



STATEMENT OF INVESTMENT PRINCIPLES

For the Donne Mileham & Haddock Pension and Death Benefit Scheme, the "Scheme".

Introduction

- Purpose** This statement sets out the principles governing decisions about the investment of the assets of the Scheme and is issued by the Trustees in compliance with Section 35 of the Pensions Act 1995 ("the Act").
- Advice** The Trustees have obtained advice on the content of this statement from Advisory Investment Services Ltd who confirmed that they have the appropriate knowledge and experience to give the advice required by the Act.
- Consultation** The Trustees consulted the Principal Employer, DMH Stallard LLP, about the content of this statement, as required under the Act. Comments were sought from our Scheme Actuary, Claire Davidson of JLT.
- Investment Powers** The investment powers of the Trustees are set out in the Trust Deed governing the Scheme and this statement is consistent with those powers. Neither this statement nor the Trust Deed governing the Scheme restricts the Trustees' investment powers by requiring the consent of the Principal Employer.
- Design** The Scheme is a Defined Benefit arrangement that was closed to future accrual and new entrants from 31st March 2006. The Statement sets out the Trustees' policies on the choice of investment and attitude to risk.
- Delegation** Under the Pensions Act, the Trustees are required to appoint at least one to fund fund manager. The appointed managers and the respective funds managers adopted are set out in Appendix A.

The investment managers are regulated under the Financial Services and Markets Act 2000 by the Financial Services Authority (FSA) and provide investment services in accordance with a written agreement with the Trustees.

Control of investments The Trustees rely on the professional fund managers for the day to day management of by far the greater majority of the Scheme's assets. All the assets, bar the cash and the Manchester Building Society loan notes, are held through a Trustee Investment Plan insured with Mobius Life Limited. The Trustees retain control over the allocation of the Scheme's assets between the funds.

The trustees do retain direct control over some Scheme's assets. In particular, they control the Scheme's bank account and the Manchester Building Society Loan Note.

Policy in relation to the choice on investments

AVCs A small proportion of the Scheme's funds relates to members' AVCs. The Trustees' policy in respect of the relevant investments has and continues to be to leave the arrangements for these benefits unchanged, but to review these arrangements should it be felt necessary.

Except as otherwise stated this Statement of Investment Principles excludes any further consideration of members' entitlements under this heading.

Policy Having considered advice, the Trustees have set the investment policy

with regard to the Scheme's liabilities and prescribed a benchmark portfolio comprising of a range of assets, including UK and overseas equities, bonds, property and a diversified growth fund.

For the assets managed by the Scheme's fund managers the long-term investment policy has been set with reference to the appropriate indices.

The Trustees have chosen to invest the majority of the assets, government and corporate bonds and equities in 'index' or 'tracker' type funds in order to minimise the relative risk versus the benchmark indices so far as possible.

A proportion of the corporate bond and all property and diversified growth fund investment funds are actively managed. The Corporate Bond fund will hold a number of bonds issued in overseas currencies. The fund manager for the corporate bond fund hedges the overseas currencies back into Sterling to mitigate the currency risks.

The funds adopted and the relative proportions are set out in the appendix.

Scheme Performance objectives The Actuary has calculated the value of the liabilities, in part, using the Nominal Gilt Yield curve available from the UK Government Bond market with a duration to reflect the duration of the liabilities, the Risk Free Rate. The Actuary is assuming the Scheme achieves a return of 1.1% per annum over the Risk Free Rate during the life of the Scheme.

The long term target average return sought from the Scheme's assets is 1.1% per annum over the Risk Free Rate over the life of the Scheme.

Fund Performance objectives The Trustees have set the performance objective in relation to the appropriate composite FTSE index for the government bonds, FTSE indices for the equities, MFGAM for the infrastructure fund, Investment Property Databank Index for property, iBoxx index for corporate bonds and Bank of England Base Rate for the diversified growth fund.

The objective is for the all funds, bar the corporate bond, property and diversified growth fund, to perform in line with the returns on the benchmark indices. The objective of the active corporate bond fund is to outperform the index by 0.8% per annum, gross of charges.

The property fund is designed to achieve a return comparable to the IPD Property Monthly Index, over the full market cycle, gross of costs.

The Diversified Growth Fund is structured to secure a return in line with a bespoke global equity index, with 2/3rds of the volatility over the full market cycle. In addition, the fund is looking to secure a return of 4.5% per annum over the Bank of England Base Rate, gross of costs, over the same period.

