

Statement of Investment Principles

28 September 2021

1. Background

The SEI Master Trust is a defined contribution pension scheme in which benefits are provided based on the accumulated value of a member's individual pension account.

The SEI Master Trust is also a relevant centralised scheme with a number of non-associated employers participating in it.

The purpose of this Master Statement of Investment Principles ("SIP") is to record the investment arrangements of the SEI Master Trust, covering all participating employers and their Sections within the SEI Master Trust.

Each Section will also have its own SIP, which supplements the provisions of this Master SIP and takes into account the individual needs of the members of that Section. This Master SIP is designed to meet the requirements of the applicable legislation, taking into account guidance from the Pensions Regulator.

This Master SIP has been prepared after SEI Trustees Limited (the "Trustee"), the Trustee of the SEI Master Trust, has obtained written professional advice. The Trustee has also consulted SEI European Services Limited as the establishing employer of the SEI Master Trust.

This version of the SEI Master Trust Statement of Investment Principles was approved by SEI Trustees Limited on 28 September 2021.

2. Investment objectives

The Trustee's primary objectives are:

- ◆ To provide a wide range of investment choices, which can be used wholly or partially to provide a suitable range of investment choices for members of each individual Section of the SEI Master Trust.
- ◆ To enable members to invest in funds that:
 - Provide real capital growth over the long term
 - Protect the value of their investments in the period close to retirement
 - Facilitate continued investment into retirement
 - Protect the capital value of their investments
- ◆ To offer a default investment structure for members who are not willing to make an investment choice or are automatically enrolled into the SEI Master Trust; and
- ◆ To provide an efficient investment administration structure.

3. Implementation

Under the Trust Deed and Rules governing the SEI Master Trust, the Trustee is responsible to make a range of one or more investment options available. SEI Master Trust assets have to be invested in one or more of the Trustee's selected options, shown in Appendix A. The Trustee may add, change, or remove any fund choices. The SEI Master Trust will offer access only to regulated investment vehicles, such as registered UCITS or tax efficient life funds.

The Trustee may add further investment vehicles and funds on request from participating employers to help manage their employees' needs. Members' benefits under the SEI Master Trust are determined by the value of their individual accounts. This in turn depends upon the contributions paid in and the investment returns earned thereon. Therefore, the Trustee believes that members should take their own investment decisions based on their individual circumstances. The Trustee recognises that members have differing investment needs and retirement objectives. The Trustee also recognises that these may change during the course of the members' working lives and that members have different attitudes to risk.

Where a member is invested in a default investment structure, the investment objectives and the design of the default investment structure should reflect the profile of the membership.

Under the SEI Master Trust, members can choose the appropriate vehicles having determined the kinds of investments, the balance between different kinds of investments, the level of risk, the expected returns, and the liquidity of the investments suitable to their personal circumstances.

In making the selected funds available to members, the Trustee has regard to the requirements of the applicable legislation concerning the diversification, liquidity, security, quality, profitability, and suitability of the investments, as well as its policies on ESG and climate-related risks and opportunities (CRRO). The Trustee will consider those requirements on any review of this document or any change in investment policy.

Investment management fees will be applied depending on the investment choice and percentage of assets invested in the relevant pooled fund. The fees charged for funds will vary depending on the terms agreed with the participating employers. Additional fees may be included depending on scheme administration costs or any financial advice that members decide to take.

Financially Material Considerations

Financially material considerations are defined in the applicable legislation as environmental, social and governance (ESG) considerations, including but not limited to climate change. The Trustee considers a wide-range of ESG and CRRO factors, including corporate governance, human rights, labour and environmental standards, and believes that certain ESG and CRRO factors can have an impact on financial performance.

In particular, the Trustee recognises that that climate-related risks are financially material and can impact on the value of the investments in which the SEI Master Trust invests over the short, medium and long term (as examined through temperature scenario stress testing of portfolios). Given the risks (both transition and physical) surrounding reducing carbon emissions and the intersecting and cross-industry nature of CRROs, the Trustee's view is that climate considerations must be actively managed in the portfolio, particularly through engagement and voting activities, and cannot simply be addressed by disinvesting from certain sectors or business activities. The Trustee reviews its CRRO risk register at least annually. The Trustee also recognises that the efforts to mitigate and adapt to climate change will likely result in new opportunities, such as through resource efficiency and cost savings, the adoption and utilisation of low-emission energy sources, the development of new products and services, and building resilience along the supply chain. It is important that these risks and opportunities are understood and managed.

Part of the Trustee's fiduciary duty is to incorporate this information into its investment decisions to reduce investment risk and enhance portfolio returns during the period SEI Master Trust assets are invested. The Trustee considers these factors to be financially material over a period of at least 50 years, being the length of time it would take the youngest member of the SEI Master Trust to reach his/her chosen retirement age.

