

DAS Legal Expenses Insurance Company Limited Pension and Life Assurance Scheme

Statement of Investment Principles

As at October 2023

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Executive Summary

This Statement of Investment Principles ("the Statement") has been commissioned by and addressed to the Trustees of the DAS Legal Expenses Insurance Company Limited Pension and Life Assurance Scheme ("the Scheme").

This document has been prepared by Simon Cohen of Spence and Partners Limited, in his capacity as appointed Investment Consultant to the Scheme.

It has been prepared to comply with Section 35 of the Pensions Act 1995 as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005, and as amended by subsequent regulations.

For the purposes of this report, DAS Services Limited is referred to as the "Employer".



Introduction

This Statement sets out the principles governing decisions about investments for the Scheme and supersedes the previous statement prepared by the Trustees.

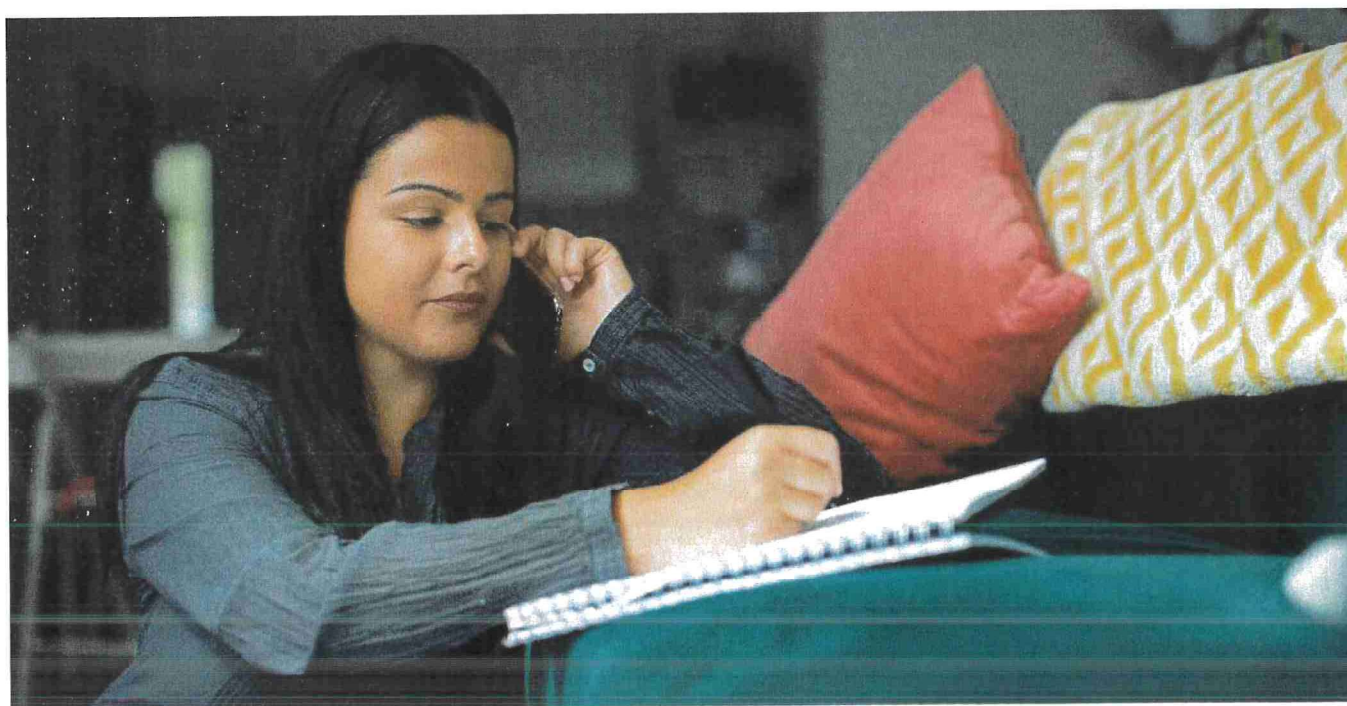
In preparing this Statement, the Trustees have:

1. Consulted with the Employer, although responsibility for maintaining this Statement and setting investment policy rests solely with the Trustees.
2. Obtained and considered written professional advice and recommendations from Spence who are the Trustees' appointed investment consultants. The Trustees have also received advice from Towers Watson Limited ("WtW") around the selection of a suitable insurer for purchasing a bulk annuity policy.
Spence and WtW are authorised and regulated by the Financial Conduct Authority ("FCA"). They have confirmed to the Trustees that they have the appropriate knowledge and experience to give the advice required by the Pensions Acts.

The Trustees will review this Statement at least once every three years to coincide with the triennial actuarial valuation or other advice relating to the statutory funding requirements. If there are any significant changes in any of the areas covered by this Statement, the Trustees will review it without further delay. Any changes made will be based on written advice from a suitably qualified individual and will follow on from consultation with the Employer.

