



# Universities Superannuation Scheme

## Statement of Investment Principles

25 September 2019

### 1. General

#### 1.1 Introduction

- 1.1.1 The Universities Superannuation Scheme (the '**Scheme**') was established by a deed of trust. Universities Superannuation Scheme Limited is the corporate trustee (the '**Trustee**'). The Scheme operates as a hybrid pension scheme providing defined benefit ('**DB**') and defined contribution ('**DC**') pension benefits. Whilst members accrue distinct DB and DC benefits, the two "sections" exist within a single trust.
- 1.1.2 Additional contributions paid by members to purchase additional benefits on a DC basis are separately identifiable from DB contributions and normal DC member contributions.
- 1.1.3 This Statement of Investment Principles applies to both the DB and DC sections of the Scheme and applies from the date shown on the front page. It has been prepared in accordance with the requirements of applicable legislation, taking into account guidance from The Pensions Regulator and the written advice of an independent investment adviser. As required by regulation there is also a separate Statement of Investment Principles relating to the default fund of the DC section (which can be found in the "*How we invest*" area of the Scheme's [website www.uss.co.uk](http://www.uss.co.uk)).

#### 1.2 The Trustee's investment beliefs

- 1.2.1 The Trustee maintains a set of Investment Beliefs concerning investment risk and returns relative to the Scheme's liabilities and member requirements, and the range of suitable investment options to be made available to DC members.
- 1.2.2 These beliefs form the basis of the Trustee's investment principles as set out in this statement. The Trustee's wholly owned subsidiary, USS Investment Management Limited ('**USSIM**') is required to act in accordance with this statement in performing its investment management and advisory duties. Ultimately this statement and the Trustee's beliefs guide the Scheme's governance and strategy managed through USSIM.

- 1.2.3 With the support of its Investment Committee, the Trustee regularly reviews its Investment Beliefs. A fundamental change to the Trustee’s investment beliefs would be incorporated in an update to this statement. The current statement of these Investment Beliefs in relation to both the DB and DC sections can be found in the “*How we invest*” area of the USS website [www.uss.co.uk](http://www.uss.co.uk).

#### **Policy in relation to the expected return on assets**

- 1.2.4 The Trustee believes that, as the investment horizon lengthens, the probability increases that returns on risk-free assets (e.g. UK gilts) will be lower than those on return-seeking assets, including non-government debt, publicly traded equities, property, other private market assets and investment in alternative strategies. The Trustee, with the support of its Investment Committee and USSIM, monitors changes to expected asset class and Reference Portfolio returns. The Trustee’s Reference Portfolio is described at paragraphs 2.2.2 to 2.2.4, below.

### **1.3 Investment Governance Structure**

#### **Compliance**

- 1.3.1 The Trustee has a responsibility to ensure compliance with sections 35 and 36 of the Pensions Act 1995 as amended from time to time and any regulations deriving from the Pensions Act 1995 as amended from time to time.
- 1.3.2 The Trustee uses a number of different methods to ensure compliance. Primarily it monitors the requirements of s.36 and the underlying Occupational Pension Schemes (Investment) Regulations 2005 (both as amended) and embeds the requirements of that legislation (and any subsequent legislation) into any investment management agreements the Trustee enters into, and has clear terms of reference for the board and sub-committees in relation to investment matters, with appropriate formal investment advice where required.

#### **Monitoring**

- 1.3.3 The Trustee retains responsibility for the investment strategy of the Scheme but has delegated oversight and monitoring of the implementation of its investment policies, strategies and of USSIM to its investment committee (the ‘**Investment Committee**’). The day to day management of the Scheme’s investments, including the realisation of those investments, is delegated to USSIM, which acts as both principal investment manager and adviser. The Trustee also takes advice from external advisers, where appropriate. The Trustee’s relationship with USSIM is governed by an Investment Management and Advisory Agreement (‘**IMAA**’) which covers the provision by USSIM to the Trustee of discretionary investment management, as well as certain investment advisory and ancillary services. USSIM is focused on delivering the investment requirements of the Scheme and it may, if appropriate and within the terms of the IMAA, allocate investment mandates to external managers and agree fees for such services on behalf of the Trustee. USSIM recovers its costs from the Scheme through the Trustee.

