AGS Airports Pension Scheme

Statement of Investment Principles

November 2023

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This statement has been prepared to document the investment arrangements of the AGS Airports Pension Scheme.

1 Introduction

Scheme Details

1.1 The AGS Airports Pension Scheme ("the Scheme") operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries.

1.2 Members of the Scheme have previously accrued pension benefits in the BAA Pension Scheme and transferred their rights from the BAA Pension Scheme into the Scheme in December 2014.

1.3 The Scheme is a registered pension scheme under the Finance Act 2004, and has been granted exempt approved status by HMRC under Chapter 1 of part XIV of the Income and Corporation Taxes Act 1988.

1.4 The Scheme's assets are held in trust by a Corporate Trustee, AGS Airports Pension Trustee Limited, which is responsible for the investment of the Scheme's assets.

1.5 Administration of the Scheme is managed by Isio Group Limited ("Isio") on behalf of the Trustee.

Pensions Act

1.6 This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005. Before preparing or subsequently revising this Statement, the Trustee consulted the sponsoring company and took appropriate written advice. The Statement is reviewed at least every three years, and without delay after any significant change in the investment arrangements.

1.7 Under the 1995 Pensions Act as subsequently amended by the Pensions Act 2004, the Trustee is required to prepare a statement of the principles governing investment decisions, including the extent (if any) to which social, environmental or ethical considerations are taken into account in their investment policy, together with the Trustee's policy (if any) on exercising rights attached to investments. This document fulfils that requirement.

1.8 The Trustee will consult the principal employer, AGS Airports Limited, on changes in investment policy as set out in this document, and inform the principal employer of the appointment or removal of investment managers. However, the ultimate power and responsibility for deciding investment policy and appointing or removing investment managers lies solely with the Trustee. Investment policy and the performance of the investment manager(s), when appointed, will be reviewed formally following each triennial actuarial valuation or more frequently as required. Quarterly monitoring reports will be prepared by Isio as Investment Consultant to the Scheme to assist the Trustee in this regard.

1.9 In drawing up this document, the Trustee has sought advice from the Scheme's Investment Consultant, Isio (regulated by the Financial Conduct Authority). The Trustee will review this Statement at least once every three years, and without delay if there are relevant, material changes to the Scheme and/or the principal employer. These include changes in the Scheme's liabilities and finances and in the attitude to risk of the Trustee and the principal employer.

Financial Services and Markets Act 2000

1.10 In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for the selection of specific investments to an appointed Investment Manager or Managers (when appointed) which may include an insurance company or companies. The Investment Manager or Managers shall provide the skill and expertise necessary to competently manage the investments of the Scheme.

Declaration

The Trustee confirms this SIP reflects the investment strategy it has implemented for the Scheme. The Trustee acknowledges its responsibility, with guidance from the Advisers, to ensure the assets of the Scheme are invested in accordance with these principles.

Signed …………………………………… Date …………………..

For and on behalf of the Trustee of The AGS Airports Pension Scheme

2 Division of Responsibilities

2.1 The Trustee is responsible for the investment of the Scheme's assets.

2.2 The Trustee has set up an Investment Sub Committee ("ISC"), which is governed by an agreed Terms of Reference, in order to provide appropriate focus on the investment arrangements. The ISC consists of individuals from both the Trustee Board and the Company.

The day-to-day operational investment decisions have been delegated by the Trustee to the ISC. The ISC consults with the Trustee regarding any long-term strategic considerations as detailed above. Further details of the specific roles delegated by the Trustee to the ISC are detailed within the Terms of Reference document.

2.3 The Trustee of the Scheme make all major strategic decisions including, but not limited to, the Scheme's asset allocation and the appointment and termination of investment managers. When making such decisions, and when appropriate, the Trustee takes proper written advice. The Trustee's investment advisers, Isio, are qualified by their ability in, and practical experience, of financial matters, and have the appropriate knowledge and experience. The investment advisers' remuneration may be a fixed fee or based on time worked, as negotiated by the Trustee in the interests of obtaining best value for the Scheme.

