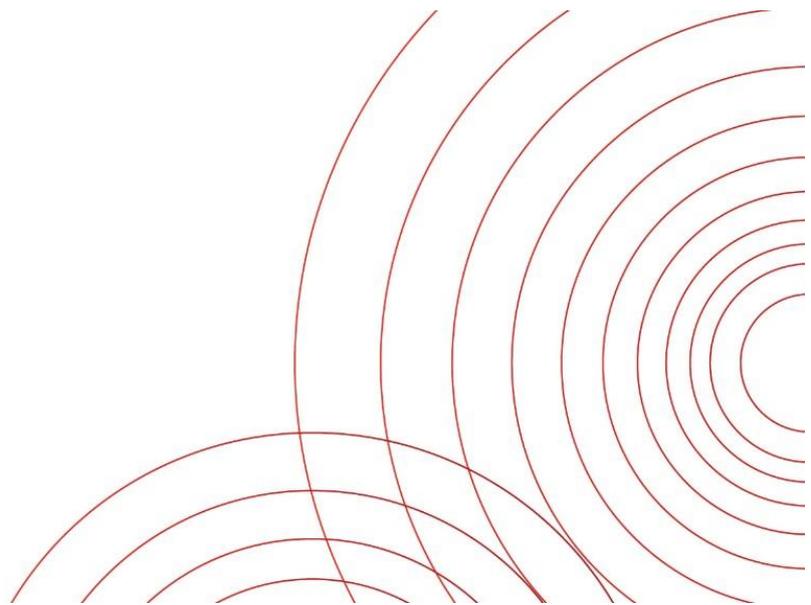




ENSIGN
RETIREMENT
PLAN

STATEMENT OF INVESTMENT PRINCIPLES



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1. INTRODUCTION

The Ensign Retirement Plan Trustee (“the Trustee”) has produced this Statement of Investment Principles (the “Statement”). This outlines the principles governing any investment decisions made by, or on behalf of, the Trustee for the management of the assets held in the Ensign Retirement Plan (the “Plan”) and sets out how these assets are invested. The Statement also demonstrates how the Trustee will monitor and review the ongoing suitability of the investment strategy for the members in the Plan.

The Plan is a defined contribution (DC) pension plan with the sole purpose of providing retirement and death benefits to members.

The Trustee confirms that this Statement has been prepared in accordance with relevant legislation and best practice guidelines. In preparing the Statement, the Trustee sought advice from an independent investment adviser, Hymans Robertson, and took into account its investment powers under the Trust Deed and Rules. It also considered the suitability of different types of investments, the need to diversify, liquidity of assets, the custodianship of assets and any self-investment.

This Statement of Investment Principles will be reviewed regularly or whenever changes to the principles or strategy are necessary. Any changes that are required to this Statement will be carried out on the advice of an appropriately qualified investment adviser.

2. INVESTMENT OBJECTIVES

The Trustee has a straightforward overall goal for the Ensign Retirement Plan: to help improve the retirement outcomes for those working in the maritime industry.

The Trustee recognises, however, that members have differing needs at retirement and therefore, differing investment needs, and that these may change during the course of their working lives. It also recognises that members have different attitudes to risk. The Trustee believes that the Plan should offer an investment option which is likely to suit the majority of members, however, the Trustee also believes that members should be able to make their own investment decisions based on their individual circumstances. The Trustee’s objective is, therefore, to make available an investment fund that will be suitable for most members (the fund that the Trustee has selected for this purpose is the BlackRock LifePath Flexi Fund), as well as a range of other investment options that, whilst not being too complicated, should help members in achieving the following objectives:

- a. Increasing the value of their retirement pot from the contributions invested.
- b. Protecting the value of their retirement pot in the years approaching retirement against market falls.
- c. Protecting the value of their pot when converted into usable benefits.
- d. Tailoring their investments to meet their own needs.

3. INVESTMENT BELIEFS

3.1 DIVERSIFICATION

- Subject to the funds' benchmarks and guidelines, the investment managers are given full discretion over the choice of stocks and are expected to maintain a mixed range of assets.
- Given the size and nature of the Plan, the Trustee has decided to invest on a "pooled fund" basis; any such investment is carried out through an investment provider.
- The Trustee is satisfied that the range of funds in which the Plan invests, provides adequate diversification and a suitable range of options for the Plan's members.
- The Trustee has included a number of "target-date" funds in its investment offering, which aim to meet the needs of members at different stages of their working life. Further details are included below.

