

6 XUYK ULZNO'9ZGKS KTZ

This SIP has been prepared by the Trustees of the Bangor University Pension and Assurance Scheme (the "Scheme"). This statement sets out the principles governing the

The Scheme's investment strategy is derived from the Trustees' investment objectives. The objectives have been taken into account at all stages of planning, implementation and monitoring of the investment strategy.

Details of the Scheme's investment arrangements are set out in the Investment Implementation Document ("IID").

- U KXTGTI K

The Trustees will monitor suitable, quantifiable ESG metrics to understand the impact of the Scheme's investments.

The Trustees will communicate the ESG approach to the Scheme's members as appropriate.

) UNPRIXZDT

13. Investment managers should be actively engaging and collaborating with other market participants to raise ESG investment standards and facilitate best practices as well as sign up and comply with common codes such as UNPRI, TCFD and Stewardship Code.

**80QY (80QY , 0GTI 0R 3 GZKX) UTYQKXZDITY 0I R JOM 9- GTJI RS GK
I NGTMK GTJ 4UT , 0GTI 0RS GZKX**

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

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

80QY	K TQDT	6URD
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 employer'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 Trustees 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 employer becomes unable to continue providing the required financial support to the Scheme.	<ul style="list-style-type: none"> When developing the Scheme's investment and funding objectives, the Trustees take 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.

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

**. U ZNK SKZNUJ GTJ ZS KNUXOUT ULZKK GRGZDT ULG KYZS KTZS GTGMKY
VKLUXS GTI K GTJ ZNK XKS TKXGZDT LUXZKQYKX OKYGX G FOK QNZK X YZKKY
VURDXY**

The Trustees review 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 Trustees evaluate performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years.

**NK SKZNUJ LUXS UTQUXOMVUXLURD Z XTU KXI UYZYGI XJKH G KYZS KTZ
S GTGMKY GTJ NU ZNK JK TKGTJ S UTQUXZGMKZKJ VUXLURD Z XTU KXUXZ XTU KX
XGTMK**

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

NK J XGZDT ULZNK 9I NKS KYGXGTMKS KTZY QNZK G KYZS KTZS GTGMKY

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

**UZOM6URD . U ZNK X YZKKYK VKI ZG KYZS KTZS GTGMKY ZU UZK UT ZKQX
HKNGR**

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

**TMGMS KTZ6URD . U ZNK X YZKKY QKTMGMK QNG KYZS KTZS GTGMKY
JOKI ZGYKZY GTJ UZKXY GHU Z XIK GTZS GZKXY**

The Trustees have acknowledged responsibility for the engagement policies that are implemented by the Scheme's investment managers on their behalf. The Trustees, via their investment advisers, will engage with managers about 'relevant matters' at least annually.

Example stewardship activities that the Trustees have considered are listed below.

- Selecting and appointing asset managers – the Trustees will consider potential managers' stewardship policies and activities.
- Asset manager engagement and monitoring – on an annual basis, the Trustees assess the voting and engagement activity of their asset managers. The results of this analysis feeds into the Trustees' investment decision making.