

The Thomson-Leng Provident Fund (Defined Benefit Section)

Statement of Investment Principles

1. Introduction

DC Thomson & Co Pension Trustee Limited (“the Trustees”), the Trustee of the Thomson-Leng Provident Fund (the “Fund”) has prepared this Statement of Investment Principles (“the Statement”) to comply with the requirements of the Pensions Act 1995, as amended by the Pensions Act 2004 and subsequent regulations. This Statement sets out the principles that govern the decisions about the investment of the Fund’s Defined Benefit assets. A separate Statement is maintained for the Defined Contribution assets.

In preparing this Statement, the Trustees have consulted with the sponsoring employer, DC Thomson & Company Limited.

The arrangements implemented are, in the Trustees’ opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

Investment policy can be considered in two parts; (1) the strategic management of the assets, the setting of which is one of the fundamental responsibilities of the Trustees and (2) the day-to-day management of the assets, which has been delegated to a professional investment manager.

2. Investment Objectives

The Trustees’ aim is to meet their obligations to the beneficiaries.

3. Risk Management and Measurement

The Trustees have taken into account the Fund’s anticipated lifetime when considering risk management and concentrated on the risk of a deterioration in the funding level over the long-term.

Arrangements are in place to monitor the investments to help the Trustees check that nothing has occurred that would bring into question the continuing suitability of the current investments. To facilitate this, the Trustees receive regular reports from, and meet regularly with, the investment manager, Wm Thomson & Sons. They also receive quarterly updates from their Actuary on the development of the funding position.

The safe custody of the assets is delegated to the investment manager and all quoted assets are held in a designated nominee account by Meadowside Nominees Ltd.

Should there be a material change in the Fund’s circumstances, the Trustees will review whether and to what extent the investment arrangements should be altered.

4. Portfolio Construction

The Trustees invest the assets in a segregated portfolio managed by Wm Thomson & Sons. The Trustees are satisfied that the spread of assets by type and the investment

manager's policy on investing in individual securities within each type provides adequate diversification of investments.

The manager has full discretion within the following guidelines:

- In general, to maintain a suitable and balanced portfolio of investments in company stocks and shares, debentures, gilts, warrants, investment trusts and cash deposits as appropriate.
- To achieve a balance between capital growth and protection of the value of the portfolio and the income generated from the portfolio.
- In general, investments will be in "readily realisable investments", which broadly means company stocks and shares, debentures, gilts, warrants, investment trusts and cash deposits. However, some investments which are not readily realisable investments may be made which may be difficult to dispose of or value. However all investments are to be suitable investments for Trustees of a pension scheme, with due regard to the terms of the Deed of Trust, legislation etc.
- A small investment is held in unlisted securities issued by the Sponsoring Employer and affiliated companies. The Trustees monitor the size of this holding on a regular basis to ensure that it does not exceed 5% of the Fund's assets.

5. Investment Strategy

The Trustees regularly review the investment strategy to ensure that it remains appropriate with reference to the nature and duration of the liabilities of the Fund.

6. Day-to-Day Management of the Assets

The Trustees delegate the day to day management of the assets to their chosen investment manager, Wm Thomson & Sons. The Trustees have taken steps to satisfy themselves that the manager has the appropriate knowledge and experience for managing the investments and that they are carrying out their work competently.

7. Expected Return

The Trustees aim to generate, net of expenses, a return over the long term in excess of the growth in the liabilities. It is recognised that over the short term performance may deviate significantly from the long term target.

8. Realisation of Investments

The investment manager has discretion in the timing of the realisation of investments and in considerations relating to the liquidity of those investments within parameters stipulated in the relevant appointment documentation.

9. Responsible Investment and Corporate Governance

The Trustees believe that Environmental, Social and Governance (ESG) factors can have an impact on investment risk and return outcomes.

The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustees have given their appointed investment manager full discretion in evaluating ESG factors and exercising the voting rights and stewardship obligations attached to the investments, for the Fund's directly held securities. They also recognise that as the investment manager invests the Fund's remaining assets in pooled funds and investment trusts, these assets are subject to the Responsible Investment and Corporate Governance policies of the individual underlying investment managers.

10. Member Views

Members have a variety of methods by which they can make views known to the Trustees and these would be considered in the selection, retention and realisation of investments.

11. Review of this Statement

The Trustees will review this Statement at least once every three years and after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments. Any review will also be in consultation with the Sponsoring Employer.

Signed: 

For and on behalf of DC Thomson & Co Pension Trustee Limited, the Trustee of the Thomson-Leng Provident Fund

Dated: 25th September 2019

First Amendment: June 2000

Second Amendment: September 2010

Third Amendment: October 2016

Fourth Amendment: July 2017

Firth Amendment: June 2018

Sixth Amendment: September 2019