The Royal Mail Defined Contribution Plan

Implementation Statement and Investment Policy Implementation Document - 2024

Implementation Statement, covering the Plan Year from 1 April 2023 to 31 March 2024

The Trustees of the Royal Mail Defined Contribution Plan (the "Plan") are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed their Statement of Investment Principles ("SIP") during the Plan Year, as well as details of any review of the SIP during the Plan Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-8 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, the Trustees (including the most significant votes cast by the Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 9 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

This Statement is based on and uses the same headings as the Plan's SIP dated 30 June 2022, which was in force over the start of the Plan Year (1 April 2023 to 28 June 2023), and the SIP dated 29 June 2023 which was in force for the remainder of the Plan Year (29 June 2023 to 31 March 2024). This Statement should be read in conjunction with these SIPs, which can be found online, and which will be appended to the Plan's Report and Accounts.

1. Introduction

The SIP was reviewed and updated during the Plan Year on 29 June 2023 to reflect the stewardship priorities that the Trustees have selected. As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes. The Trustees have, in their opinion, followed all of the policies in the Plan's SIP during the Plan Year. The following Sections provide detail and commentary about how and the extent to which they have done so.

2. Investment objectives

Following the performance and strategy review of the default arrangement, which began in September 2023 and considered the Plan's membership demographics and the variety of ways that members may draw their benefits in retirement from the Plan, the Trustees concluded that the default option, and its target of cash withdrawal at retirement, remains appropriate for the majority of members. The next review of the default strategy is scheduled to begin in September 2026.

The Trustees also provide members with access to a range of "self-select" investment options which allow members to adopt a different investment approach, if they wish to do so. The Trustees believe the self-select options are suitable for their purpose and enable appropriate diversification. The self-select fund range covers all major asset classes and a number of alternative lifecycle strategies, targeting the three different retirement outcomes, which are set out in sections 3 and 5 of the Investment Policy Implementation Document. The Trustees monitor the take up of these funds and noted that c5.4% of members used these options as at 31 March 2024. The Trustees have reminded members through communications of the time horizon of their investment holdings as well as the importance of reviewing their investment options and investment time horizon regularly.

The Trustees review changes in member choices, behaviour and trends each year using administration reports. Over the Plan Year there were no material changes.

3. Investment strategy

As part of the strategy review that started in September 2023, the Trustees reviewed the underlying funds of the default arrangement and concluded that they remain comfortable with the strategy.

As part of the review of the self-select arrangements that took place during the strategy review, the Trustees decided to make an additional self-select fund available to members, the Active ESG Equity Fund, to further diversify the self-select fund range and enable members who want to invest in a manner more considerate of ESG factors to do so. This Fund was made available to members following the end of the Plan Year in April 2024.

During the Plan Year, but outside of the regular triennial strategy review process, the Trustees replaced the underlying mandate within the RMDCP Active Global Equity Fund, the Ardevora Global Long Only Equity Fund, with the MFS Meridian Global Equity Fund. This change was a result of the closure of the Ardevora Fund. This change was completed in February 2024.

The Trustees monitor retirement data in respect of how members are taking their benefits on an ongoing basis and no specific actions have been taken during this Plan Year as the retirement support and communication offered by the Plan's appointed platform provider remains, in the Trustees' opinion, appropriate for members.

4. Considerations in setting the investment arrangements

When the Trustees undertook a performance and strategy review of the DC default arrangement in September 2023, they considered the investment risks set out in Section 4.1 of this Statement. They also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

The Trustees formally reviewed their investment beliefs in March 2022. As part of this, the investment adviser, Lane, Clark & Peacock LLP, ("LCP"), facilitated an investment beliefs session, which focussed on, amongst other things, climate-related beliefs and gathered the opinions of the Trustees. LCP also facilitated a light touch review of the Trustees' investment beliefs in January 2024, which identified the priorities of the Trustees on a range of investment-related matters.

The Trustees invest for the long term, to provide for the Plan's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustees therefore seek to appoint managers whose stewardship[1] activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Plan's investment adviser, LCP, monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustees promptly about any significant updates or events they become aware of regarding the Plan's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Plan invests in, or any material change in the level of diversification in the fund.

The Trustees monitor the performance of the Plan's investment managers on a quarterly basis, using a monitoring report prepared by the investment adviser. The report shows the performance of each fund over the quarter, one year, three years and 5 years. Performance is considered in the context of the manager's benchmark and objectives. The Trustees also monitor the managers' responsible investment

[1] The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

capabilities using scores provided by its investment adviser, on a quarterly basis as part of the standard monitoring reports.

4.1 Policy towards risk

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustees maintain a risk register and this is discussed at quarterly meetings.

The Trustees' policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Plan's investment adviser or information provided to the Trustees by the Plan's investment managers. These include credit risk and currency risk.

With regard to the risk of inadequate returns, the Trustees make use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used in the early phase of the default lifecycle and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term, but are expected to be volatile in the shorter term.

The following risks are covered in this Statement as follows: excessive charges in Section 5, illiquidity/marketability risk in Section 6 and ESG risks in Section 7.

The quarterly reports reviewed during the year showed that the investment managers have produced performance broadly in line with expectations over the long-term.

5. Implementation of the investment arrangements

The Trustees agreed to appoint two new funds over the Plan Year:

1. Within the RMDCP Global Equity Fund the decisions was taken to change the underlying mandate from the Ardevora Global Long Only Equity Fund and to instead appoint the MFS Meridian Global Equity Fund. This change was implemented within the Plan year.

2. A new fund was created, the RMDCP Active ESG Equity Fund, it was decided to appoint the Baillie Gifford Positive Change Fund as the sole underlying manager in this new fund. This fund was not available to members until after the end of the Plan Year.

