

# The Royal Bank of Scotland Group Pension Fund

## Statement of Investment Principles

### Introduction

1 Under the Pensions Act trustees are required to prepare a statement of principles governing decisions about investments for their pension funds. This document contains that statement and describes the investment policy pursued for The Royal Bank of Scotland Group Pension Fund (the "Fund") by RBS Pension Trustee Limited (the "Trustee") through the Trustee Board.

2 In preparing the SIP, the Trustee Board has consulted the Employer. However, the ultimate power and responsibility for deciding investment policy lies solely with the Trustee Board.

3 In preparing the SIP the Trustee Board has sought written advice from the Chief Investment Officer. The written advice considers the issues set out in the Occupational Pension Schemes (Investment) Regulations 2005 (S.I. 1995/3378) ("the Investment Regulations") and the principles contained in this statement.

4 The Trustee Board will review the SIP at least every three years and without delay after any significant change in investment policy. Reference will be made to the SIP where necessary to ensure that the Trustee's powers of investment are exercised so as to give effect to the principles set out in the SIP as far as is reasonably practicable.

5 In accordance with the Financial Services and Markets Act 2000, the Trustee Board will approve general investment policy. Those implementing that policy shall provide the skill and expertise necessary to manage the investments of the Fund competently.

6 Investments are chosen taking account of the criteria for investment set out in the Investment Regulations and the principles contained in this statement.

7 The Pensions Act 2004 requires that the value of the assets of pension schemes is not less than the value of their liabilities, and sets out the procedure for dealing with shortfalls. The Trustee Board will consult the Scheme Actuary and the Employer when deciding upon the appropriate response to any shortfall. Further details are set out in the Trustee Board's Statement of Funding Principles. The Trustee Board considers that the investment principles described in this statement are consistent with their obligations under the Pensions Act. In addition, the Trustee Board will review its investment policy in the light of actuarial valuations and certificates and schedules of contributions produced in order to comply with the Pensions Act 2004.

### Structure of the Fund

8 During the course of 2012 three other pension schemes (RBS AA Pension Scheme, NatWest Defined Contribution Scheme and National Westminster Bank Retirement Benefits Scheme) were merged into the Fund. The RBS AA Pension Scheme now comprises a discrete section within the Fund (known as the RBS AA Section) and the original assets of the Fund are now comprised in another discrete section (known as the Group Fund Section). The two sections represent separate pension schemes for funding and investment purposes. The Group Fund Section at the date of the merger with the RBS AA Pension Scheme was itself comprised of various benefits schedules providing final salary benefits. Each of the NatWest Defined Contribution Scheme and National Westminster Bank Retirement Benefits Scheme provided money purchase benefits and following the mergers with the Fund are now comprised within two additional benefit schedules as part of the Group Fund Section. The general investment principles outlined in this statement apply to each of the two sections and to each of the benefit schedules within each section. However the specifics of the investment strategy of each of the Group Fund Section (other than the benefits schedules for the NatWest Defined Contribution Scheme and National Westminster Bank Retirement Benefits Scheme), the NatWest Defined Contribution schedule, the National Westminster Bank Retirement

Benefits schedule and the RBS AA section, vary from each other and accordingly are considered in separate appendices to this statement.

## **Division of Responsibilities**

9 The Trustee Board has appointed an Investment Committee and an Investment Executive to exercise certain responsibilities in relation to the investment of the Fund's assets, although the Trustee Board retains direct responsibility for approving key policy decisions. The Investment Executive is incorporated as RBS Investment Executive Limited ("RIEL") (a wholly owned subsidiary of the Trustee), and is authorised by the FCA as an Occupational Pension Scheme ("OPS") firm. The Investment Committee and RIEL work within clearly defined terms of reference, which have been prepared by the Trustee Board.

10 Day to day management of the assets of the Fund is delegated to a number of investment managers. Each manager/portfolio has investment guidelines which are consistent with the overall objectives of the Fund and with manager's duties to act in accordance with the Investment Regulations when exercising discretion.