The Trustee considers that well-governed organisations that treat workers fairly, prepare for a low-carbon world, and can meet societal expectations have a better chance of sustaining long-term success and profitability.

On considering its approach to CRRO and ESG more widely, the Trustee believes shareholder engagement is a necessary tool for effecting positive change. It believes the most effective way for shareholders to influence companies is to enact one holistic policy referencing the Trustee's primary climate-related targets where voting reinforces engagement.

As the SEI Master Trust's investments are in pooled funds, the Trustee accepts that its ability to influence the underlying investment managers' consideration of CRRO and ESG factors when investing is limited. However, the Trustee engages with each of its overarching investment managers responsible for the pooled funds to enable the Trustee's policy on CRRO and ESG factors to be taken into account and integrated into the managers' decision-making processes when selecting, monitoring and removing underlying managers from the pooled funds, and when engaging with investee companies.

The Trustee believes stock selection decisions are most effectively made by asset managers. Each of the Trustee's overarching investment managers operates an ESG and CRRO framework when making decisions about the selection, monitoring and retention of underlying managers in the pooled funds that they manage. Examples of aspects of these frameworks include the use of ESG ratings to inform manager selection and the use of a specialist third-party provider to provide overlay screening for specific ESG guidelines.

The Trustee receives regular reports from its overarching investment managers with commentary on the implementation of the Trustee's policy in this area. As part of quarterly investment reporting to the Trustee, investment managers report climate-related carbon emissions and carbon intensity metrics to the Trustee versus targets.

Stewardship: voting and engagement

As the SEI Master Trust's investments are in pooled funds, the Trustee accepts that its ability to influence the underlying investment managers' and specialist service providers' engagements with the companies that issue the securities for corporate governance purposes is limited. However, the Trustee is a strong advocate of investment stewardship as an effective way to bring change and ensure companies in the portfolio are adequately managing ESG and CRRO. The Trustee's policy is to engage with each of its overarching investment managers responsible for the pooled funds and to delegate to them the exercise of the Trustee's ownership rights in accordance with the Trustee's policy that these rights should be exercised in a manner that will safeguard sustainable returns in the long term.

Each overarching investment manager will engage with the underlying investment managers and specialist service providers and, in turn, the issuing companies with a view to achieving this aim. Each of the Trustee's overarching investment managers has strong stewardship policies and processes in place. Examples of aspects of these policies and processes include the use of a specialist engagement and voting overlay service and being a signatory to the UN Principles of Responsible Investment.

The Trustee receives regular reports from its overarching investment managers with commentary on the implementation of the Trustee's policy in this area.

Non-financial matters

The Trustee does not formally take into account any non-financial matters in the selection, retention, and realisation of investments. For this purpose, non-financial matters means the views of the members and beneficiaries, including (but not limited to) their ethical views and their views in relation to social and environmental impact and present and future quality of life of the members and beneficiaries of the SEI Master Trust. In reaching this decision, the Trustee has considered the challenges of engaging a properly representative sample of members, the strong likelihood of a lack of consensus among those most likely to respond to such a consultation and the fact that the SEI Master Trust already offers ESG-tilted funds as part of the investment options made available by the Trustee. The communication of the investment options aims to provide members with relevant information covering investment objectives, risk levels, fees, and investment returns to help members monitor their investment decisions. Annual statements and projections are also provided to assist members in planning their long-term savings and investment strategy. Members are also offered the opportunity to provide informal feedback to the Trustee on matters, including investment options via the member survey. Where such feedback is provided, it will be considered by the Trustee and, where appropriate, taken into account as part of any review of the available investment options.

Conflicts of Interest

The Trustee is aware that actual and potential conflicts of interest can exist across all aspects of investment arrangements. The Trustee has a conflicts of interest register in place. Conflicts of interest are declared and recorded at each Trustee meeting.

Each of the Trustee's overarching investment managers has provided the Trustee with a copy of its conflicts policy. The Trustee is satisfied that any conflicts that arise are managed in accordance with the regulatory requirements, a culture of integrity, and independent oversight and monitoring. The Trustee may engage with the overarching investment managers on matters concerning the management of actual or potential conflict of interests between the overarching investment manager, or the underlying managers, and the underlying investments being made. Should the Trustee identify a situation where a conflict of interest arises, the Trustee will monitor and engage with the overarching investment manager to achieve the best long-term outcome for the SEI Master Trust, its members, and its beneficiaries.

4. Relationship with Overarching Investment Managers

The applicable legislation requires the Trustee to disclose its policies in relation to its arrangements with its asset managers. As the SEI Master Trust's investments are in pooled funds, the Trustee's asset managers for the purposes of the legislation are the overarching investment managers responsible for the pooled funds.