3.2 BALANCE BETWEEN DIFFERENT KINDS OF INVESTMENTS

- The Trustee has ensured that there is a suitable number of alternative investment options available to members. In addition to the BlackRock LifePath Flexi Fund, the Trustee has introduced two other target date fund series, one which targets cash withdrawal, and another that targets annuity purchase at retirement. Details are shown in Appendix 1.
- For members who wish to make their own asset allocation decisions, the Trustee has introduced a range of funds from various asset classes. The Trustee has been careful not to introduce a wide range of funds to avoid confusing members, Details of these funds are shown in Appendix 1.

3.3 RISK

- The Trustee has considered risk from a number of perspectives. These are:
 - a) The risk that the investment returns over members' working lives will not keep pace with inflation and does not, therefore, secure an adequate pension.
 - b) The risk that market movements in the period prior to retirement lead to a fall in the members' retirement pot.
 - c) The risk that market movements in the period just prior to retirement lead to an increase in the cost of turning members' fund values into retirement benefits.
 - d) The risk that an investment manager will not deliver investment returns in line with investment markets generally or other investment managers.
 - e) The risk that funds which invest in assets which take longer to sell (are illiquid), such as property, will not be able to buy or sell these assets when asked to do so by the Trustee and/or members.
 - f) The risk that an entity holding derivative based assets may default leading to a reduction in a fund's value.
- To help mitigate the most significant of these risks, the Trustee has made available the target date fund options, which transition members' investments from higher risk investments to lower risk investments as members approach retirement.

3.4 EXPECTED RETURN ON INVESTMENTS

- The objective of the BlackRock LifePath Flexi Fund is to achieve a positive real return over the longer term.
- The Trustee is satisfied that this return objective is consistent with the aims of the members.

3.5 KIND OF INVESTMENTS TO BE HELD

- The Plan may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index-linked bonds, cash, property and pooled investment vehicles considered appropriate for tax-exempt approved occupational pension schemes.
- Some funds may invest in Exchange Traded Funds to gain access to less easily traded and illiquid asset classes.
- Some funds may include investments through derivatives to facilitate changes in the fund's portfolio of assets or help lessen investment risks or to improve investment returns.
- The Trustee considers all of the stated classes of investment to be suitable for the Plan.

3.6 REALISATION OF INVESTMENTS

- Investments may be sold to provide funds to make payment of benefits under the Plan or where members have asked to switch funds. If there is an unexpected need to sell all or part of the assets of the portfolio, the Trustee requires the investment managers to be able to sell the Plan's investments in a reasonable timescale, but taking into account the market conditions at that time. Most of the Plan's assets are not expected to take too long to sell.

3.7 SOCIAL, ENVIRONMENTAL AND ETHICAL ISSUES

- The Trustee has asked that the provider/investment managers have the financial interests of the Plan members as their first priority when choosing investments. They may take social, environmental or ethical considerations into account only when these factors do not conflict with the prime objective.
- The Trustee has reviewed the investment managers' policy in respect of Socially Responsible Investing and is satisfied that it is in line with the above approach.
- The Trustee offers a dedicated ethical investment option for those members who may have ethical considerations as an overriding investment consideration, and an option to invest in a fund which is managed in compliance with Shariah law.

3.8 VOTING RIGHTS ATTACHING TO INVESTMENTS

- The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the provider/investment managers and to encourage them to exercise those rights when they believe there could be a potential financial impact on the portfolio. The Trustee will review the provider's/investment managers' governance policies from time to time.

3.9 CHARGES

- The Plan is a qualifying scheme for auto-enrolment purposes and so the BlackRock LifePath Flexi Fund must comply with the charge cap introduced by the Pensions Act 2014 which applies from April 2015.

4. DELIVERING THE INVESTMENT OBJECTIVES

The Trustee recognises that from time to time, there will be tension in delivering the objectives detailed above, but looks for an appropriate balance between them.

