# *STATEMENT OF INVESTMENT PRINCIPLES*

# *for the*

# *Nomura London Retirement Benefits Plan*



# *August 2022*

## 1. Introduction

### 1.1. What is the purpose of this Statement of Investment Principles?

This Statement of Investment Principles ("SIP") sets out the policy of the Trustee of the Nomura London Retirement Benefits Plan (the "Plan") on various matters governing decisions about the investments of the Plan.

### 1.2. Who has had input to the SIP?

This SIP has been formulated after obtaining and considering written professional advice from Lane Clark & Peacock LLP, the Plan's investment adviser, who the Trustee believe to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments and the need for diversification, given the circumstances of the Plan and the principles contained in this SIP.

The investment managers are required to carry out their investment responsibilities in a manner consistent with this SIP.

### 1.3. What is the legal and statutory background to the SIP?

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act") and the Occupational Pension Schemes (Investment) Regulations 2005 ("the Regulations"). The SIP also reflects the Trustee's response to the Myners voluntary code of investment principles.

The Plan's assets are held in trust by the Trustee. The investment powers of the Trustee are set out in the Plan's Trust Deed.

## 2. What are the Trustee's overall investment objectives for the Defined Benefit ("DB") Section?

The majority of the Plan's promised DB benefits have been secured with bulk annuity policies with Aviva and PIC. Given this position, the Trustee's objectives are:

- that the Plan should meet all benefit payments as they fall due;
- that the Plan's overall funding position (ie the total value of its insurance policies and its residual assets relative to the assessed value of its secured and unsecured liabilities) should remain at an appropriate level. The Trustee is aware that there are various measures of funding, and have given due weight to those considered most relevant to the Plan.

## 3. What risks does the Trustee consider and how are these measured and managed?

When deciding how to invest the Plan's assets, the Trustee considers a wide range of risks, including, but not limited to, those set out in Appendix A. Some of these risks are more quantifiable than others, but the Trustee has tried to allow for the relative importance and magnitude of each risk.



## 4. Trustee's investment beliefs

The Trustee's key investment beliefs, which influenced the setting of the investment arrangements, are as follows:

- asset allocation is the primary driver of long-term returns;
- risk-taking is necessary to achieve return, but not all risks are rewarded;
- equity, credit and illiquidity are the primary rewarded risks;
- risks that do not have an expected reward should generally be avoided, hedged or diversified;
- investment markets are not always efficient and there may be opportunities for good active managers to add value;
- environmental, social and governance (ESG) factors are likely to be one area of market inefficiency and so managers may be able to improve risk-adjusted returns by taking account of ESG factors;
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find and therefore passive management, where available, is usually better value;
- long-term environmental, social and economic sustainability is one factor that trustees should consider when making investment decisions; and
- costs have a significant impact on long-term performance and therefore obtaining value for money from the investments is important.

The Trustee's key investment beliefs and understanding of the Plan's membership are reflected in the range of funds made available to members.

## 5. Summary of the Plan's investment strategy for the DB Section

### 5.1. How is the investment strategy determined?

The Trustee, with the help of its advisers and in consultation with the employer, undertakes reviews of the investment strategy from time to time, taking into account the objectives described in Section 2 above.

### 5.2. What is the investment strategy?

The Plan holds two annuity policies. These policies match the majority of the DB benefits payable to the Plan's members. The annuity policies are "buy-ins" and therefore remain an asset of the Plan.

The Trustee invests its remaining assets in a number of passive gilt funds and a sterling liquidity fund to broadly match unsecured liabilities that are not currently covered by the annuity policies, and hold a reserve over and above these liabilities. This includes liabilities where there remains some uncertainty regarding the precise benefit due (eg relating to GMP equalisation and GMP underpin of DC benefits) and some past discretionary pension increases.



The Trustee considers gilts to be matching assets, although it recognises that in practice the degree of liability matching these assets provide varies considerably.

### 5.3. What does the Trustee consider in setting the Plan's investment strategy?

In setting the strategy for the DB section, the Trustee took into account:

- the Plan's investment objectives, including the target return required to meet the Trustee's investment objectives;
- the Plan's cash flow requirements in order to meet benefit payments in the near to medium term;
- the best interests of all members and beneficiaries;
- the circumstances of the Plan, including the profile of the benefit cash flows (and the ability to meet these in the near to medium term), the funding level, and the strength of the employer covenant;
- the risks, rewards and suitability of a number of possible asset classes and investment strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken;
- the need for appropriate diversification between and / or within different asset classes to ensure that both the Plan's overall level of investment risk and the balance of individual asset risks are appropriate;
- any other considerations which the Trustee considers financially material over the time horizon that the Trustee considers is needed for the funding of future benefits by the investments of the Plan; and
- the Trustee's investment beliefs about how investment markets work, and which factors are most likely to impact investment outcomes.

