

Stream International (NI) Employee
Benefits Plan

Statement of Investment Principles

July 2023

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Section 1 : Introduction

- 1.1 This Statement of Investment Principles (the ‘SIP’) has been prepared by the Trustees of the Stream International (NI) Employee Benefits Plan (the ‘Plan’) in accordance with Section 35 of the Pensions Act 1995 (the ‘PA 1995’), as amended, and its associated Regulations including the requirements of the Occupational Pension Schemes (Investment) Regulations 2005, as amended.**
- 1.2 The Plan is a wholly insured scheme as defined in Regulation 8 (2) of the Occupational Pension Schemes (Investment) Regulations 2005. The assets are held by the Trustees of the Plan in a Policy of Insurance with Aviva Life & Pensions UK Limited (‘the Provider’). The SIP sets out the required principles governing decisions about investments for the Plan.**
- 1.3 As the Plan has more than 100 members and is a wholly insured scheme, this SIP is required to cover: (i) the Trustees’ policy for securing compliance with the requirements of Section 36 of the PA 1995 (choosing investments); and (ii) the reasons for the Plan being a wholly insured scheme.**
- 1.4 A wholly insured scheme is where all assets (excluding cash held in the Trustees’ bank account) are held in one or more qualifying insurance policies. The Trustees consider that a wholly insured approach is an appropriate arrangement. This route provides lower operational costs than alternative options and a reasonable range of services including a choice of investment options.**
- 1.5 The Plan’s assets are held in trust by the Trustees. The Trustees are responsible for the investment of the Plan’s assets and their investment powers are set out in the Plan’s Trust Deed and Rules. The Trustees must exercise their investment powers in accordance with regulations and section 36 of the PA 1995 and if any discretion has been delegated to the Provider under section 36 of the PA 1995 the Provider must exercise the discretion in accordance with regulations and exercise investment powers to give effect to the SIP, so far as reasonably practicable. Such regulations may include: i) the criteria to be applied in choosing investments; and ii) require diversification of investments.**
- 1.6 The Trustees take strategic decisions relating to the investment of the Plan’s assets. Operational and investment management duties are undertaken by the Provider and investment fund managers. When determining which decisions to take themselves, the Trustees have considered whether they have the appropriate training and are able to secure the necessary expert advice in order to make an informed decision. Further, the ability of the Trustees to effectively execute the decision is also considered.**

Section 2 : Preparation of the SIP

2.1 In preparing the SIP, the Trustees have:

- Obtained and considered written advice from a suitably qualified individual whom they believe to have a degree of knowledge and experience that is appropriate for the management of their investments; and
- Consulted with the Sponsoring Employer, although affirm that no aspect of their strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

Section 3 : Review of the SIP

- 3.1 The Trustees will review the SIP formally at least every three years to ensure its ongoing suitability. Furthermore, the Trustees will review the SIP without delay after any significant change in investment policy. Any changes made to the SIP will be based on written advice from a suitably qualified individual and will follow consultation with the Sponsoring Employer.**

Section 4 : Trustees' investment objectives

- 4.1** The Trustees recognise that members have differing investment needs and that these may change during members' working lives. The Trustees also recognise that members have different attitudes and tolerances to risk. The Trustees believe that members should make their own investment decisions based on their individual circumstances.
- 4.2** The Trustees' main objective is to provide members with an investment strategy aligned to the expected needs of their members that will optimise the return on investments to build up a savings pot which will be used in retirement.
- 4.3** The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default investment strategy. They recognise that in a defined contribution arrangement, members assume the investment risks themselves and that members are exposed to different types of risk at different stages of their working lifetimes.
- 4.4** Considering the above, the Trustees' objectives are as follows:
- a.** To make available a range of investment funds that should enable members to tailor their own investment strategy to meet their own individual needs.
 - b.** To offer funds which facilitate diversification and long term capital growth.
 - c.** To offer funds that enable members to reduce risk in their investments as they approach retirement.
- 4.5** Details of the approach the Trustees have taken to meet these investment objectives, specifically about the default arrangement are set out in section 5 below.
- 4.6** To help mitigate the most significant of these risks the Trustees have considered the suitability of:
- a.** The Provider's default arrangement, which transitions members' investment from higher risk investments to lower risk investments as members approach retirement, and
 - b.** The range of self-select funds across asset classes.
- 4.7** The Trustees will review the investment approach from time to time (at least triennially) and make changes as and when considered to be appropriate.