Before appointing the managers', the Trustees received information on the investment process and philosophy, the investment team and past performance. The Trustees also considered the manager's approach to responsible investment and stewardship, including the Trustees' stewardship priorities (as set out in Section 8 of this Statement). The Trustees obtained formal written advice from its investment adviser, LCP, before investing in the fund and made sure the investment portfolio of the chosen fund was adequately and appropriately diversified. The Trustees rely on their investment adviser's research to understand managers' investment approaches, and ensure they are consistent with the Trustee's policies prior to any new appointment.

The Trustees evaluate manager performance over both shorter and longer periods, encourage managers to improve practices and consider alternative arrangements where managers are not meeting performance objectives.

The Trustees undertook a "value for members" assessment for the Plan Year to 31 March 2024 which assessed a range of factors, including the fees payable to managers in respect of the Plan, which were found to be reasonable when compared against schemes with similar sized mandates.

During the Plan Year, the Trustees assessed the member fees for each of the available funds, based on fee benchmarking analysis produced by LCP. This analysis compares the total member fees and underlying manager fees for similar size schemes and is considered as part of the Trustees' value for members ("VFM") assessment. Overall, the Trustees believe the investment managers provide good value for money.

6. Realisation of investments

It is the Trustees' policy to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the funds which the Trustees offered during the Plan Year are daily priced.

7. Financially material considerations, non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the Plan's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

In March 2022, the Trustees reviewed LCP's RI scores for the Plan's existing managers and funds, along with LCP's qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the manager's approach to ESG factors, voting and engagement. The fund scores and assessments are based on LCP's ongoing manager research programme, and it is these that directly affect LCP's manager and fund recommendations. The manager scores and red flags are based on LCP's RI Survey 2022. The Trustees also review LCP's RI scores for the Plan's existing managers and funds on a quarterly basis as part of the performance reports, with LCP providing more detailed explanations if there were any changes to the RI scores over the quarter.

Further to this, in March 2024 the Trustees reviewed their approach to stewardship. They concluded that they could take further steps to enhance their stewardship understanding and monitoring of how the Plan manager's take account for their beliefs when voting on underlying Company corporate actions. As a result, they agreed to implement enhanced quarterly reporting. As part of this, LCP adds a stewardship example to quarterly performance reports to help the Trustees understand how their stewardship priorities are being accounted for by investment managers.

One of the Plan's investment managers, Robeco, attended the Trustee meeting in June 2023. Robeco presented on their Emerging Stars Equities Fund, including how ESG factors are integrated into the investment process to consider sustainability risk. Another of the Plan's investment managers, Lazard, attended the Trustee meeting in September 2023. Lazard provided detail on their Developing Markets Fund and the responsible investment processes in use.

The Trustees recognise that some members may wish for ethical matters to be taken into account in their investments and therefore they continue to make available the Legal & General Ethical Global Equity Index Fund as an investment option to members. The Trustees have also made available the Baillie Gifford Positive Change Fund, an actively managed ESG focused equity fund, since the end of the Plan Year. The Trustees also recognise that some members may wish to invest in a way which is consistent with the principles of Islamic investment and therefore have made available the HSBC Islamic Global Equity Index Fund as a self-select investment option.

8. Voting and engagement

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are:

- BlackRock Voting Policy
- Lazard Voting Policy
- LGIM Voting Policy
- Robeco Voting Policy
- Ruffer Voting Policy

However, the Trustees take ownership of the Plan's stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Plan's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of the DWP's guidance, the Trustees agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. At the Q4 2022 Trustee Board meeting, the Trustees discussed and agreed stewardship priorities for the Plan which are: Climate change, Diversity, Equity & Inclusion ("DE&I") and Corporate Transparency. The Trustees communicated these priorities to their managers in March 2023.

The Trustees are conscious that Responsible Investment ("RI"), including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

9. Description of voting behaviour during the Plan Year

All of the Trustees' holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Plan Year. However, the Trustees monitor managers' voting and engagement behaviour on a regular basis and will do so going forward with even more scrutiny after adding voting and engagement examples to each of their quarterly reports.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association ("PLSA") guidance, PLSA Vote Reporting template and the DWP's guidance, on the Plan's funds within the default investment strategy that hold equities as follows:

- BlackRock ACS Climate Transition World Equity Fund
- Lazard Developing Markets Fund
- LGIM Diversified Multi-Factor Equity Fund
- Robeco Emerging Stars Equities Fund
- LGIM Diversified Fund
- Ruffer DC Absolute Return Fund

We have included only the funds with equity holdings used in the default strategy over the Plan Year and not any self-select funds. Given that the majority of members (c.94.6% as at 31 March 2024) have at least part of their retirement pot invested in the default option, the Trustees believe this approach is reasonable and reflects content most appropriate to their membership. Furthermore, within the self-select investments which make up the remaining investments of the Plan, 39% of assets are invested in the above funds through alternative investment options (ie. alternative lifecycles and self-select fund range).

9.1 Description of the voting processes

For assets with voting rights, the Trustees rely on the voting policies which their managers have in place. Descriptions of these voting policies provided by managers are set out below, including, for the first time, Ruffer's voting policy.

BlackRock

Each year, the BlackRock Investment Stewardship ("BIS") team reviews and updates BlackRock's Global Principles ("Principles") and custom market-level voting guidelines to ensure that its policies are aligned with its commitment to pursuing long-term financial returns for its clients as shareholders. These high-level Principles are the framework for BlackRock's more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe BlackRock's philosophy on stewardship (including how it monitors and engages with companies), its policy on voting, its integrated approach to stewardship matters and how it deals with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. The Principles are reviewed annually and updated as necessary, to reflect in market standards, evolving governance practice, and insights gained from engagement over the prior year.

