Clumber Consultancy Pension Trustees

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# Percy Ingle Bakeries Ltd Staff Scheme
# Implementation Statement

**Introduction**

On 6 June 2019, the U.K. Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations (the "Regulations"). The Regulations, amongst other things, require that the Trustees of the Percy Ingle bakeries Ltd Staff Scheme (the "Scheme"), produce an Implementation Statement which:

- describes any review of the Statement of Investment Principles (SIP) undertaken;
- explains any changes made to the SIP and reasons for the changes - where no review was undertaken during the year, gives the date of the last review
- outlines how the Trustees have ensured that the policies and objectives set out in its SIP have been adhered to over the course of the Plan year and
- describes the voting behaviour on behalf of the Trustees, including the most significant votes cast and any use of a proxy.

This Implementation Statement covers the year ending 28 September 2022. The Trustee believes that the SIP has been followed during the Scheme year.
The current Trustee was appointed following the Liquidation of the Sponsoring Employer and wind up commenced December 2021. Any existing Scheme documentation was not recovered from the Corporate Trustee and the current Trustee has therefore implemented this SIP in September 2022. The review took into account the following:

- Prevailing SIP requirements
- The Sponsoring Employer is in Liquidation
- The Scheme is a legacy arrangement only used for pension contributions paid between 1992 and 1996 and was never used for auto enrolment
- Investment options were limited under the product type upon set up
- The default fund is the only possible selection for the product
- Absolute monetary fund values have increased by not insignificant amounts over a period of recent volatility
- Average member fund size is under £4,000
- Scheme wind up will mean that members who have not yet reached retirement age can be offered winding up lump sums
- Wind up is anticipated to be completed in next 12 to 18 months

**How the Trustee has met the objectives and policies outlined in the SIP**

The Trustees' investment objectives, as set out in the SIP, are summarised below together with an explanation of how these objectives have been met over the course of the year:

1. The Trustees' key aim is to provide a fund which delivers adequate returns whilst protecting the accumulated fund value as far as possible. The Trustee has reviewed changes in member fund values and fund returns and charges and it satisfied that this aim has been met.

2. The Trustee has maintained the with profits fund as this is the only option for the product and has provided increases to the fund values over the last year of 25% through investment returns and bonuses.
3. The with profits fund asset allocation is made up of is made up of investments in company shares, property and government and other bonds, providing diversification to smooth returns with the addition of annual and final bonuses. The Fund Fact sheet confirms the current fund breakdown as 54% company shares, 15% property and 31% Government and other bonds providing the fund diversification to smooth returns.
4. The Trustees have reviewed Royal London materials including fund fact sheets, returns, stewardship code and member statements.
5. The Trustee has taken the decision that the default investment strategy remains appropriate whilst they complete the wind up of the Scheme is completed which should be in the next 12 to 18 months.
6. Any change to the Investment Strategy would require a full product review which the Trustee does not feel is appropriate in the light of the wind up.
7. Voting behaviour on behalf of the trustee. The Trustee has not set any specific guidelines around manager voting. The Trustee invests only in the with profits fund. As a holder of assets with attaching voting rights, the Trustees expect Royal London as the Scheme's investment manager to ensure that (where appropriate) underlying managers exercise the Trustees' voting rights in relation to the Scheme's assets. Royal London has an in house view and their Voting Policies are reviewed on an annual basis. In updating the Voting Policies, new and emerging best practice is incorporated together with feedback from clients, changes in local governance or stewardship codes, and their own evolution in thinking. As a result of this policy, no single fund or fund manager may single-handedly change a vote for their fund, and any recommendations to change a vote are considered and discussed. It is believed that this 'house views' approach also helps send a clear and consistent message to companies on its governance expectations and allows it to engage more effectively and seek improvements to governance standards. This should take place in line with Royal London's policy. Royal London's approach is set out under their UK Stewardship Code which the Trustee has reviewed. This provides an overall view and does not report against individual funds. The Trustee has asked if fund specific information can be provided and for details of significant votes and will report on this when information is received.

Prepared by the Trustee of the Percy Ingle Bakeries Ltd Staff Scheme
April 2023