

**STATEMENT OF INVESTMENT PRINCIPLES
FOR THE
BIRCHAM DYSON BELL LLP GROUP MONEY PURCHASE SCHEME**

1. Introduction

This document is the 'Statement of Investment Principles' (SIP) for the Bircham Dyson Bell LLP Group Money Purchase Scheme ("the Scheme"). It has been produced in line with Section 35 of the Pensions Act 1995, Section 244 of the Pensions Act 2004 and associated regulations.

The Scheme is a paid up hybrid Occupational Pension Scheme that has both Defined Benefit and Defined Contribution benefits.

At the last Actuarial Valuation Report the Scheme Technical Provisions funding level was 150% on the "ongoing" valuation basis, reflecting the position on 30 November 2021.

The Schedule of Contributions dated 25 April 2023 confirms that there is no deficit in the Scheme at the valuation date and therefore no recovery plan contribution required. There is a packaged policy of assurance with Aviva and the Scheme is heading towards Buy Out. The Trustee acknowledges there may be significant investment risk and these risks are considered constantly. The Trustee takes appropriate investment advice and reviews the existing investment strategy when required.

Defined Contribution Benefits are provided on a money purchase basis to members. Members of the Scheme who did not make an explicit choice regarding the investment of their funds were invested in the default arrangement. The Trustee, with the advice of their Investment Consultant, has chosen the default arrangement. The 'default' investment option applies where members have not exercised a self-select choice.

2. Preparation and review of the SIP

The Trustee is responsible for the investment strategy of the Scheme and where appropriate, has obtained written investment advice from their Investment Adviser, Professional Pensions and Investments Limited (PPI). The Trustee believes that PPI has suitable knowledge, qualifications and experience to offer this investment advice and otherwise fulfils the legislative requirements to be able to offer financial advice.

The Trustee has considered when to take advice, the circumstances of that advice, the types of investment to be held and when to seek further investment advice.

The Trustee is aware of the penalties for failing to comply with the Pension Act 1995, the Pensions Act 2004 and subsequent regulations.

The SIP will be reviewed every 3 years or immediately after a significant change in the investment policy. The statement itself may not however change simply as a result of the review.

The Scheme invests in funds managed by Aviva to reflect the benefit due to the members and the investment is an integral component of the package of services obtained by the Principal Employer when the Trust was instigated. The Plan is not being used as a qualifying scheme for automatic enrolment purposes. The Trustee

has considered the desired and appropriate outcomes and decided that the fund already in use and the packaged services of Aviva remains appropriate. This helps to keep operational and management costs proportionate. Members do not have an option to invest elsewhere.

3. Investment Objective

The Trustee primary investment objective is to ensure that member outcomes at the point of claiming benefits at retirement are appropriate. The Trustee has an investment policy that is expected to deliver an appropriate outcome for members.

The Trustee has chosen investments that they believe will achieve this objective, whilst maintaining an appropriate degree of risk and diversification. The Trustee has also borne in mind the requirements in operating the Scheme.

4. Investment Risks

The Trustee recognise investment risks and that members are exposed to different types of risk during different stages of the membership. The main investment risks are:

- Volatility Risk. The risk that the value of the member's pension pot will fluctuate during the investment period.
- Investment Risk. The risk that the member is not investing in growth assets over the long term and requires lower risk assets nearer to retirement.
- Ethical, Environmental, Social and Governance (ESG) risk. Long term performance of an asset may be significantly affected by this risk.
- Inflation Risk. The risk that the members investment will not grow enough to keep pace with the cost of living.

The Trustee believes the risks identified above are best managed by using pooled funds and is satisfied that the Investment Manager used in the policy provide adequate diversification to manage volatility, investment and inflation risk. The underlying Investment Manager can use their influence to ensure that the companies they invest in integrate ESG factors into their culture.

5. Defined Contribution Default Investment

The position as regards to the default investment fund is shown below:

Fund Name	AMC %	Additional Expenses %	Assumed Growth Rate %
Aviva Managed LMP / FPP	0.75	0.01	1.5 above inflation

Annual Management Charge (AMC) is the annual charge expressed as a percentage, charged by the fund manager. The charge covers the cost of running the fund and any product charges. The Additional Expenses is in addition to the AMC, covering costs such as maintenance costs for underlying properties and costs associated with investing in infrastructure.

6. Trustee Investment Policies

The Trustee consults with their investment adviser in order to secure compliance with the legislation surrounding pension Scheme investment.

The Trustee recognises that the member takes the investment risk and both the benefits of good performance and the risk of underperformance are borne directly by the member. It is therefore the policy of the Trustee to invest in pooled funds with an appropriate level of diversification in order to control risk.

The Trustee is aware of the benchmark for the default fund and believes that this is suitable to meet the Trustee objectives and maintain a suitable level of risk within the Scheme.

The Trustee reviews the Scheme investment performance and suitability of the investment on a periodic basis taking advice from their Investment Adviser. If the Trustee identifies any significant issues relating to either investment performance or other associated aspects connected with the investment of the assets, they will seek advice from their advisers.

The Trustee is also aware of the governance processes for the Investment Manager. This gives comfort to the Trustee that the Investment Manager has suitable internal risk controls to run suitably diversified funds and offer funds that do not incur excessive risk relative to their benchmark.

The Expected Return on the Default Investment

The fund may contain equities, fixed interest investments and other financial instruments.

The Trustee expects such funds to produce a rate of return that will reflect the markets they are invested in. In a low interest rate environment, the returns will reflect that situation.

Realisation of Investments

The Trustee is comfortable that due to the liquidity of this fund, monies can be realised when required.

There is a documented procedure between the Trustee and Aviva that states that only authorised signatories can realise investments.

7. Social, Environmental Governance and Ethical Investment Considerations

The Trustee believes that companies with good stewardship and governance could help to build sustainable business models and are beneficial to society. The Trustee also appreciates sustainable investing extends to “inclusion and diversity”. The Trustee and their adviser will seek pooled fund managers that hold an ESG culture without creating a prejudicial financial impact to the Scheme. The Trustee does review and will continue to review from time to time the policies operated by the fund manager in respect of corporate governance, environmental, social governance, ethical and diversity issues.

With specific regard to climate change impact the Trustee is monitoring the actions of their Investment Manager and may consider the suitability of their market capitalisation approach to indices.

8. Voting Rights

As the Trustee is invested in units of pooled funds voting rights as such do not pass to the Trustee.

The Trustee may receive information from the underlying Investment Manager on how they exercise the voting rights entrusted to them on behalf of the Scheme and in the interests of the members. These matters are considered at Trustee meetings. The Trustee, via the investment adviser, encourages the Investment Manager to engage with companies that they invest in on matters relating to beneficial ESG issues.

8. Representation

The Trustee welcomes comment from the members on matters of governance decisions. Contact information is provided in the Annual Report and Financial Statements produced by the Trustee.

October 2023