Construction
& Property
Consultants

Summers-Inman & Partners

Staff Pension Scheme

Statement of Investment Principles

January 2021

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Introduction

1. Introduction

This Statement sets down the principles governing decisions about investments for the Scheme and supersedes the previous Statement prepared by the Trustee of the Scheme ("the Trustee").

In preparing this Statement, the Trustee has:

1.	Consulted with the Principal Employer, Summers Inman Construction and Property Consultants, although responsibility for maintaining this Statement and setting investment policy rests solely with the Trustee.
2.	Obtained and considered professional advice and recommendations from MHA Tait Walker Wealth Management (MHATW) who are the Trustee's appointed investment advisers. MHATW is authorised and regulated by the Financial Conduct Authority ("FCA"). They have confirmed to the Trustee that they have the appropriate knowledge and experience to give the advice required.

The Trustee will review this Statement at least every three years to coincide with the triennial actuarial valuation or other advice relating to the statutory funding requirements. If there are any significant changes in any of the areas covered by this Statement, the Trustee will review it without further delay. Any changes made will be based on written advice from a suitably qualified individual and will follow on from consultation with the Company.

The Scheme is a defined benefits plan. The Trustee's investment powers are set out in Rule 13 of the Scheme Trust Deed Rules dated 2002 and subsequent amending deeds. This Statement is consistent with those powers.

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Investment Objectives

2. Investment Objectives

The Trustee's overall investment policy is guided by the following objectives:

1.	To ensure that the Scheme's assets and future contributions are invested in such a manner that the benefits due to members and their beneficiaries can be paid from the Scheme as they arise.
2.	To set and monitor appropriate benchmarks and performance targets for investment managers. It is recognised that agreed benchmarks and performance targets may vary over time.
3.	To pay due regards to the interests of the sponsoring Employer, Summers Inman Construction and Property Consultants ("the Employer"), in relation to the payment of contributions required.
4.	To fully fund the Scheme on the Technical Provisions basis as set out in the Statement of Funding Principles.

The Scheme Actuary has confirmed during the process of revising the investment strategy that the investment objectives and resultant strategy are consistent with the actuarial valuation methodology and assumptions used in the statutory funding objective.

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Investment Responsibilities

3. Investment Responsibilities

The Trustee

Under the legal documentation governing the Scheme, the power of investment is vested in the Trustee. Therefore, the Trustee is responsible for the setting the investment objectives and determining the strategy to achieve those objectives. It sets the overall investment target and then monitor the performance of its investment managers against the target. In doing so the Trustee considers the advice of its professional advisers, who it considers to be suitably qualified and experienced for this role.

Their duties and responsibilities include but are not limited to:

- ✓ Regular approval of this Statement and monitoring compliance with this Statement
- ✓ Appointment, removal (where applicable) and review of their investment managers or investment adviser and their performance relative to relevant benchmarks
- ✓ Assessment of the investment risks run by the Scheme
- ✓ Monitoring and review of the asset allocation

Investment Adviser's Duties and Responsibilities

The Trustee has appointed MHA Tait Walker Wealth Management as their investment advisor. MHATW provides advice when the Trustee requires it and/or when they feel it suitable to do so. Areas on which it can provide advice are as follows:

- ✓ Setting investment objectives
- ✓ Determining strategic asset allocation
- ✓ Determining suitable funds and investment managers
- ✓ Managing cashflow

It should be noted that the Trustee retains responsibility for all decisions.

MHATW makes a % charge based on the value of the scheme assets. This charge covers all investment services as defined in the Fee Agreement and Scope of Services dated 2016.

Any extra services provided by MHATW will be remunerated on either a fixed fee or a time cost basis and are subject to agreement with the trustees before any additional work is undertaken.

MHATW does not receive any commission or any other payments in respect of the Scheme for investment services that will affect the impartiality of their advice.

The Trustee is satisfied that this is a suitable adviser compensation structure.