In determining the investment arrangements for the DC Section, the Trustee took into account:

- the best interests of all members and beneficiaries;
- the profile of the membership and what this is likely to mean for the choices members might make upon reaching retirement;
- the risks, rewards and suitability of a number of possible asset classes and lifestyle strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken;
- the need for appropriate diversification within the investment options offered to members;

- any other considerations which the Trustee considers financially material over the periods until members' retirement, or any other timeframe which the Trustees believes to be appropriate; and
- the Trustee's investment beliefs about how investment markets work and which factors are most likely to impact investment outcomes.



### 5.4. What assumptions are made about the returns on different asset classes?

The Trustee considered a wide range of asset classes for investment, taking account of the expected returns and key individual risks associated with those asset classes as well as how these risks can be mitigated where appropriate.

## 6. Appointment of investment managers for the DB Section

### 6.1. How many investment managers are there?

The Trustee has decided to appoint Legal and General Investment Management ("LGIM") to manage the remaining non-annuity assets of the Plan.

The annuity providers are Aviva Annuity UK Limited ("Aviva") and Pensions Insurance Corporation plc ("PIC"). These annuities remain assets of the Plan.

### 6.2. What formal agreements are there with investment managers?

The Trustee has entered into an insurance policy with Legal & General Assurance (Pensions Management) Limited. The insurance policy sets out details of the terms under which the Plan's assets are managed. Legal & General Assurance (Pensions Management) Limited delegates investment management responsibilities to Legal & General Investment Management Limited.

For the purpose of this SIP, Legal & General Investment Management Limited is defined as an "investment manager".

Details of the investment manager and its investment benchmarks and guidelines are given in Appendix B.

### 6.3. What do the investment managers do?

The investment manager's primary role is the day-to-day investment management of the Plan's investments. The manager is authorised under the Financial Services and Markets Act 2000 to carry out such activities.

The Trustee has limited influence over the investment manager's investment practices because all the Plan's assets are held in pooled funds, but it encourages its manager to improve their practices where appropriate.

The Trustee's view is that the fees paid to the investment manager, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice 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.

It is the Trustee's responsibility to ensure that the manager's investment approaches are consistent with its policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustee expects the investment manager, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. It assesses this when selecting and monitoring managers.

The Trustee evaluates investment manager performance by considering performance over both shorter and longer-term periods as available. Except in closed-ended funds where the duration of the investment is determined by the fund's terms, the duration of a manager's appointment will depend on strategic considerations and the outlook for future performance. Generally, the Trustee would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustee's policy is to evaluate its investment manager by reference to the manager's individual performance as well the role it plays in helping the Plan meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. The manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

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 investment manager. The Trustee expects its investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Plan's investment mandates.

## 7. Defined Contribution ("DC") Section

### 7.1. Background

The Trustee recognises that individual members have differing investment needs and that these may change during the course of their working lives. It also recognises that members have differing attitudes to risk. The Trustee believes that ideally members should make their own investment decisions based on their individual circumstances.

### 7.2. Policy for choosing investments

The Trustee regards their duty as making available a range of investment funds that enable members to tailor strategy to their own needs. It is for each member to decide which vehicle(s) they wish to use at any time.

The Trustee has considered the long-term performance characteristics of various asset classes, in terms of their expected returns and the variability of those returns, in deciding on the range of investment vehicles to make available to members.

### 7.3. Investment strategy and managers

The Trustee has established Insurance Policies with Legal & General Assurance (Pensions Management) Limited ("L&G") and Schroder Pension Management Limited ("Schroders"). Under these Policies, L&G and Schroders offer members a range of investment options, as specified by the Trustee. The available funds are provided in Appendix B.



## 8. Other matters

### 8.1. What is the Trustee's policy on the realisation of investments?

The investment managers have discretion over the timing of realisation of investments of the Plan and in considerations relating to the liquidity of investments. When appropriate, the Trustee, on the administrators' recommendation, decides on the amount of cash required for benefit payments and other outgoings and informs the investment managers of any liquidity requirements.

