The Pension Plan of Cincom Systems (UK) Limited
Statement of Investment Principles

1.0 Introduction
The Scheme was established by an interim trust on 6th July 1982 and is governed by a Definitive Trust Deed and Rules dated 16th April 1997 and subsequent updates.

1.1 Scheme Details
This document sets out the Statement of Investment Principles (the "Statement") adopted by Trustee of the Scheme.

The Scheme operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries.

The Scheme was established by an interim trust on 6th July 1982 and is governed by a Definitive Trust Deed and Rules dated 16th April 1997.

The Scheme is a Defined Benefit Scheme in which a member's pension is based broadly on the number of years' service and final salary with an employer.

Members are contracted-out of the Second State Pension under the Pension Schemes Act 1993. The Scheme holds a valid contracting-out certificate.

The Scheme is an occupational pension scheme registered with HM Revenue & Customs.

Administration of the Scheme is the responsibility of the Trustee and delegated to a third party Administrator.

The Trustee is responsible for the investment of the Scheme's assets.

This statement is intended to set-out the Trustee's intentions and wishes and is received on that basis by the Investment Manager. It is not intended to have contractual effect. The contractual terms are set-out in the Investment Management Agreement and the associated Terms and Conditions dated December 2015 made between the Trustee and the Investment Manager.

1.2 Pensions Act 1995

Under the Pensions Act 1995 (the "Act") and as amended by the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005, the Trustee is required to prepare a statement of the principles governing the Scheme's investments. This document fulfils that requirement for the Scheme.

The Trustee will consult Cincom Systems (UK) Limited (the "Principal Employer") when there are changes to the investment policy as set out in this document and the appointment or removal of an Investment Manager.

In preparing the Statement, the Trustee has sought advice from the Scheme's Actuary and the Investment Manager. It is the intention of the Trustee to review the Statement annually and following a formal actuarial valuation and also following any revision of investment policy.

This document has been drafted in the light of the Myner's Principles and specifically Myner's recommendations relating to the content of Statements of Investment Principles.

1.3 Financial Services and Markets Act

In accordance with the Financial Services and Markets Act 2000, the Trustee will set the general investment policy but will delegate the responsibility for selection of specific investments to an appointed Investment Manager. The Investment Manager shall provide the skill and expertise necessary competently to manage the investments of the Scheme.

1.4 Socially Responsible Investment Regulations

The Trustee does not impose social, environmental or ethical constraints on the Investment Manager or Fund Managers in relation to the selection, retention and realisation of investments.

1.5 Voting Rights

The Trustee has delegated to the Investment and Fund Managers the responsibility for exercising rights (including voting rights) attaching to investments. The Trustee has reviewed and accepted the Investment and Fund Manager's policies in respect of exercising rights attaching to investments.

2 Division of Responsibilities

The Trustee (with guidance from the Investment Manager) is responsible for the Statement of Investment Principles and ensuring that it remains suitable for the Scheme. Their roles are as follows:

2.1 Trustee

The responsibilities of the Trustee are to:

- Formulate this Statement and the investment policy
- Review (and modify if considered appropriate) the Statement on an annual basis or at any other times as may be necessary such as, for example, following the results of an actuarial valuation, review of investment policy or asset liability modelling exercise
- Consult with the Principal Employer whenever this Statement is reviewed
- Evaluate the performance and processes of the Investment Manager by means of regular (but not less than annual) reviews of the investment performance

2.2 Scheme Actuary

The Scheme Actuary is responsible for providing triennial valuations and liability analysis at the triennial valuations.

2.3 Investment Manager

The responsibilities of the Investment Manager are to:

- Advise the Trustee on a suitable investment policy for the Scheme, after consulting with the Scheme Actuary in relation to the liabilities of the Scheme and with the Principal Employer in respect of risk

- Advise the Trustee of any changes that may be required to the policy, in the event of changes to the Scheme's benefits, membership or funding position

- Advise and inform the Trustee before recommending any new category of investment not already authorised by this Statement

- Participate, with the Trustee, in an annual review of this Statement

- Select suitable investments and maintain a portfolio in furtherance of the investment policy

- Monitor the investment portfolio's overall performance against an agreed target return

- Provide the Trustee with a quarterly report on the portfolio, including a valuation of all investments held by the Scheme, commentary on the overall and individual investments, a record of all transactions, a cash reconciliation and a review of recent actions undertaken on behalf of the Scheme

- Enter to a Non-Discretionary Investment Management Agreement with the Trustee which complies with this Statement of Investment Principles, provides protections for the Scheme and Trustee and sets out the terms on which the portfolio is managed

2.4 The Custodian

The responsibility of the Custodian (as nominee) is to hold for safekeeping the title documents of all those of the Scheme's investments not held in insurance policies.

