

## Southern Housing Group Pension Plan

### Investment Implementation Document (“IID”)

This Investment Implementation Document (“IID”) covers the Southern Housing Group Pension Plan (the “Plan”) and details the policy of the Trustees relating to the implementation of the Plan’s investment arrangements, based on the Principles set out in the Plan’s Statement of Investment Principles (“SIP”) dated 28 September 2020.

#### **Investment strategy**

The Plan’s current investment strategy is invested according to the following broad asset allocation:

#### **1964 Section**

<b>Asset Class</b>	<b>Proportion (%)</b>	<b>Control Ranges (%)</b>	<b>Expected Return (relative to fixed interest gilts) %</b>
UK Equities	11.70	+/- 3.00%	4.00
Global Equities	23.30		4.50
Diversified Growth Funds	35.00		3.50
Liability Driven Investment	30.00		0.00
<b>Total</b>	<b>100.00</b>		<b>2.70</b>

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

#### **2017 Section**

<b>Asset Class</b>	<b>Proportion (%)</b>	<b>Control Ranges (%)</b>	<b>Expected Return (relative to fixed interest gilts) %</b>
UK Equities	9.35	+/- 3.00%	4.00
Global Equities	18.55		4.50
Diversified Growth Funds	42.10		3.50
Liability Driven Investment	30.00		0.00
<b>Total</b>	<b>100.00</b>		<b>2.70</b>

(2) 10 year assumptions as at 30 June 2020 relative to Bank of England 10 Year Gilts (net of management fees).

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 Trustees have invested in pooled funds managed by the following investment managers. All the investment managers are regulated under the Financial Services and Markets Act 2000.

### 1964 Section

<b>Investment Manager</b>	<b>Proportion %</b>
Legal and General	23.40
Baillie Gifford	11.60
Capital Group	11.70
BlackRock	11.65
Insight	11.65
BMO	30.00
<b>Total</b>	<b>100.00</b>

### 2017 Section

<b>Investment Manager</b>	<b>Proportion %</b>
Legal and General	18.70
Baillie Gifford	9.20
Capital Group	12.10
BlackRock	15.00
Insight	15.00
BMO	30.00
<b>Total</b>	<b>100.00</b>

## Mandate target returns, objectives and fees

Legal and General – Global Equity Fixed Weight (50:50) Index Fund – Global Equities

Benchmark	Objective	Fees
Composite	To track the benchmark within reasonable tolerance.	0.065% p.a.

Legal and General - Global Equity Fixed Weight (50:50) Index Fund (GBP Hedged) – Global Equities

Benchmark	Objective	Fees
Composite	To track the benchmark within reasonable tolerance.	0.090% p.a.

Baillie Gifford – Global Alpha Pension Fund – Global Equities

Benchmark	Objective	Fees
MSCI All Countries World Index	Outperform (net of costs) the MSCI All Countries World GBP Index, by at least 2% per annum over a rolling five-year period.	0.600% p.a.

Capital Group – Emerging Market Total Opportunities Fund (GBP Hedged) – Diversified Growth

Benchmark	Objective	Fees
N/A	N/A	0.630% p.a.

BlackRock – DC Diversified Growth Fund – Diversified Growth

Benchmark	Objective	Fees
Bank of England base rate + 3.5%	N/A	0.580% p.a.

Insight – Broad Opportunities Fund – Diversified Growth

Benchmark	Objective	Fees
3 Month Sterling Libid	N/A	0.530% p.a.

BMO – Real Dynamic LDI Fund

Benchmark	Objective	Fees
Custom liability benchmark	To track the Scheme's liabilities in response to changes in interest and inflation rates.	0.320% p.a.

BMO – Nominal Dynamic LDI Fund

Benchmark	Objective	Fees
Custom liability benchmark	To track the Scheme's liabilities in response to changes in interest and inflation rates.	0.320% p.a.

The fees quoted above are inclusive of Legal and General's platform hosting fees and client specific discounts.

**Name and Position:** Malcolm Groves, Chair of Trustees

**Signed:**



**Date:** 28 September 2020.....