STATEMENT OF INVESTMENT PRINCIPLES

for the

Lazard London Staff Pension Scheme

May 2016

1. Introduction

1.1. Purpose of the Statement of Investment Principles

This Statement of Investment Principles ("SIP") sets out the policy of the Trustees of the Lazard London Staff Pension Scheme ("the Scheme") on various matters governing decisions about the investments of the Scheme.

Other than in relation to custody and the selection of arrangements allowing individual members a degree of choice in the investments funded by Additional Voluntary Contributions, this SIP does not cover investments made in connection with the payment of Additional Voluntary Contributions.

1.2. How the SIP has been formulated

This SIP has been formulated after obtaining and considering written professional advice from Lane Clark & Peacock LLP, the Scheme's investment adviser, who the Trustees believe to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments, the need for diversification, given the circumstances of the Scheme, and the principles contained in this SIP.

Each of the participating employers was consulted on the SIP. The current investment managers of the Scheme were given the opportunity to comment on a draft of the SIP and their comments have been incorporated into this final version where the Trustees felt this was appropriate. The managers are required to carry out their investment responsibilities in a manner consistent with this SIP.

1.3. The legal and statutory background to the SIP

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act") and the Occupational Pension Schemes (Investment) Regulations 2005 ("the Regulations").

The Scheme's assets are held in trust by the Trustees. The investment powers of the Trustees are set out in the Scheme's Trust Deed.

The SIP also reflects the Trustees' response to the Myners voluntary code of investment principles.

The Trustees have established a Funding Deed dated 30th August 2005 (the "Funding Deed") agreed between the Trustees and the employers. The SIP reflects the Trustees' compliance with the Funding Deed.

2. The Trustees' overall investment objectives

The Trustees' objectives are that:

- the Scheme should be able to meet benefit payments as they fall due;
- the Scheme should achieve the objective set out in the Funding Deed, which in broad terms is full funding on an insurance company buyout basis within 20 years of 1st June 2010;
- the Scheme should meet the Statutory Funding Objective as set out in the Trustees' Statement of Funding Principles; and
- the level of risk taken should be commensurate with the objectives above, having regard to the agreed level of employer contributions and the covenant of the employers.

The Trustees will review the investment strategy regularly to reflect the investment returns required to achieve the objectives set out above and the level of risk which is acceptable.

3. The risks considered by the Trustees and how these are measured and managed

When deciding how to invest the Scheme's assets, the Trustees consider a wide range of risks, including, but not limited to, those set out in Appendix A.

4. Summary of the Scheme's investment strategy

4.1. How the investment strategy was determined

The Trustees, with the help of their advisers and in consultation with the employers, undertook a review of funding and investment strategy in 2005, which included the establishment of the Funding Deed.

Within the Funding Deed, the Trustees have agreed a target with the Company for the Scheme to reach a position where members' benefits can be secured in the insurance market via a buy-out policy by 1st June 2030.

Assets are split between "growth" assets such as equities (that are expected to deliver a return in excess of the growth in liability values) and "defensive" assets such as bonds (that are expected to match partially movements in liability values and be less volatile than the growth assets).

Over the period to 2030, the Trustees and the Company will regularly consider the opportunities for reducing risk in the Scheme after 2020, with a view to reducing the risk of failing to achieve the 2030 target, by potentially increasing the allocation to defensive assets and reducing the allocation to growth assets. This analysis will take into account, amongst other things, the level of progress made towards the 2030 target.

The Trustees also review the composition of the growth and defensive assets regularly.

4.2. The current investment strategy

The Trustees and the Company have agreed that the investment strategy of the Scheme until 2020 (excluding cash held to meet short-term cash flows) should be as follows:

Asset class	**Target allocation**
Global equities	24.0%
Absolute return investments	11.0%
Private Credit	7.5%
Total growth assets	**42.5%**
Total defensive assets	**57.5%**
Total	**100.0%**

The Trustees review the Scheme's asset allocation from time to time, to ensure that the split between growth and defensive assets remains within 5% of the target allocation above.