Investment Responsibilities continued…

Investment Managers' duties and responsibilities

The Trustee, after considering suitable advice, has appointed Brooks Macdonald and Brewin Dolphin ("the investment managers") to manage the assets of the Scheme. The key duties of the investment managers in this regard are as follows:

- ✓ Select investments suitable for the mandate agreed with the Trustee's agreed asset allocation as per the agreed risk profile. They will align the portion of the portfolio they manage within the agreed asset allocation and aim to maintain this on an on-going basis.
- ✓ Conduct sufficient research analysis in order allow them to construct and manage the portfolio of investments on an Ongoing basis.
- ✓ Provide valuations and breakdown of the scheme assets and asset allocation as required and any additional information required by the trustees to enable them to carry out their duties effectively.

The chosen investment managers are authorised and regulated by the FCA and are responsible for stock selection, asset allocation (if managing a multi-asset portfolio) and the exercise of voting rights. All the underlying managers are compensated by fund based charges on the value of the Scheme's assets that they hold.

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Setting the Investment Strategy

4. Setting the Investment Strategy

The Trustee has determined its investment strategy after considering the Scheme's liability profile, their own appetite for risk and the views, risk appetite and covenant of the Company. It has also received advice from its investment adviser.

Types of Investment

The Scheme's assets are invested on behalf of the Trustee by the investment managers.

The Trustee is permitted to invest across a wide range of asset classes, including but not limited to equities, bonds, cash, property and alternative asset classes. The use of derivatives is as permitted by the guidelines that apply to the pooled funds.

Balance between different types of investment

The Scheme invests in assets that are expected to achieve the Scheme's investment objectives detailed previously. The allocation between the different asset classes is set as being aligned to a Low Medium Risk investment strategy as defined by Distribution Technology and their Dynamic Planner Risk Modelling tool.

The Trustee has considered the merits of both active and passive management for the different elements of the asset allocation and selected suitable types of management for each asset class.

From time to time the investment managers and the scheme may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate any short-term cashflow requirements including the payment of pensions, PAYE relating to the pensions, charges, costs and levies payable by the scheme and any other unexpected events.

The Trustee may also hold insurance policies which are for the benefit of certain members to match part or all of its liabilities.

Expected Return on Investments

The Trustee has noted the long-run relationships that exist between the returns from different asset classes and has noted the different expected risk/return characteristics of the various different asset classes.

In particular it has noted that equities can be expected to deliver a greater long-run real return (over price inflation) than that expected from fixed interest gilts, index-linked gilts or cash but that typically equities are the most volatile asset class in terms of market returns on an annual basis.

The Trustee's chosen policy is to get a balance between stabilising the Scheme's funding level and pursuing higher expected return to improve the Scheme's funding level over the medium to long term.

Setting the Investment Strategy cont'd…

Realisation of Investments

The Scheme's assets are invested in a combination of pooled vehicles and quoted shares, which in turn invest in securities traded on recognised exchanges. The Scheme's investments can generally be readily realised, if necessary.

Financially Material Considerations

The Trustee and their advisers has considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. It believes that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes it is investing in.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds and quoted shares held within a portfolio of assets. Each portfolio is managed on a discretionary basis by the investment managers appointed. The Trustee acknowledges that it cannot directly influence the environmental, social and governance policies and practices of the companies in which it invests. However, the Trustee does expect its investment managers and investment consultant to take account of financially material considerations when carrying out their respective roles.

The Trustee accepts that the Scheme's assets are subject to the investment manager's own policy on socially responsible investment. The Trustee will assess that this corresponds with its responsibilities to the beneficiaries of the Scheme with the help of its investment consultant.

The Trustee will monitor financially material considerations through the following means:

- ✓ Obtain training where necessary on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments;
- ✓ Use ESG ratings information provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues; and
- ✓ Request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes, via its investment consultant.

If the Trustee determines that financially material considerations have not been factored into the investment managers' process, it will take this into account on whether to select or retain an investment.

Non-Financially Material Considerations

The Trustee has not considered non-financially material matters in the selection, retention and realisation of investments.

Setting the Investment Strategy cont'd…

Stewardship

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

The Trustee also expects the fund manager to engage with investee companies on the capital structure and management of conflicts of interest. The Trustee, through its investment consultant, will monitor this. The investment consultant will request annual reports from the manager identifying how they have engaged with the investee companies and managed conflicts of interest issues and report back to the Trustee.

If the policies or level of engagement are not appropriate, the Trustee will engage with the investment manager, with the help of its investment consultant, to influence the investment manager's policy. If this fails, the Trustee will review the investments made with the investment manager.

