



Brewin Dolphin Pension Fund

Statement of Investment Principles

September 2024

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01 Introduction

This document constitutes the Statement of Investment Principles ('the SIP') required under the Pensions Act 1995 for the Brewin Dolphin Pension Fund ('the Fund'). It describes the investment policy being pursued by the Trustees of the Fund and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ('the Myners Principles'). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

The Investment Adviser is XPS Investment ('the Adviser').

The Trustees confirm that, before preparing this SIP, they consulted Brewin Dolphin Limited ('the Company') and have obtained and considered written advice from the Adviser. The Trustees believe the Adviser to be qualified by their ability and practical experience of financial matters and to have appropriate knowledge of the investment arrangements that the Fund requires.

The Trustees are responsible for the investment of the Fund's assets and arrange administration of the Fund, as governed by the Fund's Trust Deed. The Trustees have decided to appoint RBC Brewin Dolphin as the Investment Manager and have delegated all investment decisions to them subject to certain limits designed to ensure the Trustees meet their obligations with respect to diversification, liquidity and employer related investments. The representative of the Investment Manager managing the assets on a day-to-day basis is an authorised person under the FSMA and provides the expertise necessary to manage the investments of the Fund.

Declaration

The Trustees confirm that this Statement of Investment Principles reflects the Investment Strategy they have implemented and/or intend to implement for the Fund. The Trustees acknowledge that it is their responsibility, with guidance from the Adviser, to ensure the assets of the Fund are invested in accordance with these Principles.

Signature

Date

For and on behalf of the Trustees of the Brewin Dolphin Pension Fund

02 Plan Governance

The Trustees are responsible for the governance and investment of the Fund's assets. The Trustees consider the governance structure set out in this SIP appropriate for the Fund as it allows the Trustees to make the important decisions on investment policy, while delegating the day-to-day aspects to the Investment Manager. The responsibilities of each of the parties involved in the Fund's governance are detailed in Appendix A.

The Trustees have decided not to appoint an Investment Sub-Committee to deal with investment matters in general. However, one may be convened as necessary, from time to time.

03 Investment Objectives

The investment objectives of the Fund take into consideration the different members' attitudes to risk as well as the members' investment needs. The investment objectives are:

- > to offer members suitable choices of investment based on flexibility, risk assessment, type of investment, sustainability and performance; and
- > to provide a framework for members to invest in suitable investments at competitive fees with a range of investment opportunities according to their risk profile and individual objectives.

04 Investment Strategy

The Trustees believe, having taken appropriate professional advice, that the investment objectives will be met by offering members the choice of investing in accordance with one, or more, of six different investment mandates (the "Funds"). The Funds are expected to offer members sufficient choice for them to meet their own needs and/or be appropriate for different phases in a typical member's life cycle.

The Trustees recognise that by making these types of investment mandates available, they are offering options to satisfy, in the broadest terms, the reasonable requirements for return and risk combinations of most members (a central aspect of Myners' principles). The investment management agreement with the Investment Manager includes provisions designed to ensure adequate diversification of risk and liquidity and to ensure employer related investments are limited to those permitted.

The Trustees will continue to monitor the needs of the members, including the need or otherwise to formalise a lifestyling strategy with certain fund changes occurring in a pre-defined manner, rather than at members' own requests.

Liquidity

Illiquid assets are those that cannot be easily or quickly exchanged for cash. The Trustees' policy is to consider the benefits of all available asset classes when constructing the investment strategy of the default arrangement. This is to seek to improve member outcomes through improved risk-adjusted returns. Their policy is also that, at present, the default arrangement should have no allocation to illiquid assets. This is due to the Trustees giving more fundamental consideration at this time to how best to use the Fund to deliver members' pension benefits; their policy on illiquid assets can only be considered properly once those higher-level considerations have taken place.

The Trustees will consider the asset class again and will, in conjunction with training and research from their investment adviser as appropriate, determine whether there are suitable, future opportunities to invest in illiquid assets. At such time, the Trustees' considerations will extend to the cost implications of investing in such assets.

Therefore, it is currently the case that the Investment Manager is required to ensure all assets are held in asset classes that are sufficiently liquid to be realised if the Trustees or members require (i.e. the underlying investments are traded regularly on a public exchange or invested via units in a pooled fund with frequent dealing dates).