BLACKROCK LIFEPATH FLEXI FUND

The Trustee has selected the BlackRock LifePath Flexi Fund as the fund into which members will automatically be invested, that aims to help members grow their assets whilst protecting their savings as the member approaches retirement through the use of a series of target-date funds. These funds reflect changing investment needs by gradually altering each fund's investment mix as members near their target retirement date, thereby managing over time the principal investment risks faced by members: inflation, fluctuations in fund values (when this is significant) and converting the fund value into benefits at retirement.

After analysing the Plan's membership profile and projected fund values, the Trustee believes that the fund into which members are automatically enrolled should target the form of benefits that is likely to meet the needs of the majority of members: withdrawing benefits from a registered pension scheme.

With the above in mind, the Trustee has chosen the BlackRock LifePath Flexi fund range as the investment option into which members will be automatically enrolled.

LifePath Flexi is designed for members who will drawdown their benefits during in their retirement to provide income. The final asset allocation is a diverse allocation which is allocated to 40% growth assets and 60% more cautious assets. This is designed so that the portfolio can continue to be invested during retirement while income is being drawn from it. Please refer to Appendix 1 for more detail on the BlackRock LifePath fund.

ADDITIONAL FUND OPTIONS

The Trustee recognises that the BlackRock LifePath fund will not meet the needs of all members, so a selection of more specialised funds is offered to members who want to make active investment choices. Having considered the advice of an investment adviser, the Trustee has selected a range of funds from equity, property, bond and money market asset classes as well as absolute return and multi-asset funds, and are considered broadly suitable for the majority of members:

- BlackRock DC LifePath
- BlackRock DC Aquila (30:70) Currency
- BlackRock DC Aquila UK Equity Index
- Schroder Dynamic Multi Asset Fund (DMAF)
- BlackRock DC Cash
- BlackRock DC Aquila Emerging Markets
- BlackRock DC Aquila Over 15 Year Gilt Index
- BlackRock DC Aquila Corporate Bond All Stocks
- LGIM Ethical Global Equity Index
- HSBC Amanah Pension Fund
- BlackRock DC Property
- BlackRock DC Aquila All Stocks UK Index

Please refer to Appendix 1 for more detail on the alternative funds offered.

The Trustee does not give advice to individual members on their fund selections. Members are encouraged to take independent financial advice when making their individual investment choices.

5. GOVERNANCE

5.1 ULTIMATE RESPONSIBILITY

All investment decisions of the Plan are under the Trustee's control and the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.

The Trustee's main investment responsibilities include:

- Preparation of the Statement of Investment Principles and reviewing the content of the Statement and modifying it where necessary, in consultation with an appropriately qualified investment adviser.
- Appointing investment managers, investment advisers and other advisors as necessary for the good stewardship of the Plan.
- Assessing the performance and processes of the investment managers by means of regular reviews of the funds' investment performance and other information.
- Monitoring compliance of the investment arrangements with this Statement on a regular basis.

5.2 DAY-TO-DAY MANAGEMENT

The investment platform through which the Plan's investment options are operated is provided by BlackRock Life (UK) Limited ("BlackRock") whose main investment responsibilities include:

- The prompt investment of contributions.
- Maintaining records of the members' investments.
- Selling investments to pay benefits.

All day-to-day investment management decisions have been delegated to investment managers authorised under the Financial Services & Markets Act 2000 whose main responsibilities include:

- Ensuring that investment of the Plan's assets is in compliance with prevailing legislation and within the constraints detailed in this Statement.
- Providing the Trustee with quarterly reports including any changes to Investment Managers' processes and a review of the investment performance.
- Attending meetings with the Trustee as and when required.
- Informing the Trustee of any changes in the internal performance objective and guidelines of any pooled fund used by the Plan as and when they occur.
- Exercising voting rights on share holdings in accordance with their general policy.
- Following its general policy on socially responsible investment.

5.3 DAY-TO-DAY CUSTODY

The Plan's assets will be held on a day-to-day basis by the investment manager's appointed custodian.

5.4 MONITORING

5.4.1 INVESTMENT PERFORMANCE

- Each of the funds in which the Plan invests has a stated performance objective by which the performance is measured.
- The Trustee will review the performance of the appointed investment manager from time to time, based on the results of their performance and investment process.

5.4.2 BLACKROCK LIFEPATH FLEXI FUND

- The Trustee monitors the suitability of the BlackRock LifePath Flexi Fund's objectives from time to time.
- The Trustee monitors the performance of the BlackRock LifePath Flexi Fund against its objectives from time to time.

