Homestyle 2007 Pension Scheme

Statement of Investment Principles

Investment objective

This Statement of Investment Principles ("the SIP") covers the Homestyle 2007 Pension Scheme (the "Scheme").

The Trustee aims to invest the assets of the Scheme prudently to endeavour to ensure that the benefits promised to members are provided. The asset allocation strategy is designed to meet members' benefits while at the same time being consistent with the Trustees' policy on risk.

Investment strategy

The Scheme's present strategy is to invest according to the following asset allocation:

Asset Class	Proportion %
Buy-in Policy	100.0
TOTAL	100.0

The Trustee is responsible for the Scheme's investment policy and takes account of the following issues:

- The need to consider a full range of asset classes
- The risks and rewards of a range of alternative asset allocation strategies
- The suitability of each asset class
- The need for appropriate diversification

The benefits of a buy-in policy have been deemed to be appropriate, having taken the objectives of the Trustee into account.

The Trustee recognises that the key risk to the Scheme is that it has insufficient assets to make provisions for 100% of its liabilities ("funding risk"). The Trustee has identified a number of risks which have the potential to cause deterioration in the Scheme's funding level and therefore contribute to funding risk. These are as follows:

- *The risk of a significant difference in the sensitivity of asset and liability values to changes in financial and demographic factors ("mismatching risk")*. The Trustee agreed that the best way to mitigate these risks was to insure member benefits via the buy-in policy.

- *The risk of a shortfall of liquid assets relative to the Fund's immediate liabilities ("cashflow risk").* The Trustee and their advisers considered this risk when setting the investment strategy and have acted to minimise its potential effect via the buy-in policy.

- *The failure to spread investment risk ("risk of lack of diversification").* The Trustee and their advisers considered this (and potential counterparty) risk when deciding on which insurer to use to transact the buy-in policy.

- *The possibility of failure of the Scheme's Sponsoring employer ("covenant risk").* The nature of the buy-in policy now largely mitigates against the impact of a change in the Sponsor covenant. Reliance on the Sponsor covenant will only be removed entirely when the Scheme transitions to buy-out.

- *The risk of fraud, poor advice or acts of negligence ("operational risk").* The Trustee have sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.

Non-Financial Risks

Non-financial risks are not applicable given the liabilities are insured via the buy-in policy.

Implementation

The Trustee takes decisions as a group and monitor those that it delegates. Isio Group Limited provide investment advice on an ad hoc basis at the request of the Trustee.

The Scheme's assets are invested with Aviva ("the insurer") in a buy-in policy.

The Trustee has delegated all day-to-day decisions about the operations that fall within the mandate to the insurer through a written contract. When choosing investments the Trustee, fund managers and insurers (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). Fund managers and insurers' duties include voting and corporate governance in relation to the assets.

Governance

The Trustee is responsible for the investment of the Scheme's assets. The Trustee takes some decisions themselves and delegates others. When deciding which decisions to take themselves and which to delegate, the Trustee has taken into account whether it has the appropriate training and expert advice in order to take an informed decision.

The Trustee expects the insurer to manage the assets delegated to them under the terms of their contract and to give effect to the principles in this Statement so far as is reasonably practicable.

Aviva's remuneration was reflected in the premium paid to them as part of the take on of assets when the buy-in policy was established.

Direct investments

Direct investments, as distinguished by the Pensions Act 1995, are products purchased without delegation to a fund manager through a written contract. When selecting and reviewing any direct investments, the Trustee will obtain appropriate written advice from their investment advisers.

Employer-related investments

The Trustee policy is not to hold any employer-related investments as defined in the Pensions Act 1995, Occupational Pension Schemes (Investment) Regulations 2005 and any subsequent legislative amendments and the buy-in policy is consistent with this.

Reviewing this Statement

The Trustee will review this SIP at least every three years and immediately following any significant change in investment policy. The Trustee will take investment advice and consult with the Sponsoring Employer over any changes to the SIP.

Compliance

This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005. Before preparing or subsequently revising this Statement, the Trustee consulted the Sponsoring employer and took appropriate written advice.

The Trustee of the Homestyle 2007 Pension Scheme

Date: 28/09/2020