

The G. W. Padley Holdings Limited Superannuation Scheme

Statement of Investment Principles ("SIP")

Background

This Statement of investment Principles has been prepared by the Trustee of the G. W. Padley Holdings Limited Superannuation Scheme ("the Scheme") to meet the requirements of Section 35 of the Pensions Act 1995 and SI 2005/3378 The Occupational Pension Schemes (Investment) Regulations.

It has been prepared after obtaining and considering the written advice of a person who is reasonably believed by the Trustee to be qualified by his ability in and practical experience of financial matters and has the appropriate knowledge and experience of the management of investments of pension schemes.

The Statement has been prepared after consultation with the sponsoring employer.

The Statement will be reviewed at least every three years or, without delay, after any significant change in investment policy.

Purpose

This statement sets out the principles governing the Trustee's decisions to invest the assets of the Scheme.

The Trustee has taken the Myners' Principles into consideration when making decisions about the Scheme's investment arrangements.

Objectives

The Trustee's primary investment objective for the Scheme is to minimise the risk that there are insufficient assets available to meet all liabilities as and when they fall due. In doing so, the Trustee also aim to invest in assets which broadly match the pricing of suitable insurance buy in/out policies, having regard to the support available from the sponsoring employer.

The Trustee believes that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used by the Scheme Actuary.

Implementation

The Trustee sets the broad investment strategy having regard to the objectives and following careful consideration of:

- the nature and duration of the Scheme's liabilities,
- the risks of investing in the various asset classes,
- the implications of the strategy (under various scenarios) for the level of contributions required to fund the Scheme,
- the strength of the sponsoring company's covenant.

The Trustee recognises that the investment strategy is subject to risk, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities.

The Scheme's assets are invested wholly via pooled vehicles.

The Trustee has delegated day to day investment decisions by investing in pooled funds.

The Trustee will maintain a list of the pooled funds in which they invest in Appendix A and will amend this as necessary.

The proportion of the assets held within each fund is approximate and will vary from time to time as a result of changes in the value of each fund.

There will be no automatic rebalancing of the overall portfolio.

Disinvestment

Where cash is required to meet benefit payments or for general purposes of the Scheme, the Trustee will disinvest in accordance with the provision set out in Appendix B, unless the Trustee decides otherwise.

Policies

Use of Pooled Funds

The Trustee does not make decisions regarding the investments held within each pooled fund.

When choosing a pooled fund, the Trustee will have regard to the investments held, the risks associated with investing in that fund and any constraints on the type of assets that may be held within the fund.

The balance between investment classes will be determined by the manager of the pooled fund.

The Trustee reviews performance of the fund managers at regular intervals and also consider the performance of the overall strategy against their objectives.

Environment, Social and Governance Issues

The Trustee believes that good stewardship and environmental, social and governance (“ESG”) issues may have a financially material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and potential opportunities that increasingly may require explicit consideration.

The Trustee has given the pooled fund managers full discretion when evaluating ESG issues, including climate change considerations, exercising voting rights and stewardship obligations attached to the Scheme’s investments. The Trustee expects managers to have integrated ESG into their risk analysis and investment process. Similarly, the Scheme’s voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

The Scheme’s investment advisors will keep the Trustee informed on ESG issues. The Trustee considers how ESG, climate change and stewardship is integrated within investment processes when appointing new managers and the Trustee monitors their existing managers’ ESG approach on a periodic basis, and discuss ESG considerations as part of ongoing reviews.

Non-Financial Matters

Non-financial matters are not taken into account when determining the Scheme's investment policy. Member views are not actively sought but the Trustee make a copy of the Statement of Investment Principles available to members on request and publish a copy of the Statement on a publicly accessible website.

Direct Investment

The Trustee will not hold investments directly and hence cannot exercise voting rights nor undertake investment engagement activities.

Incentivising investment Managers

As investments are made in pooled funds with defined charges and expenses, it is not possible directly to incentivise fund managers to align investments with the Trustee's policies, improve engagement or monitor transaction costs. Ultimately, the Trustee's only remedy is likely to be to move to an alternative pooled fund.

Monitoring Turnover

The nature of the Scheme's investments makes it impractical for the Trustee to monitor turnover or turnover costs directly. The performance figures that the Trustee and their investment consultant analyse are net of transactions costs, so this is taken into account indirectly.

Term of Manager Appointments

The investment in any particular pooled fund managers does not have a fixed term but can be terminated in the event of consistent underperformance or misalignment with the Trustee's objectives.

Employer-Related Investments

The policy of the Trustee is not to hold any employer-related investments as defined in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 except where the Scheme invests in collective investment schemes that may hold employer-related investments. In this case, the total exposure to employer-related investments will not exceed 5% of the Scheme's total value. The Trustee will monitor this on an ongoing basis to ensure compliance.

APPENDIX A

Current fund managers

Manager	Fund
Fidelity	FID INDX UK GILT FD P
	FID IDX-LINK BD FD I-HNC
	FID LG DTGB CRP BW W-INC
	Fidelity Cash Fund W-INC

APPENDIX B

Disinvestment of Assets

Where assets need to be disinvested, moneys will be drawn from the Fidelity Cash Fund W-ACC-GBP fund unless the Trustee decides otherwise.