2.4 The Scheme has also appointed a Scheme Actuary to assess the financial position of the Scheme at least every three years, in accordance with regulatory requirements.

3 Long Term Policy

Objectives

3.1 The primary long term investment objectives of the Trustee can be summarised as follows:

a. The Trustee and Company agreed a long-term funding objective of reaching full funding on a Gilts plus 0.5% basis and aim to achieve this by mid-2030s (from the date of the policy agreed in 2023). The Trustee intends to reduce risk as funding improves to increase the certainty of achieving this objective.

b. Investment of the Scheme in a range of secure assets which will generate sufficient income and capital growth to meet, together with any contributions from the Company, the cost of current benefits which the Scheme provides, as set out in the Trust Deed and Rules.

c. To understand and limit the risks of the assets failing to meet the liabilities over the long term, in particular, in relation to statutory funding measures.

d. To control the long term cost of the Scheme by maximising the return on the assets whilst having regard to the objective shown under 3.1a

3.2 Having appointed Investment Managers, the Trustee will develop a set of measurable objectives which are believed to be consistent with the achievement of the Scheme's longer term objectives.

Philosophy

3.3 The Trustee aims to meet the Scheme's long term objectives through the following:

- Ensuring that the strategic asset allocation position for the Scheme takes into account the liability profile and appropriate diversification;
- Identifying superior manager(s) through the use of a disciplined manager selection process, including examination of the ESG policies of each manager considered;
- Controlling the risk of significant underperformance by setting specific clear performance objectives;
- Monitoring the manager(s) to ensure that they comply with the guidelines and that there is a reasonable expectation that they can meet their performance objective going forward;
- Seeking advice from all the Scheme's professional advisers, including the Scheme Actuary, the Investment Consultant and the Investment Manager(s).

In development of the Scheme strategy, consideration will be given to all of the above points.

Policy

3.4 The Trustee recognises its responsibility to consider and set the strategic asset allocation for the Scheme as only it is in a position to judge the characteristics of the Scheme and its own risk tolerance. The Trustee has recognised this fact by establishing a long-term asset allocation.

4 Asset Allocation Guidelines

4.1 Asset allocation guidelines have been established as part of the revised investment strategy review. These are broadly as follows: Long-Lease Property (10%), Liability Driven Investment ("LDI") (41%), Infrastructure Equity (19%), Direct Lending (22%) and a Liquidity Buffer - Liquid Asset Backed Securities ("ABS") (8%).

4.2 The Trustee may not borrow money or otherwise leverage the Portfolio for speculative purposes.

Suitability

4.3 The Trustee has taken advice from the Investment Consultant to ensure the solution is suitable for the Scheme.

5 Investment Manager Arrangements

5.1 The Trustee has appointed several investment managers to manage the assets of the Scheme as listed in Appendix A. The investment managers are regulated under the Financial Services and Markets Act 2000.

All decisions about the day-to-day management of the assets have been delegated to the investment managers via a written agreement. The delegation includes decisions about:

- Selection, retention and realisation of investments including taking into account all financially material considerations in making these decisions;
- The exercise of rights (including voting rights) attaching to the investments;
- Undertaking engagement activities with investee companies and other stakeholders, where appropriate.

The Trustee takes investment managers' policies into account when selecting and monitoring managers. The Trustee also takes into account the performance targets the investment managers are evaluated on. The investment managers are expected to exercise powers of investment delegated to them, with a view to following the principles contained within this statement, so far as is reasonably practicable.

Manager Structure

5.2 The Trustee has appointed a combination of Investment Managers to implement the Scheme's investment policy.

As the Scheme's assets are invested in pooled vehicles, the custody of the holdings is arranged by the investment manager.

Manager Restrictions

5.3 Any restrictions on individual Investment Managers will be agreed with the Investment Managers if appropriate.

6 Investment Manager Monitoring, Engagement, and Implementation of Investment Policy.

6.1 The appointment of the Investment Managers will be reviewed by the Trustee from time to time, based on the monitoring of manager performance and investment process.

