The Wiltshire (Bristol) Limited Retirement Benefits Scheme (the "Scheme") Statement of Investment Principles

This Statement has been prepared in accordance with section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004), and the Occupational Pension Schemes (Investment) Regulations 2005.

Investment Objective

The Trustees aim to invest the assets of the Scheme prudently to ensure that the benefits promised to members are provided. The Trustees have purchased an annuity policy to insure these benefits and minimise the risk that the Scheme is unable to meet this objective.

STRATEGY

The Scheme invests in a Bulk Purchase Annuity Agreement ("Annuity Policy") with Just Retirement. The Annuity Policy is intended to provide a return which matches the liabilities insured for the membership of the Scheme, and remove unrewarded risks such as interest rates, inflation and longevity, that are associated with those liabilities insured.

In addition to the Annuity Policy, the Scheme holds some residual assets, expected to remain less than c. £1m, invested in gilts and cash with Legal & General Investment Management ("LGIM"). The returns for the residual assets are expected to provide a broad match for the interest rate and inflation sensitivity of a proportion of the Scheme's remaining uninsured liabilities (with the remainder expected to be met by the sponsoring employer).

The Scheme's assets do not have an explicit return objective, rather the assets aim to deliver the benefits promised to members.

The current asset allocation strategy was determined with regard to the actuarial characteristics of the Scheme, in particular the strength of the funding position, liability profile of the Scheme, its cashflow requirements and the Trustees' objectives. The assets of the Scheme are invested in the best interests of the members and beneficiaries.

When choosing the Scheme's asset allocation strategy, the Trustees considered written advice from its investment advisers and, in doing so, addressed the following:

- 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.

In addition, the Trustees also consulted with the sponsoring employer when setting this strategy.

RISK

The Trustees recognise that the key risk to the Scheme is that it has insufficient assets to make provisions for 100% of its liabilities ("funding risk"). The Trustees have identified a number of risks which have the potential to cause a 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 Trustees and their advisers considered this mismatching risk when setting the investment strategy, however this risk has reduced significantly with the Annuity Policy now in place.
- The risk of a shortfall of liquid assets relative to the Scheme's immediate liabilities ("cash flow risk"). The Trustees and their advisers will manage the Scheme's cash flows taking into account the timing of future payments in order to minimise the probability that this occurs. Just Retirement is responsible for providing the cash for benefit payments covered by the Annuity Policy, the risk that it defaults on this obligation is covered under 'Annuity Policy default risk' below. The remaining assets invested with LGIM are relatively liquid and can be realised at short notice if required.
- The failure by the fund managers to achieve the rate of investment return assumed by the Trustees ("manager risk"). This risk is considered by the Trustees and their advisers both upon the initial appointment of the fund managers and on an ongoing basis thereafter.
- The failure to spread investment risk ("risk of lack of diversification"). The Trustees and their advisers considered this risk when setting the Scheme's investment strategy.
- The possibility of failure of the Scheme's sponsoring employer ("covenant risk"). The Trustees and their advisers considered this risk when setting investment strategy and consulted with the sponsoring employer as to the suitability of the proposed strategy.
- The risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustees 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.
- The risk that Just Retirement fail to make the pension payments covered by the Annuity Policy as they fall due ('Annuity Policy default risk'). Having considered the credit strength of the insurer as part of its due diligence process, in addition to other factors such as the regulatory environment and other protections available (e.g., the Financial Services Compensation Scheme), the Trustees considered this to be an appropriate investment for the Scheme.

Due to the complex and interrelated nature of these risks, the Trustees consider the majority of these risks in a qualitative rather than quantitative manner.

The Trustees' policy is to monitor these risks periodically.

IMPLEMENTATION

Aon has been selected as investment adviser to the Trustees. The investment advisor is paid for advice received on a time cost basis for all the work they undertake for the Trustees although, for significant areas of advice, a fixed fee may be negotiated.

The majority of the Scheme's assets are invested in an Annuity Policy with Just Retirement. The day-to-day management of these assets is delegated to Just Retirement. The residual assets are invested with LGIM.

The Trustee has delegated all day-to-day decisions about the investments that fall within each mandate, including the realisation of investments, to Just Retirement and LGIM through a written contract.

RESPONSIBLE INVESTMENT

In setting the Scheme's investment strategy the Trustees' primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. These include the risk that environmental, social and governance factors including climate change negatively impact the value of investments held if not understood and evaluated properly. The Trustees consider this risk by taking advice from their investment adviser when setting the Scheme's asset allocation, when selecting managers and when monitoring their performance.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest the majority of the Scheme's assets in an Annuity Policy and therefore cannot directly influence the environmental, social, and governance ESG policies and practices of the companies in which the Annuity Policy invests. ESG considerations were a contributing factor in the Annuity Policy decision. Residual assets are invested in cash or gilts with LGIM, where the Trustees consider ESG and climate to not present material risks.