For the DC Section, the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments.

### 8.2. Consideration of financially material and non-financial matters

The Trustee has considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Plan and its members.

The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations). The Trustee seeks to appoint managers that have appropriate skills and processes to do this, and from time to time reviews how its managers are taking account of these issues in practice.

The Trustee has limited influence over managers' investment practices where assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

The Trustee does not take into account any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments.

### 8.3. What is the Trustee's policy on stewardship practices?

The Trustee recognises its responsibilities as owners of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustee from time to time, taking into account the long-term financial interests of the beneficiaries. The Trustee has limited influence over managers' stewardship practices where assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate



### 8.4. What are the responsibilities of the various parties in connection with the Plan's investments?

Appendix C contains brief details of the respective responsibilities of the Trustee, their advisers, and the investment managers. Appendix C also contains a description of the basis of remuneration of the investment adviser and the investment managers.

### 8.5. Does the Trustee make any investment selection decisions of its own?

Before making any investment selection decision, it is the Trustee's policy to obtain written advice. The written advice considers the suitability of the investment, the need for diversification and the principles contained in this SIP. It is also the Trustee's policy to review its own investment selection decisions on a regular basis, based on written advice.

## 9. Review

The Trustee will, from time to time, review the appropriateness of this SIP with the help of their advisers, and will amend the SIP as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy, and at least once every three years.

For and on behalf of
**Trustee of the Nomura London Retirement Benefits Plan**

# The Trustee's policy towards risk, risk measurement and risk management

## 1. DB Section



The Trustee considers that there are a number of different types of investment risk that are important for the Plan. These include, but are not limited to:

### A.1. Strategic risk

This is the risk that the performance of the Plan's assets and liabilities diverges in certain financial and economic conditions. This risk has been taken into account in the Trustee's investment strategy review, and will be monitored by the Trustee on a regular basis.

The Trustee will review the Plan's investment strategy at least every three years in light of the various risks faced by the Plan.

### A.2. Inadequate long-term returns

A key objective of the Trustee is that, over the long-term, the Plan should have adequate resources to meet its liabilities as they fall due. The Trustee therefore invests the assets of the Plan to produce an adequate long-term return.

For the passive gilt funds, an adequate return is understood to be a return in-line with the underlying gilt benchmark for each fund. For the Sterling Liquidity Fund an adequate return is understood to be a return in-line with SONIA.

### A.3. Investment manager risk

This is the risk that investment managers fail to meet their investment objectives. The Trustee monitors the investment managers on a regular basis.

### A.4. Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Trustee's ability to meet its investment objectives.

The Trustee believes that the need for the Plan's assets to be adequately diversified within the Sterling Liquidity Fund has been met by the guidelines agreed with the investment managers.

### A.5. Liquidity/marketability risk

This is the risk that the Plan is unable to realise assets to meet benefit cash flows as they fall due. The Trustee is aware of the Plan's cash flow requirements and believes that this risk is managed appropriately via the measures described in Section 7.1.

## A.6 Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Plan invests in pooled funds and is therefore directly exposed to credit risk in relation to solvency of the investment manager and custodian of those funds.



The manager of the Sterling Liquidity Fund manages credit risk by having a suitably diversified exposure to issuers, conducting thorough research on the probability of default of those issuers, and by typically having only a limited exposure to credit instruments rated below investment grade. The magnitude of credit risk within the fund will vary over time, as the manager changes the underlying investments in line with its views on markets, asset classes and specific bonds.

There is also credit risk associated with the annuity policies with Aviva and PIC which the Trustee considered before the policies were taken out.

## A.7 Currency risk

The Plan is subject to currency risk because some of the Plan's investments within the Sterling Liquidity Fund are classified as overseas assets. The Trustee manages the amount of currency risk by investing in pooled funds that hedge currency exposure (or in the case of the passive gilt funds held, take no exposure in the first place).

## A.8 Interest rate risk

Some of the Plan's assets are subject to interest rate risk. However, the overall interest rate exposure of the Plan's assets hedges part of the corresponding risks associated with the Plan's liabilities. The net effect will be to reduce the volatility of the funding level, and therefore the Trustee believes that it is appropriate to have exposure to interest rate risk in this manner.

## A.9. Environmental, social and governance (ESG) risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Plan's investments, some of which could be financially material, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance. The Trustee seeks to appoint investment managers who will manage these risks appropriately on their behalf and from time to time reviews how these risks are being managed in practice.