6.2 The Trustee has identified the criteria by which managers should be selected (or when applicable deselected).

These include:

- **Quality of the Investment Process** - an analysis of the investment process, investment team and business management to provide evidence that the process will continue to be successful in the future;

- **Role Suitability** - the type, size and quality of the organisation and its ability to fulfil the role required by the Trustee;

- **Service** - the quality and comprehensiveness of the communication and administration;

- **Team Proposed** - the ability of the individuals proposed as director and fund manager to fulfil the Trustee's requirements in terms of their seniority and experience; and

- **Cost effectiveness** – an analysis of the total expense ratio of the proposed fund in relation to the costs incurred in similar funds and mandates. This is to ensure that the Scheme is able to access investments at a competitive fee rate.

- **ESG Integration** – the extent to which the manager integrates ESG into their investment philosophy and process, and the extent to which the fund is aligned to the Trustee's own formal ESG beliefs.

  The Trustee will consider past performance of the manager over three-year periods, coupled with acceptable variability of performance defined in relation to the manager's style, when evaluating a manager's suitability to fulfil the role required by the Trustee. However, this metric shall not be looked at in isolation and is considered as part of the wider evaluation process.

6.3 The Trustee monitors and engages with the Scheme's investment managers and other stakeholders on a variety of issues. Below is a summary of the areas covered and how the Trustee seeks to engage on these matters with investment managers.

a. Performance, Strategy and Risk

Method for monitoring and engagement

- The Trustee receives a quarterly report which details information on the underlying investments' performance, strategy and overall risks, which are considered at the relevant ISC meeting.

- The Scheme's investment managers are invited, in person, to present to the Trustee on their performance, strategy and risk exposures including ESG.

Circumstances for additional monitoring and engagement

- There are significant changes made to the investment strategy. The risk levels within the assets managed by the investment managers have increased to a level above and beyond the Trustee's expectations.

- Underperformance vs the performance objective over the period that this objective applies.

b. Environmental, Social, Corporate Governance factors and the exercising of rights

Method for monitoring and engagement

- The Trustee's investment managers provide regular reports on how they have engaged with issuers regarding social, environmental and corporate governance issues.

- The Trustee receives information from their investment advisers on the investment managers' approaches to engagement including the adviser's formal ESG rating of the underlying investment manager and strategy.

- The Trustee will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters (including the Scheme's stewardship priorities) at least annually

Circumstances for additional monitoring and engagement

- The manager has not acted in accordance with their policies and frameworks.

- The manager's policies are not in line with the Trustee's policies in this area.

- Through the engagement described above, the Trustee will work with the investment managers to improve their alignment with the above policies.

Where sufficient improvement is not observed, the Trustee will review the relevant investment manager's appointment and will consider terminating the arrangement.

6.4 Employer-related investments

The policy of the Trustee is not to hold any employer-related investments as defined in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 except where the Scheme invests in collective investment schemes that may hold employer-related investments. In this case, the total exposure to employer-related investments will not exceed 5% of the Scheme's total asset value. The Trustee will monitor this on an ongoing basis to ensure compliance.

6.5 Direct investments

Direct investments, as defined by the Pensions Act 1995, are products purchased without delegation to an investment manager through a written contract. When selecting and reviewing any direct investments, the Trustee will obtain appropriate written advice from their investment advisers.

7 Risk Management, Financially Material Considerations and Non-Financial Matters

7.1 A non-exhaustive list of risks and financially material considerations that the Trustee has considered and sought to manage is shown below.

7.2 The Trustee adopts an integrated risk management approach. The three key risks associated within this framework and how they are managed are stated below:

Investment - The risk that the Scheme's position deteriorates due to the assets underperforming.

- Selecting an investment objective that is achievable and is consistent with the Scheme's funding basis and the sponsoring company's covenant strength.
- Investing in a diversified portfolio of assets.

