RCA Pension Scheme
Statement of Investment Principles

1. Introduction

This edition of the Statement has been prepared by the Trustees of the RCA Pension Scheme in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended), and Regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005, and any subsequent additional regulations.

In preparing this edition the Trustees have taken appropriate written advice from a suitably qualified individual, Simon Jagger FIA, Director of Jagger & Associates Limited. The Trustees have also consulted with the sponsoring employer. This Statement is consistent with the Scheme's governing documents.

The Scheme provides money purchase (DC) and salary related (DB) benefits and is registered with HM Revenue and Customs. The main body of this Statement refers to the DB section, unless otherwise stated. There is no formal employer-related investment made by the Trustees and none is intended. The employer intends to remit all relevant contributions to the Trustees within the relevant timescales.

2. Delegation of Investment Management – DB section

The Trustees use passive fixed interest and equity funds, a high yield bond fund, and a property fund, all of which are provided by Legal & General Investment Management ("L&G"). The Trustee also uses a high yield bond fund provided by Royal London Asset Management ("RLAM"). The Trustees may also use a cash account for day-to-day administration.

The details of the investment managers' appointments, covering the roles of the organisations and their various subsidiaries and associated companies, are covered in agreements, with effective dates of 14 December 2005 (for L&G, the date of the initial investment), and 27 April 2011 (for RLAM), and in any legally valid subsequent amendments thereof.

The providers, where relevant, are suitably authorised under the Financial Services and Markets Act 2000.

3. Investment Strategy – DB Section

The broad initial split of the DB Section assets of the Scheme is as shown in the following Table. The holdings within L&G are also shown with weights totaling 100% to reflect the benchmark mix that L&G are required to use the Scheme's net cashflow to maintain. All five holdings are pooled funds.

Manager	**Asset Class**	**Weighting**	**L&G scaled weighting**
Legal & General	Global Equities	25	29
	Fixed Interest	30	35
	High Yield Bonds	15	18
	Property	15	18
RLAM	High Yield Bonds	15	-
Total		100%	-

Rebalancing to the initial asset split in respect of L&G and RLAM will be undertaken if the Trustees believe it appropriate. The Trustees have not specified tolerance ranges around the initial split, other than within the L&G mandate. The Trustees will keep the allocation of the Scheme's assets under review. The 30% fixed interest allocation with L&G may change between gilts and corporate bonds, or a mix of the two, without triggering a revision of this statement. Likewise, these allocations may change between the equivalent all-dated and long-dated funds.

The L&G Gilts Index Fund, when used, is a passively managed bond fund that aims to track the relevant FTA Government Index.

The L&G Investment Grade Corporate Bond Index Fund, when used, is a passively managed bond fund that aims to track the relevant iBoxx £ Non-Gilts Index.

The L&G Global Equity Fixed Weights (50:50) Index Fund is passively managed and aims to produce returns in line with 5 regional equity indices, proportioned as follows: 50% UK Equity and 50% Overseas Equity (comprising 17.5% North America, 17.5% Europe ex-UK, 8.75% Japan and 6.25% Asia Pacific ex-Japan).

The L&G High Yield Bond Fund is an actively managed fund that invests in sub-investment grade US dollar, euro and sterling denominated corporate bonds. Its benchmark is the ICE BofA Global High Yield BB-B Rated 2% Constrained Ex-Financials (Currency Hedged) Index.

The L&G Property Fund has the discretion to invest in UK commercial property. The Trustee expects that the proportion of the overall Scheme's assets held in the L&G Property Fund will be around 15%, although any rebalancing may be done on an infrequent basis due to the higher investment costs associated with property.

The RLAM Sterling Extra Yield Bond Fund is an actively managed bond fund that invests primarily in unrated corporate bonds and out-of-favour investment grade bonds, as well as conventional high yield stocks defined as corporate bonds of lower than investment grade.

Full details of the investment restrictions placed on each manager (including restrictions in relation to the allocation of assets, credit limits, and the use of asset classes such as derivatives and foreign currency) are contained within the investment agreements mentioned above and in the documentation for each of the individual products produced by the managers. The Trustees have placed no additional constraints on the investment managers.

The Trustees consider the investment strategy in place and the investment products used to be appropriate for the Scheme. In formulating the strategy and deciding on the suitability of the products, the Trustees sought advice from professional advisers. The Trustees will review their decisions from time to time with their advisers.

4. Expected Return on Investments - DB Section

Equity products are designed to produce returns in excess of both general salary and price inflation over the long term. The equity products used by the Trustees are expected to enhance the real value of the Scheme's DB Section assets over the long term, which is a fundamental element of the Trustees' investment policy.

Although these products have the expectation of higher long-term returns, the funds may produce volatile absolute returns over short-term periods. However, the use of the bond products should reduce the volatility in the returns at the level of the overall DB Section.

The L&G Gilts Index Fund aims to track the total return of the relevant FTA Government Index to within +/- 0.25% p.a. for two years in three.

The L&G Investment Grade Corporate Bond Index Fund aims to track the total return of the relevant iBoxx £ Non-Gilts Index to within +/- 0.5% p.a. for two years in three.