11 Those key decisions for which the Trustee Board, Investment Committee, RIEL and the investment managers have responsibility are:

### **Trustee Board**

- approving the overall Investment Objectives and investment policies adopted for the Fund

### **Investment Committee**

- recommending to the Trustee Board the overall Strategic Benchmark of the Fund, including permitted assets
- selecting the amount of risk to be hedged and the permitted strategies used to hedge that risk within the Hedging Programme
- selecting investment strategy consultants

### **RIEL**

- advising the Trustee Board and Investment Committee on matters relating to investment of the Fund's assets
- overseeing implementation of the investment policies selected by the Trustee Board and Investment Committee
- monitoring asset allocation and instructing rebalancing within agreed parameters relative to the Strategic Benchmark
- monitoring the interest rate and inflation hedging programmes and instructing modifications within agreed parameters of hedging targets and permitted strategies
- selecting investment opportunities from those available to the Fund within the Strategic Benchmark and the set of permitted assets
- selecting, monitoring and deselecting investment managers, custodians, transition managers and investment manager selection consultants.
- reporting to the Trustee Board and Investment Committee on the progress and performance of the Fund
- identifying, researching and forming proposals for new investment opportunities that could assist in meeting the Investment Objectives of the Fund

## **Investment managers**

- making investment selection decisions within the investment guidelines agreed for their portfolio

12 Where appropriate, the Trustee Board, Investment Committee and RIEL obtain written advice from external Investment Consultants and from the Scheme Actuary to assist in discharging their respective responsibilities.

## **Investment Objectives**

13 The Investment Objective of the Fund is to maximise the security of benefits for members by:

- investing in a range of suitable assets which, together with new contributions from the Employer, will meet the cost of benefits which the Fund provides
- limiting the risk of the assets failing to meet the liabilities by reaching and maintaining a fully funded position over a suitable period of time
- holding sufficient liquid assets to meet the ongoing liquidity needs of the Fund and to pay benefits as they fall due
- controlling the cost of the Fund by maximising returns net of costs per unit of risk

## **Realisation of Investments**

14 Measures are in place to ensure the Fund holds sufficient investments in liquid or realisable assets to

- meet the cash-flow needs arising from benefit and other payments from the Fund
- meet the potential funding requirements of the derivative positions as may arise under a range of possible scenarios

## **Engagement and Sustainable Investing**

15 Both the Trustee Board and the Employer have a strong commitment to operating to the highest standard of business conduct and to the sustainability of their activities.

16 These same issues can represent significant sources of risk and opportunity for the companies in which the Fund invests. The Trustee Board believes that companies that manage these issues effectively – with business conduct and sustainability of activities extending to environmental, social and ethical issues – are more likely to be successful businesses and are better able to protect and enhance shareholder value.

17 The Trustee is a signatory to the UK Stewardship Code and has adopted the UN Global Compact Principles as its responsible ownership framework for the Fund's assets. The Trustee has appointed Hermes Equity Ownership Services Limited (EOS) to assist in fulfilling its fiduciary responsibilities as a long term investor. The Trustee believes that oversight of its equity shareholdings by EOS and also where appropriate, by the investment managers that it employs, enables it to provide the highest standards of stewardship on behalf of the beneficiaries of the Fund.

## **Voting Policy**

18 It is the Trustee's policy to exercise voting rights in all practicable cases, based on its Responsible Ownership Policy and Processes. The Trustee has appointed EOS to help it exercise its voting rights on its equity shareholdings. As part of its ongoing monitoring process EOS will vote at company general meetings in accordance with the voting policy adopted by the Trustee and as

set out in EOS' published corporate governance principles, unless its contact with the company or interpretation of its disclosures suggests that voting differently would better support the achievement of its engagement objectives on behalf of the Trustee and the sustainability of the company.

19 Votes cast by EOS on behalf of the Trustee will be informed by company specific research on environmental, social, governance and other issues which might impact on voting and engagement decisions. EOS will vote based on the unique circumstances of each company, taking local best practice and regulation into account. It will execute the vote in accordance with the Trustee's interests as a long term owner and undertake voting-related engagement with companies.

20 EOS notifies the Trustee's investment managers of its voting recommendations. Where the investment manager and EOS have conflicting views as to how shares should be voted, RIEL will take the ultimate decision on the Trustee's behalf as to how the vote should be cast.

21 Current regulations in some overseas markets can place severe restrictions on the meaningful exercise of shareholder rights, often resulting in shares not being voted. Wherever possible, EOS has put in place systems to mitigate this and works with the Trustee's investment managers to facilitate voting in blocking markets.

### **Employer Related Investments**

22 Investment in the shares or debt securities of the Royal Bank of Scotland Group plc and its associated companies is prohibited except in the following circumstances:

- Passively managed portfolios tracking a recognised index which may contain such securities; and
- Collective investment schemes operated by the bank for the purposes of cash management.

