4imprint 2016 Pension Plan ("the Plan")
Statement of Investment Principles

Plan details

This document sets out the Statement of Investment Principles (the "SIP") adopted by the Trustee of the Plan with effect from 11 September 2020.

The Plan operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries.

The Plan is a Defined Benefit Plan in which a member's pension is based broadly on the number of years' service and final salary with an employer.

The Plan is an occupational pension scheme registered with HM Revenue & Customs.

Administration of the Plan is the responsibility of the Trustee and delegated to a third party Administrator.

The Trustee has also taken the Myners Principles into consideration when making decisions about the Plan's investment arrangements.

The Trustee is responsible for the investment of the Plan's assets.

Investment objective

The Plan's investment objective is to achieve an average return of 0.6% (net of fees) per annum above the return on government bonds, as measured by the iBoxx Gilt Over 15 Years Index, over a three year rolling period. This benchmark has been chosen to broadly reflect how the liabilities of the Plan are valued and will be reviewed periodically or following any significant change in the Plan's circumstances. The Plan has the aim of being fully-funded on Gilts+0% p.a. basis by the end of the recovery plan in around 4 years.

The Trustee invests the assets of the Plan with the aim of ensuring that all members' current and future benefits can be paid. The Plan's funding position will be reviewed on an ongoing basis to assess the position relative to the funding target and whether the investment arrangements remain appropriate to the Plan's circumstances. The Plan's funding target is specified in the Statement of Funding Principles.

Investment strategy

The Plan's investment strategy was derived following careful consideration of the factors set out in Appendix A. The considerations include the nature and duration of the Plan's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of employer contributions required to fund the Plan, and also the strength of the sponsoring company's covenant. The Trustee considered the merits of a range of asset classes, largely other credit-based asset classes consistent with the desire to de-risk from the previous investment strategy.

The Plan's target investment strategy is invested according to the following broad asset allocation:

Asset Class	Allocation (%)	Expected Return[1] (relative to UK Gilts) (% p.a.)
Multi Asset Credit ("MAC")	25	2.3
Liability Driven Investment ("LDI")	75	0.0
Total	100	0.6

Notes:
[1] Net of investment management fees. Expected returns are based on best estimate assumptions (not allowing for manager outperformance) relative to 10 year UK fixed interest gilts as at 31 December 2019 (latest available when strategy review was carried out).

The Plan will access the above asset classes via the appointed managers outlined below:

Asset Class	Fund	Annual Management Charge ("AMC") (% p.a.)
Multi Asset Credit ("MAC")	M&G Total Return Fund Investment Fund ("M&G TRCIF")	0.45[1]
Liability Driven Investment ("LDI")	Legal & General Investment Management ("LGIM") Matching Plus Fund Range	0.19[2]
	LGIM Single Stock Gilt and Index Linked Gilt Funds	0.05
	LGIM Sterling Liquidity Fund	0.125[3]

Notes:
[1] As the M&G TRCIF will be accessed via the LGIM Investment Platform there will be an additional charge of 0.03% p.a. for using the LGIM Investment Platform, bringing the total fee to 0.48% p.a.
[2] The LGIM Matching Plus Funds are subject to additional expenses of up to 0.05% p.a.
[3] The Sterling Liquidity Fund is subject to administration expenses of 0.0125% p.a. AMCs for this Fund are charged on a tiered basis, fees quoted are for the first £5m of assets. Additional holdings are subject to an AMC of 0.10% for the next £5m, 0.075% on the following £20m, and 0.05% p.a. for any amount over £30m.

Ongoing sponsor contributions will be invested across the investment strategy to rebalance towards the strategic benchmark, unless doing so will result in a reduction in the LDI hedge, at which point the Trustee will consider this further. The holdings within the LGIM Sterling Liquidity Fund are to be used to meet capital calls for upper leverage breaches on the LGIM Matching Plus Fund Range in the first instance should they occur. In the event the funds in the LGIM Sterling Liquidity Fund are exhausted, the M&G TRCIF will be used as the secondary source of capital to meet capital calls. This mandate is being held on the LGIM platform in order to facilitate LGIM's automatic rebalancing process.

The expected returns shown in the above table represent long term expectations of asset classes as a whole. Where the Plan has appointed "active" investment managers, their objective is to outperform the market average. Short term returns in some asset classes may exhibit considerable variability.

