund and index benchmarks used.
- For all funds, expect fund managers to engage with companies in which the fund invests to encourage business strategies which should improve or protect the value of those investments; and
- Prefer fund managers who are signatories to the Financial Reporting Council's Stewardship Code in the UK and the United Nations supported Principles for Responsible Investment.

Expected return on investments
The objective of the equity, property and multi-asset funds is to achieve an attractive real return over the long term. The objective of the cash and bond funds is to provide for the payment of the tax-free lump sum on retirement and to reduce the volatility of the cost of the annuity that may be purchased, rather than to achieve a specified 'real' or 'nominal' return.

The Trustee is also satisfied that these return objectives are consistent with the aims of members at different stages within the lifestyle process.

Asset class	Expected long-term investment returns relative to inflation	Expected shorter- term volatility in fund values
Equities (i.e. company shares)	Strong return relative to inflation	Most volatile in the short-term
Property (e.g. offices, shops and warehouses)	Positive, but lower than equities	Lower than equities
Corporate Bonds (i.e. loan stocks issued by companies)	Positive, but lower than equities and property	Lower than equities or property
Fixed Interest Government Bonds (e.g. UK Gilts)	Positive, but lower than equities, property or corporate bonds	Lower than equities, property or corporate bonds
Index-Linked Government Bonds (e.g. UK Index-Linked Gilts	In line with inflation	Lower than equities, property or corporate bonds
Cash (and other short-term interest-bearing investments)	Return may not keep pace with inflation	Minimal with high degree (but not complete) of capital security

Long-dated Bonds (e.g. UK Gilts and Corporate Bonds with a duration of 15 years or more) – should give fund values which move broadly in line with the financial factors influencing annuity rates.

Multi-asset funds (i.e. investing in a varying mix of asset classes) - should deliver positive returns relative to inflation over the longer-term, with lower short-term volatility than equities.

Investment beliefs
The Trustee's investment decisions are made in the context of their investment beliefs that:
- Managing the Principal investment risks (inflation, benefit conversion and volatility) is the most important driver of good long-term member outcomes;
- As the Plan invests for members over the long-term, financially material considerations including the impact of climate change will have a bearing on funds' expected levels of risk and return;
- Investment markets may not always behave in line with long-term expectations during the shorter-term;
- Charges and costs (levied by fund managers and platform providers) can have a material effect on net returns.

Types of funds used
Delegation of investment decisions
The Plan uses unit-linked funds provided through an investment platform. This investment platform in turn invest its funds in funds provided by a selection of fund managers where investments are pooled with other investors. This enables the Plan to invest in a range of funds giving a good spread of investments in a cost-effective manner. It does mean that the Trustee has delegated day to day investment decisions including the management of financially material considerations to the fund managers.

Security of assets
The funds are provided through policies of insurance issued to the Trustee by the investment platform provider and the With Profits Fund provider. As a result, the value of the funds may be affected in the event of the providers getting into financial difficulties.

The underlying funds used by the investment platform provider are mostly accessed through unit purchase agreements. In the event of a fund manager getting into financial difficulties, the values in these underlying funds will depend upon the nature of the contract with the platform provider and the fund vehicles used by the fund managers' funds.

Realisation of investments
The Trustee expects that the investment platform provider and the fund managers will normally be able to sell the funds within a reasonable timescale. There may, however, be occasions where the investment platform or fund managers need to impose restrictions on the timing of sales and purchases of funds (most notably for funds investing in property) in some market conditions to protect the interests of all investors in that fund.
Nevertheless, the Trustee recognises that most members' pension accounts have a long investment timeframe, during which assets which are less easily traded (such as property or infrastructure) can be managed to deliver good long-term returns while avoiding the impact of liquidity issues at retirement.

Balance of investments
Overall, the Trustee believes that the Plan's investment options:
- Provide a balance of investments; and
- Are appropriate for managing the risks typically faced by members.

Stewardship

Stewardship
The Trustee recognises that stewardship encompasses the exercise of voting rights, engagement by and with investment platform and fund managers and the monitoring of compliance with agreed policies.

Members' financial interests
The Trustee expects that the investment platform provider and fund managers will have the members' financial interests as their first priority when choosing investments.

Voting and engagement
The Trustee believes that engagement with the companies in which the Plan invests, including the proactive use of shareholder voting rights, can improve the longer-term returns on the Plan's investments.