The Scheme is a defined benefit plan. The Trustees' investment powers are set out in Clause 6 of the Trust Deed and Rules dated 13 January 2014 and subsequent amending deeds. This Statement is consistent with those powers.

This Statement has been prepared with regard to the Scheme Funding legislation.



Investment Objectives

The Trustees' overall investment policy is guided by the objective of buying-out the Scheme's liabilities with an insurer.



Investment Responsibilities

The Trustees

Under the legal documentation governing the Scheme, the power of investment is vested in the Trustees. Therefore, the Trustees are responsible for setting the investment objectives and determining the strategy to achieve those objectives. They set the overall investment target and then monitor the performance of their investment managers against the target. In doing so the Trustees consider the advice of their professional advisers, who they considers to be suitably qualified and experienced for this role.

The duties and responsibilities include but are not limited to:

- Regular approval of this Statement and monitoring compliance with this Statement.
- Appointment, removal (where applicable) and review of their investment managers or investment advisor and their performance relative to relevant benchmarks.
- Assessment of the investment risks run by the Scheme.
- Monitoring and review of the asset allocation.

Investment Consultant's Duties and Responsibilities

The Trustees have appointed Spence as their investment advisor. Spence provides advice when the Trustees require it and/or when Spence feels it suitable to do so. Areas on which it can provide advice are as follows:

- Setting investment objectives.
- Determining strategic asset allocation.
- Determining suitable funds and investment managers.
- Managing cashflow.

It should be noted that the Trustees retain responsibility for all decisions.

Spence are remunerated on a basis point fee for most services provided.

Any extra services provided by Spence will be remunerated on a time cost basis.

The Trustees are satisfied that this is a suitable adviser compensation structure.

Investment Managers' Duties and Responsibilities

The Trustees, after considering suitable advice from WtW, have moved the Scheme's assets into a buy-in policy with Canada Life who are managing the policy. Therefore, there are no longer any investment managers that the Scheme has appointed.

Setting the Investment Strategy

The Trustees have determined their investment strategy after considering the Scheme's liability profile, their own appetite for risk and the views, risk appetite and covenant of the Employer. They have also received written advice from their investment consultants.

Types of Investment

The Scheme's assets are invested with Canada Life in a buy-in policy which matches the Scheme's liabilities.

The Trustees are permitted to invest across a wide range of asset classes, including but not limited to equities, bonds, cash, property and alternative asset classes. The use of derivatives is as permitted by the guidelines that apply to the pooled funds.

There is no employer-related investment content of its portfolio as a whole as the Trustees hold an annuity policy.

Balance Between Different Types of Investment

The Trustees hold an insurance policy which is for the benefit of all members to match all of their liabilities.

Expected Return on Investments

The expected return on investments is equal to the growth in liabilities of the Scheme.

Realisation of Investments

The Scheme's assets are invested in an annuity, which is not readily realisable.

Financially Material Considerations

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. However, as the time horizon of the Scheme is very short (likely to be less than 2 years) and as the Scheme is invested in a buy-in policy, ESG considerations are not expected to have an impact on/be relevant to the Scheme's investment strategy.

Non-Financially Material Considerations

The Trustees have not considered non-financially material matters in the selection, retention and realisation of investments.

Stewardship

The Scheme is invested in a buy-in policy with Canada Life and does not have much influence over how the investments are managed. This section has outlined the Trustees policy and expectations of the insurance company, but the Trustees acknowledge that they may not be followed.

The Trustees' policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the insurer on the Trustees behalf, having regard to the best financial interests of the beneficiaries.

The insurer should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe that this will be beneficial to the financial interests of members over the long term.

The Trustees also expects the insurer to engage with investee companies or other relevant persons on performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, ESG issues concerning the Trustees' investments.

Investment Manager Arrangements

As the Trustees are invested in a buy-in policy with Canada Life, they have not considered the following requirements as they have no control over the investment strategy of the insurance company:

