

Statement of Investment Principles

Reuters Supplementary Pension Scheme

March 2022

Statement of Investment Principles

The Statement of Investment Principles contains the following Sections and Attachments.

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1. Introduction

- Under Section 35 the Pensions Act 1995 (“Pensions Act”) and as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005, trustees of a pension fund are required to prepare a statement of the principles governing investment decisions (“the Statement”). This document contains that Statement for the Reuters Supplementary Pension Scheme (“the Scheme”). This Statement reflects the current position of the Scheme.
- The Trustee will review this document under the following conditions:
 - At least once every three years.
 - Sooner following an unscheduled actuarial valuation in accordance with the Scheme Specific Funding Requirement under the Pension Act 2004.
 - Without delay after any significant change in the investment policy in accordance with the provisions of the Pensions Act 2004.
 - Where the Trustee consider a review is needed for other reasons.
- The Trustee has had regard to the requirements of the Pensions Act concerning diversification and suitability of investments and will consider those requirements on any review of this document. The Trustee is responsible for all aspects of the operation of the Scheme including this Statement. The Sponsor (Refinitiv Limited) has confirmed to the Trustee that it has been consulted regarding the contents of this Statement as required by the Act.
- In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for selection of specific investments to appointed Investment Managers. In drawing up this Statement, the Trustee has sought advice from the Scheme's Investment Consultant and other advisers. Before preparing this Statement, the Trustee has had regard to the requirements of the Pensions Act concerning diversification of investments and suitability of investments and the Trustee will consider those requirements on any review of this Statement or any change in the investment policy. The Trustee will refer to this Statement where necessary to ensure that it exercises its powers of investment so as to give effect to the principles set out in it as far as is reasonable.

Scheme details

- The Scheme operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries.
- The Scheme's benefits are provided on a final salary basis and the Scheme's assets are held under the legal control of the Scheme's Trustee. The operation of the Scheme is governed by its Rules (as updated from time to time).

- Administration of the Scheme is managed by Capita in consultation with the Trustee, who is responsible for the investment of the Scheme's assets.

2. Governance

- The Trustee is responsible for the investment strategy of the Scheme.
- The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. It also recognises that where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to evaluate critically any advice it takes.

3. Objectives of the Scheme

Investment Objectives and Strategy

- The principal objective of the Trustee is to invest the assets of the Scheme to meet its liabilities when they fall due.
- The Trustee maintains a portfolio that consists of a bulk annuity insurance contract with Legal & General Assurance Society Limited. This covers all members of the Scheme and is intended to provide an income to the Scheme matching the pension payments due to the Scheme's members. The Scheme also holds surplus cash above this insurance contract which is retained in a liquidity fund and the Trustee Bank account to meet ongoing expenses.
- In setting the investment policy the Trustee has had regard to the influence this will have on ensuring that the Scheme's fully funded position is maintained, therefore providing members with the highest probability of their benefits being paid both in full and on time.

Additional Voluntary Contributions (AVCs)

- The Scheme no longer provides a facility for members to pay AVCs to enhance their benefits at retirement. Existing contributions are invested both internally in the Scheme and externally in a range of funds (with Prudential).

4. Risks

Risks

Following the purchase of a full bulk annuity insurance contract covering all members, the Trustee recognises that the main risk retained in the Scheme are as follows:

- Following the move to a full buy-in, the default risk of the chosen insurer Legal & General Assurance Society Limited. The Trustee relies on the regulatory framework that Legal & General operates under to mitigate risk, governed by the Prudential Regulatory Authority, e.g. the regulatory capital requirements.
- In addition, in the event of default by the insurer, the Scheme is expected to be eligible for compensation from the Financial Services Compensation Scheme (“FSCS”), up to the full value of the benefits insured, based on the current FSCS rules.
- The default risk of the Sponsor of the Scheme; although the Scheme should no longer be reliant on the Sponsor’s covenant following the buy-in with Legal & General, the Trustee aims to convert the bulk annuity contract entered with Legal & General to a range of individual annuities directly between each member and Legal & General. No specific timescale for this has yet been set.

5. Asset Allocation

Asset Allocation

- The Scheme’s asset allocation consists of a single bulk annuity contract that matches the liabilities with Legal & General Assurance Society Limited. The Scheme also holds some surplus cash beyond this bulk annuity, which is retained in a liquidity fund with BMO as well as a cash balance in the Trustee Bank account to meet ongoing expenses.

6. Responsible Investment and sustainability

The Trustee has considered the extent to which financially material considerations such as environmental, social and governance (“ESG”) issues and climate change risks may impact the selection, retention and realisation of the Scheme’s investments over the likely time horizon that they will be held by the Scheme.

Whilst the Trustee considers that financially material considerations such as ESG issues and climate change factors are likely to have financial impacts on pension investments, in the context of the Scheme’s investment in a single bulk annuity contract and limited cash held in a liquidity fund, the Trustee does not consider that these considerations would be material over the time horizon of the Scheme, but did consider these risks when selecting bulk annuity providers and appointing Legal & General Assurance Society.

Stewardship

The Trustee's policy is generally to delegate responsibility for the stewardship activities (including voting rights and engagement activities) attaching to all investments to its investment managers. The Trustee considers this an appropriate policy given the Scheme's assets and in the context of the Scheme's investment in a single bulk annuity contract and limited cash held in a liquidity fund, the Trustee does not consider that it is able to meaningfully undertake engagement activities or exercise any voting rights.

Non-financial factors

The Trustee does not take account of any non-financial factors (such as member ethical views) and these are not currently taken into account in the selection, retention and realisation of the Scheme's investments.

Manager alignment

The Trustees are required, under Regulation 2(3)(d) of The Occupational Pension Schemes (Investment) Regulations 2005, to include details of their manager alignment policies in this Statement or explain why they have not done so. The Trustee has not included details of its manager alignment policies in this Statement given the Scheme's investment in a single bulk annuity contract and limited cash held in a liquidity fund.

7. Compliance with this Statement

Compliance with this Statement

- The Trustee will monitor compliance with this Statement

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Name (Print)	Signature	Date