BlackRock's proxy voting process is led by the BIS team, which consists of three regional teams – Americas, Asia-Pacific, and Europe, Middle East and Africa – located in seven offices around the world. Voting decisions are made by members of the BIS team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

While BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services ("ISS") and Glass Lewis & Co ("Glass Lewis"), this is just one among many inputs into BlackRock's vote analysis process. BlackRock primarily uses proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that BIS analysts can readily identify and prioritise those companies where its own additional research and engagement would be beneficial. Other sources of information BlackRock uses include the company's own reporting (such as the proxy statement and the website), its engagement and voting history with the company, the views of its active investors, public information and ESG research.

BlackRock ordinarily refrains from abstaining from both management and shareholder proposals, unless abstaining is the valid vote option (in accordance with company by-laws) for voting against management, there is a lack of disclosure regarding the proposal to be voted, or an abstention is the only way to implement our voting intention. In all situations, the economic interests of BlackRock's clients will be paramount.

BlackRock publishes "voting bulletins" explaining key votes relating to governance, strategic, and sustainability issues that it considers material to a company's sustainable long-term financial performance. These bulletins are intended to explain its vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to its clients and other stakeholders, and potentially represent a material risk to the investments it undertakes on behalf of its clients. BlackRock makes this information public shortly after the shareholder meeting, so clients and others can be aware of its vote determination when it is most relevant to them.

The team and its voting and engagement work continuously evolves in response to changing governance-related developments and expectations. BlackRock's voting guidelines are market-specific to ensure it considers a company's unique circumstances by market, where relevant. BlackRock's engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock may also update its regional engagement priorities based on issues that it believes could impact the long-term sustainable financial performance of companies in those markets.

BlackRock determines which companies to engage directly based on its assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of its engagement being productive. BlackRock's voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which BlackRock assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock informs its vote decisions through research and engages as necessary.

LGIM

All decisions are made by LGIM's Investment Stewardship team in accordance with its Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each team member is allocated a specific sector so that voting is undertaken by the same individuals who engage with the company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that it is fully integrated into the vote decision process, sending a consistent message to companies.

Every year, LGIM holds a stakeholder roundtable where clients and other stakeholders are invited to express their views directly to the members of LGIM's Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for its clients. LGIM's voting policies are reviewed annually, considering feedback from its clients.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and it does not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services to supplement the research reports that it receives from ISS for UK companies when making specific voting decisions. To ensure LGIM's proxy provider votes in accordance with LGIM's position, it has put in place a custom voting policy with specific voting instructions. LGIM retains the ability in all markets to override any vote decisions. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies. It is vital that the proxy voting service is regularly monitored and LGIM does this through quarterly due diligence meetings with ISS.

LGIM has its own internal Risk Management System ("RMS") to provide effective oversight of key processes. Annually, as part of LGIM's formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that it has the capacity and competency to analyse proxy issues and make impartial recommendations.

Lazard

Lazard manages assets for a variety of clients worldwide, including institutions, financial intermediaries, sovereign wealth funds, and private clients. To the extent that proxy voting authority is delegated to Lazard, Lazard's general policy is to vote proxies on a given issue in the same manner for all of its clients. As part of this, Lazard does not typically consult with clients before voting. This policy is based on the view that Lazard, in its role as investment adviser, must vote proxies based on what it believes:

- will maximize sustainable shareholder value as a long-term investor;
- is in the best interest of its clients; and
- the votes that it casts are intended in good faith to accomplish those objectives.

As an active manager, Lazard is committed to fully exercising its role as a steward of capital.
With full proxy authority, Lazard attempts to vote on 100% of the portfolio on a best-effort basis. This is subject to market restrictions due to share-blocking, custodial support, and the availability of timely research on agenda items. Lazard has approved specific proxy voting guidelines regarding various common proxy proposals. These guidelines set out whether Lazard professionals should vote for or against a specific agenda item in every instance or whether an issue should be or considered on a case-by-case basis.

If an investment professional seeks to vote in a manner that contradicts the guidelines, which is rare, Lazard's Proxy Committee must approve the vote. The investment professional must provide the committee with a detailed rationale for their recommendation, and the Proxy Committee will then determine whether or not to accept and apply that vote recommendation to the specific meeting's agenda. Case-by-case agenda items are evaluated by Lazard's investment professionals based on their research of the company and evaluation of the specific proposal.

Lazard currently subscribes to advisory and other proxy voting services provided by ISS and Glass Lewis. These proxy advisory services provide independent analysis and recommendations regarding various companies' proxy proposals. While this research serves to help improve Lazard's understanding of the issues surrounding a company's proxy proposals, Lazard's Portfolio Manager/Analysts and Research Analysts (collectively, "Portfolio Management") are responsible for providing the vote recommendation for a given proposal except when the Conflicts of Interest policy applies. ISS provides additional proxy-related administrative services to Lazard. ISS receives on Lazard's behalf all proxy information sent by custodians that hold securities on behalf of Lazard's clients and sponsored funds. ISS posts all relevant information regarding the proxy on its password-protected website for Lazard to review, including meeting dates, all agendas and ISS' analysis.

Robeco

The Robeco Stewardship Policy includes its Proxy Voting Policy. The document outlines Robeco's decision-making criteria as well as practical considerations. Robeco are convinced that companies with sustainable business practices have a competitive advantage and are more successful in the long-term. Actively exercising its stewardship responsibilities, beyond the integration of sustainability criteria into its investment processes, is an integral part of Robeco's Sustainable Investing ("SI") approach. The Stewardship Policy outlines the processes and guidelines it follows when putting these responsibilities into practice, including its engagement, voting and exclusion approach. The Stewardship Policy, including the Engagement Policy and Proxy Voting Policy, is updated annually or more frequently if required. Policy updates reflect changes in processes or guidelines, which result from regular reviews of the effectiveness of Robeco's stewardship approach. All changes to policies are approved by the Sustainability Impact and Strategy Committee.