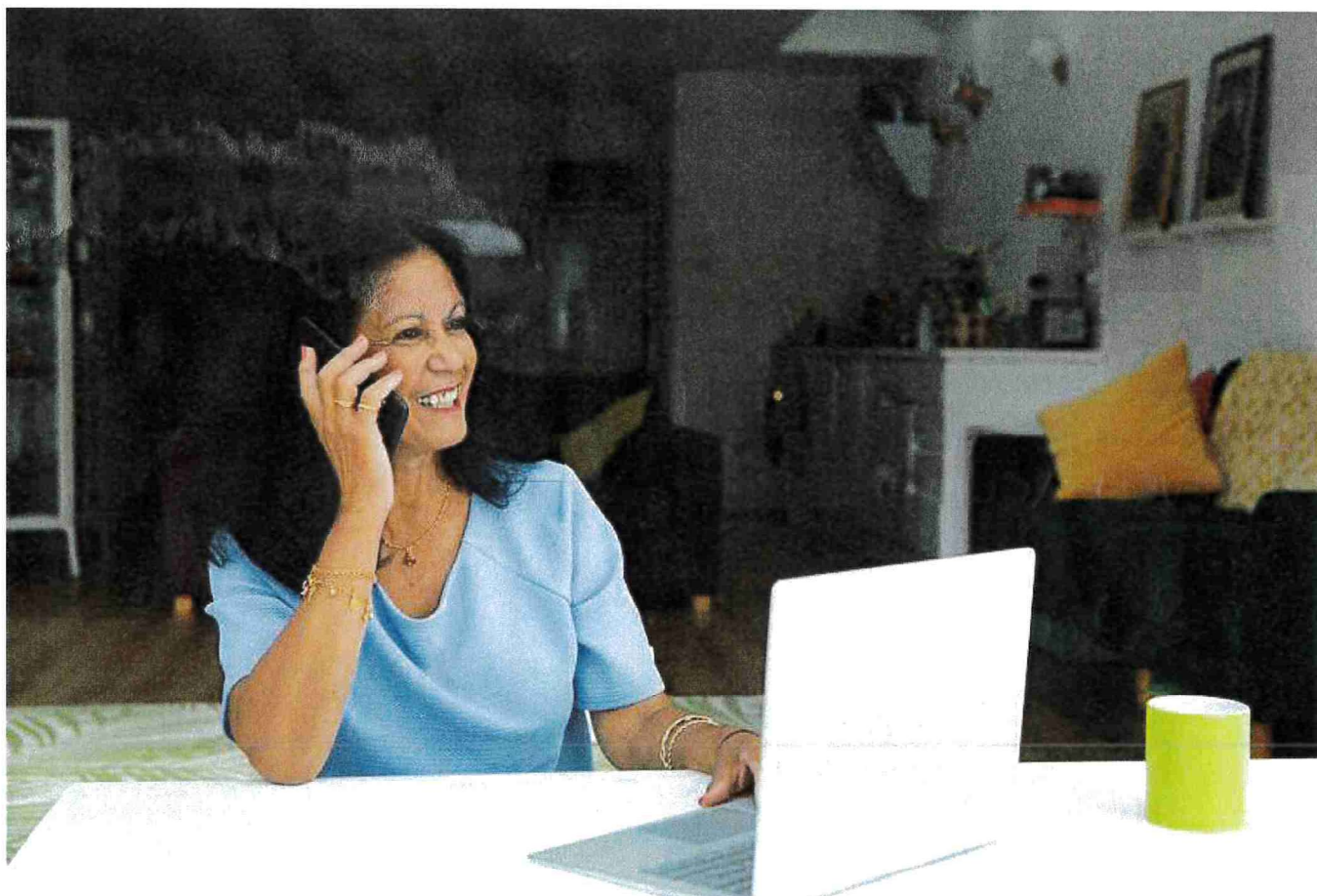
- Incentives to align investment managers' investment strategies and decisions with the Trustees' policies.
- Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.
- How the method (and time horizon) of the evaluation of the fund managers' performance and the remuneration for asset management services are in line with the Trustees' policies.
- How the Trustees monitor portfolio turnover costs incurred by the fund managers, and how they define and monitor targeted portfolio turnover or turnover range.

Additional Voluntary Contributions ("AVCs") Arrangements

Some members obtain further benefits by paying AVCs to the Scheme. The liabilities in respect of these AVCs are equal to the value of the investments bought by the contributions. The Scheme holds AVCs with Clerical Medical which are invested in With-Profit and Unit-Linked Funds. From time to time the Trustees review the choice of investments available to members to ensure that they remain appropriate to the members' needs.

Risks

The Trustees are aware and seeks to take account of a number of risks in relation to the Scheme's investments. Under the Pensions Act 2004, the Trustees are required to state their policy regarding the ways in which risks are to be measured and managed. As the assets are now invested in a buy-in policy the Trustees have mitigated most risks which are mismatch risk, concentration risk, investment manager risk, liquidity risk, currency risk, loss of investment risk and ESG risks. The only outstanding risk is the risk of insolvency of the insurer.



Compliance

The Trustees confirm that they have received and considered written advice from Spence and WtW on the establishment and implementation of its investment strategy.

The Trustees confirm that they have consulted with the Employer regarding their strategy.

Copies of this Statement and any subsequent amendments will be made available to the Employer, the investment managers, the Scheme Actuary and the Scheme auditor upon request.

The Trustees will monitor compliance with this Statement annually. This will include a review of the suitability of the investment strategy on an ongoing basis and consideration of the continued suitability of the insurer.

NAME (block capitals)

KAREN DURSLEY

Signed

Trustee

Signed for and on behalf of the Trustees of DAS Legal Expenses Insurance Company Limited
Pension and Life Assurance Scheme

Date of Signing: 31/10/2023



NAME (block capitals)

STEVEN ACLAND

Signed

Trustee

Signed for and on behalf of the Trustees of DAS Legal Expenses Insurance Company Limited
Pension and Life Assurance Scheme

Date of Signing: 31 October 2023



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