

Shoosmiths Retirement Savings Scheme (“the Scheme”) – Statement of Investment Principles

1 Introduction

This is the Statement of Investment Principles prepared by the Trustees of the Shoosmiths Retirement Savings Scheme (“the Scheme”). This statement sets down the principles which govern the decisions about investments that enable the Scheme to meet the requirements of:

- the Pensions Act 1995, as amended by the Pensions Act 2004; and
- the Occupational Pension Schemes (Investment) Regulations 2005 as amended by:
 - the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010;
 - the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018; and
 - the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

In preparing this statement, the Trustees have consulted Shoosmiths LLP, the Principal Employer, and obtained advice from Barnett Waddingham LLP, the Trustees’ investment consultant. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority.

The Trustees will review this statement at least every three years or if there is a significant change in any of the areas covered by the statement.

Any change to this statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

The Scheme is run on a fully insured basis with Aviva as the sole provider, the statement reflects this.

2 Investment policy

The Trustees are required by the Scheme’s trust deed and rules to invest all of the Scheme’s assets in policies or contracts of annuity or assurance with qualifying insurance policies.

Since the Scheme commenced in 1988 investments have been made with Aviva (and predecessor companies). Aviva UK Life is considered to be a leading pension provider and is regulated by the Financial Conduct Authority.

The contract entered into by the Trustees solely invests contributions in a ‘With Profits’ fund operated and managed by Aviva (the Aviva With-Profits Fund).

3 Reasons for investment policy

The Trustees' reasons for investing in a With Profits policy are as follows:

- the contract with Aviva includes guaranteed rates of minimum growth
- it offers broad diversification across a number of different asset classes

In addition, a wholly insured arrangement provides:

- the security provided by the insurance company's regulation by the Financial Conduct Authority and the Financial Services Compensation Scheme
- the expertise provided by the insurance company's administration and investment management teams
- economies of scale gained through investing in a packaged product with an insurance company

4 Choosing investments

The power to invest the Scheme's assets is vested in the Trustees. The Trustees have, since the Scheme began in 1988, been investing in an insurance contract that only utilises a With Profits strategy.

The Trustees have no control over the choice of assets underlying the With Profits strategy within the current insurance contract but have the option of buying out some or all of the benefits or changing the insurance contracts if the Trustees consider that their underlying assets no longer suit the Trustees' objectives.

Should the Trustees seek to transfer funds away from the Scheme on a bulk or individual basis as part of any investment changes made by the Trustees, Aviva may (and have) applied penalties or 'Market Value Adjustments' (MVA) to member funds. In some cases the advantageous annual bonus rates which attach to members' accounts would be lost.

Details of the FLC With-Profits Sub-Funds in which the Scheme is invested in are held at:

<https://www.aviva.co.uk/investments/investment-products/select-investment/fund-guides/#flc-with-profits>

The link includes the following documents, which are reviewed by the Trustees on a periodic basis:

- Principles and Practices of Financial Management (PPFM)
- PPFM Summary of Changes
- Board report to with-profits policyholders
- With-Profits summary

5 Agreement

This statement was agreed by the Trustees and replaces any previous statements. Copies of this statement and any subsequent amendments will be made available to the Principal Employer, the investment managers and the Scheme auditor upon request.



Signed:.....

12 July 2022

Date:.....

On behalf of the Shoosmiths Retirement Savings Scheme