Further details of the mandates of the investment managers are set out in a separate Investment Policy Implementation Document ("IPID"). The Trustees are responsible for updating the IPID to ensure that it reflects the current investment manager arrangements.

4.3. What the Trustees considered in setting the Scheme's investment strategy

In setting the strategy, the Trustees considered:

- the liability profile of the Scheme (as discussed in more detail below) on the basis in the Funding Deed and on the statutory valuation methodology;
- a wide range of asset classes;
- the risks and rewards of different asset classes;
- the expectation that, over the long-term, growth assets including equities are likely to produce higher returns than fixed income investments, but at the risk of short-term volatility of performance relative to the value placed on the liabilities; and
- the need for appropriate diversification between different asset classes.

In 2006, the principal employer ceased to provide further accrual of defined benefit pension to Scheme members. This does not alter the existing obligation of the Scheme to provide benefits in respect of service accrued to 31st March 2006.

The liabilities of the Scheme are now less uncertain than when members were still accruing benefits that were linked to future service and salary. This has been taken into account by the Trustees in developing their investment policy and explaining it in this SIP.

4.4. The assumptions made about the returns on different asset classes

An objective of the review of strategy was that, over the long term, and taking account of the variable liabilities of the Scheme (which are sensitive to interest rates, inflation, mortality and other financial and demographic factors), assets should be selected which can be expected to provide returns that will progressively improve the funding level of the Scheme. In this context, the key assumption relating to investment returns is that, over the long term, growth investments will outperform a gilts portfolio designed to match the liabilities of the Scheme by approximately 4.25% pa.

5. Appointment of investment managers and custodian

5.1. The Scheme's investment managers and custodian

Details of the investment managers and custodian are set out in the IPID.

5.2. The formal agreements in place with the investment managers

Details of the formal agreements in place with the investment managers are set out in the IPID.

5.3. The role of the investment managers

The investment managers' primary role is the day-to-day investment management of the Scheme's investments. The managers are authorised under the Financial Services and Markets Act 2000 to carry out such activities.

5.4. The role of the custodian

The custodian's primary role is the safekeeping of certain assets. The custodian is authorised under the Financial Services and Markets Act 2000 to carry out such activities.

6. Other matters

6.1. The Trustees' policy on the realisation of investments

It is the Trustees' responsibility to ensure that the Scheme holds sufficient cash to meet outflows as they fall due.

The investment managers, who are managing assets on a discretionary basis, have discretion over the timing of realisation of investments of the Scheme and in considerations relating to the liquidity of investments. When appropriate, the Trustees, on the administrators' recommendation, decide on the amount of cash required for benefit payments and other outgoings and inform the investment managers of any liquidity requirements.

6.2. The Trustees' policy on social, environmental and ethical factors

The Trustees consider that it is necessary in all circumstances to act in the best financial interests of the beneficiaries. Therefore social, environmental and ethical considerations have not been given explicit weighting when setting investment policy. The Scheme's investment managers have been given full discretion in the selection, retention and realisation of investments and take account of social, environmental and ethical factors insofar as they believe such considerations will benefit performance or reduce risk.

6.3. The Trustees' policy on the exercise of investment rights

The Trustees have decided that investment rights should be exercised by the investment managers on their behalf. This will be in line with the investment managers' general policies on corporate governance, details of which may be provided to the Trustees from time to time, taking into account the financial interests of the beneficiaries. The Trustees will monitor the investment managers' actions on a regular basis.

The equity managers have agreed to inform the Trustees, on a quarterly basis, should they vote on any company resolution against the recommendations of the board of the company.

6.4. The responsibilities of the various parties in connection with the Scheme's investments

Appendix B contains brief details of the respective responsibilities of the Trustees, the investment adviser, the investment managers and the custodian. Appendix B also contains a description of the basis of remuneration of the investment adviser, the investment managers and the custodian.

