

Pukka Pies Limited Pension Scheme

Statement of Investment Principles (“SIP”)

Background

This Statement of Investment Principles has been prepared to meet the requirements of Section 35 of the Pensions Act 1995 and SI 2005/3378 The Occupational Pension Schemes (Investment) Regulations.

It has been prepared after obtaining and considering the written advice of a person who is reasonably believed by the Trustees to be qualified by his ability in and practical experience of financial matters and has the appropriate knowledge and experience of the management of investments of pension schemes.

The Statement has been prepared after consultation with the sponsoring employer.

The Statement will be reviewed at least every three years or, without delay, after any significant change in investment policy.

For many years the Trustee has invested in an insurance policy with Norwich Union (now AVIVA), under which deferred annuities were purchased to match the expected pension benefits of retiring members. In early 2004, Norwich Union informed the Trustee that, after 5 April 2004, all future premiums would be allocated to purchase deferred annuities on less attractive terms. After taking appropriate advice, the Trustee considered these terms unacceptable and gave notice to Norwich Union that it would make the Policy paid up with effect from 5 April 2004, whereupon the payment of premiums to the Policy would cease. A Deed of Variation was executed on April 2004 to give effect to this.

A further Deed of Variation has been executed widening the investment powers available to the Trustee beyond the sole investment of premiums in the Norwich Union Policy.

Purpose

This statement sets out the principles governing the Trustee’s decisions to invest the assets of the Scheme.

The Trustees have taken the Myners’ Principles into consideration when making decisions about the Scheme’s investment arrangements.

Objectives

The Trustees invest the assets of the Scheme with the aim of ensuring that all members’ benefits can be paid.

The Trustees’ objectives are:

- to achieve a rate of return over the long term that is equal to or greater than the return assumed in the Statement of Funding Principles for the Scheme
- to manage potential deviations from the funding plan for the Scheme having regard to the support available from the sponsoring employer.

Implementation

The Trustees set the broad investment strategy having regard to the objectives and following careful consideration of:

- the nature and duration of the Scheme's liabilities,
- the risks of investing in the various asset classes,
- the implications of the strategy (under various scenarios) for the level of contributions required to fund the Scheme,
- the strength of the sponsoring company's covenant.

The Trustees recognise that the investment strategy is subject to risk, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities.

The Trustees have delegated day to day investment decisions by investing in pooled funds.

The Trustees will maintain a list of the pooled funds in which they invest in Schedule A and will amend this as necessary.

The proportion of the assets held within each fund is approximate and will vary from time to time as a result of changes in the value of each fund.

There will be no automatic rebalancing of the overall portfolio.

Disinvestment

Where cash is required to meet benefit payments or for general purposes of the Scheme, the Trustees will disinvest in accordance with the provision set out in Appendix B, unless the Trustees decide otherwise.

Policies

Use of Pooled Funds

The Trustees do not make decisions regarding the investments held within each pooled fund.

When choosing a pooled fund, the Trustees will have regard to the investments held, the risks associated with investing in that fund and any constraints on the type of assets that may be held within the fund.

The balance between investment classes will be determined by the manager of the pooled fund.

The Trustees review performance of the fund managers at regular intervals and also consider the performance of the overall strategy against their objectives.

Environment, Social and Governance Issues

The Trustees believe that good stewardship and environmental, social and governance ("ESG") issues may have a financially material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and potential opportunities that increasingly may require explicit consideration.

The Trustees have given the pooled fund managers full discretion when evaluating ESG issues, including climate change considerations, exercising voting rights and stewardship obligations attached to the Scheme's investments. The Trustees expect managers to have integrated ESG into their risk analysis and investment process. Similarly, the Scheme's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

The Scheme's investment advisors will keep the Trustees informed on ESG issues. The Trustees consider how ESG, climate change and stewardship is integrated within investment processes when appointing new managers and the Trustees monitor their existing managers' ESG approach on a periodic basis, and discuss ESG considerations as part of ongoing reviews.

Non-Financial Matters

Non-financial matters are not taken into account when determining the Scheme's investment policy. Member views are not actively sought but the Trustees make a copy of the Statement of Investment Principles available to members on request and publish a copy of the Statement on a publicly accessible website.

Direct Investment

The Trustees will not hold investments directly and hence cannot exercise voting rights nor undertake investment engagement activities.

Incentivising investment Managers

As investments are made in pooled funds with defined charges and expenses, it is not possible directly to incentivise fund managers to align investments with the Trustees' policies, improve engagement or monitor transaction costs. Ultimately, the Trustees only remedy is likely to be to move to an alternative pooled fund.

Monitoring Turnover

The nature of the Scheme's investments makes it impractical for the Trustees to monitor turnover or turnover costs directly. The performance figures that the Trustees and their investment consultant analyse are net of transactions costs, so this is taken into account indirectly.

Term of Manager Appointments

The investment in any particular pooled fund managers does not have a fixed term but can be terminated in the event of consistent underperformance or misalignment with the Trustees' objectives.

Employer-Related Investments

The policy of the Trustees is not to hold any employer-related investments as defined in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 except where the Scheme invests in collective investment schemes that may hold employer-related investments. In this case, the total exposure to employer-related investments will not exceed 5% of the Scheme's total value. The Trustees will monitor this on an ongoing basis to ensure compliance.

Signed:.....

Date:.....

APPENDIX A

Allocation of Assets between Funds

Manager	Fund	Broad Allocation
LGIM	Global Equity Fixed Weights (70:30) Index	25.0%
	Dynamic Diversified Fund	25.0%
	AAA-AA Fixed Interest Over 15 Year Targeted Duration Fund	40.0%
	Over 5 Year Index-Linked Gilts Index Fund	7.0%
	2068 Index-Linked Gilt	3.0%

For historical reasons, the Scheme also holds with profit annuity policies with AVIVA which provide a non increasing single life pension at retirement. Whilst these are allocated to individual members, they do not produce a cashflow that is matched to that which is payable to the member. Therefore, they are put into payment as members retire and the proceeds are paid into the Trustee bank account.

The Trustees regularly review whether these policies continue to be an appropriate investment although, this is partly dependent on what surrender value AVIVA are prepared to offer in exchange for these policies.

APPENDIX B

Disinvestment of Assets

Where assets need to be disinvested, moneys will be drawn from the LGIM Dynamic Diversified Fund, unless the Trustees decided otherwise.

The administrators, Atkin & Co, will arrange for the disinvestments to be made at the earliest practical dealing date following the Trustees' approval.