The Trustee recognises that the investment strategy is subject to risks, particularly the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is monitored by regularly assessing the funding position and the characteristics of the assets and liabilities. This risk is managed by investing in a suitably diversified portfolio of assets (with the aim of minimising, as far as possible, volatility relative to the liabilities) which are expected to perform in excess of the liabilities over the long term. In addition to this, the Plan invests in an LDI mandate with LGIM which aims to hedge 100% of the interest rate and inflation risks inherent in the Plan's liabilities. The assets of the Plan consist predominantly of investments which are traded on regulated markets.

Investment mandates

The Trustee has appointed M&G to manage the Plan's MAC mandate using the M&G TRCIF. The Trustee will assess the performance of the M&G TRCIF by considering its absolute return relative to the long-term return objective of 1-month LIBOR (cash) + 3 to 5% p.a. net of fees. To achieve this, the TRCIF invests in a variety of public bond assets, with movements in credit spreads being the main driver of returns.

The Trustee has appointed LGIM to manage its LDI mandate. The LDI mandate is comprised of the Matching Plus Fund Range, Single Stock Gilt and Index Linked Gilt Funds and the Sterling Liquidity Fund, which will be the primary source for capital calls following a breach of the upper leverage limit.

The Trustee assesses the LDI component of the LGIM Matching Plus Fund Range and LGIM Single Stock Funds against the gilt-based liability benchmark. The hedge accessed via LGIM is expected to largely comprise of gilt-based instruments. The Trustee has also chosen to invest in LGIM's 'bucket' style Matching Plus Funds in order to better match the shape of its hedge to that of the Plan's liability profile.

The LGIM Matching Plus Funds utilise leverage. Leverage relates to the amount of economic exposure a fund has relative to the assets actually invested. Utilising leverage allows the Plan to hedge a significant proportion of its liabilities whilst maintaining exposure to growth assets to target the required expected return. The degree of leverage and collateral management is closely monitored by LGIM. As previously noted, should a recapitalisation event occur (or a distribution), this will be sourced from (or invested in) the Plan's holdings in the LGIM Sterling Liquidity Fund.

M&G and LGIM are regulated under the Financial Services and Markets Act 2000.

All decisions about the day-to-day management of the assets have been delegated to the investment managers via a written agreement. The delegation includes decisions about:

- Selection, retention and realisation of investments including taking into account all financially material considerations in making these decisions;

- The exercise of rights (including voting rights) attaching to the investments;
- Undertaking engagement activities with investee companies and other stakeholders, where appropriate.

The Trustee takes investment managers' policies into account when selecting and monitoring managers. The Trustee also takes into account the performance targets the investment managers are evaluated on. The investment managers are expected to exercise powers of investment delegated to them, with a view to following the principles contained within this statement, so far as is reasonably practicable.

The investment manager's remuneration is based on a percentage of value of the assets under management, as outlined above.

As the Plan's assets are invested in pooled vehicles, the custody of the holdings is arranged by the investment managers. The custodian provides safekeeping for the assets and performs all associated administrative duties.

Investment Manager Monitoring and Engagement

The Trustee monitors and engages with the Plan's investment managers and other stakeholders on a variety of issues. Below is a summary of the areas covered and how the Trustee seeks to engage on these matters with investment managers.

Areas for engagement	**Method for monitoring and engagement**	**Circumstances for additional monitoring and engagement are where the Trustee determines that:**
Performance, Strategy and Risk	• The Trustee receives a quarterly performance report which details information on the underlying investments' performance and strategy, which are considered at the relevant Trustee meeting. • The Trustee will monitor overall risks within wider strategy reviews as required, upon advice from appointed investment advisers.	• There are significant changes made to the investment strategy. • The risk levels within the assets managed by the investment managers have increased to a level above and beyond the Trustee's expectations. • Underperformance relative to the performance objective over the period that this objective applies.

Environmental, Social, Corporate Governance factors and the exercising of rights	• The Trustee has obtained their investment managers environmental, social and corporate governance policies.	• Managers have not acted in accordance with their policies and frameworks. • Either manager's policy is not in line with Trustee's policy in this area, whether in its current form or if revised.

Employer-related investments

The Trustee's policy 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 Plan 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 Plan's total asset value. The Trustee will monitor this on an ongoing basis to ensure compliance.

Direct investments

Direct investments, as distinguished by the Pensions Act 1995, are products purchased without delegation to an investment manager through a written contract. When selecting and reviewing any direct investments, the Trustee will obtain appropriate written advice from their investment adviser.

Additional Voluntary Contributions ("AVCs")

The Plan does not have any active members so there is no requirement to offer an AVC facility.