The Active Ownership team is responsible for voting and engagement activities. The team votes the equity positions for Robeco's equity funds and the equities of its clients. The Active Ownership team consults with different investment teams to make a well informed decision on investment-related agenda items and takes the lead on Robeco's engagement program. Many engagements are done in collaboration with the different investment teams and on an annual basis, the Active Ownership team collects the input from all stakeholders (including investment teams and clients) to prioritize engagement efforts and reports on progress made. Robeco's Active Ownership team monitors all votes to determine if they are significant along the dimensions of news flow, receipt of client questions, salience and relevance to societal trends, and significant dissent against management (ex-post). These monitoring criteria allows it to define the most significant votes in line with the PLSA's suggested principles.

Robeco uses a proxy voting platform and proxy voting recommendations for all of the meetings that it votes. Glass Lewis provides voting recommendations based upon Robeco's custom voting policy, which is the leading document for instructing proxy votes on corporate governance related topics. The Robeco policy on corporate governance relies on the internationally accepted International Corporate Governance Network Global Governance Principles. A team of dedicated voting analysts then analyse the merit of each agenda item. This analysis, based upon Robeco's voting policy, takes precedence over the recommendations of the proxy voting adviser. This means Robeco's instructions often deviate from the recommendations of both management and the proxy adviser. On an annual basis, Robeco evaluates its proxy voting agent, on the quality of governance research and the alignment of (customised) voting recommendations and Robeco's voting policy. This review is part of Robeco's control framework and is externally assured.

Robeco actively uses its ownership rights to engage with companies on behalf of its clients in a constructive manner. Robeco believes improvements in sustainable corporate behaviour can result in an improved risk return profile of its investments. Robeco engages with companies worldwide, in both its equity and credit portfolios. The outcomes of Robeco's engagement efforts are communicated to analysts, portfolio managers, and clients, enabling them to incorporate this information into their investment decisions as part of Robeco's integrated Sustainable Investing framework.

Ruffer

Ruffer aims to instruct a vote on its total shareholding of the companies held within its flagship funds, and on other material holdings above a certain threshold. These securities are added to a mandatory list. Voting on companies not held within these funds is subject to materiality considerations. Ruffer will instruct a vote on AGM and EGM resolutions, including shareholder resolutions and corporate actions. This is applied to both domestic and international shares. Ruffer exercises voting rights on holdings in funds and client portfolios in line with its voting guidelines unless it is explicitly instructed to take alternative action.

Ruffer has internal voting guidelines that apply when it instructs a vote unless a client has specified their own voting preferences or we do not have the authority to vote. The guidelines apply across all regions on a 'comply or explain' basis. They include criteria for determining whether a remuneration policy should be supported, determining independence and overboarding of directors and the composition of board sub-committees, commitments to support resolutions requesting disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and political, lobbying or trade association payments or donations. In certain company-specific circumstances, Ruffer may deviate from its voting guidelines. Ruffer's voting guidelines are reviewed periodically and adapted to reflect best governance practices.

To ensure that it acts in the best interests of its clients and investors, Ruffer reviews local best practices and corporate governance codes. Where companies do not comply with best practice, Ruffer considers their explanations before voting. Ruffer has developed an integrated voting platform linked to proxy voting research, currently provided by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although it acknowledges proxy advisers' voting recommendations, Ruffer generally does not delegate or outsource its voting decisions. Research Analysts are responsible for reviewing the relevant issues case-by-case and exercising their judgement, based on their in-depth knowledge of the company. They are supported by Ruffer's RI team. Before a significant vote is cast, a quorum is convened with senior investment staff so that the analyst can provide a rationale for their decision. The RI team oversees this process. If an agreement cannot be reached, Ruffer may escalate the decision according to the governance framework. Ruffer looks to discuss with companies any relevant or material issue that could impact their investment. It asks for additional information or an explanation to inform its voting decisions.

9.2 Summary of voting behaviour over the Plan Year

A summary of voting behaviour over the Plan Year is provided in the table below. We have included voting data for the previous Plan Year in square brackets for comparative purposes.

	BlackRock ACS Climate Transition World Equity Fund	LGIM Diversified Multi-Factor Equity Fund	Lazard Developing Markets Fund	Robeco Emerging Stars Equities Fund	LGIM Diversified Fund[1]	Ruffer DC Absolute Return Fund[1]
Total size of fund at end of the Plan Year	£11.9bn	£4.6bn	£76.0m	£1.6bn	£11.9bn	£2.7bn
Value of Plan assets at end of the Plan Year (£ / % of total assets)	£679.1m / 36.4%	£665.2m / 35.6%	£74.7m / 4.0%	£74.7m / 4.0%	£84.7m / 4.5%	£84.7m / 4.5%
Number of equity holdings at end of the Plan Year	457 [540]	1,135 [1,167]	65 [61]	51 [52]	7,569 [6,396]	61 [65]
Number of meetings eligible to vote	535 [638]	1,544 [1,587]	88 [72]	60 [74]	8,997 [9,541]	64 [77]
Number of resolutions eligible to vote	8,240 [9,667]	18,192 [19,925]	775 [722]	523 [660]	93,090 [99,252]	1,020 [1,305]
% of resolutions voted	97.1% [93.5%]	99.9% [99.9%]	100.0% [100.0%]	100.0% [97.0%]	99.8% [99.8]	100.0% [100.0%]
Of the resolutions on which voted, % voted with management	96.6% [95.8%]	79.9% [79.3%]	81.9% [85.5%]	79.0% [85.7%]	76.6% [77.4%]	94.9% [94.2%]
Of the resolutions on which voted, % voted against management	3.4% [4.2%]	19.9% [19.2%]	13.7% [12.9%]	15.3% [13.8%]	23.1% [21.9%]	3.1% [5.7%]

Of the resolutions on which voted, % abstained from voting	0.3% [0.5%]	0.3% [1.5%]	4.4% [1.7%]	0.4% [0.6%]	0.3% [0.7%]	2.0% [0.1%]
Of the meetings in which the manager voted, % with at least one vote against management	21.7% [25.9%]	66.8% [71.3%]	47.7% [48.6%]	45.0% [56.2%]	73.6% [72.8%]	26.6% [41.6%]
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.3% [0.2%]	14.4% [13.4%]	1.4% [1.3%]	7.1% [4.4%]	14.5% [12.5%]	9.6% [7.1%]

[1]These funds were added to the RMDCP Diversified Assets Fund on 5 May 2023, replacing the previous underlying fund, the BlackRock Aquila Life Market Advantage Fund.