Expected return The Trustees expect the return on the investments held as passive funds to match quite closely the return on the appropriate benchmark index.

The returns on the active funds is expected to meet the annual performance targets over any reasonable period.

Policy in relation to diversification and risk controls

Diverse Investments Investment risk is substantially reduced by diversification of investments both within particular asset classes and by economy. The chosen investment fund represents a suitably diverse investment policy.

Investment Management risk The chosen equity, global infrastructure and the government and corporate bond funds passively track the relevant indices. There is no active stock selection and the risks associated with a bad choice of investment manager are therefore reduced.

One of the corporate bond funds and the property fund are actively managed. However, the risk associated with bond and property management is small relative to alternative assets.

The diversified growth fund is actively managed, and the nature of the benchmark and the assets held means that over short periods of time there will be significant variance against the target outcome.

Liability mismatching risk The majority of the Scheme's liabilities are linked to price inflation.

The policy is therefore to invest the majority of assets in investments that are expected to provide a return in line with price inflation in the long term. There is a minority of assets expected to provide a return ahead of price inflation.

Compliance

Frequency of The Trustees will review this statement on a regular basis and, in

review particular, if there is a change in the policy on any of the areas covered by the statement. The Trustees will consult with the Principal Employer and take written advice when revising the statement.

Professional The Trustees employ Advisory Investment Services Ltd to assist in
advice monitoring the fund managers and to help review the investment strategy.

Information The Trustees expect the fund manager to inform them immediately of
from any serious breach of internal operating procedures (insofar as they
fund relate to the Scheme), or any material change in the knowledge and
manager experience of those involved in managing the Scheme's investments.

The Trustees also expect the fund managers to supply them with sufficient information each quarter to facilitate a review of their activities.

Performance The Trustees monitor the performance of the fund managers by
measurement reference to performance statistics provided within the appropriate indices, general trends in annuity prices and returns on other cash funds.

Review of The Trustees will on a regular basis consider whether the fund managers
fund have been exercising their powers of investment with a view to giving
manager effect to the principles contained in this statement, so far as is reasonably practicable. If the fund managers are not able to satisfy the Trustees in this respect, the Trustees will review the managers' appointment.

Employer Neither the Trustees nor the fund manager may directly hold any
related employer related investments as defined by the Act.
investment

Policy on socially responsible investment and corporate governance


Policy In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest in pooled and/or passive funds and cannot therefore directly influence the social, environmental and ethical policies and practices of the companies in which the pooled funds invest.

Each of the fund managers will have their own policies on corporate governance, and the Trustees will have no control over the corporate governance aspects of their internal investment processes and procedures.

Signed

On behalf of the Trustees  Trustee
Dawnil Jones

Date 12/2/2019

On behalf of the Employer  DUNCAN HARPER

Date 12/2/2019 FINANCE DIRECTOR



Appendix A

Defined Benefit (DB) Section

Appointed Investment Managers: Legal & General Investment Management, BlackRock Life, Prudential Pensions Limited (M&G), Standard Life Assurance Company Limited

Fund Allocation

Fund	Central Benchmark %	Tolerances + or - %	Sector Benchmark Index
L&G UK Equity Index	11.0	1.0	FTSE All Share Index
L&G FTSE World ex UK Index	11.0	1.0	FTSE World ex UK Index
L&G FTSE World ex UK Index GBP Hedged			FTSE World ex UK Index GBP Hedged
Total Equities	22.0		
L&G Over 5 years Index Linked Gilts	30.0	2.5	FTSE Actuaries Over 5 year Index Linked Gilts
BlackRock Long Dated Corporate Bond Index	30.5	2.5	iBoxx Sterling Non-Gilts over 15 years
M&G Long Dated Corporate Bond			
Total Bonds	60.5		
L&G Infrastructure Equity MGF	5.0	0.75	MGFAM Composite Benchmark
Total Infrastructure	5.0		

Fund	Central Benchmark %	Tolerances + or - %	Sector Benchmark Index
Standard Life Property	7.5	1.0	IPD All Monthly Index
Standard Life Long Lease Property	7.5		
Total Property	5.0	1.0	Bank of England Base Rate, plus 4.5% per annum, and 2/3rds of the volatility of FTSE World Equity Indices
L&G Dynamic Diversified			
Total Diversified Growth Fund	5.0		
Total	100.0		