

STATEMENT OF INVESTMENT PRINCIPLES

Introduction

This Statement of Investment Principles ("the Statement") has been drawn up by the Trustees of the Shoosmiths Retirement Savings Scheme ("the Scheme") in order to meet the requirements of the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005.

Specifically, the Statement is required to cover aspects relating to the Scheme being wholly insured and is intended to affirm the investment principles that govern decisions about the Scheme's investments. In preparing this Statement the Trustees have consulted Shoosmiths LLP ("the Company") on the Trustees' investment principles.

The Pensions Act 1995 allows the Trustees to rely on advice from qualified third parties and in drawing up this Statement, the Trustees have obtained such advice from Capita Employee Solutions appropriate knowledge and experience.

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 ns provider and is regulated by the Financial Conduct Authority. The contract entered into by the Trustees solely invests contributions in a With Profits policy.

Reasons for investment policy

The Trustees' objectives 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

Choice of 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. However, the insurance contract charges include potential financial penalties if members transfer their fund away from Aviva. Currently, no charges are applied by Aviva.

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

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

These include 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

Periodic Review

The Trustees will review their investment policy (and this Statement) as soon as practicable after any significant change in investment policy and at least every three years. 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.

David Thompson

David Thompson
Partner

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Trustee (Employer nominated)

Louise Hadland

Louise Hadland
Director of Human Resources

On behalf of the Company

Lynne d'Arcy

Lynne d'Arcy
Head of Quality & Risk

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Trustee (Member nominated)

Date **3 September 2019**

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The Trustees of the Shoosmiths Retirement Savings Scheme