6.5. The extent to which the Trustees make investment selection decisions of their own

Before making any investment selection decision of their own, it is the Trustees' policy to obtain written advice. The written advice considers the suitability of the investment, the need for diversification and the principles contained in this SIP. It is also the Trustees' policy to review their own investment selection decisions on a regular basis, based on written advice.

7. Review

The Trustees will, from time to time, review the appropriateness of this SIP with the help of their advisers, and will amend the SIP as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy, and at least once every three years.

For and on behalf of — Date
The Trustees of the Lazard London Staff Pension Scheme

Appendix A - The Trustees' policy towards risk, risk measurement and risk management

The Trustees consider that there are a number of different types of investment risk that are important for the Scheme. These include, but are not limited to:

- Strategic risk – this is the risk that the Scheme's assets and liabilities perform differently in different financial and economic conditions. This risk has been taken into account in the Trustees' investment strategy review, and will be monitored by the Trustees on a regular basis.

- Investment manager risk – this is the risk that the investment managers fail to meet their investment objectives. Prior to appointing the investment managers, the Trustees undertook selection exercises with the aid of their advisers. The Trustees monitor the performance of the investment managers on a quarterly basis, by obtaining written reports from their advisers.

- Lack of diversification risk – this is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Trustees' ability to meet their investment objectives. The Trustees believe that the need for the Scheme's assets to be adequately diversified between different asset classes and within each asset class has been met by the strategy outlined in Section 4.2 and by the guidelines agreed with the investment managers, which are considered as part of the annual performance review. In addition, the Trustees have agreed that there should be no self-investment and for this purpose the direct holding of any shares, stocks or bonds in Lazard & Co., Limited or any associated company would be construed by the Trustees as self-investment.

- Liquidity/marketability risk – this is the risk that the Scheme is unable to realise assets to meet benefit cash flows as they fall due. The Trustees are aware of the Scheme's cash flow requirements and believe that this risk is managed appropriately via the measures described in Section 6.1.

- Operational risk – this is the risk of loss resulting from inadequate or failed internal processes and systems, or human error or malpractice. Examples of operational risk include fraud and negligence.

- Counterparty risk – this is the risk that a counterparty to a contract will not meet its obligations. An example is the risk that a counterparty to a swap held within the Scheme's defensive portfolio defaults whilst owing assets to the Scheme.

The Trustees recognise that there are other, non-investment, risks faced by the Scheme. Examples include mortality risk (the risk that members live, on average, longer than has been assumed in actuarial tables) and sponsor risk (the risk, for whatever reason, that the sponsoring employers are unable to support the Scheme as anticipated).

Together, the investment and non-investment risks give rise generally to funding risk. This is the risk that the Scheme's funding position falls below what is considered an appropriate level. By understanding and considering each of the risks that contribute to funding risk, the Trustees believe that they have addressed and are positioned to manage this general risk.

Appendix B – Responsibilities, mandates and remuneration

B.1. Responsibilities and investment decision-making structure

The Trustees have decided on the following division of responsibilities and decision-making for the Scheme. This division is based upon the Trustees' understanding of the various legal requirements placed upon them, and their view that this division allows for efficient operation of the Scheme overall, with access to an appropriate level of expert advice and service.

B.1.1. Trustees

In broad terms, the Trustees are responsible in respect of investment matters for:

- exercising their powers in accordance with the Trust Deed and Rules, and applicable regulations;
- reviewing the investment policy following the results of each valuation, and / or after any review of investment strategy (eg any asset liability modelling exercise);
- the appointment (and, when necessary, removal) of the investment managers, the custodian, the actuary and investment consultants;
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- monitoring the ongoing capabilities and suitability of the Scheme's investment managers, the custodian (and any custodian to the Scheme's holdings, even if there is not a direct relationship with the Trustees), the actuary and investment consultants;
- 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, and advising the investment managers of any changes.

