

Newspaper Society Pension and Life Assurance Scheme

Investment Implementation Document (“IID”)

This Investment Implementation Document (“IID”) covers the Newspaper Society Pension and Life Assurance Scheme (the “Scheme”) and details the policy of the Trustee relating to the implementation of the Scheme’s investment arrangements, based on the Principles set out in the Scheme’s Statement of Investment Principles (“SIP”) dated 17 August 2020.

Investment strategy

The Scheme’s current investment strategy is to invest according to the following broad asset allocation:

Asset Class	Proportion	Control Ranges	Expected Return (relative to fixed interest gilts)
Return Seeking	70%		
Diversified Growth Fund	30%	27.5% - 32.5%	3.5% p.a.
Diversified Credit	40%	37.5% - 42.5%	2.5% p.a.
Liability Matching	30%		
Equity-linked Liability Driven Investments (“Equity-linked LDI”)	20%	-	4.0% p.a.
Liability Driven Investments (“LDI”)	10%	-	0.0% p.a.
Total	100%		2.9% p.a.

(1) 10 year assumptions as at 30 June 2020 relative to Bank of England 10 Year Gilts (net of management fees). This yield was 0.2% at 30 June 2020.

The expected returns shown in the above table represent long-term expectations of asset classes as a whole. Short-term returns in some asset classes may exhibit considerable variability.

Investment structure and mandates

The Trustee has appointed Mobius Life as the platform provider who in turn invests in the underlying pooled funds.

The Trustee has indirectly invested in pooled funds managed by the following investment managers. All the investment managers and platform provider are regulated under the Financial Services and Markets Act 2000.

Investment Manager	Proportion
Schroders Investment Management	30%
M&G Investments	40%
BMO Asset Management Limited	30%
Total	100%

Mandate target returns, objectives and fees

Schroders – Dynamic Multi Asset Fund – Diversified Growth Fund

Benchmark	Objective	Fees
UK CPI	UK CPI + 4% p.a. (gross of fees)	0.29%

Fee inclusive of Platform Charge (0.04% p.a.)

M&G – Total Return Credit Investment Fund – Diversified Credit

Benchmark	Objective	Fees
1 Month Libor	1 Month Libor +3% to 5% p.a. (gross of fees) over rolling 3-year period	0.34%

Fee inclusive of Platform Charge (0.04% p.a.)

BMO – Equity-linked LDI

Benchmark	Objective	Fees
UK Gilt and Global Equity composite	Track Benchmark	0.34%

Fee inclusive of Platform Charge (0.04% p.a.)

The equity-linked LDI allocation is invested with BMO in the BMO LDI Equity-Linked Real DLDI Sub-Fund and the BMO LDI Equity-Linked Nominal DLDI Sub-Fund. These funds also contribute to the overall hedging in the Scheme.

BMO – LDI

Benchmark	Objective	Fees
Gilts composite	Track benchmark	0.31%

Fee inclusive of Platform Charge (0.04% p.a.)

In order to reduce the risk created by differences in sensitivity to interest rate and inflation changes between the Scheme's assets and liabilities, the Trustee invest in a LDI mandate.

This mandate provides leveraged exposure to nominal and inflation linked gilts and swaps in order to hedge a proportion of the Scheme's interest rate and inflation exposure.

The LDI allocation is invested with the BMO Short Profile Real Dynamic LDI Fund and the BMO Nominal Dynamic LDI Fund.

Signed:



Signed: Roger Cooper

Date: 10 September 2020