The Plan invests via an investment platform provider, who in turn invests in funds which are pooled with other investors to keep costs down and ensure adequate diversification. As a result, the Trustee has adopted a policy of delegating voting decisions on stocks to the underlying fund managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The fund managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

Where relevant, the Trustee has reviewed the voting and engagement policies of the fund managers as well as the approach to governance of the investment platform provider and determined that these policies are appropriate. On an annual basis, the Trustee will request that the investment platform provider and fund managers provide details of any change in their house policy.

Where appropriate, the Trustee will engage with and may seek further information from the investment platform provider and fund managers on how portfolios may be affected by a particular issue.

The Trustee does not engage directly, but believes it is sometimes appropriate for the fund managers to engage with key stakeholders which may include corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks. The Trustee aims to review engagement activity undertaken by the fund managers as part of its broader monitoring activity.

The Trustee expects the investment platform provider to adopt similar practices with regards to the inclusion and ongoing oversight of fund managers on their platform. The Trustee also expects the platform provider to be able to evidence their own governance practices on request.

Monitoring
The Trustee receives reports from the investment platform provider on the fund managers voting activity on a periodic basis.

The Trustee reviews the fund managers' voting activity on a periodic basis in conjunction with their investment adviser and use this information as a basis for discussion with the investment platform provider and fund managers. Where the Trustee deems it appropriate, any issues of concern will be raised with the manager for further explanation.

The Trustee meets with the investment platform provider on a regular basis. The fund managers may be challenged both directly by the Trustee and by their investment advisers on the impact of any significant issues including, where appropriate, ESG issues that may affect the prospects for return from the portfolio.

Non-financial factors
The Trustee recognises that some members will have strong personal views or religious convictions that influence where they believe their savings should, or should not, be invested.

The Trustee notes that a large majority of members have not made active investment choices and so the Trustee believes that most members are unlikely to have strong views on where their savings are invested. The Trustee will instead take into account what, in its reasonable opinion, members' views of non-financial factors are likely to be.

The Trustee notes that the arrangements for receiving member feedback on the Plan in general give members an opportunity to express views on non-financial factors relating to the Plan's investments.

The Plan offers a Sharia Law based fund for members who are likely to hold convictions in line with the Islamic faith.

The Trustee notes that non-financial factors can affect various investment risks which are borne by members and may under-perform other funds with broader-based investment approaches.

Fund managers are otherwise only expected to take non-financial factors into account when these do not conflict with the financial interests of members and the Plan's investment objectives.

Appendix 1: Terms of Reference for the Investment Sub-Committee (effective September 2014)

1 Composition

1.1 The investment sub-committee shall comprise of up to 6 Trustee Directors and the NDA's Head of Group Pensions will also be in attendance. The Scheme Secretary, the Trustee's appointed investment adviser and the NDA's appointed investment adviser will also attend sub-committee meetings. Membership and chairmanship of the sub-committee shall be agreed by the Trustee Board.

1.2 Sub-committee meetings shall be held at least quarterly and more frequently if appropriate. Such meetings may be face-to-face or via telephone or video conferencing facilities.

1.3 Any member of the sub-committee may, on his/her own or with the help of relevant advisers to the Plan, take forward actions on behalf of the sub-committee.

1.4 The Trustee Board shall nominate one of the members of the sub-committee to act as chairman of the sub-committee.

1.5 The agenda and supporting papers for each sub-committee meeting shall be circulated to all of the Trustee Directors and any other required attendees in good time and if possible at least 3 working days before the meeting.

1.6 Any of the Trustee Directors who are not specified as members of the sub-committee may if they wish, attend the sub-committee meetings by notifying the Chairman in advance of the meeting taking place.

1.7 The CNPP Secretariat shall take minutes of the sub-committee meetings.

1.8 The sub-committee members shall nominate one of their number or the CNPP Secretariat to present a report to the Trustee Directors at each Trustee Board meeting to provide an update of the work of the sub-committee since the last Trustee Board meeting and to make recommendations to them as appropriate. The report may include any other information considered to be of interest to the Trustee Board.