B.1.2. Investment managers

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

- managing their respective portfolios, within the guidelines set out by the relevant fund or as agreed with the Trustees if applicable;
- providing the Trustees 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.

B.1.3. Custodians

In broad terms, the custodian will be responsible for the following aspects of the management of the Scheme's fixed income investments:

- the safekeeping and reconciliation of assets;
- settling transactions; and

- administering any income and tax payments.

B.1.4. Actuary and investment consultant

In broad terms, the investment consultant will be responsible, in respect of investment matters, as appropriate and as requested by the Trustees, 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 and custodian; and
- participating with the Trustees in reviews of this SIP.

The actuary is not responsible for investment advice. But, given the significance of the funding position of the Scheme in relation to the investment strategy, the actuary will be responsible, as appropriate and as requested by the Trustees, for:

- advising on the projected liabilities of the Scheme;
- providing general guidance on membership and financial data, including the appropriateness of investment assumptions in considering the funding position of the Scheme; and
- providing guidance in relation to other risk factors including mortality assumptions in relation to the overall funding position of the Scheme.

B.2. Mandates given to advisers, investment managers and custodian

The Trustees have in place signed agreements with each of the Scheme's advisers, investment managers (or representative thereof) and custodian. These provide details of the specific arrangements agreed by the Trustees with each party.

B.3. Fee structures

The Trustees recognise that the provision of investment management, dealing and advisory services to the Scheme result in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets.

The Trustees have agreed Terms of Business with the Scheme's actuarial and investment advisers, including the basis under which charges are calculated.

Details of the fees charged by each investment manager and the custodian are set out in the IPID.

The fee structure used in each case has been selected with regard to existing custom and practice, and the Trustees' view as to the most appropriate arrangements for the Scheme. However, the Trustees will consider revising any given structure if and when it is considered appropriate to do so.

INVESTMENT POLICY IMPLEMENTATION DOCUMENT

for the

Lazard London Staff Pension Scheme

May 2016

1. Introduction

This Investment Policy Implementation Document ("IPID") for the Lazard London Staff Pension Scheme (the "Scheme") sets out details of the Scheme's investment arrangements, based on the principles set out in the Scheme's Statement of Investment Principles ("SIP"). The IPID should be read in conjunction with the SIP.

This document has been prepared by the Trustees of the Scheme, and the Trustees are responsible for ensuring it reflects the current investment arrangements.

The current investment managers of the Scheme were given the opportunity to comment on a draft of this document and their comments have been incorporated where the Trustees felt this was appropriate. The managers are required to carry out their investment responsibilities in a manner consistent with this document.

2. Investment strategy

As set out in the Scheme's SIP, the current investment strategy of the Scheme (excluding cash held to meet short term cash flows) is as follows:

Asset class	Target allocation
Global equities	24.0%
Absolute return investments	11.0%
Private credit	7.5%
Total growth assets	**42.5%**
Total defensive assets	**57.5%**
Total	**100.0%**

The Trustees review the Scheme's asset allocation from time to time, to ensure that the split between growth and defensive assets remains within 5% of the target allocation above.

3. Appointment of investment managers

The Trustees have appointed seven managers to manage the Scheme's assets: three equity managers, one absolute return manager, two fixed income managers and one private credit manager.

The following sections set out the investment manager arrangements of the Scheme's growth and defensive portfolios.

4. Growth portfolio investment manager arrangements

The Trustees have selected Lazard Asset Management ("LAM"), Odey Asset Management LLP ("Odey"), Baillie Gifford Life Limited ("Baillie Gifford") Ruffer LLP ("Ruffer") and ICG-Longbow ("Longbow") as the investment managers for the Scheme's growth assets. The allocations to these managers are made via investments in the managers' pooled funds, with the exception of Ruffer, who manages a segregated portfolio for the Scheme.