Alignment of incentives

Based on the structure set out in Appendix B, the Trustees consider the arrangements with the Investment Manager to be aligned with the Fund's overall strategic objectives. The Investment Manager's mandate is governed by strict parameters established by RBC Brewin Dolphin and its Asset Allocation Committee and approved by the Trustees.

The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Manager's tactical asset allocation preferences at any time, within the parameters referred to above.

The Trustees will ensure that the Fund's assets are wholly invested in regulated markets to maximise their security.

The Investment Manager is incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Manager for the Fund's investment strategy is dependent upon them doing so. The Investment Manager is therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustees' expectations.

05 Available Funds

The Trustees have decided to make a choice of funds available to members, provided by the Investment Manager, RBC Brewin Dolphin. Details of the six Funds available to members are provided in Appendix B.

Custody

RBC Brewin Dolphin acts as custodian, with responsibility for ensuring the safe custody of the assets and timely settlement of properly instructed trades.

06 Monitoring

Investment Manager

The Trustees receive regular performance monitoring reports from the Investment Manager, which consider performance over the quarter, one year and three year periods, and since inception. In addition, the Investment Adviser carries out annual independent reviews of the Investment Manager over a three year period. Monitoring over the longer term, in this way, is particularly aligned with the Trustees taking a long term perspective on investment performance.

This monitoring helps to determine the Investment Manager's ongoing role in implementing the investment strategy. If there are concerns, the Trustees may carry out a more in-depth review. The investment manager is also required to attend every Trustees' meeting, to answer any questions that arise from the performance monitoring.

The current Investment Manager's remuneration is not linked to the assets under management as no fees are levied directly on the invested funds, themselves. The Trustees are therefore regularly reminded of the additional importance to be attributed to considering the Investment Manager's performance (both in terms of pure investment performance and the value provided in other governance aspects), when considering the Investment Manager's ongoing involvement with the Fund. If consideration is given to changing Investment Manager, the ongoing charging structure would become a higher priority.

The Trustees will regularly review the activities of the Investment Manager at each Trustees' meeting to satisfy themselves that the Investment Manager continues to carry out their work competently and has the appropriate knowledge and experience to manage the assets of the Fund.

As part of this review, the Trustees will consider whether or not the Investment Manager:

- > is carrying out their function competently;
- > is adhering to requirements around adequate diversification, liquidity and limits on employer-related investments; and
- > has been exercising their powers of investment with a view to giving effect to the other principles contained in this SIP, so far as is reasonably practical.

In addition, the Adviser will provide the Trustees on an annual basis with an independent review of the Investment Manager's performance in the context of other key comparator funds in the market.

Investment Manager duration

The appointment of the Investment Manager is expected to be long-term, but the Trustees will review the appointment of the Investment Manager in accordance with their responsibilities.

If the Trustees are not satisfied with the performance of the Investment Manager they will ask the Investment Manager to take steps to rectify the situation. If the Investment Manager still does not meet the Trustees' requirements, they will remove the Investment Manager and appoint another.

Adviser

The Trustees will monitor the advice given by the Adviser on a regular basis.

Portfolio turnover costs

The Trustees will consider monitoring turnover only when deemed appropriate in the context of their wider performance monitoring. The Trustees understand that the Investment Manager's turnover costs are negligible and therefore these are not specifically monitored.

Other

The Trustees are required to review this SIP on a triennial basis, or, without undue delay, following any significant changes to the investment strategy.

07 Fees

Investment Manager

No fees are levied directly on the funds themselves. The Investment Manager is remunerated directly by RBC Brewin Dolphin for work carried out in managing the funds. There are no trail payments relating to the units held.

Adviser

The Adviser is remunerated on the basis of fees agreed with the Trustees.

Custodian

There is no custodian appointed directly by the Trustees.

Trustees

The Trustees are not paid specifically for their duties. However, their expenses are met by the Company and they are given time off from their other employment duties to attend appropriate training, meetings with their advisers and the periodic Trustees' meetings.