## 1.4 The Trustee's policies on responsible investment and engagement activities

1.4.1 The Scheme's Statement on Responsible Investment sets out detailed information on how the Trustee considers environmental, social and governance ('ESG') factors where financially material to the Scheme and the extent to which it takes non-financial ESG factors into account. The Trustee expects its internal and external managers to take this statement into account in the selection, retention and realisation of the Scheme's investments. The current Statement on Responsible Investment can be found in the "How we invest" area of the Scheme's website [www.uss.co.uk](http://www.uss.co.uk).

1.4.2 Set out below are the Trustee's policies in relation to these matters which are elaborated on in the Statement on Responsible Investment.

### Financially material considerations

1.4.3 The Trustee's primary duty in relation to investment strategy is to invest the Scheme assets in the best financial interests of members and beneficiaries, having regard to an appropriate level of risk. In carrying out this duty, the Trustee expects its investment managers (USSIM and the external managers appointed by USSIM) to take into account all financially material considerations in the selection, retention and realisation of investments. This includes ESG considerations (such as, but not limited to climate change) where these are considered relevant financial factors.

1.4.4 This approach is implemented in three ways:

1.4.4.1 *Integration into investment decision-making processes:* Our active managers seek to identify mispriced assets and make better investment decisions to enhance long-term performance by taking account of financially material considerations. The Trustee believes additional returns are available to investors who take a long-term view and are able to identify where the market is overlooking or misestimating the role played by these considerations in corporate and asset performance.

1.4.4.2 *Stewardship, engagement and voting rights:* As a long-term investor the Trustee expects its managers to behave as active owners on its behalf and use their influence to promote good practices concerning financially material considerations (further detail is set out below).

1.4.4.3 *Market transformation activities:* The Trustee and its agents engage with policy-makers and regulators in markets in which we invest, to articulate concerns of asset owners and long-term investors, covering areas such as accounting standards and climate change policies.

- 1.4.5 The Trustee, via oversight of and delegation to USSIM, has processes in place to assess and monitor how its managers are addressing financially material considerations, both before they are appointed and on an ongoing basis.

#### **Member views and non-financial matters**

- 1.4.6 The Trustee engages with members on their investment preferences through surveys, as well as considering direct feedback and views expressed by member representatives. As part of this engagement, the Trustee asks for the views of the members and beneficiaries on non-financial matters including (but not limited to) their views in relation to ESG issues and their ethical and other non-financial views and opinions.

- 1.4.7 Investing in the best financial interests of members of the Scheme is the Trustee's primary concern in relation to investment strategy, but there are some circumstances where the Trustee would consider non-financial factors when making investment decisions, based on its engagement with members. This includes:

1.4.7.1 where there is a choice as between two otherwise equivalent investments without risk of significant financial detriment to the Scheme; and

1.4.7.2 where (i) the Trustee's longstanding and ongoing relationship with the membership has, over time, helped the Trustee form a specific view on a given non-financial factor relevant to a certain investment opportunity; and (ii) the Trustee is satisfied that there is no risk of significant financial detriment to the Scheme in taking account of the non-financial factor in respect of that investment opportunity; and (iii) the Trustee has good reason to believe that members would share each other's views on that non-financial factor.

- 1.4.8 In the Scheme's DC section, where the Trustee is able to offer members a choice, ethical options are made available, based on member research and allowing members to reflect their views and preferences directly taking account of their own position on the risks of potentially lower returns.

#### **Stewardship, engagement and voting rights**

- 1.4.9 The Trustee is an active and responsible steward of the assets in which it invests on behalf of Scheme members. The Trustee expects this approach to both protect and enhance the value of the Scheme in the long-term and to create sustainable value for the members and beneficiaries, recognising the interdependence of performance for the members with benefits to the economy and society. The Trustee's responsible investment strategy applies to all the assets in which the Scheme invests, whether this is via portfolios run by USSIM or external managers. As a result, the Scheme has processes in place to assess and monitor how potential or existing managers are addressing responsible investment factors.