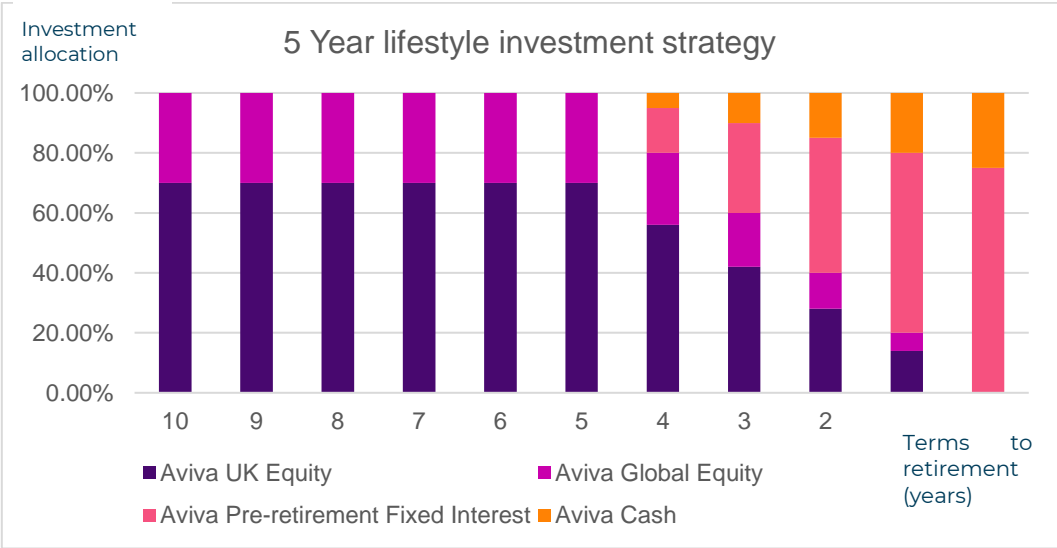
Section 5 : Default investment strategy

Aims and Objectives

5.1 The Plan’s default investment is an automated lifestyle strategy (“the 5 Year Lifestyle Strategy”) the primary purpose of which is to provide an investment solution for members who feel unable or disinclined to make their own investment decision and is designed to be appropriate for most members in the Plan. The aim of the default arrangement is to provide long-term growth potential in the years before retirement and protect assets as members get closer to retirement.

5.2 During the growth phase of the lifestyle strategy members are invested in a combination of 25% UK and 75% overseas equities to maximise growth potential over the longer term. From five years to members default or selected retirement date, their investments are gradually switched out of equities and progressively invested into a combination of fixed interest government securities and cash so that by the time they reach retirement, members’ pots are invested 75% in fixed interest bonds and 25% in cash.

5.3 The following chart illustrates the changes to fund allocations that will be implemented on members behalf up to their retirement date:



Source: Aviva

5.4 In determining the investment strategy, the Trustees received formal written investment advice from their investment consultants.

Section 6 : Self-select fund choices

- 6.1** Members can opt out of the default option and can choose to invest in self-select funds instead. The range of investment options covers multiple asset classes and allows members to achieve diversification, and provides appropriate strategic choices for members' different savings objectives, risk profiles and time horizons. These funds are listed in Appendix A.
- 6.2** When self-selecting, the balance between funds and asset classes is decided by the members. This balance will determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerance.
- 6.3** The choice of fund range offered to members is determined by the Trustees from the range available from the Provider. The Trustees are satisfied that the fund range offered is suitably in line with the objectives outlined in section 4. The advice received and arrangements implemented are, in the Trustees' opinion, "proper advice" and consistent with the requirements of Section 36 of the PA 1995 (as amended) having regard to the requirements under regulations, so far as relating to the suitability of investments and to the principles contained in the SIP.

Section 7 : Investment responsibilities

Trustees’ duties and responsibilities

7.1 The Trustees are responsible for setting the investment objectives and determining that the Provider’s approach is aligned with this. The Trustees carry out their duties and fulfil their responsibilities as a single body. However, sub-committees may be formed from time to time to examine specific issues.

7.2 The Trustees have appointed Willis Towers Watson as the independent investment adviser to the Plan who will provide advice as and when the Trustees require, as well as raising any investment-related issues, of which it believes the Trustees should be aware. Such investment advice or assistance to the Trustees may include the following:

- **Setting of investment objectives**
- **Reviewing the suitability of the default strategy and wider fund range**

7.3 In considering the suitability of investments in the Plan, the Trustees will obtain and consider the written advice of Willis Towers Watson, whom the Trustees believe to be suitably qualified to provide such advice. The advice received and arrangements implemented are in the Trustees’ opinion, consistent with the requirements of Section 36 of the PA 1995.

7.4 Willis Towers Watson is remunerated on a fee basis for the investment advice it provides and does not receive any commission in relation to the Plan. The Trustees are satisfied that the investment arrangements, including the charging structure, are clear and transparent.

7.5 Any additional services provided by Willis Towers Watson will be remunerated primarily on a time-cost basis. The Trustees are satisfied that this is the most appropriate adviser remuneration structure for the Plan. Both Willis Towers Watson and the individual investment consultants who advise the Trustees are authorised and regulated by the Financial Conduct Authority (FCA). The Trustees continually review the performance of their advisers.

Signed:

Name:

Date:

Authorised for and on behalf of the Trustees of the Stream International (NI) Employee Benefits Plan.

Appendix A : Investment implementation document

The self-select funds available to members are:

Fund name (including link to factsheet)	Manager	Gross annual fee (%per annum)
<u>Aviva Pension UK Equity FP</u>	Aviva Life & Pensions UK Limited	0.50
<u>Aviva Pension Global Equity FP</u>	Aviva Life & Pensions UK Limited	0.50
<u>Aviva Pension Pre-Retirement Fixed Interest FP</u>	Aviva Life & Pensions UK Limited	0.50
<u>Aviva Pension Cash FP</u>	Aviva Life & Pensions UK Limited	0.50

The gross annual fees shown represents the total expense ratio for the funds, including the annual management charge, fund management charge and any additional fund expenses.