5.4.3 CHARGES

- The charges for the investment options (expressed in terms of each fund's "Total Expense Ratio") are monitored by the Trustee to make sure that they represent "value for money" compared to the investment objectives of each fund.
- The BlackRock LifePath Flexi Fund's compliance with the charge cap is checked on a regular basis.

5.4.4 TRANSACTION COSTS

- The Trustee recognises that transaction costs (both on the investment management of the funds' underlying portfolio of assets and the "spread" upon buying or selling the funds) may impact the investment returns experienced by members.
- The Trustee will monitor the funds' transaction costs to make sure they are reasonable and appropriate.

5.4.5 INVESTMENT PROCESS

- The Trustee monitors the processing of investments, to ensure that contributions in respect of members are invested into the appropriate investment options in a timely manner.

5.5 COMPLIANCE

The Trustee is satisfied the funds offered to members by the appointed investment managers are in line with the objectives of the Plan, particularly in relation to diversification, risk, expected return and liquidity. The choices that are made available are reviewed on a regular basis.

Signed on behalf of the Trustee of the Plan by:

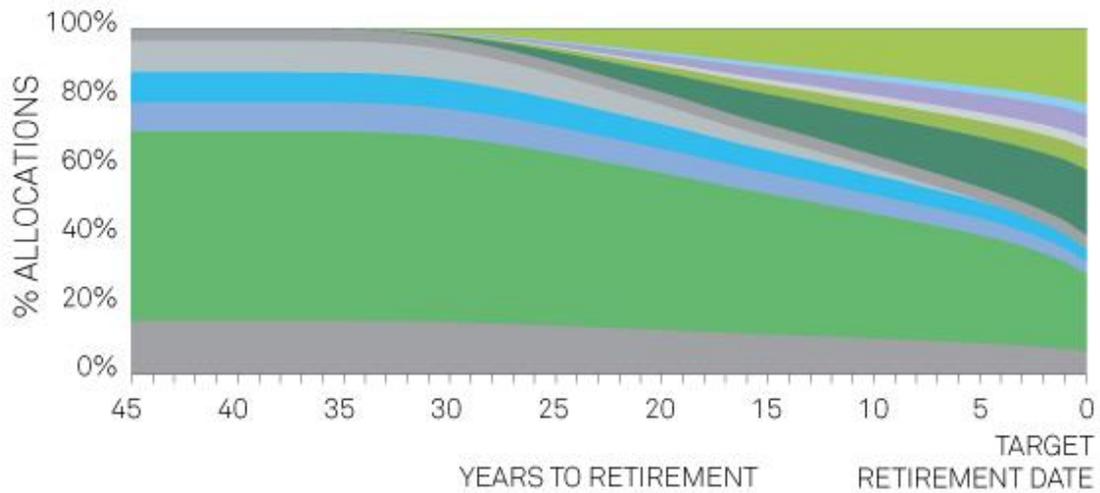
Rory Murphy
Director

John McGurk
Director

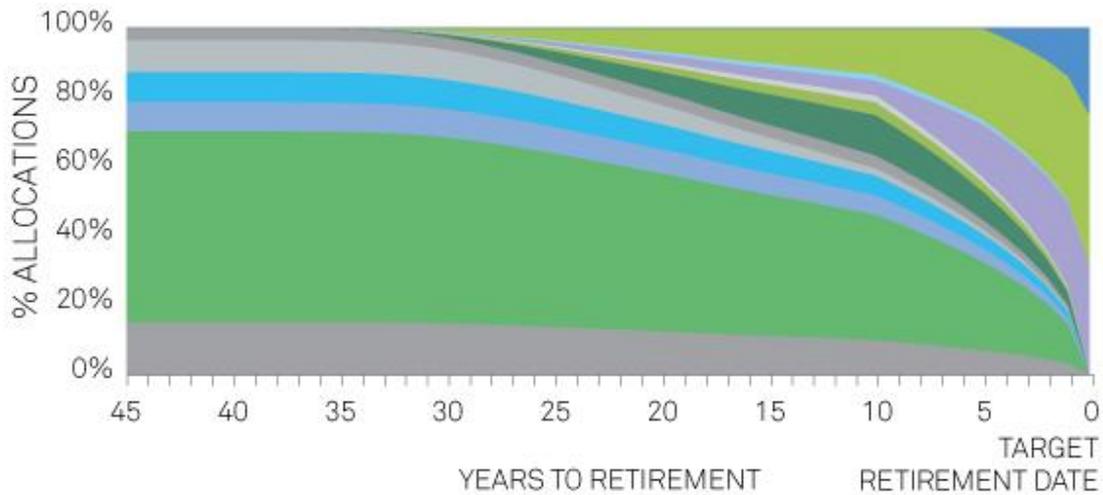
APPENDIX 1 – PLAN INVESTMENT OPTIONS

Charts to show how the percentage invested in each asset class with the target date funds changes as the member approaches their chosen target retirement date.

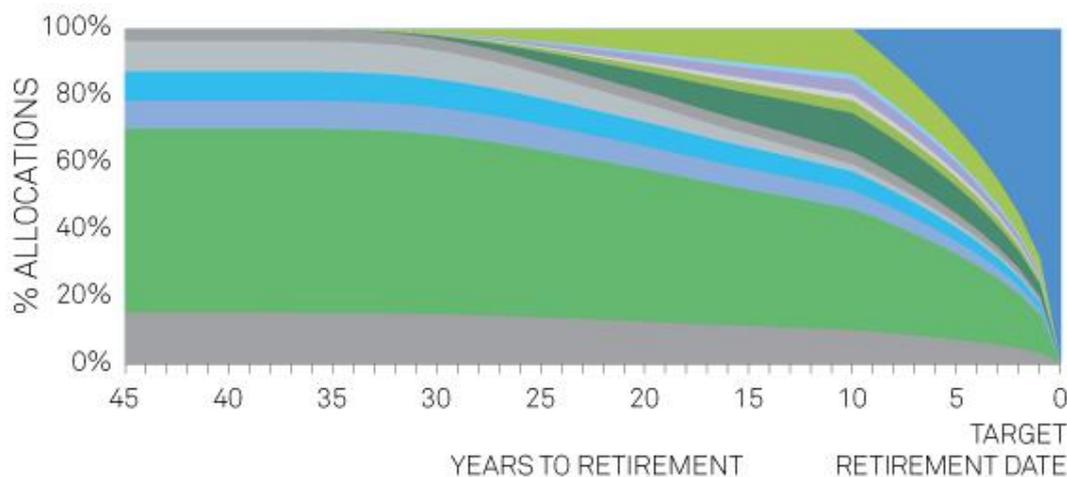
BlackRock DC LifePath Flexi (targets income drawdown)



BlackRock DC LifePath Retirement (targets annuity purchase at retirement)



BlackRock DC LifePath Capital (targets cash withdrawal at retirement)



BlackRock uses the following funds to invest assets in the charts shown above.

Asset Class	Fund
UK Equities	Aquila Life UK
Global Equities	Regional Aquila Life funds
Global Small Capitalisation Companies Equities	Regional Small cap funds
Emerging Markets	Emerging Markets Index sub-fund
Property	Global property tracker
Commodities	iShares Diversified Commodity Swap UCITS ETF
UK Corporate Bonds	Aquila Life Corporate Bond Fund All Stocks Fund
UK Gilts	Aquila Life All Stocks UK Gilt fund
Overseas Corporate Bonds	BlackRock Overseas Corporate Bond Tracker
Overseas Government Bonds	Aquila Life Overseas Bond fund
Emerging Bonds	Emerging Markets Government Bond Index fund
Annuities Proxy	DC Pre-Retirement fund
Cash	DC Cash fund