- 1.4.10 The Trustee will undertake its decision making in a manner which is consistent with the Trustee’s investment objectives, its legal duties and other relevant commitments e.g. the UN-backed Principles for Responsible Investment and the UK Stewardship Code. Specifically, the Trustee has instructed USSIM, as its principal investment manager and adviser, and through them its external managers, where applicable, to follow good practice and use their influence as major institutional investors and long-term stewards of capital to promote good practice in the investee companies and markets to which the Scheme’s investments are exposed.
- 1.4.11 The Trustee, via its Investment Committee, expects its investment managers to undertake appropriate monitoring and oversight of current investments. This oversight is to enable the identification of issues and facilitate early engagement with boards and management of investee companies and other stakeholders where necessary. These matters include strategy, capital structure, management of actual or potential conflicts of interest, corporate governance, social and environmental impact. The Trustee oversees USSIM’s policies and practices on responsible investment, stewardship and ESG integration, including how USSIM, in turn, monitors external managers in this regard.
- 1.4.12 The Trustee also expects USSIM and its external managers, where appropriate, to use their voting rights as part of their engagement work, in a prioritised, value-adding and informed manner. The Trustee reviews USSIM’s voting decisions twice a year through its Investment Committee and once a year through its Board. In some (but not all) cases, the Trustee’s vote is exercised through a proxy service provider, acting in accordance with the USS Voting Policy (which can be found in the “*How we invest*” area of the Scheme’s website [www.uss.co.uk](http://www.uss.co.uk)). Where collaboration is likely to be the most effective mechanism for encouraging issues to be addressed, the Trustee expects its investment manager to participate in joint action with other institutional investors as permitted by relevant legal and regulatory codes. The Investment Committee monitors this engagement on an ongoing basis with the aim of maximising its effectiveness. The Trustee’s ESG related policies are also reviewed regularly by the Trustee Board and updated as required to ensure that they are in line with good practice.

## 1.5 The Trustee’s policy in relation to arrangements with asset managers

- 1.5.1 The Trustee appoints USSIM to implement the Scheme’s investment strategy within the terms of the IMAA. USSIM manages assets directly on behalf of the Trustee as well as having the delegated authority to appoint, monitor and change the Trustee’s external asset managers (including investing directly into funds operated by external asset managers).
- 1.5.2 USSIM is a non-profit entity, which is wholly owned by the Trustee. The duration of USSIM’s appointment is indefinite. The Trustee intends that USSIM will continue to manage investments and external managers on behalf of the Trustee on a continuous basis. The Trustee periodically reviews the overall value-for-money of investing via USSIM, while its investment committee regularly reviews

the investment strategy and overall and individual mandate investment performance.

1.5.3 The Trustee is satisfied that its arrangements incentivise USSIM:

1.5.3.1 to align its investment strategy and decisions with the Trustee's policies, including whether to manage certain investments itself or to appoint external managers; and

1.5.3.2 to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their, and thereby the Scheme's performance in the medium to long-term,

on the basis that USSIM does not provide services to other clients and has no conflicting duties or arrangements in place. In addition, the Trustee does not have any fee arrangements in place with USSIM which would incentivise it to deviate from the Trustee's policies.

1.5.4 USSIM uses a remuneration framework involving both investment performance-linked and qualitative assessments for its staff to ensure that USSIM's incentives are aligned to the needs of the Scheme and the Trustee's policies in relation to the selection and balance of investments, the management of risk, return on and realisation of investments, and responsible investment and engagement activities. To encourage alignment and retention of key personnel, this framework includes a base salary, annual incentives and, where applicable, long-term incentive plans (vesting over multiple years). USSIM is thereby incentivised and aligned with the long-term performance of the Scheme (including through making decisions informed by both financial and non-financial considerations, on issuers of debt and equity in which the Trustee invests and engaging with such issuers in order to improve their performance).

1.5.5 The Trustee has processes in place to review and monitor the services, performance and fees of USSIM regularly, including benchmarking analysis. USSIM's outperformance target is set relative to the Reference Portfolio (described at paragraphs 2.2.2 to 2.2.4, below) over rolling periods of five years and spans both internal and external managers. The Trustee receives regular and detailed performance and risk reporting against this target at an overall level and for significant individual investment mandates, across both public and private markets. The Trustee is satisfied that USSIM is aligned with the Trustee's policies because of the relationship between the Trustee and USSIM and the non-profit arrangements in place.

1.5.6 USSIM appoints and has processes in place to review external managers on behalf of the Trustee, including performance reviews, manager oversight meetings and operational due diligence reviews. The method and time horizon for evaluating and remunerating external managers is determined by policies set by USSIM, rather than the Trustee.