08 Risks

The Trustees recognise a number of risks involved in the investment of assets of the Scheme:

- > The risk of failing to meet the objectives as set out in Section 3 – the Trustees will regularly monitor the investments to help mitigate this risk.
- > The risk of adverse consequences arising through a mismatch between the Scheme’s assets and the nature of benefits selected by members when drawing their benefits. This is addressed through the asset allocation strategy and reviews of the choices made by members at retirement.
- > Risk of lack of diversification of investments – addressed through investing in pooled funds with diversification requirements and through the asset allocation policy.
- > Risk of holding assets that cannot be easily sold should the need arise – addressed, in particular, through the use of pooled funds with frequent dealing dates.
- > Underperformance risk – addressed through monitoring closely the performance of each fund and the Investment Manager more generally, and taking necessary action when this is not satisfactory.
- > Organisational risk – addressed through regular monitoring of the Investment Manager and the Advisers.
- > Sponsor risk – the risk of the Company ceasing to exist, which would necessitate a review of the investment management arrangements.
- > The risk that environmental, social and governance factors are not given significant consideration. This is addressed firstly, by making available to members a Sustainable Growth Portfolio which invests in funds which exclude exposure to controversial sectors and seeks to gain exposure to companies that have a positive societal or environmental impact; and, secondly, by having a policy whereby such factors should be given appropriate consideration in relation to current and future investment decisions made, where possible for the other five Funds available to members.

In deciding on the options to be made available to members and acknowledging the defined contribution nature of the Scheme, the Trustees have considered the risk issues in the funds offered and the financial knowledge and sophistication of the membership. The Trustees have concluded that individual members must be responsible for assessing their own risk parameters and for making an informed choice as to which funds they will invest in, but the Trustees will, in addition, keep the above risks under regular review.

09 Other Issues

Environmental, social and governance issues

The Trustees have determined their approach to financially material considerations over the Fund's long term horizon – including environmental, social and corporate governance ("ESG") factors – by acknowledging that there can be risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to RBC Brewin Dolphin, the Fund's Investment Manager, in relation to the investment decisions it makes on members' behalf, including in relation to the Default Balanced Fund. The Trustees require the Investment Manager to take ESG and climate change risks into consideration within its decision-making generally, subject to the investment constraints set by RBC Brewin Dolphin's Asset Allocation Committee. The Trustees recognise that how this is done will be dependent on factors including the characteristics of the asset classes invested in. The Trustees also place particular importance on members having an investment choice with more specific focus on ESG and sustainability issues and have therefore introduced the Sustainable Growth Portfolio.

Beyond offering the Sustainable Growth Portfolio as an investment option for members, the Trustees' policy is that non-financial matters should not be taken into account by the Investment Manager in the selection, retention and realisation of investments made on members' behalf, including in relation to the Default Balanced Fund.

As the funds held within the portfolios are managed by third party managers, the Investment Manager takes ESG factors into account when considering including funds in the portfolio. This includes questioning the fund houses themselves on their ESG strategy and resources as well as their voting and engagement policies. The Investment Manager will also contact underlying fund managers to discuss their response to any serious controversies that arise in the fund's holdings to ensure they are being addressed with the Company's management.

Voting policy

As the Fund invests in a number of pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Fund's investments to the Investment Manager and the managers of the underlying funds. This delegation applies in relation to the investment decisions made by the Investment Manager on members' behalf, including in relation to the Default Balanced Fund.

The Trustees encourage the Investment Manager to engage with investee companies and funds and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks (including climate change), social and environmental impact and corporate governance as part of their decision-making processes. The Trustees require the Investment Manager to report on significant votes made on behalf of the Trustees.

If the Trustees become aware of the Investment Manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees' expectation, then the Trustees will feed this back to the Investment Manager, but may, ultimately, consider terminating the relationship with the Investment Manager.

Engagement policy

The Trustees encourage the Investment Manager to make decisions in the long-term interests of the Fund. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights, supported by RBC Brewin Dolphin's Stewardship Policy and its status as a signatory to 2020 UK Stewardship Code; the Trustees' belief is that such engagement can be expected to help the Investment Manager to mitigate risk and improve long term returns.