2.5 The Principal Employer

The responsibility of the Principal Employer is to keep the Trustee informed in respect of both (i) its financial situation in order that the Trustee may assess the Sponsor Covenant and (ii) its attitude to risk as regards the investment policy.

2.6 The Administrator

The responsibility of the Administrator is to provide the Investment Manager with cash flow information as it becomes due so that funds are made available for the Administrator to pay Scheme benefits and expenses.

3 Statutory Funding Requirement

3.1 Scheme Specific Funding Calculation

The Pensions Act 2004 introduced a scheme-specific standard for actuarial funding valuations. Central to the new funding regime is the Statutory Funding Objective which requires that the Scheme has appropriate and adequate assets to meet its Technical Provisions. As part of the actuarial valuation, the Trustee has prepared a Statement of Funding Principles which sets out the Trustee's policy (including details of the actuarial assumptions) for ensuring that the Statutory Funding Objective is met.

The Scheme Actuary will carry out calculations consistent with the principles set out in the Statement of Funding Principles to determine the adequacy of the assets compared to the Technical Provisions at each actuarial valuation and annually at each intervening period.

3.2 Compliance with the Statutory Funding Objective

The Pensions Act 2004 requires pension schemes with assets less than their Technical Provisions to put in place a Recovery Plan to achieve full funding against the Technical Provisions as quickly as the employer can reasonably afford. In determining a Recovery Plan, the Trustee will take into account:

- The size of the funding shortfall
- The risk that the value of the Scheme's assets may deteriorate
- The strength of the covenant with the Principal Employer

The Trustee has in place a Recovery Plan agreed with the Company.

The Trustee considers that the current investment policy is consistent with the current financial position of the Scheme and the current strength of the Sponsor Covenant. In addition, the Trustee will review its investment policy in the light of subsequent actuarial valuations and updated Schedules of Contributions, and in light of any changes to the Covenant.

4 <u>Investment policy</u>

4.1 Objectives

The Trustee's main objectives are:

- To acquire assets which, together with contributions from the Principal Employer and remaining active members, are expected to generate income and capital growth to meet the cost of the current and future benefits which the Scheme provides
- To limit the risks of the assets failing to meet the liabilities over the long term, in particular, in relation to the Statutory Funding Objective
- To minimise volatility in the financial position of the Scheme relative to (i) its liabilities and (ii) the risks identified in Section 10 of the Statement

4.2 The scheme's financial profile

The Trustee has given careful consideration to the financial profile of the Scheme following the results of an actuarial valuation as at 6th June 2013.

The Trustee has noted that the past service liabilities relate to pensioners and deferred pensioners. There is a past service deficit which is the subject of a Recovery Plan. Annual deficit recovery contributions are made of £220,000 plus a £112,000 maximum annual contribution to expenses. In addition, a contingent asset has been provided to the trustee up to a maximum value of US$ 6,000,000. The expected return on the assets exceeds the rate of interest used to determine the liabilities in the valuation. This is expected to eliminate the funding shortfall, in line with the Recovery Plan.

4.3 Constraints

The investment policy is to maximise the long-term total return from the portfolio of funds whilst adopting the risk level normally associated with a balanced approach to portfolio management. Investment policy is set in the light of the underlying liabilities.

An analysis of the Scheme's likely cash flow requirements has been carried out, taking into account contributions from the Employer at the current levels. The Trustee's core strategy is to invest a proportion of the assets in fixed and index-linked securities and cash with a view to meeting the income requirements.

The current funding position of the Scheme and the long term nature of the liabilities suggest that a proportion of the assets should be invested in equities and property in an attempt to enhance longer term returns.

Taking account of the above, the following benchmark asset allocations have been established for the investment portfolio:

Asset Class	**Benchmark Allocation (%)**	**Investment Limits (%)**	**Benchmark**
Bonds – Fixed Interest	20.0%	10.0 - 30.0%	Markit iBoxx Govt Bond 15yrs +
Bonds – Index-Linked	10.0%	0.0 - 20.0%	Markit iBoxx Gilts I/L Index 5yr+
UK Equities	20.0%		MSCI UK IMI
Overseas Equities	25.0%		MSCI ACWI ex UK
Total Equities	**45%**	**25.0 - 65.0%**	
Alternatives	15.0%	5.0 - 25.0%	HFRX GBP Hedged
Property	10.0%	0.0 - 20.0%	IPD UK Property
Cash	0.0%	0.0 - 10.0%	

It may be necessary for the Scheme to temporarily hold a higher proportion of cash from time to time in order to satisfy cash flow requirements, for example to meet the demands from retiring members for tax free lump sums, annuity purchase or to await investment.