- 1.5.7 USSIM’s manager oversight team undertakes annual reviews of all external managers. These reviews incorporate benchmarking of performance and fees, with some managers on performance-related fees. USSIM reviews the governance structures of external managers and assesses whether their fees and expenses (and any changes) are in line with industry peers. Where ascertainable, USSIM also assesses whether external manager remuneration arrangements are aligned with the Trustee’s policies, values and principles.
- 1.5.8 The Trustee has processes in place to review the investment holding turnover costs incurred by USSIM via reporting provided to the Trustee’s Investment Committee on an annual basis. USSIM currently has processes in place to oversee the turnover costs incurred by some external managers. These processes are being enhanced through the development of standardised templates and reporting to ensure that an effective monitoring framework is in place on or before October 2020 from when new regulations in this area will apply.
- 1.5.9 USSIM also seeks assurances from the external managers of its private market fund investments, that the remuneration of key personnel is appropriately structured and aligned to incentivise investment performance over the long term.

## **2. DB Section**

### **2.1 Investment objectives**

- 2.1.1 The Trustee’s main objective for the DB Section is to ensure that the existing benefits to members can be paid (i.e. to ensure that the Scheme is sufficiently well funded to secure benefits due under the rules of the Scheme and to make these payments now and in the future).
- 2.1.2 The expected long-term returns of the Reference Portfolio for the DB section and its component asset classes are monitored regularly by the Investment Committee and will be directly related to this objective, as addressed in paragraph 1.2.4, above.

#### **Long term journey plan**

- 2.1.3 The strength of the employers’ covenant informs the Trustee’s view of how much risk it can reasonably take in delivering the DB benefits and managing the appropriate long-term journey plan for the Scheme’s investment strategy. The Trustee monitors the employer covenant and will adjust its risk tolerance as appropriate. A number of other factors may affect the Trustee’s appetite for risk including the Scheme’s funding position, its cash-flow profile and its liability profile. The Trustee monitors these factors regularly and may alter its investment objectives, risk tolerance and/or return target as appropriate in the event of any significant changes.

- 2.1.4 Reliance on the participating employers' covenant should:
  - 2.1.4.1 not be greater than that which can be supported by the participating employers; and
  - 2.1.4.2 over a period of time, reduce to an appropriate level that is sustainable over the long-term.

## 2.2 Investment strategy

### **Kinds of investments to be held**

- 2.2.1 Subject to the relevant regulations, the regulatory permissions of USSIM and available investment infrastructure, the Trustee may invest in any asset and apply a range of investment strategies, including quoted equity, government and non-government debt (including inflation-linked), currencies, money market instruments, commodities, derivatives or other financial instruments and other risk management tools, as well as alternative strategies (such as absolute return strategies) and private market assets including equity and debt, infrastructure and property. Investment may be undertaken directly, indirectly (e.g. via funds), in physical assets or using derivatives (where required for efficient portfolio management).

### **Balance between different kinds of investments**

- 2.2.2 The Trustee's broad investment strategy is set out as a Reference Portfolio, a theoretical, but investible, asset allocation across equities, property, gilts and other fixed income assets, including liability driven investments. The Reference Portfolio adapts over time to balance the DB section's objectives for returns and risk tolerance. It does not define the actual assets in which USSIM may invest; it is a hypothetical portfolio which is expected to deliver the appropriate long-term returns at the desired level of risk and against which performance and risk of the actual blend of assets can be compared.
- 2.2.3 The Reference Portfolio is reviewed periodically and changes may be decided by the Trustee board following a recommendation from its Investment Committee to ensure that it continues to be appropriate for the circumstances of the Scheme and the Trustee's objectives.
- 2.2.4 The Reference Portfolio for the DB section provides a benchmark against which USSIM's aggregate investment results and risk can be monitored by the Trustee's investment committee, with particular attention to rolling five year performance, asset-liability risk, illiquid assets and leverage. The composition of the Reference Portfolio from time-to-time can be found in the "*How we invest*" area of the Scheme's website [www.uss.co.uk](http://www.uss.co.uk)).



## **Realisation of investments, cashflow and liquidity management**

- 2.2.5 The Trustee's policy is that there will be sufficient investments in liquid assets to meet cash flow requirements in foreseeable circumstances without disrupting the Scheme's asset allocation or incurring excessive transaction costs. USSIM will ensure the Scheme holds sufficient cash to meet benefit and other payment obligations as they fall due.