9.3 Most significant votes

The Plan's asset managers in the default strategy who hold listed equities have provided commentary on examples of votes they considered to be the most significant over the period which is included below. The Trustees' criteria for what is a significant vote will develop over time with input from its investment adviser and underlying investment managers. Due to the number of votes provided by the managers, the Trustees have chosen a subset of votes to report on in the Statement. The Trustees have interpreted "significant votes" to mean those that:

- align with the Trustees' stewardship priorities;
- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- have a high media profile or are seen as being controversial;
- the Plan or the sponsoring company may have a particular interest in.

BlackRock ACS Climate Transition World Equity Fund

1. **Restaurant Brands International Inc., May 2023**

Relevant stewardship priority: Climate Change
Vote cast: Against resolution
Outcome of the vote: Not passed
Management recommendation: Against resolution
Summary of resolution: Shareholder Proposal to Report on the Reduction of Plastic Use

Rationale for the voting decision: BlackRock did not support this proposal because, in its view, RBI's existing disclosures on plastics use are comprehensive and provide sufficient information to allow investors to understand the company's approach to managing the risks and opportunities of plastics use.

Approximate size of the Fund's holding at the date of the vote: 0.22%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: No, because the vote was in line with management**.**

Outcome and next steps: The outcome of the vote was in line with BlackRock's vote.

2. **Exxon Mobil Corporation, May 2023**

Relevant stewardship priority: Climate Change
Vote cast: Against resolution
Outcome of the vote: Not passed
Management recommendation: Against resolution
Summary of resolution: Adopt Medium-Term Scope 3 Greenhouse Gas Reduction Target

Rationale for the voting decision: BIS did not support this shareholder proposal because, in their view, the methodology for setting scope 3 targets in carbon intensive industries is still under development. Until there is a common framework for managing the related uncertainty and complexity, they look to company management to determine the appropriate disclosures to help investors understand their approach. Further, complying with the specific ask of the shareholder proposal may be unduly constraining on management and the board's ability to set the company's long-term business strategy.

Approximate size of the Fund's holding at the date of the vote: 0.62%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: No, because the vote was in line with management**.**

Outcome and next steps: The outcome of the vote was in line with BlackRock's vote.

LGIM Diversified Multi-Factor Equity Fund

1. **Toyota Motor Corp, June 2023**

Relevant stewardship priority: Climate Change
Vote cast: For resolution
Outcome of the vote: Not passed
Management recommendation: Against resolution
Summary of resolution: Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement

Rationale for the voting decision: LGIM acknowledges the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years, and welcome the planned improvements to expand the number of trade associations in scope of assessment and intentions to seek third-party alignment reviews. However, LGIM believes that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, LGIM expects Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. LGIM believes the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.

Approximate size of the Fund's holding at the date of the vote: 0.02%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as LGIM's engagement is not limited to shareholder meeting topics.

Outcome and next steps: The outcome of the vote was not in line with the LGIM's vote as only 15% of votes supported the resolution. LGIM will continue to engage with the company on the alignment of its climate lobbying practices with its climate ambitions, and on governance.

2. **Qube Holdings Limited, November 2023**

Relevant stewardship priority: Diversity, Equity & Inclusion
Vote cast: Against resolution
Outcome of the vote: Pass
Management recommendation: For resolution
Summary of resolution: Elect Jacqueline McArthur as Director

Rationale for the voting decision: LGIM voted against the Chair of the Nomination committee for lack of board diversity. LGIM expects companies in Australia to have at least a third women on the board, and Qube Holdings only has one woman on the board.

Approximate size of the Fund's holding at the date of the vote: 0.05%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as LGIM's engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM expect companies to increase female participation both on the board and in leadership positions over time.

Lazard Developing Markets Fund

1. **Tencent Holdings Ltd, May 2023**

Relevant stewardship priority: Corporate Transparency
Vote cast: Against resolution
Outcome of the vote: Pass
Management recommendation: For resolution
Summary of resolution: Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights

Rationale for the voting decision: Lazard reviews this proposal on a case-by-case basis. In this case, the authority complies with Stock Exchange of Hong Kong ("SEHK") regulations governing such plans. However, Lazard believes a vote against the issuance of shares without pre-emptive rights is warranted unless the company provides specific language and terms that there will be adequate restrictions on discounts and no authority to refresh the issuance amounts without prior shareholder approval. This is in light of abuses made by a number of Hong Kong companies that have issued shares at steep discounts to related parties and renewed the share issuance amount under this authority without shareholder approval, both of which are permissible under current law.

Approximate size of the Fund's holding at the date of the vote: 4.7%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: It is not routine policy for Lazard to communicate its decision to vote against management ahead of the vote, but as it meets regularly with companies owned in fundamental portfolios it is typically the case that it would have expressed any material concerns to management during these meetings.

Outcome and next steps: The outcome of the vote was not in line with the manager's vote. Lazard engages with companies on a regular basis and in this case where Lazard have voted against management it would typically follow up.

2. **Chemical Works of Gedeon Richter Plc, April 2023**

Relevant stewardship priority: Corporate Transparency
Vote cast: Against resolution
Outcome of the vote: Pass
Management recommendation: For resolution
Summary of resolution: Approve Terms of Remuneration of Management Board Members

Rationale for the voting decision: Lazard believes a vote against is warranted because the equity-based remuneration proposed is considered a short-term plan, and the disclosure makes it impossible to determine whether the volume of shares to be transferred will not be excessive. At the same time, the vesting seems to happen in the same year with the grant and the awards seem to be granted free.