In order to ensure sufficient oversight of the engagement and voting practices of their underlying managers, the Trustees may periodically meet with the Investment Manager to discuss engagement which has taken place. The Trustees will reflect on the findings from previous engagement activity in the context of their own preferences and RBC Brewin Dolphin's Stewardship Policy, with a view to understanding the extent to which the Investment Manager can initiate any changes deemed appropriate. This will include considering whether underlying managers are signatories to the United Nations Principles for Responsible Investment (UN PRI). The Trustees recognise the UN PRI as an indication of an investment manager's alignment with initiatives designed to maximise overall long-term value including the value of common economic, social and environmental assets.

As covered in more detail in this document, the Trustees also require the Investment Manager to take ESG factors and climate change risks into consideration within its decision-making – specifically in relation to the Sustainable Growth Portfolio, but also, where possible, in relation to the other five Funds available to members - as the Trustees believe these factors could have a material financial impact in the long-term. The Trustees therefore make decisions about the retention of the Investment Manager, accordingly.

Appendix A

Responsibilities

Trustees

The Trustees of the Fund are responsible for, amongst other things:

- > Determining the investment objectives of the Fund and reviewing these from time to time.
- > Agreeing an investment strategy designed to meet the investment objectives of the Fund.
- > Reviewing triennially the content of this SIP and modifying it if deemed appropriate, in consultation with the Adviser.
- > Assessing the quality of the performance and process of the Investment Manager by means of regular reviews of the investment results and other information, by way of meetings and written reports, in consultation with the Adviser.
- > Appointing and dismissing Investment Manager(s), the performance measurer, custodian(s) and transition manager(s) in consultation with the Adviser.
- > Assessing the ongoing effectiveness of the Adviser.
- > Consulting with the Company when reviewing investment policy issues.
- > Monitoring compliance of the investment arrangements with this SIP on an ongoing basis.
- > Advising the Adviser of any changes to Fund benefits and significant changes in membership.

Investment Manager

The Investment Manager will be responsible for, amongst other things:

- > At their discretion, but within any guidelines given by the Trustees, implementing changes in the asset mix and selecting and undertaking transactions in specific investments within each asset class.
- > Ensuring that at all times:
 - The Scheme's assets are adequately diversified.
 - The Scheme's assets are sufficiently liquid to ensure that member retirement options and member decisions to switch fund allocations can be implemented in a timely manner.
 - Ensuring employer related investments remain within prescribed limits.
- > Providing the Trustees with sufficient information each quarter to facilitate the review of its activities, including:
 - A report of the strategy followed during the quarter.
 - The rationale behind past and future strategy.
 - A full valuation of the assets and a performance summary.
 - Transaction report and cash reconciliation.
 - Corporate actions taken by the Investment Manager.
 - Any changes to the process applied to the portfolio.
 - Future intentions in the investment management of the Fund's assets.

Responsibilities continued

- > Informing the Trustees immediately of:
 - Any breach of this SIP that has come to their attention.
 - Any serious breach of internal operating procedures.
 - Any material change in the knowledge and experience of those involved in managing the Fund's investments.
 - Any breach of investment restrictions agreed between the Trustees and the Investment Manager from time to time.
 - Any changes in the parameters referred to in Appendix B according to which the Fund's investments are managed, specifically the benchmarks used for RBC Brewin Dolphin's "Risk Profile" categories and the way in which the Asset Allocation Committee recommendations may materially impact on the diversification, security, quality, liquidity and profitability of the investments under management.

Investment Adviser

The Investment Adviser will be responsible for, amongst other things:

- > Participating with the Trustees in reviews of this SIP.
- > Advising the Trustees of any changes in the Fund's Investment Manager of which it becomes aware that could affect the interests of the Fund.
- > Undertaking reviews of the Fund's investment arrangements including reviews of the available funds and current Investment Manager, and selection of new managers/custodians/performance measurers, as requested.

Custodian

The Custodian will be responsible for, amongst other things:

- > Ensuring the assets of the Scheme are held securely;
- > Ensuring the Scheme has adequate title to its investments; and
- > Ensuring trades properly instructed by the Investment Manager are settled in a timely manner.

