Statement of Investment Principles

This statement sets out the Trustees' objectives in investing the Scheme's assets, the principles adopted to achieve these objectives, the matters taken into account in devising these principles and the measures adopted to keep the investments secure and meet the Trustees' legislative and regulatory obligations. This statement should be read together with the Scheme's Statement of Funding Principles.

1 Description of the Scheme

Dixon International Group Life and Pension Scheme ("The Scheme") is a defined benefit scheme which is closed. Benefits ceased to accrue with effect from 30 June 2003. The Scheme retains deferred pension and pension liabilities.

2 Objectives

The Trustees' primary objectives are:
(a) to ensure that sufficient assets are available to meet members' benefits as and when they fall due;
(b) to assist in achieving the long- and short-term funding objectives described in the Trustees' Statement of Funding Principles;
(c) to invest the Scheme assets to obtain the best long-term rate of return compatible with the above two aims and allowing for any constraints imposed by the Scheme's risk tolerance.

3 Investment Strategy

The Trustees have selected an investment strategy to achieve the objectives stated above, considering;
(a) the risks set out in section 4;
(b) the timing and nature of the expected benefit payments;
(c) the strength of the Employers Covenant;
(d) the Employer's objectives and constraints;
(e) the matters described in section 6 and;
(f) advice from the Trustees' investment adviser, St James' Place, on these and other relevant matters.

The resulting strategy is described below.

3.1 Asset Allocation

3.1.1 Asset Allocation Model

The asset allocation has been determined by the trustees, considering advice from their investment advisor and the Employer's input to provide the maximum return subject to keeping the investment risk within a level deemed appropriate by the Trustees. The level of risk deemed appropriate and the balance of suitable assets required to achieve this was considered at a Trustees meeting on 04 March 2010. From time to time this assessment will be reconsidered and the selection of assets may be changed to reflect the Trustees' updated assessment of the appropriate risk tolerance balanced against the expected return on the assets.

The target asset allocation as at 04 March 2010 was determined to be:

Asset Class	% Holding
Equities	75%
Other,including property & fixed interest	25%
Total	100%

The split between asset classes varies over time due to movement in the market value of assets. Reasonable deviations from the target asset allocation above are acceptable to allow for market movements (see section 3.1.3). The steps described below, agreed by the Trustees, will help the asset allocation return to the target asset allocation.

3.1.2 Revising the Asset Allocation

Over time the Trustees' aim is to match the liabilities of the scheme with fixed interest yielding assets. The asset allocation will therefore be recalculated periodically, and the above proportions changed accordingly.

3.1.3 Asset Allocation Re-balancing

Re-balancing should take place at the Trustees' discretion with deviations from the benchmark allocations being returned to that shown in section 3.1.1 or as subsequently revised according to 3.1.2. The Trustees will instruct the Investment Manager to re-balance accordingly.

3.2 Investment Manager

3.2.1 Delegation to Investment Manager

Day to day management of the Scheme's assets has been delegated to an Investment Manager that is regulated by the Financial services Authority. The selection of the underlying investments within the overall strategy has also been delegated to the Investment Manager.

The Trustees have selected St James' Place as Investment Manager and pooled funds to implement the strategy set out above:

The performance of the Investment Manager is monitored as set down in 3.3 below and the appointment is reviewed when this statement is reviewed in accordance with paragraph 8 or at such other times as the Trustees decide.

3.2.2 Compliance Monitoring

The Trustees expect the Investment Manager to manage the assets delegated to them under the terms of their contract and to give effect to the principles in the Statement so far as is reasonably practicable. The Investment Manager provides the Trustees with an annual statement confirming their compliance with these requirements. A copy of this Statement has been provided to the Investment Manager.

3.3 Investment Return Objective and Performance Monitoring

3.3.1 Investment Return Objective

The Trustees' investment objective is for the investments to generate sufficient returns in the short-to medium term that, along with the contributions laid down in the existing Schedule of Contributions the liabilities of the Scheme may be wholly matched by fixed-interest bonds in the long term.

3.3.2 Performance Monitoring

The Trustees monitor fund performance against the above objective annually over 3, 5, and 10 year periods. The Trustees also receive performance reports from the Investment Manager quarterly and compare these with independent performance benchmarks.

The Trustees may ask for reports on other matters as deemed appropriate to monitor funding, investment performance, risk and other matters.

3.4 Disinvestment

Any outgoings that cannot be met directly from cash in the bank account will require disinvestment which will be made in proportion from the asset classes held so that the target allocation is maintained.

The trustees will consult their investment advisor if there is any doubt as to where to disinvest funds.

4 Risk

The Trustees view risk as the likelihood that the chosen investment strategy will not meet the objectives set.

In arriving at their investment strategy, the Trustees have considered the following risks and are taking the measures described to control them:

(a) Actions by the Investment Manager. The risk that the Investment Manager under-performs the set objectives is considered on initial appointment and monitoring by reviewing comparative performance on a regular basis.

