

# London & Quadrant Housing Trust Staff Benefits Plan - Final Salary Section

## Addendum to the Statement of Investment Principles – August 2022

### Introduction

The Trustees of the London & Quadrant Housing Trust Staff Benefits Plan (“the Plan”) have drawn up this addendum (“the Addendum”) alongside the Statement of Investment Principles (“the Statement”) to comply with the requirements of the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pensions Funds (Investment) Regulations 2005.

The Addendum is intended to be read alongside the Statement and sets out further details on the Plan’s Investment Strategy. In preparing the Addendum the Trustees have consulted the Sponsoring Employer (‘The London & Quadrant Housing Trust’).

### Investment Strategy

The Trustees have appointed BlackRock, Ruffer, BMO, LGIM, Barings, Insight and BNY Mellon to manage the assets of the Plan via a single policy with the Mobius Life investment platform. The Investment Managers and Platform Provider are regulated under the Financial Services and Markets Act 2000. Given the investment objectives outlined in the Statement, the Trustees have agreed to the strategic asset allocation detailed in the table below.

Asset Class	Investment Manager	Fund name	Management Style	Allocation%	Control Limits
<b>Diversified Growth Fund</b>	Mobius Life	BlackRock Dynamic Diversified Growth Fund	Active	10.0	
	Mobius Life	Ruffer Absolute Return Fund	Active	10.0	
<b>Equity Linked LDI</b>	Mobius Life	BMO Equity Linked Real Dynamic LDI Fund	Mechanistic	13.0	
<b>Equity</b>	Mobius Life	LGIM World Emerging Markets Equity Index Fund	Passive	3.0	
<b>Multi Asset Credit</b>	Mobius Life	Barings Global High Yield Credit Strategies Fund	Active	6.0	
<b>Total Growth Assets</b>				<b>42.0</b>	<b>5.0</b>
<b>Absolute Return Bond Fund</b>	Mobius Life	BNY Mellon Global Dynamic Bond Fund	Active	14.0	
<b>Asset Backed Securities</b>	Mobius Life	Insight High Grade ABS Fund	Active	17.0	

LDI	Mobius Life	BMO Real Dynamic LDI Fund	Mechanistic	17.0	
		BMO Nominal Dynamic LDI Fund	Mechanistic	10.0	
<b>Total Matching Assets</b>				<b>58.0</b>	<b>5.0</b>
<b>Total</b>				<b>100.0</b>	

The Real, Equity Linked and Nominal LDI funds employ leverage (i.e. the level of protection provided against changes in longer-term interest rates/inflation expectations is greater than the amount invested) which can fluctuate above and below target level. These funds have an upper and lower hedging limit in place, and if either are breached then this triggers an LDI leverage rebalancing event, resulting in money being (respectively) requested or released from the LDI fund.

The Trustees have established a default cash, management policy for these events. Any cash flows (including for LDI leverage rebalancing) will be directed towards and taken from the diversified growth allocation (i.e. BlackRock Dynamic Diversified Growth Fund and CF Ruffer Absolute Return Fund). The Trustees may decide to change this cash flow policy from time to time, subject to the necessary written advice from their investment consultant.

The Trustees believe that the investment risk arising from the investment strategy is consistent with the overall level of risk being targeted.

### Review of this Statement

The Trustees will review the Addendum alongside the Statement. This will occur at least once every three years and without delay after any significant change in investment policy. Any change to the Addendum will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

Amy Gilham

Trustee

28.09.2022

Date

**For and on behalf of the Trustees of the London & Quadrant Housing Trustee Staff Benefits Plan**