## **2.3 Managing risk**

### **Risk capacity and risk appetite**

- 2.3.1 In order to meet the long-term funding objective to pay the Scheme benefits as they fall due, whilst limiting the level of contributions and overall risk within acceptable parameters, the Trustee takes a degree of investment risk relative to the Scheme's liabilities. This investment strategy targets a greater return than the liability matching assets would provide whilst maintaining a prudent approach to meeting the Scheme's liabilities, as required by the funding regulations.

### **Risk management approach**

- 2.3.2 The Trustee recognises that the Scheme is exposed to investment, funding and operational risks and its approach is to integrate management of those risks throughout the business. USSIM, as the Trustee's principal investment adviser, gives quantitative and qualitative consideration to these risks, to the extent they apply, when advising on investment policy, strategic asset allocation and investment strategy and on manager and fund selection where applicable.
- 2.3.3 In setting and reviewing the Scheme's investment strategy at least annually, the Trustee and the investment committee assess the key risks relevant to the DB section, including asset-liability (matching), market, credit, longevity, currency, liquidity and operational risks, as well as variability of returns on the Scheme's investments relative to Reference Portfolio and the strength of the employer covenant.
- 2.3.4 The overall investment risk taken by the Trustee is diversified across a range of different investment opportunities, which in aggregate are expected to provide excess return relative to gilts over time. USSIM aims to diversify the asset allocation exposures geographically, by asset class and across active management strategies, to achieve outperformance relative to the Reference Portfolio over the long term, with similar or lower risk.
- 2.3.5 The Trustee has put in place a structure both to monitor these risks and to take action to mitigate them when the Trustee believes it appropriate to do so. The role of USSIM is key here in providing the Trustee with regular quantitative and qualitative assessments of all of the investment-related risks detailed in paragraph 2.3.3 and in implementing appropriate mitigation strategies within its delegated mandate.

### **Strategic liability hedge**

- 2.3.6 To reduce asset-liability risk (the risk of a mismatch between the characteristics of the assets compared with the liabilities) and to improve the investment return for a given level of risk, the Trustee has taken on additional exposure to liability-hedging assets partially financed by reductions in its return-seeking assets. The valuation of these hedging assets is expected to move in conjunction with changes in the valuation of the Scheme's liabilities over relevant time-frames, largely due to providing secure cash flows similar to the liabilities. These assets include bonds such as UK gilts and related derivatives. Importantly, increasing liability-hedging assets without an equivalent reduction in return-seeking assets means that the economic value of the total asset exposure may exceed the net assets of the Scheme.
- 2.3.7 In terms of the management of currency risk, the Trustee's policy within its Reference Portfolio is to hedge back to Sterling an appropriate proportion of the developed market currency exposure.

### **Cashflow and liquidity management strategy**

- 2.3.8 The Trustee addresses liquidity risk by monitoring the amount of cash and other liquid instruments held and operating robust and timely disinvestment and financing procedures in order to ensure that all liabilities e.g. benefits, collateral, margin, expenses and other cash calls can be paid as they fall due. Investments in illiquid assets are subject to an upper limit set by the Trustee on the proportion of such assets in the DB section of the Scheme. This limit is periodically reviewed by the Trustee's investment committee.

## **3. DC Section**

### **3.1 Investment objectives**

- 3.1.1 The key objectives of the Trustee for the DC section (known as USS Investment Builder) are as follows:
- 3.1.1.1 To maintain a default strategy that offers an investment solution suitable for the majority of members saving in the DC section, informed by extensive research with members;
  - 3.1.1.2 Alongside the default strategy, to provide a range of self-select funds to meet the needs and preferences of most members as regards level of risk and return and different investment beliefs throughout their working lives;
  - 3.1.1.3 To provide both the default strategy and the range of self-select funds at a competitive price, benefiting from a subsidy from the employer of the administration and running costs and (subject to a cap) on investment management charges, thus allowing members

to benefit from retaining a higher share of the investment growth on their savings;

3.1.1.4 To implement and deliver a clear and compelling communication and engagement strategy with members that reflects their needs, specifically taking into account the hybrid nature of the Scheme and the investment arrangements that are provided;

3.1.1.5 Where agreed by key stakeholders, to make available to members flexibilities in relation to the DC section, particularly concerning the freedoms around how DC savings can be accessed and options at retirement; and

3.1.1.6 To maintain a robust governance framework that will allow the ongoing suitability of the DC section, including the suitability of the investment arrangements, to be monitored over time.