Approximate size of the Fund's holding at the date of the vote: 2.2%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: It is not routine policy for Lazard to communicate its decision to vote against management ahead of the vote, but as it meets regularly with companies owned in fundamental portfolios it is typically the case that it would have expressed any material concerns to management during these meetings.

Outcome and next steps: The outcome of the vote was not in line with the manager's vote. Lazard engages with companies on a regular basis and in this case where Lazard has voted against management it would typically follow up.

Robeco Emerging Stars Equities Fund

1. **Kunlun Energy Company Limited, May 2023**

   Relevant stewardship priority: Diversity, Equity & Inclusion
   Vote cast: Against resolution
   Outcome of the vote: Pass
   Management recommendation: For resolution
   Summary of resolution: Election of Directors

   Rationale for the voting decision: Robeco applied a vote against the election of directors, as it believes that the Board of Kunlun Energy Company Limited has failed to incorporate basic considerations for gender diversity. Robeco believes that gender diversity on the board is significant due to the potential impact on financial outcomes and on stewardship outcomes that increased diversity brings.

   Approximate size of the Fund's holding at the date of the vote: 1.47%

   The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

   Was the vote communicated to the company ahead of the vote: Robeco does not usually disclose its voting intent ahead of time. There would only be an exception to this in a few cases, for example if Robeco were engaging with the company on a particular topic.

   Outcome and next steps: The outcome of the vote was not in line with the manager's vote. Robeco are not currently engaging with Kunlun Energy.

2. **OTP Bank Plc., April 2023**

   Relevant stewardship priority: Corporate Transparency
   Vote cast: Against resolution
   Outcome of the vote: Pass
   Management recommendation: For resolution
   Summary of resolution: Appointment of Auditor

   Rationale for the voting decision: Robeco applied a vote against the approval of the auditor due to concerns that the tenure, fees, and independence of the audit are not in line with market best practise. Robeco believes that this may have an impact on financial outcomes.

   Approximate size of the Fund's holding at the date of the vote: 1.58%

   The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

   Was the vote communicated to the company ahead of the vote: Robeco does not usually disclose its voting intent ahead of time. There would only be an exception to this in a few cases, for example if Robeco were engaging with the company on a particular topic.

Outcome and next steps: The outcome of the vote was not in line with the manager's vote. Robeco continue to engage with the company on a range of issues.

LGIM Diversified Fund

1. **Apple Inc., February 2024**

Relevant stewardship priority: Diversity, Equity & Inclusion
Vote cast: For resolution
Outcome of the vote: Not passed
Management recommendation: Against resolution
Summary of resolution: Report on use of AI

Rationale for the voting decision: LGIM met with the company to discuss these topics; Apple did not commit to increasing transparency and disclosures around AI at this time. Apple is among several companies that have outsized influence on the integration of AI into our economy. LGIM's rationale for the vote decision was that a vote in favour of the proposal was warranted, as it believes investors would benefit from further disclosure and transparency on the company's use of and internal governance over artificial intelligence.

Approximate size of the Fund's holding at the date of the vote: 0.39%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: LGIM pre-declared its vote intention on its 2024 pre-declaration blog.

Outcome and next steps: The outcome of the vote was not in line with the manager's vote. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

2. **Shell Plc, May 2023**

Relevant stewardship priority: Climate Change
Vote cast: Against resolution
Outcome of the vote: Passed
Management recommendation: For resolution
Summary of resolution: Approve the Shell Energy Transition Progress

Rationale for the voting decision: LGIM voted against this proposal, though not without reservations. LGIM acknowledges the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remains concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.

Approximate size of the Fund's holding at the date of the vote: 0.30%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as LGIM's engagement is not limited to shareholder meeting topics.

Outcome and next steps: The outcome of the vote was not in line with the manager's vote. LGIM continues to undertake extensive engagement with Shell on its climate transition plans.

Ruffer DC Absolute Return Fund

1. **BP Plc, April 2023**

Relevant stewardship priority: Climate Change
Vote cast: Against resolution
Outcome of the vote: Not passed
Management recommendation: Against resolution
Summary of resolution: Approve Shareholder Resolution on Climate Change Targets

Rationale for the voting decision: BP has, in Ruffer's opinion, outlined a credible transition strategy with appropriate decarbonisation targets, that reflects demand for oil & gas energy whilst allocating capital to the 'transition growth engines'. Whilst BP has tightened & reduced its 2025 and 2030 aims, it has retained its 2050 net zero target. Further, it has committed additional capital to the transition which BP argues is uncertain and therefore, locking into one, fixed strategy (through investing or divesting the wrong asset) is not in the best interests of generating shareholder value. This resolution asks for "BP to align its 2030 Scope 3 aims with Paris". Firstly, this would require a wholesale shift in strategy, which Ruffer believe is unnecessary given the Board has opined on net zero and published a strategy. Secondly, BP in isolation has no control over what global scope 3 emissions should be under Paris, given the world continues to emit carbon and one would expect the Scope 3 reduction will have to be steeper the nearer society gets to 2030. This burden is unfair, particularly in the context of BP making long-cycle investment decisions.

Approximate size of the Fund's holding at the date of the vote: 0.48%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: No because the vote was in line with management**.**

Outcome and next steps: The outcome of the vote was in line with the manager's vote. Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which deem as unnecessary.