The investment policy will be reviewed annually by the Trustee.

4.4 Day to day management of the investments

Day-to-day responsibility for the investment of the Scheme's assets rests with the Investment Manager, Smith & Williamson Investment Management LLP, appointed by the Trustee.

4.5 Custody of the investments

The safekeeping of assets is performed by Smith & Williamson Investment Services Limited.

4.6 Additional Voluntary Contributions

Members are offered a range of funds in which to hold their AVC payments. The Trustee's objective is to provide a range of funds. The funds are expected to produce suitable long term returns for members that are consistent with members' reasonable expectations.

5 Monitoring and Implementation of Investment Strategy

The Trustee from time to time will review the appointment of an Investment Manager, based on the results of the monitoring of performance and process.

The Investment Manager has recommended the criteria by which a fund should be selected or deselected.

5.1 Selection criteria for funds

These include:

- Past performance
- Quality of the investment process
- Level of fees
- Reputation of the fund manager
- Internal objectives
- Service
- Reporting
- Administration
- The Team employed
- The individual fund manager(s)

5.2 De-selection criteria for funds

A fund may be reviewed for replacement if:

- Performance has been poor over a period decided by the Trustee based on advice from the Investment Manager
- The Trustee based on advice from the Investment Manager believes that the fund is not capable of achieving the performance benchmark in the future; or
- The fund fails to maintain satisfactory standards in respect of the other criteria listed in Section 5.1 above

6 The Trustee's policy with regard to risk

The Trustee pays regard to the risks which may arise as a result of any mismatch between the Scheme's assets and its liabilities, as well as the risks which may arise from the lack of diversification of investments and the principle employer's attitude to risk. The Trustee believes that the asset allocation policy in place provides an adequately diversified distribution of assets in the light of the liability profile and other relevant factors. The policy is to set the mandate of Investment Manager in the light of the need to diversify investments within each class of assets as well as in terms of fund selection.

7 Investment Restrictions

The following restrictions are applied as a policy of the Trustee.

7.1 General Restrictions

The Investment Manager may not invest in:

- property leased to the Principal Employer
- securities issued by the Investment Manager and its associates

The Trustee and the Investment Manager may not directly borrow money.

7.2 Investment limits

The scheme's assets are mostly invested through collective investment schemes plus direct holdings of government bonds.

The following investment limits have been agreed:

- Not readily realisable assets will not make up more than 25% of the overall portfolio
- Gearing is not permitted

8 Monitoring of Investment Manager, currently Smith & Williamson

The Trustee will monitor the performance of the Investment Manager compared to the benchmark. The appointment of the Investment Manager will be reviewed from time to time based upon the extent to which the Investment Manager gives effect to the policies within the Statement.

8.1 Investment Manager Selection Criteria

The Trustee has also identified the criteria by which the Investment Manager should be selected (or deselected). These include:

- past performance
- quality of the investment process
- level of fees
- reputation of the manager
- reporting
- administration
- the team employed
- the individual fund manager

8.2 Investment Manager De-Selection Criteria

An Investment Manager may be de-selected if:

- the Trustee believes the Investment Manager has failed to achieve the performance objectives

- the Trustee believes that the Investment Manager is not capable of achieving the performance objectives in the future
- the Trustee has any other reason to believe that it is no longer appropriate to employ the Investment Manager

8.3 Investment Management Fees

The Investment Manager is paid a fee for the services provided. This is expressed as a percentage of the total assets under management. The breakdown of the total fee is detailed below:

	Fee (as % of total assets)
Investment management fee	0.05%
Custody fee	0.10%
Total fee	0.15%

9 Buying and selling investments

The Trustee has delegated the responsibility for buying and selling investments to Smith & Williamson Investment Management LLP, who will also administer any investment changes.

The Investment Manager will make recommendations to the Trustee's Investment Sub Committee for changes to the portfolio, but the Trustee retains ultimate control over the investments held. The day-to-day activities which the Investment Manager carries out for the Trustee will be governed by the Non-Discretionary Management Agreement agreed between the Trustee and the Investment Manager. The Agreement will be reviewed from time to time by the Investment Manager to ensure that the operating instructions, guidelines and restrictions contained therein remain appropriate, and comply with all relevant legislation and regulations.

