The Countrywide plc Pension Scheme

Defined Contribution Section

Statement of Investment Principles – September 2020

Introduction

The Trustees of the Countrywide plc Pension Scheme (the "Scheme") have drawn up this Statement of Investment Principles (the "Statement") for the DC Section, to comply with the requirements of the Pensions Act 1995, the Pensions Act 2004, the Occupational Pension Schemes (Investment) Regulations 2005, and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2018 and 2019. The Statement is intended to affirm the investment principles that govern decisions about the Scheme's investments.

In preparing this Statement the Trustees have consulted Countrywide plc (the "Employer") on the Trustees' investment principles.

This Statement comes into force on the date of signing and supercedes all previous versions.

Governance

The Trustees of the Scheme make all major strategic decisions including, but not limited to, the Scheme's asset allocation and the appointment and termination of investment managers. The process for making investment decisions is as follows:

- Identify appropriate investment objectives
- Agree the level of risk consistent with meeting the objectives
- Implement an investment strategy and investment manager structure in line with the level of risk and objectives agreed

When making such decisions, and when appropriate, the Trustees take proper written advice. The Trustees' investment consultants, Capita Employee Benefits, are qualified by their ability in and practical experience of financial matters, and have the appropriate knowledge and experience.

The details of the investment arrangements are set out in the Appendix.

Investment Objectives

The Trustees recognise that their ultimate objective is to best ensure that members of the Scheme are able to retire on a reasonable level of benefits taking into account the contributions paid into their individual accounts and the timescale over which those contributions were paid. To this end, the Trustees have in place investment options that they believe will achieve good returns consistent with the level of risk chosen by the member.

Investment Strategy

The Trustees will offer a sufficient fund range to satisfy the risk and return combinations reasonable for most members.

To this end, the Trustees have in place a range of investment options that they believe will allow members to strike appropriate balances between long term needs for capital growth and shorter term volatility of returns, especially in the period approaching retirement.

The Trustees have designated a Default Lifestyle Strategy (see also Appendix) for members who do not wish to make their own investment choices. A Lifestyle investment strategy is an automated switch facility allowing members to pre-select an investment strategy, which will move their accrued funds into lower risk investments as retirement approaches.

The Trustees have also made available self-select funds (see Appendix) that members who do not want to follow the default lifestyle arrangement can opt in to.

The Default Lifestyle Strategy will be used as the default option to which a member's and the Employer's contributions will be applied. The default is used in the event that a member fails to positively make an investment decision.

Investment Mandates

The Trustees have appointed AEGON (formally BlackRock and still legally referred to as Blackrock Life Limited) as the "Platform Provider" and "Investment Manager" to manage the assets of the Scheme. As Investment Manager AEGON invests in underlying funds on the members' behalf (potentially managed by other managers) and is regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the Investment Manager via a written agreement, including the realisation of investments.

The Trustees have a rolling contract with their Investment Manager.

The Trustees monitor the performance of the underlying funds on a regularbasis.

The Trustees have set performance objectives, including time periods, consistent with the investment strategy set out in this statement.

Investment Manager Remuneration

The Trustees monitor the remuneration and incentives that are paid to their underlying managers, and how they reward key staff who manage client funds.

As part of the monitoring that the Trustees carry out on a regular basis, they ensure that this policy is in line with their investment strategy.

Investment Manager Philosophy and Engagement

The Trustees monitor the underlying investment managers' processes for assessing the businesses they invest in, and whether business performance over the medium to long-term involves appropriate incentives and a holistic look beyond mainly accountancy measures. The Trustees are conscious of whether the underlying investment managers are incentivised by the agreement with the Trustees to engage with the investee business and to what extent any engagement focuses on improving medium to long-term performance.