23 In no circumstances shall investment in Employer Related Investments exceed 5% of the assets of the Fund.

### **Risk Management**

24 In its approach to the risk management of the Fund the Trustee Board recognises that:

- the risks to which the Fund is exposed can be measured and controlled to varying degrees
- there is an economic cost associated with reducing certain risks and in some cases the cost may outweigh the benefit
- it has to take a level of investment risk in order to meet its Investment Objectives given the relative size of the assets and the liability

25 Key risks identified include

- **Underperformance risk (assets underperforming the liability)**

Together with contributions from the Employer the assets for the defined benefit sections must produce a level of return which is sufficient to meet the cost of benefits (provided on a defined benefit basis) paid from the Fund over the long term. If the assets underperform the liability this objective may be jeopardised.

This risk is measured by regular monitoring of the Funding Position and of exposure to key risk factors relative to the liability which include interest rates, inflation, equities as well as demographic risks inherent to the liability.

This risk is controlled primarily through the Strategic Benchmark and the Hedging Programme which should allow the Fund to achieve the returns it requires over the long term whilst controlling the volatility of the Funding Position.

- **Concentration risk**

Asset classes and investments can perform in an unpredictable manner. Without adequate diversification the Fund would be exposed to an unacceptable level of risk from any given asset class or investment.

This risk is primarily measured by regular assessment of Value at Risk.

This risk is controlled by structuring the Strategic Benchmark and Hedging Programme, as well as investment guidelines adopted at portfolio level, to ensure adequate diversification and to limit concentration of exposures.

- **Manager risk**

The Fund employs a number of investment managers for specific portfolios. The managers can take varying degrees of risk to achieve the performance objective for the portfolios they manage.

This risk is measured by quantitative and qualitative assessment of the progress, performance and strategy employed by each investment manager.

This risk is controlled by limiting exposure to individual investment managers and styles by capping the size of each portfolio. Within each portfolio, this risk is controlled by investment guidelines which limit the amount of risk the manager can take.

- **Liquidity risk**

The Fund has to meet ongoing benefits and other payments, as well as making provision for any funding requirement of the derivative positions held as part of the Hedging Programme. The Fund has to hold sufficient liquid or realisable assets to enable it to meet its short term obligations without compromising its longer term investment programme (e.g. by becoming a forced seller of assets).

This risk is measured through regular assessment of the ongoing benefits and other payments required to be made from the Fund and by assessment of the funding requirements on derivative positions under a range of scenarios.

This risk is controlled by holding adequate assets in cash, and as other forms of liquid asset, in order to meet the liquidity needs identified above.

- **Currency risk**

The benefits and other obligations of the Fund are primarily Sterling denominated. To the extent that the Fund holds non-Sterling assets there is a currency risk.

This risk is measured by regular monitoring of the exposure to non-Sterling assets.

This risk is controlled by a hedging programme that is designed to reduce non-Sterling currency exposures on a selective basis.

- **Sponsor risk**

The sponsor makes contributions to the Fund to meet the cost of future benefits and, to the extent that there is one, to reduce any deficit in the Fund.

Sponsor risk is measured by quantitative and qualitative assessment of the strength of the sponsor covenant, including the financial strength of the Employer.

This risk is controlled by adopting an investment strategy which seeks to achieve full funding over a suitable period of time thereby reducing reliance on the sponsor for additional contributions to the Fund.

- **Safekeeping and custody risk**

The Fund holds title to the assets which have to be managed over the period until they are required to pay the benefits from the Fund. The safekeeping of the assets is integral to meeting this objective.

This risk is measured by quantitative assessment of the value of assets held by the Fund in any particular investment and qualitative assessment of the nature of that investment (e.g. a tangible, immovable property investment versus an electronic record of a share ownership).

This risk is managed by

- selecting a credit-worthy custodian bank with strong financial strength, operational infrastructure and control framework to provide safekeeping of assets, where assets are invested in “direct investments”
- ensuring that there are robust processes in place to provide safekeeping of the underlying investments, where assets are in “indirect investments” such as collective investment schemes.

- **Operational risk**

The management of the assets and the complex processes that involves introduces substantial risk of losses arising from human error, damage to infrastructure or other events which may be hard to predict.

This risk is measured by quantitative and qualitative assessment of the key areas of risk associated with each investment.