2. **Swire Pacific, May 2023**

Relevant stewardship priority: Corporate Transparency

Vote cast: Against resolution
Outcome of the vote: Passed
Management recommendation: For resolution
Summary of resolution: Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights

Rationale for the voting decision: Ruffer voted in line with the view of ISS. Hong Kong listing rules allow for 20% equity issuance without pre-emptive rights. ISS's global view is that 10% should be the limit. While the majority shareholders of Swire have behaved well over time, Ruffer believes there is always risk that given their control over the business that they could dilute the minority shareholders. As a result, Ruffer believes that limiting this to 10% without pre-emptive rights is in its clients' best interests.

Approximate size of the Fund's holding at the date of the vote: 0.28%

The reason the Trustees considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustees.

Was the vote communicated to the company ahead of the vote: No.

Outcome and next steps: The outcome of the vote was not in line with the manager's vote. Ruffer will continue to engage with the company on governance issues and vote on equity issuance proposals where we deem it to have material impact to the company.

Investment Policy Implementation Document for the Royal Mail Defined Contribution Plan

1. Introduction

This Investment Policy Implementation Document ("IPID") for the Royal Mail Defined Contribution Plan (the "Plan") sets out details of the Plan's investment arrangements, based on the principles set out in its Statement of Investment Principles ("SIP") dated 26 September 2024.

The IPID should be read in conjunction with the SIP.

The IPID has been prepared by the Trustees of the Plan, and the Trustees are responsible for ensuring it reflects the current investment arrangements.

2. Investment strategy

The Trustees make available a range of passively and actively managed self-select funds and four lifecycle strategies, details of which are set out below. The default option is a lifecycle strategy. The members are provided with clear information on the investment options and their characteristics that will allow the members to make an informed choice.

The fund options are provided to members via an investment platform with Scottish Widows, which also provides member administration. The funds are open-ended and priced daily.

3. White-labelled fund options

The Trustees make available the following white-labelled funds as self-select options but also as components of the lifecycle strategies.

Fund name	Fund objective	Underlying funds
Blended Equity Fund	To achieve long term growth by investing in a range of equity funds providing exposure to shares from UK, overseas and emerging market companies. The fund aims to perform in line with, or exceed, the stated benchmark return.	45% BlackRock ACS Climate Transition World Equity Fund 45% LGIM Diversified Multi-Factor Equity Fund 5% Lazard Developing Markets Fund 5% Robeco Emerging Stars Equities
Diversified Bond Fund	To achieve positive returns irrespective of market conditions.	45% BNY Mellon Global Dynamic Bond Fund 10% Aegon Absolute Return Bond Fund

		45% M&G Total Return Credit Investment Fund
Diversified Assets Fund	To provide a return at least 3.5% pa above SONIA.	50% Ruffer DC Absolute Return Fund 50% LGIM Diversified Fund
Annuity Bonds Fund	To broadly match the cost of buying a flat rate pension.	100% LGIM Future World Annuity Aware Fund
Passive Global Equity Fund	To provide exposure to companies within the MSCI World Index that are well-positioned to maximise the opportunities and minimise the potential risks associated with a transition to a low carbon economy relative to other companies	100% BlackRock ACS Climate Transition World Equity Fund
Cash Fund	To protect value and return broadly in line with SONIA	100% BlackRock Sterling Liquidity Fund
Inflation-Linked Bond Fund	To track the performance of the FTSE Index-Linked (Over 5 Year) Index to within +/-0.25% pa for two years out of three.	LGIM Over 5 Year Index-Linked Gilt Index Fund
Ethical Fund	To track the performance of the FTSE4Good Global Equity Index to within +/-0.5% pa for two years out of three.	100% LGIM Ethical Global Equity Index Fund
Shariah Fund	To track the performance of the Dow Jones Islamic Titans 100 Index (Total Return)	100% HSBC Islamic Index Fund
Active Global Equity Fund	To outperform the MSCI World Index on a net of fees basis.	100% MFS Meridian Global Equity Fund
Active Emerging Market Equity Fund	To outperform the MSCI Emerging Market Index on a net of fees basis.	50% Lazard Developing Markets Fund 50% Robeco Emerging Stars Equities
Active ESG Equity Fund	Achieve long-term growth with the objective of outperforming a global	100% Baillie Gifford Positive Change Fund

	equity index, on a net of fees basis.	

4. The default strategy

The Trustees have set the default option for members that do not make an active choice regarding investment of their contributions to be the 10 Year Royal Mail Lifecycle Strategy. The lifecycle strategy provides an automated investment switching facility, following a pre-selected investment strategy, which will move the funds from higher risk/return investments into lower risk/return investments as retirement approaches. The default option targets cash withdrawal at retirement and the table below outlines the asset allocation of the default lifecycle strategy.

Years to selected retirement age	Blended Equity Fund	Diversified Assets Fund	Diversified Bond Fund	Cash Fund	Total
20+	100.0%	0.0%	0.0%	0.0%	100.0%
19	96.0%	4.0%	0.0%	0.0%	100.0%
18	92.0%	8.0%	0.0%	0.0%	100.0%
17	88.0%	12.0%	0.0%	0.0%	100.0%
16	84.0%	16.0%	0.0%	0.0%	100.0%
15	80.0%	20.0%	0.0%	0.0%	100.0%
14	76.0%	24.0%	0.0%	0.0%	100.0%
13	72.0%	28.0%	0.0%	0.0%	100.0%
12	68.0%	32.0%	0.0%	0.0%	100.0%
11	64.0%	36.0%	0.0%	0.0%	100.0%
10	60.0%	40.0%	0.0%	0.0%	100.0%
9	54.0%	36.0%	10.0%	0.0%	100.0%
8	48.0%	32.0%	20.0%	0.0%	100.0%
7	42.0%	28.0%	30.0%	0.0%	100.0%
6	36.0%	24.0%	40.0%	0.0%	100.0%
5	30.0%	20.0%	50.0%	0.0%	100.0%
4	24.0%	16.0%	60.0%	0.0%	100.0%
3	18.0%	12.0%	70.0%	0.0%	100.0%
2	12.0%	8.0%	72.0%	8.0%	100.0%
1	6.0%	4.0%	74.0%	16.0%	100.0%
0	0.0%	0.0%	75.0%	25.0%	100.0%

5. Alternative lifecycle strategies

In addition to the default strategy, the Plan offers three additional lifecycle strategies targeting the following:

- a flexible retirement for members who wish to remain invested into retirement and drawdown some or all over their income over time after leaving the Plan
- the purchase of an annuity at retirement; and
- cash withdrawal (with higher risk than the default).

