

British Board of Agrément Pension and Life Assurance Scheme

Statement of Investment Principles

1 Background

Purpose of Statement	This Statement sets out the principles governing decisions relating to the investment of the assets of the British Board of Agrément Pension and Life Assurance Scheme (the Scheme).
Nature of Scheme	The Scheme is a defined benefit arrangement set up under trust and registered with HM Revenue and Customs (HMRC).
Compliance with Legislation	The Statement has been prepared to comply with Section 35 of the Pensions Act 1995, Section 244 of the Pensions Act 2004, the Occupational Pension Scheme (Investment) Regulations 2005, the Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification) Regulations 2018, and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.
Availability to Members	A copy of this Statement will be made available to Scheme members on request to the Trustees of the Scheme.
Investment Advice	<p>The Trustees have obtained and considered professional advice on the content of this Statement from BBS Consultants & Actuaries Ltd (BBS), their appointed investment adviser, and Xafinity Consulting Ltd, their previous investment adviser. Both BBS and Xafinity have confirmed to the Trustees that they have the appropriate knowledge and experience to give the advice required under legislation.</p> <p>The Trustees will obtain such advice as they consider appropriate and necessary whenever they intend to review or revise this Statement.</p>
Consultation with the Principal Employer	<p>The Trustees have consulted the Principal Employer, The British Board of Agrément, when setting their investment objectives and strategy, and in the preparation of this Statement.</p> <p>Responsibility for maintaining the Statement and determining the Scheme's investment strategy rests solely with the Trustees.</p>
Investment Powers	The Trustees' investment powers are set out in Clauses 15 - 16 of the Definitive Trust Deed and Rules dated 29 March 2000, as amended. The powers granted to the Trustees are wide and this Statement is consistent with those powers.

2 Investment Objectives

Strength of Employer Covenant	<p>The Trustees have considered the strength of the Principal Employer’s willingness and ability to support the Scheme when setting the investment objectives and strategy. They have decided that the employer covenant allows them to take a long-term view.</p>
Key Funding Measure	<p>The Scheme is subject to the Statutory Funding Objective (SFO) introduced by the Pensions Act 2004, i.e. that it should have sufficient and appropriate assets to cover its Technical Provisions, as calculated in accordance with the Trustees’ Statement of Funding Principles.</p> <p>The Trustees have agreed that the funding position measured under the SFO is the assessment of scheme funding that is of most importance to the Trustees, the Principal Employer and members when setting the investment objectives and strategy, as it determines the Scheme’s funding requirements.</p>
Investment Objectives	<p>The Trustees’ investment objectives are as follows:</p> <ul style="list-style-type: none">• To adhere to the provisions contained within the Scheme’s Statement of Funding Principles.• To acquire suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with contributions from the Principal Employer, the cost of the benefits which the Scheme provides, as set out in the Trust Deed and Rules.• To limit the risk of the assets failing to meet the Technical Provisions over the longer term, by considering the Scheme’s liability profile when setting the asset allocation policy.• To minimise the long-term costs of the Scheme by optimising the return on the assets whilst having regard to the objectives shown above.
Paying Regard to the Principal Employer’s Views	<p>The Trustees will have regard to the Principal Employer’s views on the potential costs and risks associated with the investment objectives set and their implementation through the practical strategy.</p>

3 Principles for Setting the Investment Strategy

Selection of Investments

The Trustees may select investments from a wide range of asset classes from time to time, including, but not restricted to UK equities, overseas equities, government bonds, corporate bonds, commercial property and alternative asset classes, such as hedge funds, private equity and infrastructure.

The investments selected will generally be traded on regulated markets and, where this is not the case, any such investments will be kept to a prudent level.

The Trustees may invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of the Scheme's investments.

The Trustees may hold insurance policies such as deferred or immediate annuities which provide income to the Scheme, matching part or all of the future liabilities due from it.

The Trustees may hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Scheme.

Balance of Investments

The Trustees will set a Target Asset Allocation from time to time, determined with the intention of meeting their investment objectives.

The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed in light of any changes to the Trustees' view of the Principal Employer's covenant, the nature of the Scheme's liabilities or relevant regulations governing pension scheme investment.

Delegation to Investment Manager

The Trustees will delegate the day-to-day management of the Scheme's assets to a professional investment manager and will not be involved in the buying or selling of investments.

Realising Investments

The Trustees make disinvestments from the Investment Manager with the assistance of their administrators, Equiniti, and investment adviser, BBS, as necessary, to meet the Scheme's cashflow requirements.