Funding - The extent to which there are insufficient Scheme assets available to cover ongoing and future liability cash flows.

- Funding risk is considered as part of the investment strategy review and the actuarial valuation.
- The Trustee will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.

Covenant – The risk that the sponsoring company becomes unable to continue providing the required financial support to the Scheme

- When developing the Scheme's investment and funding objectives, the Trustee takes account of the strength of the covenant ensuring the level of risk the Scheme is exposed to is at an appropriate level for the covenant to support.

7.3 The Scheme is exposed to a number of underlying risks relating to the Scheme's investment strategy, these are summarised below:

Interest rates and inflation - The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.

Policy:

1. To hedge 80% of these risks on a Technical Provisions basis. The Trustee notes its desire to hedge to a higher level if appropriate from a funding and liquidity perspective.

Liquidity - Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.

Policy:

1. To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI.

Market - Experiencing losses due to factors that affect the overall performance of the financial markets.

Policy:

1. To remain appropriately diversified and hedge away any unrewarded risks, where practicable.

Credit - Default on payments due as part of a financial security contract.

Policy:

1. To remain appropriately diversified and hedge away any unrewarded risks, where practicable.
2. To diversify this risk by investing in a range of credit markets across different geographies and sectors.
3. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.

Environmental, Social and Governance ("ESG") - Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.

Policy: To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:

1. Responsible Investment ("RI") Policy / Framework
2. Implemented via Investment Process
3. A track record of using engagement and any voting rights to manage ESG factors
4. ESG specific reporting
5. UN Principles for Responsible Investment (UN PRI) signatory (six voluntary investment principles that relate to ESG considerations) if applicable.

The Trustee monitors the mangers on an ongoing basis.

Currency - The potential for adverse currency movements to have an impact on the Scheme's investments.

Policy:

1. The Scheme's current mandates hedge all the currency risk back to Sterling.
2. Any active currency positions taken by managers are risk managed and at the discretion of the managers.

Non-financial - Any factor that is not expected to have a financial impact on the Scheme's investments. This includes the extent to which the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life of the members and beneficiaries of the Scheme in the selection, retention and realisation of investments.

Policy:

1. Non-financial matters are not taken into account in the selection, retention or realisation of investments.

Transition - The risk of paying unnecessary costs or being at increased risk of adverse market movements when transitioning assets from one manager or asset class

Policy:

1. Organise transitions in a structured fashion with the advice of Advisors or by using a specialist transition manager if appropriate.

Out of market - The risk of asset price fluctuations that negatively impact the Scheme whilst the Scheme's assets are in the Trustee Bank account.

Policy:

1. Ensure ongoing monitoring of the Scheme's assets and transfers

8 Social, Environmental, Ethical and Corporate Governance Policy Issues

8.1 In July 2021, the Trustee finalised an Environmental, Social and Governance (“ESG”) Beliefs Policy. The purpose of this document is to sit alongside the Scheme’s Statement of Investment Principles and formalises the Trustee’s beliefs and policy on how ESG factors should be integrated in investment decision-making to promote Responsible Investing.

8.2 The Trustee’s policy is that decisions on these issues regarding the investment of the Scheme's assets, including the exercise of rights attached to investments, should be made by the Investment Managers (when appointed) on the Trustee’s behalf, having regard to the best financial interests of the beneficiaries. Where this consideration is not prejudiced, the Trustee expects the Investment Managers to take account, where appropriate, of social, environmental and ethical factors in making these decisions.

8.3.1 The Trustee monitors existing managers on an ongoing basis and a manager specific ESG policy is one of the evaluation criteria applied in the appointment of any investment manager for the Scheme.

9 Additional Voluntary Contributions

9.1 Before the transfer from the BAA Scheme in 2014, a small number of members were allowed to make Additional Voluntary Contributions (“AVCs”) to improve the benefits they received at retirement. Currently only these members retain the ability to make AVCs. The remaining member population are currently not permitted to make AVCs under the defined benefit Scheme arrangement.

