

Jenkins of Retford Ltd Life Assurance & Retirement Plan

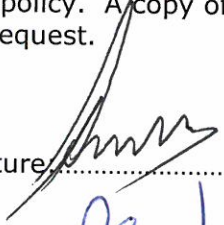
Statement of Investment Principles

- 1 This statement sets out the principles governing investments for the above scheme. It has been agreed by the trustees, after having obtained and considered written advice from Mr R Brassington, Smith & Williamson Financial Services Ltd, a person they 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 investments of trust schemes. The trustees have also consulted with the sponsoring employer.
 - 2 The trustees' investment policy is to provide for the benefits set out in the trust deed and rules within the trustees' powers of investment, and to provide long-term investment growth together with appropriate security for the members and their beneficiaries. At the same time, the trustees will have regard to the need for diversification of investments, as appropriate to the scheme.
 - 3 In view of the size of the scheme assets, the trustees are of the view that their investment policy, as set out in paragraph 2, would best be satisfied:
 - a) Through investment in an insurance policy with an insurance company that specialises in the provision of occupational pension scheme services to the trustees of the smaller and medium sized schemes. This is because such a policy is the one way the trustees can diversify through a wide enough range of asset classes in a cost effective way, while having access to expert investment management and ensuring the security, quality, liquidity and profitability of the portfolio as a whole. The trustees have chosen Friends Life to be that provider.
- AND
- b) By accessing the investment advice, deals and management service of Smith & Williamson's Advisory Portfolio Service (APS). This is because this service can provide the trustees with greater investment and risk diversity across a much wider range of funds in the retail collective investment market and often at discounted costs.
 - 4 The insurance policy with Friends Life and APS offers a choice of unit-linked pooled and collective investment funds that the trustees believe satisfies the risk and return combinations suitable for most members. In agreeing to the range of funds, the trustees have recognised the risk that investment returns may not keep pace with inflation and the risk that market values may reduce for those members close to retirement. The trustees are satisfied that the spread of assets by type within each pooled and collective investment fund, and the policy of each pooled and collective investment fund on investing in individual securities within each type provides sufficient diversification of investments.
 - 5 The investments in pooled pension and collective investment funds are a share, measured in units, of larger pools of investments managed by Friends Life and fund managers recommended by the APS. The trustees do not directly own the underlying shares or securities and so do not hold or receive documents of title relating to the underlying assets. Friends Life and the collective investment managers receive such documents, and are therefore responsible for appointing a custodian to look after them.
 - 6 All day-to-day investment decisions are delegated to properly qualified and authorised fund managers of pooled pension or collective investment funds. The expected return on the funds is subject to the performance of the markets within which each fund operates. Friends Provident and the collective investment managers publish documents setting out the investment objectives of each investment fund, and these objectives are regularly reviewed.
 - 7 Generally, Friends Life decides on when investments should be realised having regard to the liquidity of the unit-linked pooled funds. Normally, the trustees expect realisations to be effected from Friends Life funds to provide for members' benefits, but the Friends Life policy will allow realisations to be delayed for up to one month (or six months in the case of units in a fund invested in property) in certain circumstances.
 - 8 When choosing investment, the trustees believe that the financial interests of the members are the first priority. Where they do not conflict with this objective, Friends

Life may take into account social, ethical and environmental considerations as part of the investment process.

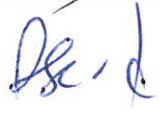
- 9 With regard to the exercise of rights (including voting rights), Friends Life monitors the corporate governance policies of each of its investment partners, ensuring that they take account of the ABI's over-arching principle 'that institutions should make active but considered use of their voting power with the aim of securing value over the longer term for those whose money they are investing'.
- 10 Friends Life provides details of the investment performance of the funds it offers through its website, FriendsLife.co.uk. This enables the trustees to assess investments performance of all the funds over a selection of periods. Of course, past performance is not necessary a guide to future returns.
- 11 Smith & Williamson Financial Services Ltd will monitor the performance of the Friends Life unit-linked pooled funds and will make recommendations for rebalancing the funds held.
- 12 The APS will provide regular six-monthly investment reports as at 5th April & 5th October, including performance related information for each collective investment fund. The investment performance of the individual collective investment funds can be viewed via the Cofunds Ltd or Trustnet websites, Trustnet.com & Cofunds.co.uk.
- 13 The performance of the APS portfolio of collective investments will be measured against an agreed benchmark, the Association of Private Client Investment Manager (APCIM) Stock Market Balanced Index.
- 14 The trustees will review this document at least every three years, and without delay after any significant change in investment policy. A copy of this document is available to scheme members and beneficiaries on request.

Name of trustee: Mr B Watson

Signature: 

Date: 2/July 2013

Name of trustee: Mr P Sexton.....

Signature: 

Date: 31/7/2013

Name of trustee: Mrs K Markham.....

Signature: 

Date: 3.7.13