Implementation

As the Trustee invests in pooled funds, it has limited influence over the underlying investment managers of the pooled funds. Within its limited scope, the Trustee works with the overarching investment managers to seek to influence the underlying investment managers to align their investment strategies with the Trustee's investment policies, improve their practices, and make decisions and operate in a manner that best generates medium to long-term financial and non-financial results for the SEI Master Trust, its members, and beneficiaries. However, the Trustee accepts that there may be circumstances in which the underlying investment managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement, and portfolio turnover.

Incentivisation

The Trustee takes a number of steps to incentivise its overarching investment managers in this regard, such as:

- ◆ Carrying out regular performance reviews (described below)
- ◆ Benchmarking fund performance and fees against other offerings in the market
- ◆ Withdrawing funds from the SEI Master Trust if it is dissatisfied with any aspect of the fund/the overarching investment manager, and the issue(s) identified cannot be resolved to the Trustee's satisfaction within a reasonable timeframe

Evaluation of Performance and Remuneration

The Trustee monitors the performance of its overarching investment managers on a quarterly basis, reviews fees on an annual basis, and carries out complete formal reviews triennially.

When assessing the performance of its overarching investment managers, the Trustee considers (amongst other factors):

- ◆ The overarching investment managers' financial performance against stated benchmarks and the rest of the market
- ◆ How well the overarching investment managers' activities are aligned with the Master SIP and the Trustee's investment policies
- ◆ The quality of service provided by the overarching investment managers, including the quality of reporting to the Trustee.

If any of the overarching investment managers is considered to be performing poorly, it will be required to account for its performance, and exceptionally its mandate may be terminated.

The Trustee ensures that remuneration of its overarching investment managers is also consistent with its investment policies and this Master SIP.

Portfolio turnover costs

The Trustee is required to set out how it monitors the overarching investment managers' "portfolio turnover costs" (i.e., the costs incurred as a result of the buying, selling, lending, or borrowing of investments) and how it defines and monitors "targeted portfolio turnover" (i.e., the frequency in which the assets of the SEI Master Trust are expected to be bought or sold) or "turnover range" (i.e., the minimum and maximum frequency in which the assets of the SEI Master Trust are expected to be bought or sold).

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the overarching investment managers. The Trustee has not set a portfolio turnover target as it believes that the overarching investment managers are best placed to determine what level of portfolio turnover is appropriate in the funds that they manage.

Instead, the Trustee monitors the costs incurred by the overarching investment managers in the buying, selling, lending, or borrowing of investments. The overarching investment managers incorporate portfolio turnover and resulting transaction costs as appropriate in their reporting to the Trustee. The Trustee then reviews these figures, monitors the level of the costs and turnover, and challenges the overarching investment managers when it has concerns.

Duration of arrangements

The arrangements between the Trustee and its overarching investment managers have no fixed duration: they are rolling with the Trustee holding an option to terminate them at any time.

5. Review of the Master SIP

The Trustee will review this Master SIP whenever there is a material change in investment policy and at least annually. The responsibility for investment decision-making and governance within the SEI Master Trust rests with the Trustee.

In order to achieve this, the Trustee obtains advice on whether the range of funds and other investments offered to members are satisfactory, as required by the applicable legislation. The Trustee also liaises with a number of other parties, including SEI European Services Limited as the establishing employer, where appropriate.

Appendix A: Investment choices

The range of funds from which members can choose from are shown below. Actual fund choices offered will depend on the individual Section design and set out in the Section specific SIP.

Fund name	Asset class	Investment objective	Style (A/P/F-B)	Tracking Error (% P.A.)
SEI UK Equity Fund	Equities	To outperform the FTSE All Share Index by 1.50% p.a. over rolling 3-year periods before fees.	Active	2.5%
SEI UK Core Fixed Interest Fund	Fixed Income	To outperform the BofA Merrill Lynch Sterling Broad Market Index by 0.40% p.a. over rolling 3-year periods before fees.	Active	1%
SEI Global Fixed Income Fund	Fixed Income	To outperform the Barclays Global Treasury Index by 0.75% p.a. over rolling 3-year periods before fees.	Active	1.5%
SEI Global Opportunistic Fixed Income Fund	Fixed Income	To outperform the Barclays Global Aggregate Ex-Treasury Index by 0.75% p.a. over rolling 3-year periods before fees,	Active	1.5%
SEI Factor Allocation Global Equity Fund	Equities	Long-term growth of capital and income through investment in a broadly diversified portfolio of global equity securities.	Active	N/A
SEI Japan Equity Fund	Equities	To outperform the Tokyo Price Index by 1.75% p.a. over rolling 3-year periods before fees.	Active	4%
SEI Global Select Equity Fund	Equities	To outperform the MSCI World Index by 2.00% p.a. over rolling 3-year periods before fees.	Active	3%
SEI European (Excluding UK) Equity Fund	Equities	To outperform the MSCI Europe (ex-UK) Index by 1.75% p.a. over rolling 3-year periods before fees.	Active	3%
SEI Emerging Markets Equity Fund	Equities	To outperform the MSCI Emerging Market Index by 2.75% p.a. over rolling 3-year periods before fees.	Active	5%
SEI Pan European Small Cap Fund	Equities	To outperform the MSCI Europe Small Cap Index by 2.25% p.a. over rolling 3-year periods before fees.	Active	4%
SEI Pacific Basin (Excluding Japan) Fund	Equities	To outperform the MSCI Pacific ex-Japan Index by 2.25% p.a. over rolling 3-year periods before fees.	Active	4%
SEI US Large Companies Fund	Equities	To outperform the Russell 1000 Index by 1.5% p.a. over rolling 3-year periods before fees.	Active	2.5%
SEI US Small Companies Fund	Equities	To outperform the Russell 2500 Index by 2.25% p.a. over rolling 3-year periods before fees.	Active	4%