The Trustee will review these arrangements regularly with regard to their suitability, performance, the objectives, and the views of its advisors.

10 Leverage and Collateral Management

10.1 The Trustee will adhere to all relevant regulatory guidance and requirements in relation to leverage and collateral management within the Scheme’s liability hedging (LDI).

The Trustee has a stated collateral management policy / framework. The Trustee has agreed a process for meeting collateral calls should these be made by the Scheme’s LDI investment manager. The Trustee will review and stress test this policy / framework on a regular basis.

Further details on this can be found in Appendix C

Appendix A

Investment Policy Implementation Document

A.1 Introduction

This document is supplemental to the Statement of Investment Principles (the "Statement") and outlines the investment policy and investment arrangements of the AGS Airports Pension Scheme (the "Scheme") in more detail.

The investment policy falls into two parts:

i. Investment Strategy, the setting of which is one of the fundamental responsibilities of the Trustee;

ii. The day-to-day management of the assets, which has been delegated to professional investment managers.

A.2 Investment Strategy

The Trustee takes a holistic approach to considering and managing risks when formulating the Scheme's investment strategy.

The Scheme's investment strategy was derived following careful consideration of the factors set out in 'Section 7 – Risks, Financially Material Considerations and Non-Financial Matters.'

The considerations include the nature and duration of the Scheme's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of employer contributions required to fund the Scheme, and also the strength of the sponsoring company's covenant.

The Trustee considered the merits of a range of asset classes.

The Trustee recognises that the investment strategy is subject to risks, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is monitored by regularly assessing the funding position and the characteristics of the assets and liabilities. This risk is managed by investing in assets which are expected to perform in excess of the liabilities over the long term, and also by investing in a suitably diversified portfolio of assets with the aim of minimising (as far as possible) volatility relative to the liabilities.

<u>Strategic asset allocation split by fund manager</u>

Asset class	Benchmark Allocation (%)	Mandate	Fund Manager
Bonds	**63**		
LDI	41	Passive	Insight
Direct Lending	22	Active	Alcentra
Alternatives	**29**		
Long Lease Property	10	Active	M&G
Infrastructure Equity	19	Active	Aviva
Liquidity Buffer	**8**		
Liquid ABS	8	Passive	Insight
Total	**100**		

Notes: There is no automatic rebalancing between the portfolio, the Trustee periodically reviews the actual allocation to ensure the benchmark allocation is broadly preserved.

A.3 Day-to-Day Management of the Assets

Day-to-day management of the assets is delegated to professional investment managers: Alcentra, Insight Investment, M&G Investments and Aviva Investors.

Alcentra

Direct Lending (22% of total Scheme assets)

Fund	Benchmark
Alcentra European Direct Lending Fund II;	Internal Rate of Return ("IRR") of 8% - 10% (net of fees)
Alcentra European Direct Lending Fund III	Internal Rate of Return ("IRR") of 7% - 9% (net of fees)

EDL II Fund's objective is to achieve an average IRR of 8% - 10% net of fees.
EDL III Fund's objective is to achieve an average IRR of 7% - 9% net of fees.

Aviva Investors

Infrastructure Equity (19% of total Scheme assets)

Fund	Index

Infrastructure Income Unit Trust	Internal Rate of Return ("IRR") of 7-8% (net of fees)

This Fund aims to deliver an IRR of 7-8% net of fees.

Insight

LDI (41% of total Scheme assets)

Fund	Benchmark
Leveraged Gilt Funds (both fixed-interest and index-linked)	Achieve a 80% hedge of the total Scheme liability, valued on a Technical Provisions basis

Liquidity Buffer (Liquid ABS) (8% of total Scheme assets)

Fund	Benchmark
Liquid ABS Holding Fund	SONIA (Cash) +0.5% p.a.

Liability Driven Investment ("LDI) is a risk management solution that aims to hedge the specifics risk that impact the value of the Scheme's liabilities. The solution aims to achieve an 80% hedge of interest rates and inflation in relation to the total Scheme liability, valued on a Technical Provisions basis. The Trustee will continue to review hedging levels going forward.