Stewardship – Voting and Engagement

Following the purchase of the Annuity Policy, responsibility for voting and engagement for the majority of the Scheme's assets has been delegated to the Annuity Provider, Just Retirement. Residual assets are invested in cash or gilts with Legal & General Investment Management. Given the relatively small proportion of Scheme assets invested with LGIM, the Trustees do not have a formal stewardship policy in place for these assets.

Members' Views and Non-Financial Factors

In setting and implementing the Scheme's investment strategy the Trustees do not take into account the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

COST MONITORING

Following the purchase of the Annuity Policy, responsibility for monitoring costs of the majority of the Scheme's assets has been delegated to Just Retirement. The Trustees therefore do not monitor costs relating to the Policy. The Trustees paid a premium to Just Retirement when the Annuity Policy was initiated, and as a result there are no ongoing fees in respect of the Policy.

Residual assets are invested in cash or gilts with Legal & General Investment Management. Given the relatively small proportion of Scheme assets invested with LGIM, the Trustees do not have a formal Cost Monitoring policy in place for these assets.

Targeted portfolio turnover is defined as the expected frequency with which an investment manager's fund holdings change over a year. Given the majority of the Scheme's assets are invested in the Annuity Policy, the Trustees do not monitor portfolio turnover.

THE ARRANGEMENTS WITH INVESTMENT MANAGERS

Before entering into the Annuity Policy with Just Retirement, the Trustees reviewed the governing documentation associated with the Policy and considered the extent to which it aligned with the Scheme's requirements. Following the purchase of the Annuity Policy, and with the exception of the residual assets, the responsibility for managing arrangements with the underlying asset managers lies with Just Retirement. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the medium and long-term objectives of Just Retirement and as established within the contractual terms of the Annuity Policy of the Scheme.

Given the relatively small proportion of residual assets invested outside of the Annuity Policy, and the nature of the investments held, the Trustees do not maintain a policy for the arrangements with LGIM.

No performance monitoring is carried out in relation to the Annuity Policy however checks are carried out to ensure the payments received from the policy are in line with expectations.

There is no set duration for arrangements with the Annuity Provider or with Legal & General Investment Management.

GOVERNANCE

The Trustees are responsible for the investment of the Scheme's assets. The Trustees take some decisions themselves and delegate others. When deciding which decisions to take themselves and which to delegate, the Trustees have taken into account whether they have the appropriate training and expert advice in order to take an informed decision. The Trustees have established the following decision making structure:

Trustees • Determine investment objective, select and monitor planned asset allocation strategy, and evaluate success of the overall investment strategy • Select / Monitor / retain / terminate investment advisors, fund managers, trustee and other service providers • Set structures and processes for carrying out its role • Select direct investments • Consult with the sponsoring employer
Investment Adviser • Advise on all aspects of the investment of the Scheme's assets including implementation • Advise on this statement • Advise on required training
Investment Managers • Operate within the terms of this statement and their written contracts • Buy and sell individual investments with regard to their suitability and diversification • Advise the Trustees on the suitability of the indices in their benchmark
Annuity Provider • Manage annuity policy to pay the agreed liabilities of the Scheme

Direct Investments

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager with a written contract and those where a product is purchased directly, e.g. the purchase of an insurance policy or units in a pooled vehicle. The latter are known as direct investments.

The Trustees' policy is to review their direct investments and to obtain written advice about them regularly. These include vehicles available for members' Additional Voluntary Contributions (AVCs). When deciding whether or not to make any new direct investments the Trustees will obtain written advice and consider whether future decisions about those investments should be delegated to the fund managers.

The written advice will consider the issues set out in the Occupational Pension Schemes (Investment) Regulations 2005 and the principles contained in this statement. The regulations require all investments to be considered by the Trustees (or, to the extent delegated, by the fund managers) against a set criteria which takes into account the best interests of the members and beneficiaries, the security, quality, liquidity and profitability of the investments, as well as the nature and duration of liabilities. Also of consideration is diversification, the ability to trade on regulated markets and the use of derivatives.

Other Governance Issues

The Trustees' investment adviser has the knowledge and experience required under the Pensions Act 1995 to act within an investment capacity for the Scheme.

The Trustees expect the annuity provider and investment manager to manage the assets delegated to them under the terms of their respective contracts and to give effect to the principles in this statement so far as is reasonably practicable.

Document Maintenance

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

Signed on behalf of the Trustees of the Wiltshire (Bristol) Limited Retirement Benefits Scheme.

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Trustee	Trustee

Effective Date: September 2023