10 Risk Management

The Trustee has identified a number of risks involved in the investment of the assets of the Scheme and adopted procedures for monitoring and managing these risks as follows:

Investment Manager risk:

This is measured by the deviation of the return, as set out in the manager's target, relative to the investment policy. It is managed by monitoring the actual deviation of returns relative to the manager's target.

Mismatching risk:

This is measured by comparing the value of the scheme's liabilities with the value of the scheme's assets. It is managed by reference to actuarial valuations and the actual growth of the liabilities relative to the selected investments.

Sponsor risk:

This measured by the strength of the Company covenant and its willingness to support the continuation of the Scheme and to make good any current or future deficit. It is managed by assessing the Company covenant from time to time and by direct discussions with the Company.

Liquidity risk:

This is measured by reference to the cash flow required by the Scheme over a specified period. It is managed by the Administrator providing cash flow forecasts and by the Investment Manager assessing the level of cash required in order to pay Scheme benefits and Scheme expenses.

Custodian risk:

This is measured by assessing the credit-worthiness of the custodian and its ability to settle trades on time and provide secure safekeeping of the assets under custody. It is managed by discussing the performance of the custodian with the Investment Manager when appropriate.

Political risk:

This measured by the level of concentration of any one geographic market leading to the risk of an adverse influence on investment values arising from political intervention. It is managed by regular reviews of the actual investments and of the levels of diversification within the policy.

Corporate Governance risk:

This measured by the level of concentration in individual collective funds, leading to the risk of an adverse impact of investment values arising from any such fund failing or materially underperforming its target. It is managed by regular reviews of stock concentration and regular discussions with the Investment Manager.

11 Environment Social and Corporate Governance Matters

The Scheme's overarching responsibility is to deliver financially sustainable returns for an acceptable level of risk to meet the future pension benefits of the members as they fall due and in a way that employer contributions paid into the Scheme are as stable and affordable as possible.

The Trustees have a duty to act in the best financial interests of the Scheme's beneficiaries and the Scheme is a long-term investor. This includes considering Environmental, Social and Corporate Governance ("ESG") risks and opportunities that may be financially material to the Scheme. The Trustees' investments include pooled funds, which are subject to the pooled fund manager's own policies on ESG considerations, including climate change. The Trustees have appointed Smith and Williamson Investment Management LLP as their investment manager and it is their responsibility to undertake due diligence when appointing investment managers and review each of those managers' policies on ESG considerations. The Trustees appreciate that those investment managers which integrate ESG considerations can help mitigate risks and have the potential to lead to better, long-term financial outcomes.

The Trustees expect that Smith & Williamson Investment Management LLP will where practical select underlying fund managers who have become or are in the process of becoming a signatory to the United Nations-supported Principles for Responsible Investment ("PRI") and / or the UK Stewardship Code. The UN PRI is a set of six voluntary and aspirational principles supported by the United Nations, which offer an assortment of possible actions for incorporating ESG issues into investment practice – these include incorporating ESG factors into the investment decision process, voting and engagement. The principles were developed by investors, for investors, and aim to assist signatories in developing a more sustainable global financial system. The UK Stewardship code aims to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders and includes details on matters such as voting rights.

Fund manager reports related to PRI transparency and their Financial Reporting Council Stewardship Code statement are reviewed by the Trustees at least once every three years.

As the Trustees invest in pooled funds, the underlying fund managers make decisions related to the exercise of any rights, including voting rights, attaching to the investments and engagement activities in respect of the investments.

At this time the Trustees do not take into account members' own ESG considerations and have no plans to seek their views.

12 Definitions

Scheme Actuary	David Downie, Rowanmoor Group PLC
Administrator	Winterbourne Trustee Services Limited
Custodian	Smith & Williamson Investment Services Limited
Investment Manager	Smith & Williamson Investment Management LLP
Principal Employer	Cincom Systems (UK) Limited
Scheme	The Pension Plan of Cincom Systems (UK) Limited
Trustee	Cincom Systems Trustee (UK) Limited
	The Directors of Cincom Systems Trustee (UK) Limited are:
	Charles Carson
	Thierry Carlier
	Ron Chilcott
	The Investment Sub Committee Reporting to the Directors of Cincom Systems Trustee (UK) Limited are:
	Thierry Carlier
	Jill Collingwood
	Don Vick

Agreement by the Parties

Signed by the Directors of Cincom Systems Trustee (UK) Limited

______________________________	______________________________
Charles Carson	(Print Name)
Date: ________________	
______________________________	______________________________
Thierry Carlier	(Print Name)
Date: ________________	
______________________________	______________________________
Ron Chilcott	(Print Name)
Date: ________________	