M&G

Long Lease Property (10% of total Scheme assets)

Fund	Index

Secured Property Income	UK RPI

The Fund does not have a formal benchmark, but M&G expect the fund to deliver a long-term return of UK RPI + 2.5% p.a. net of fees.

A.4 Fee Structure

Fees paid to each manager are detailed below.

Alcentra
Direct Lending holdings

Alcentra charge a management fee (on drawn capital) of 1%.
A performance fee of 10%, subject to preferred return of 5% and with catch-up, may also be charged should Alcentra outperform their return target over the life cycle of this investment.

Aviva
Infrastructure holdings

Aviva charge 0.75% p.a.

Insight
LDI holdings

Insight charge a fee of 0.08% p.a. on the first £100m of exposure, and 0.075% p.a. on the next £150m of exposure

ABS holdings

Insight Liquid ABS Fund charges a fee of 0.15% p.a.

M&G
Long Lease Property holdings

M&G charge 0.50% p.a.

Appendix B

B.1 The Trustee has the following policies in relation to the investment management arrangements for the Scheme:

How the investment managers are incentivised to align their investment strategy and decisions with the Trustee policies.

- As the Scheme is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustee's policies. However, the Trustee invests in a portfolio of pooled funds that are aligned to the strategic objective.
- The Scheme's mandates for Alcentra Direct Lending are subject to a performance related fee.

How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.

- The Trustee reviews the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements.
- The Trustee does not incentivise the investment managers to make decisions based on non-financial performance.

How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustee's policies.

- The Trustee reviews the performance of all of the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives.
- The Trustee evaluates performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years.

The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.

- The Trustee does not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.

The duration of the Scheme's arrangements with the investment managers.

- The duration of the arrangements is considered in the context of the type of fund the Scheme invests in.

- For closed ended funds or funds with a lock-in period the Trustee ensures the timeframe of the investment or lock-in is in line with the Trustee's objectives and Scheme's liquidity requirements.
- For open ended funds, the duration is flexible and the Trustee will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.

Voting Policy - How the Trustee expects investment managers to vote on their behalf.

- The Trustee has acknowledged responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf.

Engagement Policy - How the Trustee will engage with investment managers, direct assets and others about 'relevant matters'.

- The Trustee has acknowledged responsibility for the engagement policies that are implemented by the Scheme's investment managers on their behalf.
- The Trustee, via their investment advisers, will engage with managers about 'relevant matters' at least annually.
- Example stewardship activities that the Trustee has considered are listed below.
    - Selecting and appointing asset managers – the Trustee will consider potential managers' stewardship policies and activities.
    - Asset manager engagement and monitoring – on an annual basis, the Trustee assesses the voting and engagement activity of their asset managers. The results of this analysis feeds into the Trustee's investment decision making
    - Collaborative investor initiatives – the Trustee will consider joining/ supporting collaborative investor initiatives.

Appendix C

Collateral Management Policy

At the time of writing, the Trustee is targeting a level of collateral sufficient to withstand a yield rise to exhaustion of:

- 200 bps held with the LDI manager, Insight.

The Trustee will review their collateral management policy no less frequently than annually, or as soon as possible in the event of significant market movements.

Trigger	Action	Responsibility
LDI fund issues capital call	Assets sold from nominated source of collateral.	Insight / Trustee
When collateral falls below 200 bps	Discussion on rebalancing nominated source of collateral to restore buffer, if possible, as well as discussions to confirm if Trustee is comfortable with level of hedging.	Isio will confirm in quarterly reporting the estimated level of yield coverage. Any discussions will involve the Trustee with input from Isio.

The latest collateral waterfall is set out below. Assets held with the same manager as the LDI mandate are shown in bold, reflecting the lower governance burden on the Trustee.

Manager	Asset Class	Dealing frequency
Insight	**Asset Backed Securities**	**Daily frequency**