3.1.2 The realised and expected returns on the Reference Portfolios and other investments for the DC section are monitored regularly by the investment committee in relation to these objectives, as addressed in paragraph 1.2.4, above.

## 3.2 Investment strategy

### **Kinds of investments to be held**

3.2.1 The Trustee may invest in any asset and apply a range of investment strategies, by making a range of self-select funds, and a default fund, available to members. As with the investment strategy for the DB section (see paragraph 2.2.1, above), this is subject to the relevant regulations, regulatory permissions of USSIM and the available investment infrastructure.

3.2.2 Although the Trustee has a broad discretion to invest in a wide range of assets, in practice the type of assets held in the default fund and self-select funds depends on the particular objectives and strategy of each fund.

### **Balance between different kinds of investments**

3.2.3 The Trustee has designed a lifestyle strategy as its default strategy for members of the DC section. Lifestyle strategies are designed to balance the divergent objectives of maximising the value of a member's assets at retirement and protecting the value of accumulated assets, particularly in the years approaching retirement. This adjustment occurs automatically in the absence of specific input from the member, based on the member's Scheme retirement age. The applicable retirement age (in relation to the DC section) can be changed by the member.

3.2.4 The default DC strategy manages investment risks through diversified Reference Portfolios consisting of mainstream asset classes – as is the case with the investment strategy for the DB section (see paragraphs 2.2.2 to 2.2.3, above). The

actual holdings within the constituent default lifestyle funds will include private market investments where deemed suitable in order to take advantage of the opportunity to earn enhanced returns including a premium for illiquidity and to gain additional diversification.

- 3.2.5 Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. In designing the default strategy, the Trustee explicitly considers the trade-off between risk and expected returns and opportunities for diversification and continues to monitor these risks through ongoing reporting. The balance between kinds of investments held in each of the default fund and self-select funds depends upon the particular strategy of each of those funds, and the investment choices made by members.
- 3.2.6 The current Statement of Investment Principles of the USS Default Lifestyle Option can be found in the “*How we invest*” area of the Scheme’s website [www.uss.co.uk](http://www.uss.co.uk).
- 3.2.7 In addition to the default strategy, the Trustee makes available a range of self-select funds, including an alternative ethical lifestyle option reflecting member research indicating that a number of members have specific objectives around ethical investing. This ethical lifestyle option is built along similar principles to the default strategy but has been specifically designed to reflect members’ objectives in this area.
- 3.2.8 The Trustee believes that the current default strategy and self-select range are suitable for the members of the Scheme. It will continue to review this over time, at least triennially or, if sooner, after significant changes to the demographics of the Scheme’s membership and the Trustee’s views of how the membership is likely to behave at retirement, based on extensive analysis of the active member population and modelling of members’ expected pension outcomes.

#### **Realisation of investments, cashflow and liquidity management**

- 3.2.9 As is the case with the investment strategy for the DB section (see paragraph 2.2.5, above), the Trustee’s policy is that there will be sufficient investments in liquid assets to meet cash flow requirements in foreseeable circumstances so that the realisation of assets will not be unduly costly nor disrupt the Scheme’s overall investment strategies, as much as practicable. USSIM will ensure the Scheme holds sufficient cash and financing arrangements to meet payment obligations. Options for DC members are delivered through daily dealing notional funds.

### **3.3 Managing risk**

- 3.3.1 In setting and reviewing the Scheme’s investment strategy at least annually, the Trustee and the Investment Committee assess the key risks relevant to the DC section. These risks include: inflation, currency risk, the impact of market movements in the period prior to retirement, suitability of the default strategy and self-select options, returns on the Scheme’s investments relative to Reference Portfolios, liquidity risk (including in relation to illiquid private market

assets), operational risk and market risk including equity, interest rate and credit risk.

- 3.3.2 The Trustee has put in place a structure both to monitor these risks and to take action to mitigate them when the Trustee believes it appropriate to do so. The role of USSIM is key here in providing the Trustee with regular quantitative and qualitative assessments of all of the investment-related risks detailed in paragraph 3.3.1 and in implementing appropriate mitigation strategies within its delegated mandate.