## A.10. Other non-investment risks

The Trustee recognises that there are other, non-investment, risks faced by the Plan. Examples include:

- mortality risk (the risk that members live, on average, longer than expected);

- sponsor risk (the risk that, for whatever reason, the sponsoring employer is unable to support the Plan as anticipated). The Trustee has taken into account the strength of the employer's covenant in setting the Plan's investment strategy; and
- litigation risk (the risk that legal action or activity results in a deterioration in the Plan's financial position or has other negative effects).



Together, the investment and non-investment risks give rise generally to funding risk. This is the risk that the Plan's funding position falls below what is considered an appropriate level. By understanding and considering each of the risks that contribute to funding risk, the Trustee believes that they have addressed and are positioned to manage this general risk.

## 2. DC Section

### A.1. The Trustee's policy towards risk

The Trustee considers that there are a number of different types of investment risk that need to be considered in relation to the DC Section. These include, but are not limited to:

### A.2. Risk of inadequate long term returns

As members' benefits are dependent on the investment returns achieved, it is important that investment vehicles are available which can be expected to produce adequate real returns over the longer term.

### A.3. Risk of deterioration in investment conditions near retirement

For a given amount of money, the level of pension secured for a member will depend upon investment conditions at retirement. A sharp deterioration in these conditions in the period just prior to retirement will have a substantial impact on the benefits provided.

### A.4. Risk from unsuitable investments

The Trustee has considered the kinds of investments that could be offered to members of the DC Section and assessed whether they are suitable or otherwise. The Trustee has considered the various investment characteristics of the funds offered by LGAS and Schroders, and believe that the funds offered to members of the DC Section are suitable.

### A.5. Risk from excessive charges

If the investment management charges together with other charges levied on, for example, transfers or early retirement are excessive, then the value of a member's account will be reduced unnecessarily. The Trustee is comfortable that the charges applicable to the Plan are in line with market practice and assess regularly whether these represent good value for members.

### A.6. Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Plan's assets. The Trustees believes that the DC options provide a suitably diversified range for members to choose from.  This was a key consideration when determining the Plan's investment arrangements and is monitored by the Trustee on a regular basis.

### A.7. Liquidity/marketability risk



For the DC Section, this is the risk that core financial transactions, such as investing members' contributions, are not processed promptly due to lack of liquidity in the investments.  The Trustee manages this risk by only using pooled funds with daily dealing within the options available to members.

### A.8. Environmental, social and governance (ESG) risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Plan's investments, some of which could be financially material, over both the short and longer term.  These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance.  The Trustee seeks to appoint investment managers who will manage these risks appropriately on their behalf and from time to time reviews how these risks are being managed in practice.

### A.9. Other non-investment risks

There are a number of other risks that arise from certain investment activities, such as operational risk.  The investment managers place controls on such activities where appropriate and these are set out in the trust document appropriate to each fund.

# *Investment manager arrangements*



### B.1. DB Section

The Trustee has selected LGIM as the investment manager for the Plan's DB assets.



LGIM's objective for its passive gilt funds is to provide a return in-line with the underlying gilt benchmark for each fund. LGIM's objective for its Sterling Liquidity Fund is to provide a return in-line with SONIA. The funds are priced weekly. The funds are open-ended and unlisted.

### B.2. DC Section

| Fund name/asset class | Benchmark index | Active or Passive |
|---|---|---|
| L&G UK Equity Index | FTSE All-Share Index | Passive |
| L&G Global Equity Fixed Weights 50:50 Index (GBP Hedged) | A combination of Global FTSE equity indices | Passive |
| L&G Active Aggregate All Stocks 50:50 Fixed Interest | 50% FTSE A All Stocks Gilts Index<br>50% Markit iBoxx Sterling Non-Gilts Index | Active |
| L&G Over 5-year Index-Linked Gilts Index | FTSE A Over 5 Year Index-Linked Gilts Index | Passive |
| L&G Cash | 7 day LIBID | Active |
| Schroders Managed Balanced | 35% FTSE All Share Total Return, 15% S&P 500 Total Return Index, 15% FTSE World Series Europe ex UK TR, 5% Tokyo Stock Exchange 1st Section Index (TOPIX) TR, 5% MSCI Pacific ex Japan TR Gross, 5% MSCI Emerging Markets TR, 7.5% iBoxx GBP Gilts TR, 7.5% iBoxx GBP Non-Gilts TR, 5% UK SONIA | Active |
| Schroders Global Equity | MSCI World (NDR) Index | Active |
| Schroders QEP Global Core | MSCI World (NDR) Index | Active |

The objective of the passive funds offered within the DC Section is to track the benchmark indices closely

### B.3. Additional Voluntary Contributions ("AVCs")

Schroders and L&G are the Plan's money purchase AVC providers, with the same funds as offered in the DC Section above being made available to members.