Appendix B

Fund choices for members

The funds to be made available to members

Default fund		
Fund	Benchmark **	Parameters
Default Balanced Fund	Composite: 18.5% FTSE All Share Index + 34.0% FTSE All-World ex-UK Index + 10.0% HFRX Absolute Return £ Hedged + 5.0% MorningStar Global REITS + 5.0% Gold LBMA + 4.0% ICE BofA UK Gilts All Stocks + 5.0% ICE BofA Global Govt £ Hedged + 2.5% ICE BofA Global Inflation- Linked Govt £ Hedged + 5.0% ICE BofA Sterling Corp & Collateralized £ Hedged + 8.5% ICE BofA Global Corp £ Hedged + 2.5% Bank of England Base Rate	In accordance with RBC Brewin Dolphin's own "Risk Profile 5" and the Asset Allocation Committee's recommendations regarding individual holdings*
Other funds		
Fund	Benchmark **	Parameters
Long-Dated Bond Fund	BofA ICE 15+ UK Gilt index	Holdings restricted to the benchmark only*
Cash Fund	ICE TSRR SONIA 1 month	Holdings restricted to cash and cash funds *
Balanced Higher Equity Fund	Composite: 24.0% FTSE All Share Index + 44.5% FTSE All-World ex-UK Index + 6.0% HFRX Absolute Return £ Hedged + 3.0% MorningStar Global REITS + 3.0% Gold LBMA + 2.5% ICE BofA UK Gilts All Stocks + 3.0% ICE BofA Global Govt £ Hedged + 2.5% ICE BofA Global Inflation- Linked Govt £ Hedged + 3.0% ICE BofA Sterling Corp & Collateralized £ Hedged + 6.0% ICE BofA Global Corp £ Hedged + 2.5% Bank of England Base Rate	In accordance with RBC Brewin Dolphin's own "Risk Profile 6" and the Asset Allocation Committee's recommendations regarding individual holdings*
Growth Fund	Composite: 34.0% FTSE All Share Index + 63.5% FTSE All-World ex-UK Index + 2.5% Bank of England Base Rate	In accordance with RBC Brewin Dolphin's own "Risk Profile 8" and the Asset Allocation Committee's recommendations regarding individual holdings*
Sustainable Growth Portfolio	Composite 29% FTSE All Share + 54% FTSE All World ex UK + 4% HFRX Absolute Return + 2% Morningstar Global Reits + 2% LBMA Gold + 1% ICE BofA UK Gilts All Stocks + 2% ICE BofA Global Government + 1% ICE BofA Sterling Corporate &	In accordance with the RBC Brewin Dolphin Sustainable Growth MPS portfolio, where asset allocation is determined with reference to the Asset Allocation Committee's recommendations* and where the risk profile is broadly

	Collateralised + 2.5% ICE BoA Global Corporate + 2.5% BofE Bate Rate	similar to RBC Brewin Dolphin's own "Risk Profile 7"
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Graeme Forster is currently the designated investment manager employed by Brewin Dolphin Limited to manage these six Funds.

***Note:** The Trustees are content that the requirements of RBC Brewin Dolphin's "Risk Profile" categories and Asset Allocation Committee recommendations regarding the need for the diversification of investments and their security, quality, liquidity and profitability are sufficiently robust that they ensure the suitability of those investments for the purpose of the provision of defined contribution retirement benefits.

A maximum allocation to structured investment products of 10% has been agreed for any one fund. Further restrictions may be imposed on the designated investment manager from time to time and detailed in an appendix to this document.

****Note:** The benchmarks are subject to change from time to time and Appendix A refers to it being the designated Investment Manager's responsibility to inform the Trustees immediately of any such change.



Contact us
xpsgroup.com

Registration

XPS Pensions Consulting Limited, Registered No. 2459442. XPS Investment Limited, Registered No. 6242672. XPS Pensions Limited, Registered No. 3842603. XPS Administration Limited, Registered No. 9428346. XPS Pensions (RL) Limited, Registered No. 5817049. XPS Pensions (Trigon) Limited, Registered No. 12085392. All registered at: Phoenix House, 1 Station Hill, Reading, RG1 1NB.

Authorisation

XPS Investment Limited is authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774).