This risk is managed by

- selecting only investment managers who have the expertise, infrastructure and control framework required to properly manage the assets of the Fund
- regular monitoring of investment managers, including independent valuation/verification of assets and reporting of performance
- regular assessment of investment manager internal control policies relating to operational risks

- **Fraud & dishonesty risk**

The Fund is exposed to the risk of losses arising from fraud or dishonesty.

This risk is measured by quantitative and qualitative assessment of the key areas of risk associated with each investment.

This risk is managed by

- controls relating to the movement of assets outside of the Fund
- a crime insurance policy

26 Selection criteria for investment managers will include:

- **Business**

- stable ownership structure with a clear commitment to investment management
- evidence of clear strategic direction

- **People**

- high calibre, experienced professionals
- relatively low staff turnover

- evidence of clear commitment to culture
- strong recruitment/training plans
- **Process**
  - effective approach to accessing/interpreting research
  - robust, repeatable process
  - process consistent with the stated philosophy
- **Performance**
  - acceptable variability in relation to manager's style

27 Whilst past performance is a consideration in investment manager selection, it does not rank as importantly as the other criteria above.

28 Investment managers may be replaced if:

- RIEL believes that the investment manager is not capable of achieving the performance and risk objectives on an ongoing basis
- RIEL considers that it is desirable in the interest of the Fund, for example following a change of strategy or a decision to change the Strategic Benchmark

### **Additional Voluntary Contributions**

29 From 1 October 2007, members wishing to enhance their benefits have been able to do so by contributing to a range of funds provided under the umbrella of the RBS Common Investment Fund, where assets are invested alongside those of other participating Group schemes.

30 The Trustee Board's objective is to provide a range of funds with different risk profiles that provide a suitable long term return on assets, consistent with members' reasonable expectations. Consequently a variety of funds have been made available for those members who pay additional contributions. The Investment Committee is responsible for reviewing from time to time, normally annually, the range of funds made available to members through the RBS Common Investment Fund.

31 Prior to 1 October 2007 members had been able to invest in a range of unit-linked and with-profits funds. The investments in the unit-linked funds were transferred to the RBS Common Investment Fund. Because of potential penalties incurred on transfer the investments in the with-profits funds were retained, although the funds were closed to new investment.

### **March 2015**

## Group Fund Section – Defined Benefit (Final Salary)

### Investment Strategy

- 1 The Trustee Board's policy is to meet the Investment Objective through
  - investing in a mixture of assets, as expressed in the Strategic Benchmark, that are expected to provide the level of returns required by the Fund to meet its liabilities at an acceptable level of risk for the Trustee Board with consideration also being given, as appropriate, to the affordability and risk impacts to the Employer.
  - implementing the Hedging Programme for the purposes of risk management of the Fund
  
- 2 The strategic benchmark of the Group Fund Section comprises a Growth Asset Benchmark and a Liability Hedging Benchmark.

#### Growth Asset Benchmark (Group Fund Section)

Asset class	March 2015			
			As a nominal target	As a percentage of Growth Assets
			£'billion	%
Quoted equity			6.3	37%
Private equity			2.2	13%
Alternative equity				
Credit			6.3	37%
Real estate			1.6	10%
Insurance			0.5	3%
Hedge funds			Reducing to zero	
Total Growth Assets			16.9	100%

#### Liability Hedging Benchmark (Group Fund Section)

			March 2015
Interest rate hedging	Linear		65%
	Swaptions		20%
Inflation hedging	Linear		100%

The target hedge ratios are expressed as a percentage of the technical provisions liabilities.

- 3 The strategic benchmark of the Group Fund Section will evolve over time on the following basis:
  - the total Growth Assets exposure will be managed against nominal targets (as opposed to percentages of the total Fund value)
  - the liability hedge ratios will be monitored by RIEL and may be amended from time to time by prior agreement of the Investment Committee



- the performance of the strategic benchmark will be measured as the sum of the performance of the growth assets and the performance of the liability benchmark scaled to the liability hedge ratios. Movements in LPI, the gilt-swap spread and swaptions will be excluded from the strategic benchmark.