The L&G Global Equity Index Fund is a fund-of-funds product and therefore does not aim to track a single index. The aim of each of the underlying funds is to match the performance of a corresponding index whilst aiming for a particular tracking error in two out of every three years. The details of the main indices and the current corresponding tracking errors are as follows:

Equity Fund	Index	Tracking error
UK	FTSE All-Share	+/- 0.25% p.a.

North America	FT World North American	+/- 0.50% p.a.
Europe (excluding-UK)	FT World Europe (ex-UK)	+/- 0.50% p.a.
Japan	FT World Japan	+/- 0.50% p.a.
Asia Pacific (excluding Japan)	FT World Asia Pacific (ex-Japan)	+/- 0.75% p.a.

The L&G High Yield Bond Fund aims to outperform the ICE BofA Global High Yield BB-B Rated 2% Constrained Ex-Financials (Currency Hedged) Index by 1% p.a. (before fees) over a rolling three-year period.

The Property Fund product aims to exceed the IPD All Balanced Funds index net of fees over rolling three- and five-year periods.

The RLAM Sterling Extra Yield Bond Fund aims to achieve a high level of income, and seeks to achieve a gross redemption yield of 1.25 times the gross redemption yield of the FTSE Actuaries British Government 15 Year Index. In addition, RLAM and the Trustees broadly expect the fund to outperform the iBoxx Sterling Non-Gilts All Maturities Index by 1.5% per annum over rolling 3-year periods.

The investment performance of the Scheme is monitored quarterly on an independent basis through a short report from Jagger & Associates, but additional interim information is obtained from time to time.

5. Risk Management & Risk Measurement - DB Section

The Trustees are satisfied that the investment managers used are prudent and professional in their general approach to investment. The investment products used involve holding units in pooled funds that maintain diversified portfolios of underlying assets (e.g. shares, bonds, and other financial instruments). This reduces the risk to the DB Section of the Scheme of investing in any specific individual asset.

The use of some passive funds removes some of the risk involved in a purely active investment strategy. The use of two separate investment managers (L&G, and RLAM), including two High Yield Bond mandates, reduces the manager risk faced by the DB Section of the Scheme.

The funds used are viewed as appropriate investment vehicles for the investment strategy of a paid-up pension scheme. The Trustees will keep the asset allocation under review, and risk measurement forms part of the performance monitoring process.

6. Realisation of Investments - DB Section

The Trustees' policy is to ensure that the assets invested are sufficiently realisable to enable the Trustee to meet its obligations to provide benefits as they fall due for the DB Section. The Trustees are satisfied that the arrangements in place conform to this policy. The Trustees monitor their net cashflow position, the likely need to realise capital, and hence any effect on asset allocation and the choice of investment funds.

7. Additional Voluntary Contributions (AVCs) and DC Section

The Scheme has available facilities via Aberdeen Asset Management and AEGON for investment of DB section AVCs. The Trustees believe these to be appropriate facilities for this purpose, but note that the choice of fund(s) with the providers rests entirely with the members. No further contributions are being made, given that accrual has ceased.

There is also a legacy DC section, which has an underpin in respect of past contracting out rights. This section is invested in a with profit fund with Prudential. This with profit approach is adopted with a view to earning a positive investment return to try to meet the value of the underpin, whilst reducing the risk of negative investment returns. Members are not given investment choices, because of the small size of the DC section, and the existence of the underpin. Each member's account is realised at their retirement, or if they elect to transfer out.

8. Environmental, Social and Governance (ESG) Considerations including Voting and Engagement – DB and DC sections

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest in pooled funds and cannot therefore directly influence the environmental, social, and governance policies and practices of the companies in which the pooled funds invest. The Trustees exclude non-financial matters in the selection, retention and realisation of investments.

The Trustees have no formal policy on either ESG or delegation of voting rights. Instead, they have delegated the responsibility for these matters to their investment managers, who will from time to time report on their current and future actions in these areas.

The Trustees will consider a manager's ESG credentials during their appointment process, and will ask for at least an annual written update on each manager's activity for the products used by the Trustees. The Trustees will include a statement in the annual report to advise members that this has been done.

As the Trustees use pooled funds, their asset managers are not incentivised to align their investment strategy and decisions with the Trustees' policies, nor are they incentivised to make decisions based on assessments about medium to long-term performance of an issuer of debt or equity, nor to engage with those issuers in order to improve their performance. However, the managers may make such decisions and/or engage of their own accord.

Performance monitoring, manager remuneration and duration of manager appointments are covered elsewhere in this Statement. As the Trustees use pooled funds, there is no targeted portfolio turnover or turnover range.

As the Trustees use pooled funds, they do not need to have an engagement policy in relation to monitoring the capital structure of companies they invest in, or any associated potential conflicts of interest.

The Trustees publish their SIP online for general public access.

The Trustees are aware that, from 1 October 2020 they must prepare a statement setting out how they have implemented their investment policies, and explaining and giving reasons for any change made to them. They must include this implementation statement in the annual report, and ensure that the link included in the annual benefit statement sent to members also refers to this implementation statement.

9. Compliance

The Trustee will formally review this statement as and when required, and at least every three years, with the assistance of their advisers. A copy of this statement is available for inspection by Scheme members.

This statement has been agreed by the Trustees on ....30th September 2020................

Signed on behalf of the Trustees by

Name Thomas Phillips Signature ....

Name . Clive Matthews Signature CR Matthews