The allocation to global equities is invested across three portfolios (each of which includes a varying degree of investment in the UK) managed by LAM, Odey, and Baillie Gifford. The Trustees intend to disinvest assets gradually from Odey to meet cash flow requirements and, once this process is complete, to target a broadly equal split of equities between LAM and Baillie Gifford. In the normal course of events the Trustees do not expect to rebalance between equity managers via asset sales, in order to avoid incurring undue transaction costs.

The allocation to absolute return investments is invested with Ruffer.

The allocation to private credit is invested with Longbow.

4.1. LAM

Assets are invested in the Global Managed Volatility Fund, which is benchmarked against the MSCI World Index.

LAM aims to outperform its benchmark, whilst smoothing out long term returns, by maintaining volatility levels below the benchmark over a full market cycle.

LAM's fees for the Global Managed Volatility Fund are 0.40% pa.

LAM is responsible for custody of the assets of the pooled fund in which the Scheme invests. Responsibility is delegated to BNY Mellon Trust Company (Ireland) Limited. Investments are held in the name of the custodian's nominee company, in line with common practice for pension scheme investments. The Trustees do not have a direct relationship with BNY Mellon Trust Company (Ireland) Limited.

4.2. Odey

Assets are invested in the Allegra International Fund, which is benchmarked against the MSCI World Index. No formal performance target exists for the fund, but the Trustees appraise the fund against an objective of outperforming the benchmark by 3% to 5% pa, after fees, over rolling three to five year periods.

Odey's fees are 0.70% pa of the amount invested plus 20% of any performance over the MSCI World Index, subject to a high water mark.

Odey is responsible for custody of the assets of the pooled fund in which the Scheme invests. Responsibility is delegated to RBC Investor Services. Investments are held in the name of the custodian's nominee company, in line with common practice for pension scheme investments. The Trustees do not have a direct relationship with RBC Investor Services.

4.3. Baillie Gifford

Assets are invested in the Global Alpha Pension Fund, which is benchmarked against the MSCI All Country World Index. Baillie Gifford aims to outperform the benchmark by 2-3% pa before fees, over rolling five year periods.

Baillie Gifford's fees are 0.65% on first £30 million, 0.50% pa on the next £30 million and 0.35% pa thereafter. Baillie Gifford's fees are calculated based on the combined investment of the Lazard London Staff and Directors' Pension Schemes.

Baillie Gifford is responsible for custody of assets of the pooled fund in which the Scheme invests. Responsibility is delegated to Bank of New York Mellon. The Trustees do not have a direct relationship with Bank of New York Mellon.

4.4. Ruffer

The Trustees have appointed Ruffer to manage a portfolio on a segregated basis. Ruffer has complete discretion to invest across a full range of investments including equities and bonds, as well as collective funds as it deems appropriate.

Ruffer's objectives are to:

- preserve the Scheme's capital over rolling twelve month periods; and
- to grow the Scheme's assets at a higher rate (after fees) than could reasonably be expected from the alternative of depositing the cash value of the Scheme's assets in a reputable UK bank.

Ruffer's fees are 0.90% pa of the amount invested.

Under the investment management agreement with Ruffer, the Trustees use RBC Investor Services as custodian, with the custody being arranged by Ruffer.

4.5 ICG-Longbow

Assets are invested in the ICG-Longbow UK Real Estate Debt Investments Fund IV (the "Fund"). Longbow's dual target is to achieve:

- an annualised internal rate of return1 ("IRR"), after the deduction of all fees and expenses, of 9-10%; and
- an annual cash yield in excess of 7% following the Investment Period.

The Fund invests primarily through investment in real estate debt instruments secured by first charges on UK property. The Fund may also invest in mezzanine loans, preferred equity instruments and equity joint venture instruments secured or otherwise underpinned by commercial property located in the UK.

Longbow has agreed to not make any investment which will breach the Schemes' self-investment limit.