(b) The risk that the Employer will fail to make adequate contributions to the scheme. The Trustees will consult regularly with the Employer to determine the Employer’s financial position and attitude to pension scheme funding i.e. the strength of the Employer’s Covenant.

(c) The risk of the asset distribution becoming unsuitable due to a change in the Scheme liabilities, for example as a result of an unexpected change in the membership profile. The asset and liability profiles will be reviewed at least every 3 years to minimise the possibility of the asset distribution becoming inappropriate.

(d) The need to pay benefits in the short term. The Trustees manage the Scheme’s cash flow requirements over the short-term in order to minimise the need to realise assets at short notice.

(e) The failure of some of the investments. The risk is minimised by investment in pooled funds which hold a wide range of different securities.

(f) The risk of negligence, poor advice or fraud. The trustees have sought to minimise such risks by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are in place.

(g) Actions by the custodian. The realisation of investments must take place in accordance with Scheme procedures which require signatures from two of the Trustees for disinvestments.

5 Employer Considerations

5.1 Covenant Assessment

The Trustees regularly review the ability and willingness of the employer to support the scheme. In addition, commissioning an independent review of the Employer's Covenant is considered from time to time.

Covenant reviews are considered in determining the degree of investment risk that can be taken.

5.2 Employer Consultation

The Employer has expressed a wish to see the return on investments maximised, subject to the de-risking strategy and in drawing up this statement the Trustees have taken this wish into consideration. The Principal Employer has seen a draft of this Statement and will be provided with a copy of the signed statement.

6 Other Considerations

6.1 Diversification

In order to avoid an undue concentration of risk, a diversified and pooled portfolio of assets should be held. Most of the assets held should be realisable at short notice and should be invested in relation to the expected cash flow, allowing for both payments into and out of the scheme

6.2 Contingent Assets

The scheme enjoys the contingent support of properties owned by the Employer which would fall into the Scheme in the event of the Employer becoming insolvent.

7 Governance

7.1 Investment Advice

The Trustees are responsible for the investment of the Scheme's assets. They take some decisions themselves and delegate others. When deciding which decisions to take and which to delegate the Trustees have considered whether they have the appropriate training and expertise in order to make an informed decision.

Any written advice will consider the issues set out in the Occupational Pension Scheme Regulations 2005 and the principles contained in this statement. The regulations require all investments to be considered against the following criteria;

(a) the best interests of the members and beneficiaries;

(b) security, quality, liquidity and profitability;

(c) nature and duration of the expected benefit payments;

(d) investments not admitted on regular markets must be kept at a prudent level;

(e) ensure appropriate diversification, and

(f) use of derivatives only for risk reduction or greater portfolio efficiency.

The Trustees' investment advisers have the knowledge and experience required under the Pensions Act 2004.

7.2 Investment Sub-Committee and Decision Making

The Trustees have agreed that all decisions will be taken by the trustee body, subject to the necessary quorum, and shall not be delegated to individuals or a sub-group.

7.3 Custody

Independent custodians appointed by the Investment Manager hold all securities owned by the Scheme.

7.4 Employer Related Investments

No investment in shares or other securities issued by the Employer are allowed.

7.5 Environmental, Social and Governance Considerations

7.5.1 ESG Issues

Environmental concerns include climate change, energy efficiency, waste and pollution and scarcity of water and other resources.

Social concerns include human rights, health & safety at work, welfare and other working conditions, and responsibility for the wider community in which a business operates.

Corporate Governance concerns include audit quality, board structure, remuneration policy, shareholder and other stakeholder rights.

7.5.2 Trustees' Policies

The Trustees believe that good stewardship and environmental, social and governance issues may have a material financial impact on investment returns.

The Trustees has given their fund manager their full discretion when evaluating ESG issues and in exercising rights, engagement activities[1], and stewardship obligations attached to the Scheme's investments. However, the extent to which these factors are considered by the investment manager in the selection, retention and realisation of investments is considered by the Trustees as part of the process of selecting organisations with which to invest. The Trustees reserve the right to request from the manager information regarding their actions.

The Trustees have selected investment managers who have stated corporate governance policies which comply with the principles of the UK Corporate Governance Code, the Financial Reporting Council's UK Stewardship Code, and the United Nations Principles for Responsible Investment.

The Trustees do not take any non-financial[2] matters into account in the selection, retention and realisation of investments.

1 Under the Legislation "Engagement activities" include the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters. "Relevant matters" includes (but is not limited to) matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance. "Relevant persons" includes (but is not limited to) an issuer of debt or equity, an investment manager or another holder of debt or equity.

2 Under the Legislation, "non-financial matters" means the views of the members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and environmental impact and present and future quality of life of the members and beneficiaries of the trust scheme.

7.6 Exercise of Voting Rights

The Investment Manager's duties also include exercise of voting rights and corporate governance in relation to the scheme's assets.

8 Timing of Periodic Review of the Statement

The statement will be reviewed regularly as part of the actuarial valuation process and at other times if there is a significant change to the Scheme's circumstances. A complete review of the Scheme's investment strategy will be conducted within three years.

22/9/20

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Trustees' Signatures

Date