## **Group Fund Section – Defined Contribution (Money Purchase)**

### **National Westminster Bank Retirement Benefits Schedule**

#### **Introduction**

1 On 30 June 2006 the greater part of the assets and liabilities of the National Westminster Bank Retirement Benefits Scheme (the “Scheme”) were transferred to The Royal Bank of Scotland Group Pension Fund ('the Fund'), following an earlier transfer in 1999. The remaining assets and liabilities of the Scheme comprise “Protected Rights” only, a form of defined contribution benefit which the Scheme is required to pay because of the rules governing schemes that are contracted out of the state pension scheme. Deferred pensioners of the Scheme who were contracted out of the State Earnings-Related Pension Scheme on the protected rights basis between 1997 and 1999 will retain part of their pension in the Scheme and the remainder will be paid from the Fund. This transfer meant that the liabilities in the Scheme were entirely money-purchase in nature.

2 The legislative reasons for maintaining a separate scheme ceased to be effective on 6 April 2012, and so the Trustee agreed to merge the Scheme into the Fund. The benefits of former Scheme members will be set out in a separate Schedule (“National Westminster Retirement Bank Benefits Schedule”) to the Group Fund's Rules. The merger took effect in August 2012.

#### **Objectives**

3 The long-term investment objectives of the Schedule are to invest and to manage appropriately the Schedule's residual assets in respect of members' Protected Rights Funds by investing in suitable assets of appropriate liquidity that will generate income and capital growth to meet the liabilities of the Schedule as they fall due.

#### **Policy and asset allocation**

4 The Trustee Board's policy is to seek to achieve the objectives through investing all of the Schedule's assets in a portfolio of UK equities, managed passively so as to track closely the performance of the FTSE All Share Index. It recognises that the returns on equities, while expected to be greater over the long term than those on bonds and other monetary assets, are likely to be more volatile.

5 This asset allocation policy has been decided by the Trustee Board following advice from the investment consultant and consideration of the alternative assets and strategies available. It has been decided that quantitative modelling of the Schedule's assets and liabilities is unnecessary given the size and nature of the liabilities, and the financial strength and ongoing support of the employer.

#### **Manager Structure**

6 The Investment Committee has appointed Legal & General Investment Management Limited to manage passively the portfolio of UK equities.

## Group Fund Section – Defined Contribution (Money Purchase)

### NatWest Bank Defined Contribution Schedule

#### Introduction

1 The NatWest Bank Defined Contribution Scheme (the “Scheme”) is a defined contribution occupational pension scheme and is registered for the purposes of Chapter 2 of Part 4 of the Finance Act 2004. RBS Pension Trustee Limited is the trustee of the Scheme in common with The Royal Bank of Scotland Group Pension Fund (the “Fund”). The Scheme was merged into the Fund as NatWest Bank Defined Contribution Schedule (the “Schedule”) in August 2012.

#### Plan details

2 In preparing this document the Trustee Board has had regard to the requirements set out in section 36 of the Pensions Act 1995 concerning diversification, in so far as appropriate to the circumstances and membership of the Schedule. From 1 September 2014, the Trustee Board has made available a range of pooled funds through the RBS Common Investment Fund in which members are able to invest.

3 These funds cover a range of real (eg property, equities and index linked gilts) and monetary (eg cash and fixed interest) asset classes which the Trustee Board believes will enable members to invest in a manner which reflects their attitude to risk and proximity to retirement.

4 Although the Trustee Board has ultimate responsibility for decisions regarding the Schedule’s investment policy, in accordance with section 34 of the Pensions Act 1995 (*power of investment and delegation*), they have delegated the day-to-day management of the assets to the investment managers appointed to the RBS Common Investment Fund by RBS CIF Trustee Limited. The investment managers shall provide the skill and expertise necessary to manage the investments of the Schedule competently and will be responsible for providing diversified portfolios of assets.

5 The Trustee Board will consider these requirements on any review of this document or any change to the Schedule’s investment policy. As appropriate, the Investment Committee will also monitor the Schedule’s underlying investment managers’ consideration of the need for diversification of investments.

6 The Trustee Board has obtained and considered proper advice from the Chief Investment Officer, on the suitability of the investment products offered by the RBS Common Investment Fund to ensure that they adhere to the principles contained in this statement.

7 Prior to 1 September 2014 members had been able to invest in a range of unit-linked and with-profits funds with Standard Life. The investments in the unit-linked funds were transferred to the RBS Common Investment Fund. Because of potential penalties incurred on transfer the investments in the with-profits funds were retained, although the funds were closed to new investment.