Investment Manager Portfolio Costs

The Trustees will monitor costs of buying, selling, lending and borrowing investments and they will look to monitor the costs breakdown annually, as long as the Investment Manager provides these costs using the Cost Transparency Initiative template. The Trustees will also ensure that, where appropriate, their Investment Manager monitors the frequency of transactions and portfolio turnover. If there are any targets, then the Trustees will monitor compliance with these targets.

Risk Management and Measurement

The Trustees are aware of and pay close attention to a range of risks inherent in investing the assets of the Scheme. The Trustees believe that the investment strategy provides for adequate diversification both within and across different asset classes.

- The Trustees recognise the risks that may arise from the lack of diversification of investments. Due to the size of the Scheme's assets and recognising the need to diversify, investment exposure is obtained via pooled vehicles.
- The documents governing the Investment Manager's appointment include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Scheme.
- The safe custody of the Scheme's assets is delegated to professional custodians via the use of pooled vehicles.
- The Trustees recognise that the use of active management involves a risk that the assets do not achieve the expected return. For this reason and to reduce management costs, investments are predominantly managed passively. However, where passive management is not possible or where the Trustees believe that this risk may be outweighed by the potential gains from successful active management, actively managed funds may be used.

Should there be a material change in the Scheme's circumstances, the Trustees will review whether the current risk profile remains appropriate.

Financially Material Considerations over the Scheme's Time Horizon

The Trustees believe that their main duty, reflected in the investment objectives, is to protect the financial interests of the Scheme's members. The Trustees believe environmental, social and governance ("ESG") considerations (including but not limited to climate change) and stewardship in the selection, retention and realisation of their investments is an integral part of this duty and can contribute to the generation of good investment returns. Legislation requires that the Trustees form a view of the length of time that they consider is needed for the funding of future benefits by the investments of the Scheme. The Trustees recognise that this is a defined contribution scheme with a wide variety of members across different ages and risk profiles. Consequently the Trustees believe that, so long as the Scheme remains a going concern, an appropriate time horizon for the Scheme could be long enough for ESG considerations to be financially material.

The Trustees have elected to invest in active and passive pooled funds. The nature of these funds makes it difficult to directly influence the manager's ESG policies, including the day-to-day application of voting rights, for the funds in which they invest (especially where assets are managed passively). However, the Trustees will consider manager policies in all future selections and will seek to deepen their understanding of the existing manager policies by reviewing these at least annually, focusing on the default and alternative lifestyles. The Trustees will also seek to understand what other options might be available from the manager and in the wider market. In cases where they are dissatisfied with the manager's approach they will take this into account when reviewing them. They are also keen that their manager is a signatory of the UN Principles of Responsible Investment, which is currently the case.

The Trustees believe that stewardship is important, through the exercising of rights (including voting rights) attaching to investments. The Trustees are keen that their manager can explain when, and by what practical methods, it monitors and engages with relevant persons about relevant matters in this area. They will be liaising with their Investment Manager to obtain details of voting behaviour (including the most significant votes cast on the Scheme's behalf and what proxy voting services have been used) and will then be reporting annually on this. The Trustees are also keen that their manager is a signatory to the UK Stewardship Code, which is currently the case.

The Trustees are aware that ESG and stewardship considerations involve an ongoing process of education for themselves and engagement with their investment manager. To that end they dedicate time to the discussion of this topic and intend to review and renew their approach periodically with the help of their investment consultants, where required. Consequently, the Trustees expect the Scheme's investment manager to have effective ESG policies (including the application of voting rights) in place, and look to discuss the investment manager's ESG policies if the manager attends Trustee meetings.

Non-financial matters, including members' views are not taken into account explicitly.

Compliance with Myners' Principles

The Trustees believe that they comply with the spirit of the Myners' Principles. There may be some instances of deviation from the published 'Best Practice Guidance' on the Principles where the Trustees believe this to be justified.

Employer-Related Investments

The Trustees' policy is not to hold any employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005.

Fee Structures

The investment manager is paid a management fee on the basis of assets under management. The investment consultant is paid on a project basis, which may be a fixed fee or based on time cost, as negotiated by the Trustees in the interests of obtaining best value for the Scheme.