Appendix A: Investment choices (continued)

Fund name	Asset class	Investment objective	Style (A/P/F-B)	Tracking Error (% P.A.)
SEI Defensive Fund	Mixed	To outperform the composite benchmark by 0.5% p.a. over 3-year periods before fees. Composite benchmark is made up as: 10% MSCI AC World Index (Net); 15% Barclays Sterling aggregate Index; 50% Barclays Global Treasury 1-3 yrs (GBP Hedged); 25% BofA ML LIBID 3-Month Average Coupon.	Active	0.8%
SEI Moderate Fund	Mixed	To outperform the composite benchmark by 1% p.a. over 3-year periods before fees. Composite benchmark is made up as: 10% FTSE All Share Index; 20% MSCI ACWI IMI; 25% Barclays Sterling Aggregate Index; 45% Barclays Global Treasury 1-3 yrs (GBP Hedged).	Active	1.8%
SEI Core Fund	Mixed	To outperform the composite benchmark by 1% p.a. over 3-year periods before fees. Composite benchmark is made up as: 15% FTSE All Share Index; 35% MSCI ACWI IMI; 20% Barclays Sterling Aggregate Index; 30% Barclays Global Treasury 1-3 yrs (GBP Hedged).	Active	2%
SEI Growth Fund	Mixed	To outperform the composite benchmark by 1.50% p.a. over 3-year periods before fees. Composite benchmark is made up as: 30% FTSE All Share Index; 55% MSCI ACWI IMI; 10% Barclays Sterling Aggregate Index; 5% Barclays Global Treasury 1-3 yrs (GBP Hedged).	Active	2.5%
SEI Aggressive Fund	Equities	To outperform the composite benchmark by 1.50% p.a. over 3-year periods before fees. Composite benchmark is made up as: 40% FTSE All Share Index; 60% MSCI World Index.	Active	2.8%
SSgA UK Equity Index Fund	Equities	To track the return of the FTSE All Share Index before fees.	Passive	+/-0.25%
SSgA All World Equity Fund	Equities	To track the FTSE All World Index.	Passive	+/-0.25%

Appendix A: Investment choices (continued)

Fund name	Asset class	Investment objective	Style (A/P/F-B)	Tracking Error (% P.A.)
SSgA Global Equity 50:50 Index Fund	Equities	To track the return of the composite benchmark before fees. Composite benchmark is made up as: 50.00% FTSE All Share Index; 16.67% FTSE All-World Developed North America Equity Index; 16.67% FTSE All World Developed Europe ex UK Equity Index; 8.33% FTSE All World Japan Equity Index; 8.33% FTSE All World Developed Asia Pacific ex Japan Equity Index.	Passive	+/-0.25%
SSgA Index Linked Gilts Over 5 Years Index Fund	Fixed Income	The Fund aims to track the return of the FTSE UK Gilts British Government Index Linked Over 5 Years Index before fees.	Passive	+/-0.25%
SSgA UK Conventional Gilts Over 15 Years Index Fund	Fixed Income	The Fund aims to track the return of the FTSE UK Gilts British Government Over 15 Years Index before fees.	Passive	+/-0.25%
SSgA Sterling Liquidity Fund	Cash	The Fund will be measured against the London Interbank 7 day deposit rate before fees.	Passive	+/-0.25%
Columbia Threadneedle Pensions Limited, UK Property Fund	Property	To outperform the AREF UK IPD UK Monthly Property Fund Index over rolling 3-year periods (from income and capital appreciation) by investing primarily in direct UK commercial property before fees.	Active	N/A
BlackRock Market Advantage Strategies Fund	Mixed	To outperform 6-month Libor by 5% p.a. over rolling 3-year periods before fees.	Factor Based	N/A
BMO Responsible UK Equity Growth Fund	Equities	To outperform the return of the FTSE All Share Index by 1% over rolling 3-year periods before fees.	Active	N/A