Governance

The Trustee of the Plan will make all major strategic decisions including, but not limited to, the Plan's asset allocation, permitted ranges and the appointment and termination of investment managers.

When making such decisions, and when appropriate, the Trustee takes proper written advice. The Trustee's investment advisers, Isio Group Limited, are qualified by their ability in and practical experience of financial matters and have the appropriate knowledge and experience. The investment adviser's remuneration may be a fixed fee or based on time worked, as negotiated by the Trustee in the interests of obtaining best value for the Plan.

Compliance

This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005. Before preparing or subsequently revising this Statement, the Trustee consulted the sponsoring company and took appropriate written advice. The Statement is reviewed at least every three years, and without delay after any significant change in the investment arrangements.

BESTrustees Limited as Trustee of the 4imprint 2016 Pension Plan

Date: 10 September 2020

Appendix A – Risks, Financially Material Considerations and Non-Financial matters

A non-exhaustive list of risks and financially material considerations that the Trustee has considered and sought to manage is shown below. All risks within this Appendix are considered to be relevant over the lifetime of the Plan's existing investment strategy in the context of the Trustee's current objectives.

The Trustee adopts an integrated risk management approach. The three key risks associated within this framework and how they are managed are stated below:

Risk	Definition	Policy
Investment	The risk that the Plan's position deteriorates due to the assets underperforming.	• Selecting an investment objective that is achievable and is consistent with the Plan's funding basis and the sponsoring company's covenant strength. • Investing in a diversified portfolio of assets.
Funding	The extent to which there are insufficient Plan assets available to cover ongoing and future liability cash flows.	• Funding risk is considered as part of the investment strategy review and the actuarial valuation. • The Trustee will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Plan.	• When developing the Plan's investment and funding objectives, the Trustee takes account of the strength of the covenant ensuring the level of risk the Plan is exposed to is at an appropriate level for the covenant to support.

The Plan is exposed to a number of underlying risks relating to the Plan's investment strategy, these are summarised below:

Risk	Definition	Policy
Interest rates and inflation	The risk of a mismatch between changes in the value of the Plan's assets and the present value of its liabilities due to changes in interest rates and inflation expectations.	To maximise hedging while generating an overall portfolio return consistent with what is required from a Plan funding perspective.
Liquidity	Difficulties in raising sufficient cash when required without adversely	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members' benefits as they

	impacting the fair market value of the investment.	fall due (including transfer values), and to provide collateral to the LDI manager.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.
Credit	Default on payments due as part of a financial security contract.	• To diversify this risk by investing in a range of credit markets across different geographies and sectors. • To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Plan for the risk of default.
Environmental, Social and Governance ("ESG")	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Plan's investments.	• To delegate to investment managers the consideration of ESG factors in determining the appropriate holdings within their portfolios. • The Trustee does not impose social, environmental or ethical constraints on the investment managers in relation to the selection, retention and realisation of investments.
Currency	The potential for adverse currency movements to have an impact on the Plan's investments.	• Invest in GBP share classes where possible to avoid direct currency risk. • The Trustee has a preference towards managers which hedge currency risk in underlying assets.
Non-financial	Any factor that is not expected to have a financial impact on the Plan's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.

Appendix B

The Trustee has the following policies in relation to the investment management arrangements for the Plan:

How the investment managers are incentivised to align their investment strategy and decisions with the Trustee's policies.	• As the Plan is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustee's policies. However, the Trustee invests in a portfolio of pooled funds that are aligned to the strategic objective.
How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.	• The Trustee reviews the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements. • The Trustee monitors the investment managers' engagement and voting activity on an annual basis as part of the Implementation Statement for the Trustee report and accounts. This will first be conducted for the Plan Accounts covering the period up to 30 September 2020. By doing this, it indirectly incentivises the investment managers to make decisions based on non-financial information.
How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustee's policies.	• The Trustee reviews the performance of all of the Plan's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives. • The Trustee evaluates performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years. • Quarterly investment performance reports are produced documenting the performance of each of the Plan's investment managers.
The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	• The investment managers are incentivised to minimise costs as they are measured on a net of cost basis. • Where relevant, portfolio turnover costs are considered periodically.
The duration of the Plan's arrangements with the investment managers	• The duration of the arrangements is considered in the context of the type of fund the Plan invests in. o For closed-ended funds or funds with a lock-in period the Trustee ensures the timeframe of the investment or

		lock-in is in line with the Trustee's objectives and Plan's liquidity requirements. o For open-ended funds, the duration is flexible, and the Trustee will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.