2 Remit

2.1 **Appointment of investment adviser, investment managers and custodian**

(a) Appoint, remove and replace investment managers and custodian, as appropriate
(b) Make recommendations to Trustee Board for the appointment, removal and replacement of the investment adviser(s),
(c) Monitor and review appointment and performance
(d) Review terms of appointment
(e) Negotiate and agree terms of appointment
(f) Obtain written advice as required
(g) For movement of investments between investment managers, on replacement, addition of an investment manager, or for other reasons, agree transition arrangements

2.2 **Investment Strategy (i.e. strategic asset allocation and overall degree of risk vs target return)**

(a) Review investment objectives and strategy on regular basis for appropriateness

(b) Make recommendations to Trustee Board relating to long term asset allocation (including long-term 'strategic' allocation to asset classes including equity, bonds, property etc)

(c) After obtaining and considering written advice from their appointed investment adviser(s) implement medium-term 'tactical' allocations to asset classes where these do not significantly depart from the existing strategic asset allocation (return seeking vs defensive investments) as agreed by the Trustee, or significantly alter the investment objectives, the overall risk or the target return.

2.3 **Monitoring investment performance**

(a) Monitor and review performance against agreed objectives
(b) Amend mandates and benchmarks as appropriate
(c) Consider reports from investment managers and performance monitoring services
(d) Meet each manager at least annually

2.4 **Statement of Investment Principles**

(a) Draft and agree SIP for approval by Trustee Board
(b) Undertake consultation with NDA
(c) Review on regular basis, at least annually
(d) Review investment managers' compliance with SIP

2.5 **Money Purchase Arrangements (including AVCs and Shift Pay Pension Plan)**

(a) Determine, after obtaining written advice from appointed investment advisers, appropriate arrangements for money purchase providers and fund choices available to Plan members.

(b) From time to time review the suitability of money purchase providers and the fund choices available to Plan members

2.6 **Cashflow**

(a) As appropriate, determine how cash flows into and out of the invested assets are allocated between investment managers

2.7 **Reporting**

(a) Provide a report to each Trustee's meeting

Appendix 2: Investment Implementation Document

The funds available to members are:

Fund	Gross annual fee %pa
CNPP UK Equity Fund	0.19
CNPP Global Equity Fund	0.19
CNPP Global Equity (ex-UK) Fund	0.19
CNPP Emerging Markets Equity Fund	0.34
CNPP Sharia Law Fund	0.48
CNPP Property Fund	0.80
CNPP Multi-Asset Fund	0.58
CNPP Pre Retirement Fund	0.31
CNPP Index-Linked Gilt Fund	0.19
CNPP Corporate Bonds Fund	0.20
Aegon BlackRock Cash Fund	0.23
Aegon BlackRock LifePath Flexi Funds*	0.26
Aegon BlackRock LifePath Capital Funds*	0.26
Aegon BlackRock LifePath Retirement Funds	0.26
Prudential With-Profits Fund**	1.00

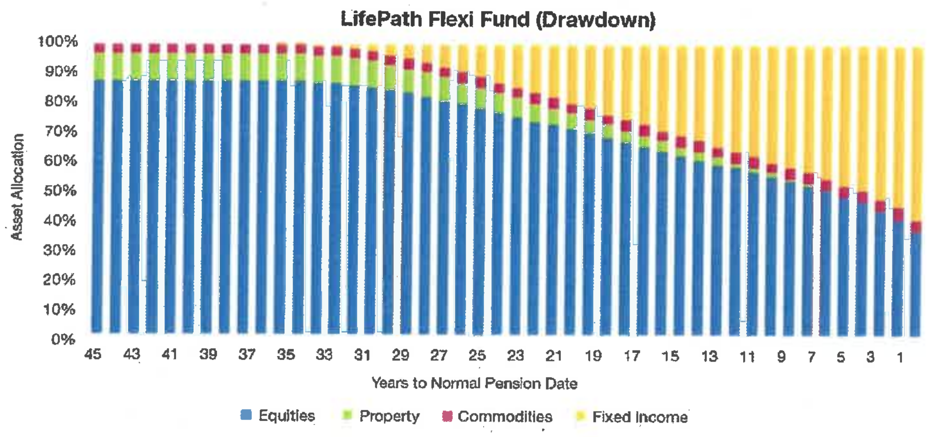
* Default options.
** Only available for existing AVC investments – closed to future AVCs.

Notes

- The LifePath Funds are sets of "target date" funds, each managed to an asset allocation appropriate to its target retirement age range and target retirement benefits.
- The CNPP and Aegon BlackRock funds are provided through the Aegon administration and investment contract.
- The CNPP labelled funds invest in underlying investment managers' funds through they Aegon platform.

Default arrangements

For members who are invested in the Aegon BlackRock LifePath Flexi option the following chart illustrates the changes to fund allocations that will be implemented on members behalf up to their retirement date:



For members who are invested in the Aegon BlackRock LifePath Capital option the following chart illustrates the changes to fund allocations that will be implemented on members behalf up to their retirement date: