Servier Laboratories Limited Pension Fund ("the Fund")

Statement of Investment Principles (the "Statement")

Scope of Statement

This Statement has been prepared in accordance with Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005) and the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

The effective date of this Statement is 30th September 2019. The Trustees will review this Statement and the Fund's investment strategy no later than three years after the effective date of this Statement and as soon as practicably possible after any significant change in investment policy.

The Fund comprises two sections: the Defined Contribution Section (which includes those Defined Contribution members with a GMP underpin) and the Defined Benefits Section. There is no cross subsidy between the two sections. This Statement covers both the Defined Benefit Section and the Defined Contribution Section.

Consultations Made

The Trustees have consulted with the principal employer, Servier Laboratories Limited, the sponsor of the Fund, prior to writing this Statement and have taken the principal employer's comments into account as appropriate.

The Trustees are responsible for the investment strategy of the Fund and have obtained written independent professional advice on the appropriate investment strategy and on the preparation of this Statement. This advice was provided by their appointed professional investment adviser, Aon Hewitt Ltd, which is authorised and regulated by the Financial Conduct Authority.

The day-to-day management of the Fund's assets within the Defined Benefit Section has been delegated to investment managers who are authorised and regulated by the Financial Conduct Authority. A copy of this Statement has been provided to the appointed investment managers and is available to the members of the Defined Benefit Section.

The Trustees have decided to implement the Defined Contribution Section's investment strategy through Aon's Delegated DC Services. Under this approach, the Trustees delegate the selection of the platform provider and day-to-day management of the funds to Aon, through Hewitt Risk Management Services Limited (HRMSL). The available fund range includes a number of white-labelled blended funds. The choice of underlying managers and structure of each blended fund is delegated to the investment manager, namely HRMSL.

1 – Defined Contribution Section

1.1 Objectives and policy for securing objectives

The Defined Contribution Section of the Fund is open to new members.

The Trustees' investment objective is to make available a range of pooled investment funds which serve to meet the varying investment needs and risk tolerance of the Fund's members. In particular, the Trustees aim to provide investment options that allow members:

- To maximise the value of their assets at retirement
- To maintain the purchasing power of their savings in real (ie post-inflation) terms; and
- To provide protection for accumulated assets in the years approaching retirement against:
  - Sudden (downward) volatility in the capital value
  - Fluctuations in the cost of securing an income and / or cash in retirement

1.2 Investment Policy

The investment policy falls into two parts:

- The strategic management, the setting of which is one of the fundamental responsibilities of Trustees; and
- The day-to-day management of the assets, which has been delegated to professional investment managers.

1.2.1 Strategic management

Three distinct asset allocation strategies are offered to members, which target different benefits at retirement, namely drawdown, annuity purchase and cash. These asset allocation strategies are offered through a target date fund structure, namely the Aon Managed Retirement Pathway Fund series, managed by HRMSL. Details of the three asset allocation strategies are provided in the Appendix.

For members who do not wish to make an active decision regarding the investment of their assets, a Default Option has been put in place following consideration of the Fund membership, the risks associated with investment and after taking advice from Aon Hewitt Ltd. Furthermore, as the Fund is being used for auto-enrolment purposes, the Trustees are required to designate a default arrangement into which members are invested.

The Default Option that applies is the Aon Managed Retirement Pathway Fund series, which targets drawdown at retirement.

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

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

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

The Trustees will regularly review the appropriateness of the three asset allocation strategies, taking into account any significant changes in the demographic profile of the relevant members, and may make changes to fund choice from time to time. Members will be advised accordingly of any changes.

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

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

1.2.2 Day-to-day management

The Trustees invest the main assets of the Defined Contribution section of the Fund in pooled funds managed by HRMSL. The Trustees are satisfied that the spread of assets by type and the investment manager's policies on investing in individual securities within each type provides adequate diversification of investments. The Trustees have regard to the suitability of the investment funds described above through periodic strategy and performance review. The Trustees expect the manager of the funds to have regard to the suitability of the investment contained within each fund in accordance with each fund's investment aims.

1.3 The balance between different kinds of investments

The Trustees recognise that the key source of financial risk in relation to meeting its objectives normally arises from the choice of funds offered to members and is mindful of the fact that holding all of the Defined Contribution assets in a traditional balanced fund could involve too high a level of investment risk for members approaching retirement. As a result, the Trustees implement a “lifestyle” default strategy for the Defined Contribution Section. Members are, however, able to choose a different strategy if they so wish.

The Trustees retain responsibility for choosing the funds available and take advice as required from its professional advisers.

1.4 Investment risk measurement and management

The Trustees have considered risk from a number of perspectives. These are:

- The risk that the investment return achieved on the contributions invested over members' working lives does not provide a fund sufficient to secure an adequate pension. To mitigate this risk the underlying investment strategy aims to give a greater potential for growth over the longer term when members are still a number of years from retirement.

- The risk that relative market movements in the years just prior to retirement lead to a substantial reduction in the retirement outcomes compared with the members' expectations.

  For those members invested in one of the three asset allocation strategies, members' funds will automatically be switched into lower risk funds, as described in the Appendix, as they approach retirement, with the aim of reducing volatility. Where members are making their own investment choices, it should be noted that the risk profile of the members' assets will be affected by their choice of funds, and that the range of funds that is available includes funds that are aimed at offering relative security as retirement approaches.
- The risk that the chosen investment manager underperforms the benchmark against which the manager is assessed. The Trustees recognise that the use of an active manager involves such a risk and for this reason offer both active and passive investment options for members. The risk of manager underperformance is mitigated by the delegated nature of fund manager selection.
- The risk that the absolute return on investments, and hence the value of the retirement income, may be diminished by inflation. To help mitigate this risk, a range of funds is offered, including growth funds which aim to provide real growth (in excess of inflation) over the long term.
- The risk of fraud, poor advice or acts of negligence. The Trustees have sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced.

The Trustees recognise that members take the investment risk and the Trustees manage this risk through the selection and monitoring of investment performance and the choice of funds offered to members and monitors the continued appropriateness of the default strategy for the membership Investment risk measurement and management.

1.5 Expected returns on assets

Over the long term the Trustees' expectations are:

- for units representing "growth" assets (UK equities and a diversified growth fund), to achieve a return which provides a real return above the increase in price inflation over the same period. The Trustees consider short-term volatility in equity price behaviour to be acceptable, given the general expectation that over the long term these assets will outperform the other asset classes;
- for the "monetary and index-linked" assets: for units representing index-linked bonds to achieve a rate of return in line with the cost of providing index-linked annuities;

  for units representing monetary assets (corporate bonds, cash etc) to achieve a rate of return which is expected to be approximately in line with changes in the cost of providing annuities or a cash sum at retirement.

Returns achieved by the investment managers are assessed against performance benchmarks set by the Trustees in consultation with its advisers and investment managers.

2 – Defined Benefit Section

2.1 Investment Objectives

The Trustees recognise that the key objective is to maximise the probability that the Fund is able to provide all of the benefits due to members. They recognise that the investment strategy should take account of the Company's interests in respect of the size and incidence of contributions required.

2.2 Investment Strategy

The Trustees invest the assets of the Defined Benefit Section of the Fund in the following pooled funds managed by BlackRock and Investec.

BlackRock Dynamic Diversified Growth Fund: The fund targets capital growth through investing globally in a diversified portfolio of assets, predominantly in equities and fixed income. Performance is compared with the 3 Month LIBOR Index. The performance objective is to outperform the benchmark return by 3.0% p.a. over rolling three year periods (net of fees).

Investec Diversified Growth Fund: The fund aims to provide long-term real returns through a combination of income and capital growth. The manager invests across a range of asset classes with a high allocation to global equities and fixed income. Performance is compared with the UK CPI Index. The performance objective is to outperform the benchmark return by 5.0% p.a. over rolling five year periods (gross of fees).

BlackRock Long Nominal Liability Matching Profile Fund: The objective of this LDI fund is to broadly match the change in value of the Fund's liabilities due to changes in interest rates.

BlackRock Institutional Sterling Liquidity Fund: This fund aims to maintain capital and ensure underlying assets can easily be bought or sold in the market. The Trustees use this fund to meet any cash flow requirements in relation to the LDI fund and benefit outgo. The performance objective is to outperform the 7-day LIBID index.

The Trustees believe that this is appropriate to meet the objectives and risks outlined above. The Trustees delegate day-to-day investment decisions to the investment managers of the funds.

2.3 Choosing investments

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

It is the Trustees' intention to ensure that the assets of the Fund are invested in the best interests of the members and beneficiaries.

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

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

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

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

BlackRock will make extensive use of derivatives in their pooled LDI fund in order to provide leveraged exposure to interest rates. However, and as noted above, these are only used in-so-far as they contribute to the reduction of investment risks and are managed so as to avoid excessive risk exposure to a single counterparty of other derivative operations.

The Trustees monitor the level of self-investment by the Fund on a periodic basis and are satisfied that at the current time there is negligible self-investment.

2.4 The balance between different kinds of investments

The Trustees recognise that the key source of financial risk in relation to meeting its objectives arises from asset allocation. It therefore retains responsibility for setting the Fund's overall asset allocation and takes advice as required from its professional advisers.

The Trustees review their investment strategy in conjunction with each formal actuarial valuation of the Fund or more frequently should the circumstances of the Fund change in a material way.

2.5 Investment risk measurement and management

The most important risks are recognised as arising from asset allocation. These will be assessed at least annually and following an update of the actuarial valuation. This assessment is forward-looking and may incorporate the use of asset and liability modelling techniques. Checks will be made to assess whether the funding and investment strategy remains on target to achieve the original objectives and within acceptable parameters. If it does not then corrective action will be considered by adjusting investment policy or through amendments to the Schedule of Contributions.

Risks associated with changes in the employer covenant are assessed by monitoring the Failure Score as defined for the purposes of calculating the risk-based element of the Pension Protection Fund levy. The Trustees also have an agreement with the principal employer to receive notification of any events which have the potential to alter the creditworthiness of the sponsoring employer.

In particular, the Trustees will be informed of Type A events, as defined in appropriate guidance issued by the Pensions Regulator, and employer-related Notifiable Events. On receipt of such notification, the Trustees will re-consider the continued appropriateness of the Fund's existing investment strategy.

For due diligence and good governance purposes, the Trustees will meet with the investment managers on a regular basis.

2.6 Expected returns on assets

Over the long term the Trustees' expectations are:

- for the "growth" assets (i.e. the diversified growth funds) to achieve a return which provides a real return above the increase in price inflation over the same period. The Trustees are willing to incur short-term volatility in asset price behaviour with the expectation that, over the long term, these assets will outperform asset classes which maybe regarded as matching the liabilities;
- for the "matching" assets (i.e. the LDI fund) to achieve a rate of return which is broadly in line with changes in the valuation of the Fund's liabilities due to changes in interest rates.
- for the assets as a whole to provide projected returns at least in line with the Trustees' funding assumptions as set out in the Statement of Funding Principles.

Returns achieved by the investment managers are assessed against performance benchmarks set by the Trustees in consultation with its advisers and the investment manager.

3 - Both sections

3.1 Realisation of investments/liquidity

The Trustees recognise that there is a risk in holding assets that cannot be easily realised should the need arise. Units in the funds in which the Fund invests may normally be bought and sold on a daily basis and hence the Trustees are satisfied with the liquidity of the Fund's investments.

3.2 Social, environmental or ethical considerations

In setting the Fund's DB and DC investment strategies, the Trustees' primary concern is to act in the best financial interests of the Fund's beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. This includes:

- The risk that environmental, social and governance factors including climate change negatively impact the value of investments held if not understood and evaluated properly.

The Trustees consider this risk by taking advice from their investment adviser when setting the Fund's asset allocation, when selecting managers and when monitoring their performance.

3.3 Stewardship – Voting and Engagement

As part of their delegated responsibilities, the Trustees expect the Fund's investment managers to:

- Where appropriate, engage with investee companies with the aim to protect and enhance the value of assets; and
- exercise the Trustees' voting rights in relation to the Fund's assets.

The Trustees regularly review the continuing suitability of the appointed managers and take advice from the investment adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.

3.4 Members' Views and Non-Financial Factors

In setting and implementing the Fund's investment strategy (for both DB and DC) the Trustees do not explicitly take into account the views of Fund members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

For DC members, the Trustees have made the Ethical and Islamic funds available to members who would like to invest in funds with these specific considerations. The underlying funds that make up the default fund and other self-select funds should not apply personal ethical or moral judgements as the sole basis for an investment decision.

3.5 Effective Decision Making

The Trustees recognise that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. They also recognise that where they take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice received.

3.6 Additional Voluntary Contributions ("AVCs") Arrangements

Some members obtain further benefits by paying Additional Voluntary Contributions (AVCs) to the Fund. The majority of members AVC assets are invested in the same funds that are utilised for the main Fund. Some assets are also invested with Scottish Widows Fund and Life Assurance Society.

From time-to-time the Trustees review the choice of investments available to members to ensure that they remain appropriate to the members' needs.

TONY GRAYSON	....	19th September 2019 ....
Name (Print)	Signature	Date
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Name (Print)	Signature	Date
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Name (Print)	Signature	Date
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Name (Print)	Signature	Date

Servier Laboratories Limited Pension Fund ("the Fund")
Appendix to the Statement of Investment Principles

This Appendix sets out the Trustees' current investment strategy and is supplementary to the Trustees' Statement of Investment Principles ("the attached Statement"). The Trustees' investment strategy has been established in order to maximise the likelihood of achieving the primary objectives set out in the attached Statement. The details are laid out below:

1. Asset allocation strategy

1.1 Strategy for the Defined Contribution Section

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

Fund	Asset allocation strategy	Self-select
Asset allocation strategies		
Aon Managed Retirement Pathway Funds*	✓	✓
Aon Managed Retirement Pathway to Annuity Funds	✓	✓
Aon Managed Retirement Pathway to Cash Funds	✓	✓
Objective based funds		
Aon Managed Long Term Inflation Linked Fund	×	✓
Aon Managed Pre-Retirement Bond Fund	×	✓
Aon Managed Liquidity Fund	×	✓
Asset class based and specialist funds		
Aon Managed Global Equity Fund	×	✓
Aon Managed Active Global Equity Fund	×	✓
Aegon LGIM Ethical Global Equity Index Fund	×	✓
Aegon HSBC Islamic Global Equity Index Fund	×	✓
Aon Managed Property and Infrastructure Fund	×	✓
Aon Managed Diversified Multi-Asset Fund	×	✓
Aon Managed Diversified Multi Strategy Bond Fund	×	✓
Aon Managed Passive Corporate Bond Fund	×	✓

*Default option

Default Option and alternative asset allocation strategies

The Trustees have implemented a “lifestyle” default strategy and this invests in the Aon Managed Retirement Pathway Funds.

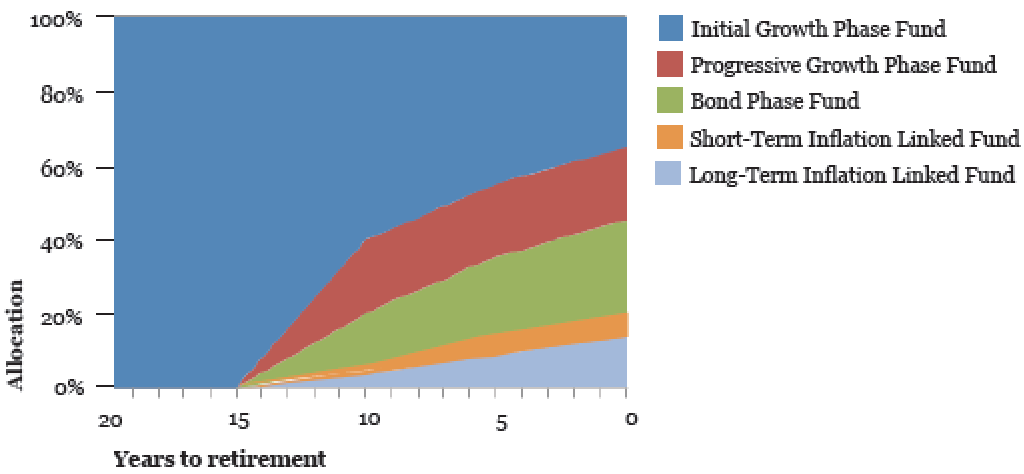
The Default Option that applies is the Aon Managed Retirement Pathway Fund series, which targets drawdown at retirement.

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

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

The structure is summarised in the chart below:

Aon Managed Retirement Pathway Funds: underlying asset allocation



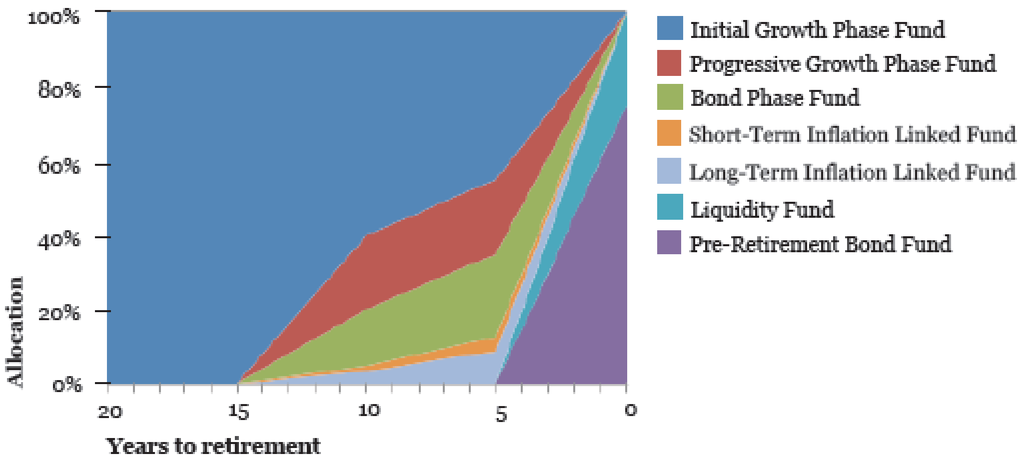
Two additional asset allocation strategies are available, alongside the Retirement Pathway Funds, as self-select options, which target different benefits at retirement, namely annuity purchase and cash.

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

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

The structure is summarised in the chart below:

Aon Managed Retirement Pathway to Annuity Funds: underlying asset allocation

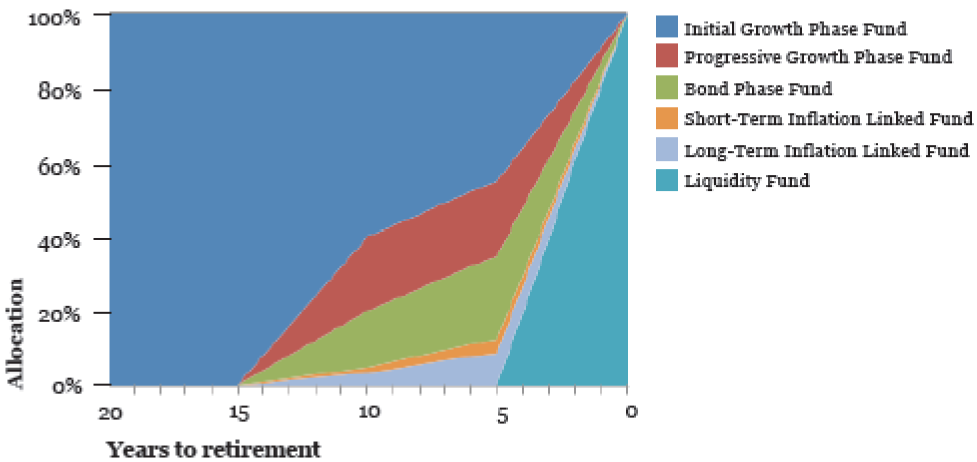


The Aon Managed Retirement Pathway to Cash Fund series works on the principle that a member electing this option will take the whole of their account as a cash lump sum at retirement

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

The structure is summarised in the chart below:

Aon Managed Retirement Pathway to Cash Funds: underlying asset allocation



1,2 Strategy for Defined Benefit Section

The Trustees' long-term asset allocation strategy is set out below:

Fund	**Target Weight (%)**
BlackRock Dynamic Diversified Growth Fund (DDG)	37.5
Investec Diversified Growth Fund (DGF)	37.5
BlackRock Long Nominal Liability Matching Profile Fund	25.0
BlackRock Institutional Sterling Liquidity Fund	
Total	**100.0**

2. Investment management arrangements

2.1 Defined Contribution Section

Fund	Benchmark	Target
Aon Managed Initial Growth Phase Fund	90% MSCI All Country World Index 7% FTSE EPRA/NAREIT Developed Index 1.5% IPD UK Quarterly all Balanced Property Funds Index 1.5% FTSE Macquarie Global Infrastructure 100 Index	To outperform the benchmark
Aon Managed Progressive Growth Phase Fund	3 Month LIBOR GBP	To outperform the benchmark by 3.0% pa over rolling three year periods
Aon Managed Bond Phase Fund	50% 3 Month LIBOR GBP 50% iBoxx Sterling Non-Gilts All Stocks Index	To outperform the benchmark by 1.5% pa over rolling three year periods
Aon Managed Long Term Inflation Linked Fund	FTSE UK Index-Linked Over 5 Years Gilts Index	To perform in line with the benchmark
Aon Managed Short Term Inflation Linked Fund	FTSE UK Index-Linked Up To 5 Years Gilts Index	To perform in line with the benchmark
Aon Managed Pre-Retirement Bond Fund	Manager bespoke	To perform in line with its bespoke benchmark to match the prices of typical annuity rates
Aon Managed Liquidity Fund	7 Day LIBID Rate	To perform in line with the benchmark
Aon Managed Global Equity Fund	MSCI All Country World Index Net Return	To outperform the benchmark
Aon Managed Active Global Equity Fund	MSCI World Index Net	To outperform the benchmark
Aon Managed Property and Infrastructure Fund	70% FTSE EPRA/NAREIT Developed Index 15% ARE/IPD UK Quarterly All Balanced Property Index 15% FTSE Developed Core Infrastructure Index	To outperform the benchmark
Aegon HSBC Islamic Global Equity Index Fund	Dow Jones Islamic Index GBP	To perform in line with the benchmark
Aon Managed Diversified Multi-Asset Fund	3 Month LIBOR GBP	To outperform its benchmark by 3.0% per annum over rolling three year periods.
Aon Managed Diversified Multi Strategy Bond Fund	3 Month LIBOR GBP	To outperform its benchmark by 2.0% per annum over rolling three year periods.
Aon Managed Passive Corporate Bond Fund	iBoxx Sterling Non-Gilts All Stocks Index	To perform in line with the benchmark
Aegon LGIM Ethical Global Equity Index Fund	FTSE4 Good Global Equity Index	To perform in line with the benchmark

2.2 Defined Benefit Section

The Fund's assets are invested with BlackRock and Investec. The following describes the mandates given to each investment manager. The table below summarises the pooled funds used.

Manager/Fund	Performance Measurement Benchmark	Benchmark Outperformance Target
BlackRock DDG	3 Month LIBOR Index	To outperform the benchmark by 3.0% p.a. over rolling three year periods (net of fees)
Investec DGF	UK CPI Index	To outperform the benchmark by 5.0% p.a. over rolling five year periods (gross of fees)
BlackRock Long Nominal Liability Matching Profile Fund	To track the movement in the value of the cash flows upon which the funds are based.	n/a
BlackRock Institutional Sterling Liquidity Fund	7 Day LIBID	To outperform the benchmark

2.3 Re-balancing arrangements

2.3.1 Defined Contribution Section

Rebalancing between assets classes occurs in line with the structure of the lifestyle arrangements. Re-balancing is not applicable for the members' freestyle choices.

2.3.2 Defined Benefit Section

In order to ensure the assets are re-balanced in line with the asset allocation strategy, the Trustees review the balance of the assets on a quarterly basis, following which appropriate corrective action is taken.

2.4 Additional Voluntary Contributions (AVCs)

All new AVCs are invested in funds managed by HRMSL. A proportion of the Fund's legacy AVCs are also invested in funds managed by Scottish Widows Fund and Life Assurance Society.

2.5 Cash balances

A working balance of cash is held for imminent payment of benefits, expenses, etc. Under normal circumstances it is not the Trustees' intention to hold a significant cash balance and this is carefully monitored by the Fund's administrator and reported regularly to the Trustees.

3 Fee structure for advisers and managers

3.1 Advisers

The Trustees' investment advisers are paid for advice received on the basis of the time spent by the adviser. For significant areas of advice (e.g. one off special jobs, or large jobs, such as asset and liability modelling), the Trustees will endeavour to agree a project budget.

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

3.2 Investment Managers

The investment managers are remunerated at a set percentage of the assets under management. This is in keeping with market practice.

3.3 Summary of investment management fee arrangements

The table below chows the Annual Management Charges for each of the funds held, however, the Trustees have negotiated discounted fee levels where possible with the difference being paid into the Fund as fee rebates.

3.3.1 Defined Contribution Section

The Annual Management Charge may increase or decrease from time to time as changes are made to the underlying fund managers used and the allocation to each within the Aon Managed Funds. The annual management charges shown in the table below are correct as at the 31 March 2019.

Aon Managed Fund	Annual Management Charge bps pa
Aon Managed Retirement Pathway Funds	**28**
Aon Managed Retirement Pathway to Annuity Funds	**28**
Aon Managed Retirement Pathway to Cash Funds	**28**
Aon Managed Long Term Inflation Linked Fund	**17**
Aon Managed Pre-Retirement Bond Fund	**29**
Aon Managed Liquidity Fund	**17**
Aon Managed Global Equity Fund	**20**
Aon Managed Active Global Equity Fund	**87**
Aon Managed Property and Infrastructure Fund	**45**
Aegon HSBC Islamic Global Equity Index Fund	**35**
Aon Managed Diversified Multi-Asset Fund	**61**
Aon Managed Diversified Multi Strategy Bond Fund	**63**
Aon Managed Passive Corporate Bond Fund	**17**
Aegon LGIM Ethical Global Equity Index Fund	**35**

3.3.2 Defined Benefit Section

Fund	Annual Management Charge
BlackRock DDG	0.65% pa
Investec DGF	0.50% pa
BlackRock Long Nominal Liability Matching Profile Fund[1]	0.15% pa on the first £50m, 0.10% pa thereafter
BlackRock Institutional Sterling Liquidity Fund	0.10% pa

[1] - For the period of 1 July 2017 to 30 June 2020 the effective fee shall be flat 0.10% pa.