# Responsibilities and fees



## C.1. Responsibilities and investment decision-making structure

The Trustee has decided on the following division of responsibilities and decision-making for the Plan. This division is based upon the Trustee's understanding of the various legal requirements placed upon it, and its view that this division allows for efficient operation of the Plan overall, with access to an appropriate level of expert advice and service.

## C.2. Trustee

In broad terms, the Trustee is responsible in respect of investment matters for:

- developing a mutual understanding of investment and risk issues with the employer;
- setting the investment strategy, in consultation with the employer;
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change);
- formulating a policy on taking account of non-financial matters in the selection, retention and realisation of investments;
- setting the policy for rebalancing between asset classes;
- setting a policy on the exercise of rights (including voting rights) and undertaking engagement activities in respect of the investments;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form;
- appointing (and, when necessary, dismissing) investment managers, investment advisers, actuary and other service providers;
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- communicating with members as appropriate on investment matters, such as the Trustee's assessment of its effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged;
- reviewing the investment policy as part of any review of the investment strategy;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate; and
- consulting with the employers when reviewing the SIP.

### C.3. Investment managers

In broad terms, the investment managers will be responsible for:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation;
- taking account of financially material considerations (including climate change and other ESG considerations) as appropriate when managing the portfolios of assets;
- exercising rights (including voting rights) attaching to investments and undertaking engagement activities in respect of investments;
- providing the Trustees with regular information concerning the management and performance of their respective portfolios; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

The custodians of the portfolios (whether there is a direct relationship between the custodian and the Trustee or not) are responsible for safe keeping of the assets and facilitating all transactions within the portfolios.

### C.4. Investment adviser

In broad terms, the investment adviser will be responsible, in respect of investment matters, as requested by the Trustee, for:

- for the DB Section, advising on how material changes within the Plan's benefits, membership, and funding position may affect the manner in which the assets should be invested and the asset allocation policy;
- for the DC Section, advising on a suitable fund range for the Plan, and how material changes to legislation or within the Plan's benefits and membership may impact this;
- advising on the selection, and review, of the investment managers; and
- participating with the Trustee in reviews of this SIP.

### C.6 Mandates given to advisers, and investment managers

The Trustee has in place signed agreements with each of the Plan's advisers, and investment managers. These provide details of the specific arrangements agreed by the Trustee with each party.

### C.7. Fee structures

The Trustee recognises that the provision of investment management, dealing, and advisory services to the Plan results in a range of charges to be met, directly or indirectly, by deduction from the Plan's assets.

The Trustee has agreed Terms of Business with the Plan's actuarial and investment advisers, under which charges are calculated on a "time-cost" basis or agreed fixed fees.

The investment managers receive fees calculated by reference to the market value of assets under management. The fee rates are believed to be consistent with the managers' general terms for institutional clients and are considered by the Trustee to be reasonable when compared with those of other similar providers.

The fee structure used in each case has been selected with regard to existing custom and practice, and the Trustee's view as to the most appropriate arrangements for the Plan. However, the Trustee will consider revising any given structure if and when it is considered appropriate to do so.

### C.8. Performance assessment

The Trustee is satisfied, taking into account the external expertise available, that there are sufficient resources to support its investment responsibilities. The Trustee believes that it has sufficient expertise and appropriate training to carry out its role effectively.

It is the Trustee's policy to assess the performance of the Plan's investments, investment providers and professional advisers from time to time. The Trustee will also periodically assess the effectiveness of its decision-making and investment governance processes and will decide how this may then be reported to members.

### C.9 Working with the Plan's employer

When reviewing matters regarding the Plan's investment arrangements, such as the SIP, the Trustee seeks to give due consideration to the employer's perspective. While the requirement to consult does not mean that the Trustee needs to reach agreement with the employer, the Trustee believes that better outcomes will generally be achieved if the Trustee and employer work together collaboratively