Review of this Statement

The Trustees will review this Statement at least once every three years and without delay 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.

Ramona Tipnis

Trustee

Date 25 September 2020

The Trustees of the Countrywide plc Pension Scheme DC Section

Appendix – Investment Arrangements

Default Lifestyle Strategy

A summary of the Default Lifestyle Strategy is as follows:

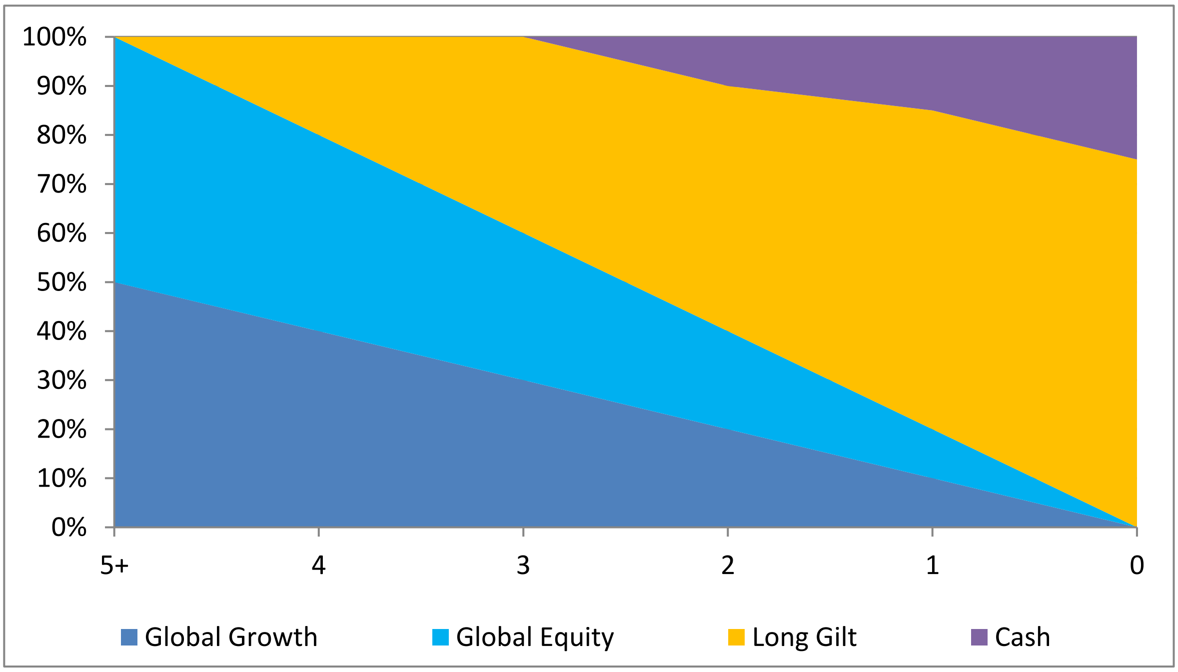
	Growth Phase	Consolidation Phase
Primary Objective	To maximise returns over the long term at an acceptable level of risk.	To manage conversion risk by progressively switching from growth phase into annuity and cash matching assets.
Purpose	To manage returns at an acceptable level of risk. To reduce the effects of potential severe economic shocks.	To transition the assets from the pre-lifestyle investment programme and secure the value of a fixed retirement income. To reduce the probability of severe losses close to retirement.
Funds	AEGON BlackRock 50/50 Global Growth Fund AEGON BlackRock LGIM Global Equity 50:50 Index Fund	
	AEGON BlackRock Long Gilt Fund AEGON BlackRock Cash Fund	
Lifestyling	The Default Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as the members approach retirement	
Switching Period	5 Years	
Growth Phase	**Fund**	**Allocation**
	AEGON BlackRock 50/50 Global Growth Fund	50%
	AEGON BlackRock LGIM Global Equity 50:50 Index Fund	50%
Consolidation Phase	**Switch to:**	
	AEGON BlackRock Long Gilt Fund	75%
	AEGON BlackRock Cash Fund	25%