Longbow's standard annual management fees are 1.35% pa of the amount invested, however Longbow has offered a lower fee to clients of the Trustee's investment advisor, LCP.

The fees will depend on the total investment of all LCPs clients.

- 1.35% if aggregate LCP client investment is less than £100m.
- 1.20% if aggregate LCP investment is between £100m to £175m.

- 1.15% if aggregate LCP investment is between £175m to £200m.

- 1.10% if aggregate LCP investment is above £200m.

This concession has been agreed by Longbow as long as the Schemes remain a client of LCP. The fee will revert to 1.35% if this is no longer the case.

Longbow charges a performance fee of 20% of any profit returned to investors (net of monies drawn down, expenses and the management charge), in excess of the IRR hurdle rate (or preferred return) of 8% pa.

Longbow is responsible for custody of assets of the pooled fund in which the Scheme invests. Responsibility is delegated to Deutsche Bank Luxembourg SA. The Trustees do not have a direct relationship with Deutsche Bank Luxembourg SA.

5. Defensive portfolio investment manager arrangements

The Trustees have selected Insight Investment Management Limited ("Insight") and Henderson Global Investors ("Henderson") as the investment managers for the Scheme's defensive portfolio. The Trustees have agreed that, to the extent that assets are required to be disinvested from the defensive portfolio to meet cash flow requirements, these will be taken from the Henderson Secured Loans portfolio.

As at 31 December 2015, the asset allocation of the defensive portfolio was as follows:

Insight Liability Driven Investment funds (leveraged)	26%
Insight Bonds Plus Fund	25%
Insight Bonds Plus 400 Fund	11%
Insight LIBOR Plus Fund	19%
Insight Liquidity and Liquidity Plus Funds	0%
Henderson Secured Loans Fund	19%
Total	**100%**

Details of each investment are set out below.

The Trustees have put in place a trigger mechanism with Insight, under which Insight will increase the allocation to the Liability Driven Investment funds if nominal swap yields reach certain pre-agreed levels. Therefore the allocation of assets within the defensive portfolio is subject to change if a trigger level is reached.

The Trustees considered the relative attractions of direct holdings of fixed income assets (including swaps) and indirect exposure to similar assets through collective investment funds. For the defensive portfolio (other than cash) it was also concluded, with advice from the investment consultant, that taking account of expenses and risk for the Scheme, holding the assets in collective investment funds provides a better solution. For the purpose of the overall asset allocation, interests in such funds are considered part of the defensive allocation.

5.1 Insight

With advice from the investment consultant, the selection of Insight was associated with a decision to adopt a Liability Driven Investment ("LDI") strategy within the defensive portfolio. The Liability Driven Investment strategy is implemented by investing in Insight's Enhanced Selection LDI Funds.

In considering this strategy with the investment consultant, the Trustees considered how derivative instruments including interest rate and inflation swaps can be used by the investment manager to contribute to a reduction of risk and/or to facilitate efficient portfolio management, as well as generating additional return relative to scheme liabilities with an acceptable level of risk when compared to investment in gilts.

The Enhanced Selection LDI Funds have generic (rather than scheme specific) cash flow benchmarks. However, the Trustees, with advice from the investment consultant, are satisfied that these funds provide a reasonable match to the Scheme's liability cash flow profile, given the current level of hedging.

Insight's performance objective for the Enhanced Selection LDI Funds is to outperform both gilts and swaps based cash flow benchmarks.

Insight's fees for the Enhanced Selection LDI Funds are based on the value of liabilities hedged. The standard fee is 0.12% pa of the liabilities hedged, but Insight has agreed to a discounted fee of 0.10% pa.

Insight's Bonds Plus Fund is actively managed with an outperformance target of 2% pa above three month LIBID, before the deduction of investment management fees, with Insight taking views on global bond and currency markets. Insight's fees are 0.50% pa on the assets invested in the Bonds Plus Fund.