## RBS AA Section – Defined Benefit (Final Salary)

### Introduction

1 The RBS AA Pension Scheme was merged into The Royal Bank of Scotland Group Pension Fund as a separate section (RBS AA Section) on 31 March 2012. The RBS AA Section will remain separate from the Group Fund Section for funding and investment purposes, and consequently may adopt different investment strategies.

### Investment Strategy

2 The strategic benchmark of the RBS AA Section comprises a Growth Asset Benchmark and a Liability Hedging Benchmark.

#### Growth Asset Benchmark (AA Section)

Asset class	March 2015			
			As a nominal target	As a percentage of Growth Assets
			£'million	%
Quoted equity			208	45%
Alternative equity			16	3%
Insurance			16	3%
Credit			186	40%
Real estate			39	9%
Total Growth Assets			465	100%

#### Liability Hedging Benchmark (AA Section)

			March 2015
Interest rate hedging	Linear		85%
	Swaptions		
Inflation hedging	Linear		100%

The target hedge ratios are expressed as a percentage of the technical provisions liabilities.

3 The strategic benchmark of the RBS AA Section will evolve over time on the following basis:

- the total Growth Assets exposure will be managed against nominal targets (as opposed to percentages of the total Fund value)
- the liability hedge ratios will be monitored by RIEL and may be amended from time to time by prior agreement of the Investment Committee
- the performance of the strategic benchmark will be measured as the sum of the performance of the growth assets and the performance of the liability benchmark

## Glossary of terms

<b>Chief Investment Officer</b>	Chief Executive Officer of RIEL
<b>Employer</b>	National Westminster Bank Plc, The Royal Bank of Scotland plc and other sponsoring employers
<b>Employer Related Investments</b>	Investments in The Royal Bank of Scotland Group plc and its associated companies as defined by the Investment Regulations
<b>Fund</b>	The Royal Bank of Scotland Group Pension Fund
<b>Funding Position</b>	The ratio of assets to liabilities, expressed as a percentage. A Funding Position greater than 100% means the value of the assets is greater than value of the liabilities, while a Funding Position less than 100% means the value of the assets is less than value of the liabilities
<b>Group</b>	The Royal Bank of Scotland Group plc and its associated companies
<b>Growth Assets</b>	Assets designed to generate returns in excess of Liability Matching Assets, thereby reducing the deficit
<b>Hedging Programme</b>	The investment strategies adopted for the risk management of the Fund by offsetting the sensitivity of the liability value to key risks including interest rates and inflation
<b>Investment Committee</b>	A committee appointed by the Trustee Board, and consisting mainly of members of the Trustee Board, to fulfil certain responsibilities in relation to the investment of the Fund's assets
<b>Investment Consultant</b>	External investment consultants employed by the Trustee Board to advise it on certain aspects of the investment of the Fund's assets
<b>Investment Executive</b>	A team of investment specialists appointed by the Trustee Board, and headed up by the Chief Investment Officer, to support it by providing advice and fulfilling certain responsibilities in relation to the investment of the Fund's assets
<b>Investment manager</b>	External professional investment manager employed by the Trustee Board to manage a portfolio of assets and with discretion to select specific investments subject to investment guidelines agreed for their portfolio
<b>Investment Objectives</b>	A set of target objectives which the investment policies are designed to meet
<b>Investment Regulations</b>	The Occupational Pension Schemes (Investment) Regulations 2005
<b>Liability Matching Assets</b>	Assets designed to perform broadly in line with the mark to market movement in value of the liabilities
<b>Pensions Act</b>	Pensions Act 1995, as amended by the Pensions Act 2004
<b>RBS Investment Executive Limited ("RIEL")</b>	FCA approved investment management company. A wholly owned subsidiary of the Trustee.

<b>Responsible Ownership Policy and Processes</b>	Framework for how the Trustee implements its responsibilities for asset ownership, including equity voting policy.
<b>Scheme Actuary</b>	The actuary employed by the Trustee Board to value the liabilities of the Fund
<b>SIP</b>	Statement of Investment Principles
<b>Strategic Benchmark</b>	The high-level allocation to individual asset classes (e.g. equities, bonds, etc.)
<b>Trustee</b>	RBS Pension Trustee Limited
<b>Trustee Board</b>	Board of Directors of the Trustee
<b>Value at Risk</b>	A measure of risk exposure which estimates the level of loss (or deficit increase relative to the liability) expected to be exceeded with a one-in-twenty year bad event