Investment Manager Arrangements

Incentives to align investment managers' investment strategies and decisions with the Trustee's policies

The Scheme invests in pooled funds and quoted shares so the Trustee acknowledges the funds' investment strategies and that decisions cannot be tailored to the Trustee's policies. However, the Trustee sets its investment strategy and then selects managers that best suits its strategy taking into account the fees being charged, which acts as the fund manager's incentive.

Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustee along with MHATW selects its investment managers based on a variety of quantitative and qualitative factors including investment philosophy and process, which it believes should include assessing the long term financial and non-financial performance of the underlying company.

Setting the Investment Strategy cont'd…

The Trustee acknowledges that in the short term these policies may not improve the returns it achieves, but does expect that by investing in those companies with better financial and non-financial performance over the long term this will lead to better returns for the Scheme.

The Trustee believes that the annual fee paid to the investment managers incentivises them to do this.

If the Trustee feels that the investment managers are not assessing financial and non-financial performance adequately or engaging with the companies they are investing in, it will use these factors in deciding whether to retain or terminate a manager.

The Trustee through their investment advisers reviews the performance of each portion of the portfolio quarterly on a net of fees basis compared to its objective.

The investment managers' remuneration is considered as part of the manager selection process and is also monitored regularly with the help of its investment advisers to ensure it is in line with the Trustee's policies.

The duration of the arrangement with the fund managers

The Trustee plans to engage with each of its investment managers for the long term but will keep this under review.

Changes in investment strategy or changes in the view of the investment managers can lead to the duration of the arrangement being shorter than expected.

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Risks

5. Risks

The Trustee is aware and seeks to take account of a number of risks in relation to the Scheme's investments. Under the Pensions Act 2004, the Trustee is required to state their policy regarding the ways in which risks are to be measured and managed. Overall, the Trustee measures and monitors their risk by the use of a risk profiling tool and the monitoring of the investment managers portfolio and alignment to the required level of risk. The key risks and the policies are as follows:

Concentration Risk	This is managed through the diversification of the Scheme's assets across a range of different assets including funds with different investment styles and underlying securities, and different investment managers.
Investment Manager Risk	This is assessed as the deviation of actual risk and return relative to that specified in the investment managers' objectives. It is measured by monitoring on a regular basis the actual deviation of returns relative to investment managers' agreed objectives and an assessment of factors supporting the managers' investment process.
Sponsor Risk	This is assessed as the ability and willingness of the sponsor (Summers Inman Construction and Property Consultants) to support the continuation of the Scheme and to make good any current or future deficit. This is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by a number of factors including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor.
Liquidity Risk	This is monitored according to the level of cashflows required by the Scheme over a specified time period. The Scheme's administrators will assess the cash requirements to limit the impact of cashflow requirements on the Scheme's investment policy. The risk is managed by having a suitable amount of readily realisable investments and by holding a certain level of cash type assets. The Scheme invests in assets that there are invested in quoted markets and are as readily realisable as the Trustees feel suitable given the Scheme's cashflow position and the expected development of the liabilities.

Risks cont'd…

Currency Risk	The Scheme's liabilities are denominated in sterling. The Scheme may gain exposure to overseas currencies by investing in non-sterling assets or via currency investment. Some currency hedging is used to manage this risk.
Loss of Investment Risk	There is a risk of loss of investment by each investment manager and potentially the custodian. This includes losses beyond those caused by market movements e.g. losses caused by fraud. The Trustees undertake regular reviews of the internal controls and processes of the investment managers.

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Compliance

6. Compliance

The Trustee confirms that it has received and considered the advice from MHATW on the establishment and implementation of its investment strategy as well as the selection of suitable investment managers.

The Trustee confirms that it has consulted with the Company regarding its strategy.

Copies of this Statement and any subsequent amendments will be made available to the Company, the investment managers, the Scheme Actuary and the Scheme auditor upon request.

The Trustee will monitor compliance with this Statement annually. This will include a review of the suitability of the investment strategy on an ongoing basis and consideration of the continued suitability of the appointed investment managers.