Insight's Bonds Plus 400 Fund is managed in a similar way to the Bonds Plus Fund, but has an outperformance target of 4% pa above three month LIBID, before the deduction of investment management fees. Insight's fees are 1.00% pa on the assets invested in the Bonds Plus 400 Fund.

Insight's LIBOR Plus Fund invests in asset backed securities. The objective of the fund is to outperform three month LIBOR by 2% pa, before the deduction of investment management fees, over rolling three-year periods. Insight's fees are 0.25% pa on all the assets invested in the LIBOR Plus Fund.

Insight's Liquidity Fund and Liquidity Plus Fund are invested in cash-like securities and target seven day LIBID and three month LIBID plus 0.125% pa respectively. The fees for each of these funds are 0.10% pa.

The total fees payable to Insight for the investments in the Bond Plus Fund, Bonds Plus 400 Fund, LIBOR Plus Fund and Liquidity Funds are subject to a discount of 10% on the figures quoted above, as a result of negotiation with Insight.

The Trustees have appointed Northern Trust as custodian for the part of the defensive portfolio managed by Insight Investment Management (Global) Limited.

5.2 Henderson

The objective of the Henderson Secured Loans Fund is to outperform three month LIBOR by 2.5% pa, before the deduction of investment management fees over a 3 to 5 year period.

Henderson's fees (including an administration fee) are 0.70% pa on the assets invested in the Secured Loans Fund.

The Depositary (The Royal Bank of Scotland plc) is responsible for the delegation of safekeeping (ie custody) of the assets of the pooled fund in which the Scheme invests. Responsibility for custody is delegated to BNP Paribas Securities Services. Investments are held in the name of the Depository's nominee name, in line with common practice for Collective Investment Schemes. The Trustees do not have a direct relationship with BNP Paribas Securities Services.

6. Cash holdings

The Trustees set up a separate cash portfolio with Insight in 2012, which invests solely in the Insight Liquidity Fund. Where cash is required to meet short-term liquidity requirements, it is the Trustees' policy to hold such cash in this portfolio.

7. Rebalancing

The target investment strategy of the Scheme (excluding cash held to meet short-term cash flows) is 42.5%:57.5% between growth and defensive assets. The Trustees review the Scheme's asset allocation from time to time, to ensure that the split between growth and defensive assets remains within 5% of this target.

There is no formal rebalancing within either the growth or defensive portfolios, but the Trustees review the allocation of these portfolios from time to time.

8. Additional Voluntary Contributions ("AVCs")

The Trustees do not permit further AVCs to be paid, although legacy money purchase AVCs are held with Prudential Life Assurance Company Limited.

9. Formal agreements in place with the investment managers

In respect of Lazard Asset Management and Insight Investment Management (Global) Limited, the Trustees have signed an investment management agreement with each investment manager setting out in detail the terms on which the portfolios are managed, including the need for suitable and appropriately diversified investment.

In respect of the investment in the Odey Allegra International Fund, the Trustees have signed a subscription form issued by Odey Investment Funds PLC, which has delegated investment management to Odey Asset Management LLP.

In respect of the investment in the Baillie Gifford Global Alpha Pension Fund, the Trustees have entered into a Trustee Investment Policy with Baillie Gifford Life Limited. In the event of any inconsistency with the Trustee Investment Policy and this IPID and its associated SIP, the Trustee Investment Policy prevails.

In respect of the segregated portfolio with Ruffer LLP, the Trustees have signed an investment management agreement. The custody of the Scheme's assets invested with Ruffer is delegated to RBC Investor Services.

In respect of the investment in the ICG-Longbow UK Real Estate Debt Investments Fund IV, the Trustees have signed a Form of Adherence and a side letter issued by ICG-Longbow. The custody of the Schemes' assets invested with Longbow is delegated to Deutsche Bank Luxembourg SA.

In respect of the investment in the Henderson Secured Loans Fund, the Trustees have signed an application form issued by Henderson Global Investors.