

## STATEMENT OF INVESTMENT PRINCIPLES

1. This statement sets out the principles governing decisions about the investment of the assets of the **CFAO UK STAFF PENSION FUND ("Scheme")**. The Trustee of the Scheme ("**Trustee**") has prepared this statement to comply with section 35 of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 (S.I.2005/3378) ("**Investment Regulations**").
2. As the Scheme has 100 or more members and is a wholly-insured scheme, this statement is required to cover:
  - 2.1 the Trustee's policy for compliance with the requirements of section 36 of the Pensions Act 1995 (choosing investments) and
  - 2.2 the reasons for the Scheme being a wholly-insured scheme.
3. The Trustee's policy for compliance with the requirements of section 36 of the Pensions Act 1995 (choosing investments) is as follows:
  - 3.1 the Trustee has obtained and considered proper advice on the question of whether their investment in certain life and pensions products with Norwich Union is satisfactory having regard to the requirements of the Investment Regulations, so far as relating to the suitability of investments, and to the principles contained in this statement;
  - 3.2 the Trustee has also determined at what intervals the circumstances, and in particular the nature of the investment, make it desirable to obtain such advice as is mentioned in 1 above and will obtain and consider such advice accordingly.
4. The reasons for the Scheme being a wholly-insured scheme with Norwich Union:
  - 4.1 the guarantees under the policy which allow the Trustee to secure benefits for members on favourable terms;
  - 4.2 the financial strength of the insurance company;
  - 4.3 the security given by:
    - 4.3.1 the insurance company's regulation by the Financial Services Authority; and

- 4.3.2 the Financial Services Compensation Scheme;
- 4.4 the professional management of the insurance company's investment funds;
- 4.5 the insurance company's pensions administration and investment expertise.
- 5. This statement will be reviewed at least every three years and without delay after any significant change in investment policy.
- 6. Before preparing this statement, the Trustee has:
  - 6.1 obtained and considered the written advice of a person who is reasonably believed by the Trustee to be qualified by his ability and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of occupational pension schemes; and
  - 6.2 consulted the employer in relation to the Scheme.

Fountain Trustee Limited, the Trustee of the Scheme

Dated 25 July 2008