Additional Fund Range

Asset Class	Fund	Objective	Benchmark
Global Equity	BlackRock DC Aquila (30:70) Currency Hedged Global Equity Index	This fund invests primarily in equities, both in the UK and overseas markets. The Fund has approximately 30% invested in the shares of UK companies. 60% of the assets are invested at market capitalisation weights into developed overseas equities with the currency exposure hedged back to sterling and the remaining 10% is invested into Emerging Market Equities.	30% FTSE All-share Index, 60% Developed Overseas Equities with currency exposure hedged back to sterling and 10% Emerging Market Equities
UK Equity	BlackRock DC Aquila UK Equity Index	Invests in shares of UK companies and aims to produce a return in line with its benchmark.	FTSE All Share Index
Diversified Growth Fund (DGF)	Schroder Dynamic Multi Asset Fund (DMAF)	The fund's investment objective is to deliver positive returns over a market cycle based on long-term capital growth and income through investment in collective investment schemes as well as directly held transferable securities, derivatives, cash, deposits, warrants and money market instruments. The fund may gain exposure to alternative asset classes including but not limited to property, commodities, hedge funds and private equity directly where permitted or through investment in transferable securities and other permitted assets which themselves invest in these asset classes.	UK CPI + 4%
Cash	BlackRock DC Cash	Aims to produce a return in excess of its benchmark principally from a portfolio of Sterling denominated cash, deposits and money-market instruments.	7 Day LIBID Rate

Emerging Markets Equity	BlackRock DC Aquila Emerging Markets Equity Index	The Fund objective is to achieve a return that is consistent with the return of the MSCI Global Emerging Markets Index.	MSCI Global Emerging Markets Index
Long Dated Gilt	BlackRock DC Aquila Over 15 Year Gilt Index	Invests in UK government bonds with a maturity period of 15 years or longer and aims to produce a return in line with its benchmark.	FTSE UK Gilts Over 15 Years Index
Corporate Bond	BlackRock DC Aquila Corporate Bond All Stocks	This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx £ Non-Gilts Index. This index covers the broad spectrum of investment grade corporate bonds in issue.	iBoxx £ Non-Gilts Index
Ethical Equity	LGIM Ethical Global Equity Index	Invests mainly in overseas equities within the FTSE4Good Global Equity Index and aims to track the return of its benchmark.	FTSE4Good Global Equity Index
Sharia Law compliant	HSBC Amanah Pension Fund	Invests in company shares from around the world and is compliant with Islamic Shariah principles.	Dow Jones Islamic Titan Index
Commercial Property	BlackRock DC Property	The Fund has a diversified exposure to a range of commercial property assets such as offices, shopping centres, retail warehouse parks and industrial estates. The Fund gains its exposure to these assets by investing in a number of underlying pooled property funds.	IPD All Balanced Property Funds Index
Index Linked Gilts	BlackRock DC Aquila All Stocks UK Index Linked Gilt Index	This fund invests in UK government index-linked securities (gilts). The fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked All Stocks Index, which is widely regarded as an appropriate benchmark for UK pension fund investment in the index-linked UK gilt market	FTSE Inflation Linked All Stocks Gilt

Charges

Investment Manager

The following charges are applied to the monies invested in the funds offered by the Trustee:

Fund	Annual Management Charge (AMC)	Additional Expenses *	Total Annual Charge **
BlackRock DC LifePath	0.36	0.00	0.36
BlackRock DC Aquila (30:70) Currency Hedged Global Equity Index	0.37	0.03	0.41
BlackRock DC Aquila UK Equity Index	0.35	0.01	0.36
Schroder Dynamic Multi Asset Fund (DMAF)	0.75	0.05	0.80
BlackRock DC Cash	0.30	0.03	0.33
BlackRock DC Aquila Emerging Markets Equity Index	0.50	0.07	0.57
BlackRock DC Aquila Over 15 Year Gilt Index	0.35	0.01	0.36
BlackRock DC Aquila Corporate Bond All Stocks	0.35	0.02	0.37
LGIM Ethical Global Equity Index	0.60	0.00	0.60
HSBC Amanah Pension Fund	0.70	0.00	0.70
BlackRock DC Property	1.05	0.02	1.03
BlackRock DC Aquila All Stocks UK Index Linked Gilt Index	0.35	0.01	0.36

* Additional expenses are all the other operating costs and expenses (OCEs) within the fund, including the known fixed cost of operating the funds (fund administration, custody and professional fees), but excludes transaction costs. These costs can vary from fund to fund and from time to time, but are accurate as at April 2015.

** The Total Annual Charge is also known as a fund's "Total Expense Ratio" (TER) and is the total of a fund's AMC and OCE. It excludes transaction costs on the fund's underlying assets.

The AMC and Total Annual Charge includes the platform provider's charges including the charges for the routine administration of the Plan and to meet some of the Trustee's costs in operating the Plan.

The charges for the investment options are paid for by the members.