ENTER THE NAME OF THE TRUSTEE SIGNING

Signed: **DAVID BLAKEY**

Trustee

Signed for and on behalf of the Trustee of the Summers & Partners Staff Pension Scheme

Date of Signing: 1st December 2020

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Appendix

Appendix

Risk Profile 5 of 10 - Low medium

Every investment can be described in terms of the amount of risk associated with it. Higher-risk investments tend to experience greater volatility, which means they are likely to go up and down in value more often and by larger amounts than lower-risk investments. In return, higher-risk investments have the potential to produce higher returns over the long term, although this is not guaranteed.

For example, investments such as cash deposits and bonds issued by the UK Government (known as gilts) are considered low risk. UK commercial property, corporate bonds issued by UK companies as well as other types of global bonds issued by overseas governments and companies are considered medium risk. In the case of global bonds, generally those which pay a higher income are riskier than those which pay a lower income level. Shares in companies in the UK and other developed markets are considered high risk, while shares from companies in emerging markets are considered very high risk. You can reduce the overall risk in a portfolio by using 'diversification' – in other words, spreading your money across different investments. By doing this, you can match your overall portfolio to the level of risk that is right for you.

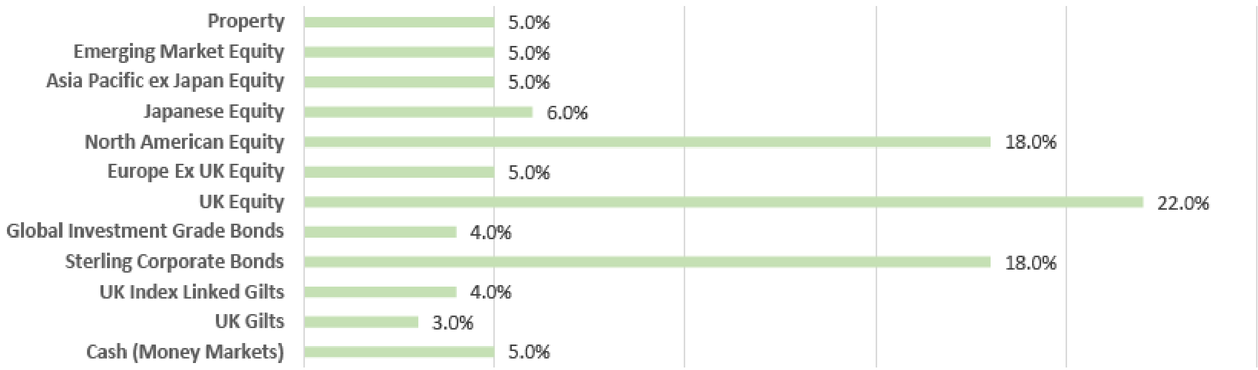
It's important that your investment portfolio matches your willingness and ability to take investment risk. A 'low medium' risk profile shows that your willingness and ability to accept investment risk is about average. A portfolio that matches this risk profile is likely to experience both rises and falls in value. So while there is good potential for returns from your investment to match or go above the rate of inflation (in other words, the rate at which the prices of goods and services rise), you also need to accept that your investment could fall in value, particularly in the short term.

A portfolio for this risk profile is most likely to contain low-, medium- and high-risk investments, including cash, government bonds, UK corporate bonds and other higher-income types of global bonds as well as UK commercial property. It will also be expected to contain some high-risk investments such as shares, but held mainly in UK and other developed markets, and also a small amount in other higher-risk investments such as shares in emerging markets. As a result, you should always check that you are comfortable with what's included.

The following table shows the most recent asset allocation information and includes an expectation of returns for a portfolio aligned to a Dynamic Planner Risk level 5 “Low Medium” investment profile.

Expected Return	Expected Volatility	Profile Description:
2.55 % p.a. (inflation adjusted) **5.11 % p.a.** (in nominal)	**9.68 % p.a.**	A portfolio for this risk profile is most likely to contain low-, medium- and high-risk investments, including money market investments, government bonds, Sterling corporate bonds and global bonds as well as Property. It will also be expected to contain some high-risk investments such as shares, but held mainly in UK and other developed markets, and also a small amount in other higher-risk investments such as shares in emerging markets. As a result, you should always check that you are comfortable with what’s included.

Asset Allocation in Dynamic Planner (at 30/06/2020)



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