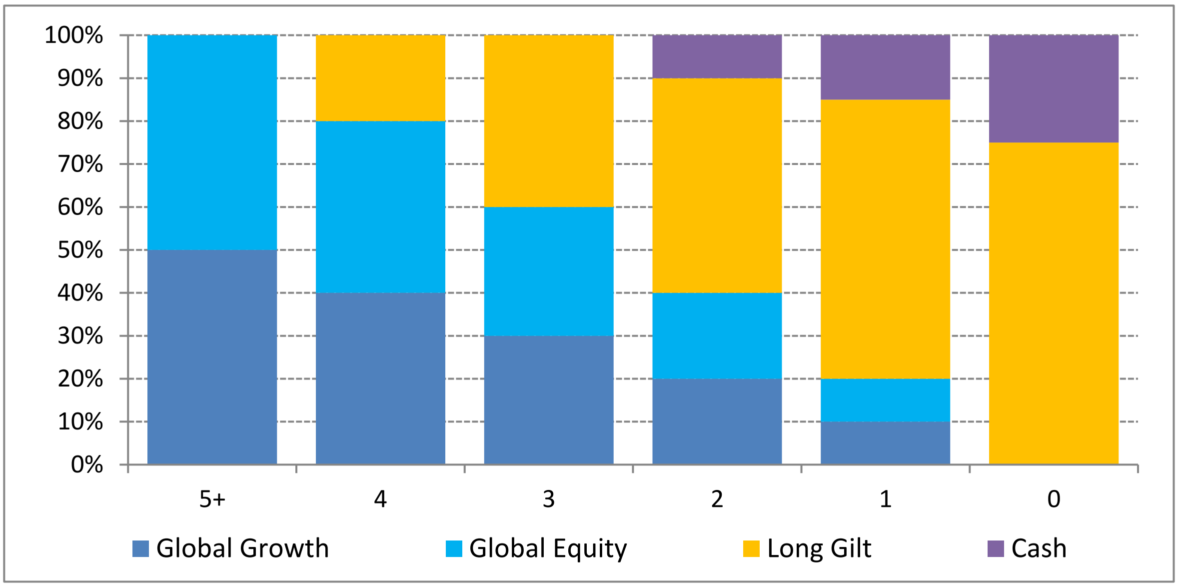
Further details on the default funds are as follows (note that these funds are also available as self-select funds) :

Asset class	Fund Name	Benchmark	Charges
Global Equities	BlackRock 50/50 Global Growth Fund	Composite benchmark based on 50% FTSE All-Share Index and 50% Fixed Overseas Weights (17% Continental Europe, 17% North America, 8% Japan, 7% Pacific Basin, 1% Emerging Markets)	
Global Equities	BlackRock LGIM Global Equity 50:50 Index Fund	Composite benchmark (50% UK equities and 50% split equally between shares of companies in the US, Europe ex-UK and the Pacific Rim.	
Long-dated gilts	BlackRock Long Gilt Fund	FTSE A British Government Over 15 Years Gilt Index	
Cash	BlackRock Cash Fund	7 Day LIBID	

Default Lifestyle Arrangement

Fund / Years to Retirement	**5+**	**4**	**3**	**2**	**1**	**0**
Global Growth (%)	50	40	30	20	10	0
Global Equity (%)	50	40	30	20	10	0
Long Gilt (%)	0	20	40	50	65	75
Cash	0	0	0	10	15	25
Total	**100**	**100**	**100**	**100**	**100**	**100**

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Global Growth
Global Equity
Long Gilt
Cash

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Regulatory Statement

The information provided is based on our understanding of current law and taxation as at the date of this report.

HMRC policy, practice, and legislation may change in the future.

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