For those members who expect to take a flexible retirement, the 10 Year Royal Mail Flexible Retirement Lifecycle Strategy is available. For those members who expect to purchase an annuity at retirement, the 10 Year Royal Mail Annuity Lifecycle Strategy is available. The 5 Year Royal Mail Lifecycle Strategy is designed for members targeting cash withdrawal at retirement, but due to the shorter switching period into diversified bonds of 5 years rather than 10, this is a higher risk option than the default. The tables on the following pages outline the asset allocation for the alternative lifecycle strategies.

10 Year Royal Mail Annuity Lifecycle Strategy

Years to selected retirement age	Blended Equity Fund	Diversified Assets Fund	Annuity Bonds	Cash Fund	Total
20+	100.0%	0.0%	0.0%	0.0%	100.0%
19	96.0%	4.0%	0.0%	0.0%	100.0%
18	92.0%	8.0%	0.0%	0.0%	100.0%
17	88.0%	12.0%	0.0%	0.0%	100.0%
16	84.0%	16.0%	0.0%	0.0%	100.0%
15	80.0%	20.0%	0.0%	0.0%	100.0%
14	76.0%	24.0%	0.0%	0.0%	100.0%
13	72.0%	28.0%	0.0%	0.0%	100.0%
12	68.0%	32.0%	0.0%	0.0%	100.0%
11	64.0%	36.0%	0.0%	0.0%	100.0%
10	60.0%	40.0%	0.0%	0.0%	100.0%
9	54.0%	36.0%	10.0%	0.0%	100.0%
8	48.0%	32.0%	20.0%	0.0%	100.0%
7	42.0%	28.0%	30.0%	0.0%	100.0%
6	36.0%	24.0%	40.0%	0.0%	100.0%
5	30.0%	20.0%	50.0%	0.0%	100.0%
4	24.0%	16.0%	60.0%	0.0%	100.0%
3	18.0%	12.0%	70.0%	0.0%	100.0%
2	12.0%	8.0%	72.0%	8.0%	100.0%
1	6.0%	4.0%	74.0%	16.0%	100.0%
0	0.0%	0.0%	75.0%	25.0%	100.0%

5 Year Royal Mail Lifecycle Strategy

Years to selected retirement age	Blended Equity Fund	Diversified Assets Fund	Diversified Bond Fund	Cash Fund	Total
20+	100.0%	0.0%	0.0%	0.0%	100.0%
19	97.0%	3.0%	0.0%	0.0%	100.0%
18	94.0%	6.0%	0.0%	0.0%	100.0%
17	91.0%	9.0%	0.0%	0.0%	100.0%
16	88.0%	12.0%	0.0%	0.0%	100.0%
15	85.0%	15.0%	0.0%	0.0%	100.0%
14	82.0%	18.0%	0.0%	0.0%	100.0%
13	79.0%	21.0%	0.0%	0.0%	100.0%
12	76.0%	24.0%	0.0%	0.0%	100.0%
11	73.0%	27.0%	0.0%	0.0%	100.0%
10	70.0%	30.0%	0.0%	0.0%	100.0%
9	68.0%	32.0%	0.0%	0.0%	100.0%
8	66.0%	34.0%	0.0%	0.0%	100.0%
7	64.0%	36.0%	0.0%	0.0%	100.0%
6	62.0%	38.0%	0.0%	0.0%	100.0%
5	60.0%	40.0%	0.0%	0.0%	100.0%
4	48.0%	32.0%	20.0%	0.0%	100.0%
3	36.0%	24.0%	40.0%	0.0%	100.0%
2	24.0%	16.0%	52.0%	8.0%	100.0%
1	12.0%	8.0%	64.0%	16.0%	100.0%
0	0.0%	0.0%	75.0%	25.0%	100.0%

10 Year Royal Mail Flexible Lifecycle Strategy

Years to selected retirement age	Blended Equity Fund	Diversified Assets Fund	Diversified Bond Fund	Cash Fund	Total
20+	100.0%	0.0%	0.0%	0.0%	100.0%
19	96.0%	4.0%	0.0%	0.0%	100.0%
18	92.0%	8.0%	0.0%	0.0%	100.0%
17	88.0%	12.0%	0.0%	0.0%	100.0%
16	84.0%	16.0%	0.0%	0.0%	100.0%
15	80.0%	20.0%	0.0%	0.0%	100.0%
14	76.0%	24.0%	0.0%	0.0%	100.0%
13	72.0%	28.0%	0.0%	0.0%	100.0%
12	68.0%	32.0%	0.0%	0.0%	100.0%
11	64.0%	36.0%	0.0%	0.0%	100.0%
10	60.0%	40.0%	0.0%	0.0%	100.0%
9	56.5%	38.5%	5.0%	0.0%	100.0%

8	53.0%	37.0%	10.0%	0.0%	100.0%
7	49.5%	35.5%	15.0%	0.0%	100.0%
6	46.0%	34.0%	20.0%	0.0%	100.0%
5	42.5%	32.5%	25.0%	0.0%	100.0%
4	39.0%	31.0%	30.0%	0.0%	100.0%
3	35.5%	29.5%	35.0%	0.0%	100.0%
2	32.0%	28.0%	31.7%	8.3%	100.0%
1	28.5%	26.5%	28.3%	16.7%	100.0%
0	25.0%	25.0%	25.0%	25.0%	100.0%