Statement of Investment Principles

Contents

1 Introduction

The Trustees of the Crossroads Commercials Ltd Retirement Benefit Scheme ("the Trustees") have drawn up this Statement of Investment Principles ("SIP") to set out their policy on various matters governing decisions about the investments of The Crossroads Commercials Ltd Retirement Benefit Scheme ("the Scheme").

The Scheme is a hybrid arrangement holding a mixture of defined benefit and defined contribution elements. The defined benefit element consists only of Guaranteed Minimum Pensions (GMP) accrued up to 5 April 1997. In preparing the Statement, therefore, the Trustees have taken account of both elements.

This SIP is designed to comply with the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act") the Pensions Act 2004 ("the Act"), the Occupational Pension Schemes (Investment) Regulations 2005 ("the Investment Regulations") and the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

As required under the Act, the Trustees have consulted Crossroads Truck and Bus Limited ("the Employer") and Purple Wealth Management LLP (PWM LLP) ("the Investment Adviser") for advice on preparation of the Statement. PWM LLP are authorised and regulated by the Financial Conduct Authority (FCA).

In preparing this Statement, the Trustees have taken into account current guidance from the Pensions Regulator.

2 Governance

The Trustees have ultimate responsibility for decision making on investment matters. The Trustees' investment powers are set out within the scheme's governing documentation.

In addition to the Trustees there are a number of parties with a level of responsibility in relation to the governance and operation of the scheme. These are as follows:

- The Employer – who makes contributions to the Defined Benefit section of the scheme and pays the associated costs of the Defined Benefit Scheme Management
- Scheme Actuary
- Platform/Pension Provider – provides access to a range of pooled investment funds. Retains records of members funds and calculates benefits
- Fund Managers – undertake the day to day management of the underlying funds' assets
- Investment Adviser – advises the Trustees on the Scheme's investments and preparation of this statement
- Members – should choose the investment option(s) in which their funds are invested

The Trustees and their Investment Advisers do not give advice to individual members on their fund selections. Members are encouraged to take independent financial advice when making and reviewing their individual investment choices.

Having taken advice from the scheme investment adviser, who is authorised by the FCA, the Trustees are satisfied that the selected investment managers have sufficient experience and expertise to carry out their role. The Trustees have delegated all day to day investment management decisions to the Platform Provider/Fund Managers authorised under the Financial Services & Markets Act 2000 (FSMA).

2.1 Fee Structures

Details of the current fees for the Scheme's service providers and funds are set out in Appendix A to this Statement.

3 Investment Objectives

The Trustees have considered their investment objectives after taking into account the various risks to which the Scheme is exposed, and these are;

- To maximise the return on investments without incurring undue risk,
- To ensure that we can meet our obligations to all beneficiaries of the Scheme,
- To pay due regard to the Employer's interests on the size and incidence of Employer's contribution payments,
- To achieve, over the longer term, a return on investments which is consistent with the long-term assumptions we have agreed with the Employer and the Actuary in determining the funding of the Scheme.

With regard to the defined contribution section of the Scheme,

- To provide members with a range of investment options to enable them to tailor an investment strategy to their needs and risk tolerances,
- To provide members with access to a default investment option that the Trustees believe to be reasonable for those members that do not wish to make their own investment decisions
- The Scheme's default option objectives are to generate returns significantly above inflation whilst members are some distance from retirement, but then to switch automatically and gradually to lower risk investments as members near the point at which they access their pot

The Trustees strategy to enable them to achieve these objectives is set out below.

4 Investment Design Considerations

4.1 Trustee Investment Beliefs/Principles

The Trustees have established a set of guiding principles that provides their framework for the delivery of the scheme investment strategy.

The principles are:

- Understanding the personal profiles and attitudes of the scheme membership is important to providing an appropriate investment strategy for both Defined Benefit and Defined Contribution Assets
- Working collaboratively with the Scheme Employer and understanding their views on the long term aims of the scheme is crucial to managing the risk to and investment of the scheme assets
- Investment risk is generally rewarded over the long term
- Asset Allocation is the key driver behind long term investment returns
- Active management must be undertaken by skilful managers in specific asset classes
- Investment charges should not be excessive and will impact upon long term returns for member investments
- Environmental, (including climate change risks), social and governance issues are a material factor for investment decision making

- Active portfolio management, where investment costs are managed, will lead to improved outcomes for members

4.2 The Views of Members and Beneficiaries (Non-Financial Considerations)

Given the size of the scheme the Trustee Board has a long standing, direct knowledge of member views and opinions. The Trustees seeks to continually obtain this knowledge through personal interaction with existing employees.

As employees (or former employees) of a company rooted in the logistics industry the Trustees understand that the risks posed by climate change the requirement for energy transition will be important in the long term for both the Employer and the members of the scheme.

The Trustees look to understand the employer policy in relation to these risks over the long term, particularly in relation to the long-term financial strength and covenant of the employer.

Members are encouraged to express any views in relation to the investment options available to the scheme and these views will be discussed and considered by the Trustees in relation to the cost of implementation and availability within the current administration and investment structure.

4.3 Investment Risks

There are various risks to which any pension scheme is exposed, and the Trustees have set out their policy in Appendix B with regards to dealing with those risks.

4.4 Expected Return on Investments

The Trustees expected return on asset classes within the Scheme are set out in Appendix C.

5 Investment Strategy

In proportion with the size of the Scheme and that fact that is closed to new members and future accrual the Trustees have agreed that the investment of both Defined Benefit and Defined Contribution Assets will be within pooled investment funds offered via the scheme investment Pension Provider. The Trustees have appointed Royal London (Pension Provider) to provide administration and investment services through an insurance policy. Royal London provide an appropriate range of pooled funds and investment strategies in which to invest the scheme's assets. Each fund has a defined benchmark or objective. The underlying managers of the funds are responsible for the choice of individual stocks and are expected to maintain a diversified portfolio within each fund.

These funds may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index linked bonds, cash, commercial and residential property, infrastructure and commodities through collective investment vehicles and derivatives to help mitigate investment risks or enhance investment returns.

The funds used are provided through an insurance company-based investment platform and so must comply with the FCA's "Permitted Links" rules, which place limits on the degree of leverage which a fund can use.

5.1 Defined Benefit Assets

The defined benefit assets of the scheme comprise of two funds – 1) The Trustee Contingency Fund and 2) the member Guaranteed Minimum Pension (GMP) contributions.

With regard to the liabilities of the scheme, the contributions made by the employer and the profile of the scheme membership the Trustees have adopted a 'Balanced' attitude to risk. The Trustees have reviewed the strategic asset allocation of different Balanced Asset Allocation models and have sought a model portfolio within the pension provider suite of investment that meets with a Balanced asset allocation – Governed Portfolio 5 (GP5). This Model Portfolio is replicated in the Royal London Managed Fund that is utilised for investment of the Trustee Contingency Fund.

The Trustees believe that Royal London Asset Management, have demonstrated an extensive track record of managing diversified portfolios, is best placed to provide an active management solution to meet with the Trustee risk attitude. We also have regard to the risks which may arise through a mismatch between the fund's assets and its liabilities and the risks which may arise from the lack of diversification of investments.

Our current long-term aim is to ensure that the Scheme assets which are used to meet the defined benefit liabilities are invested so that we can take advantage of investment opportunities in the UK and overseas and to allow for temporary anomalies in the investment markets.

The asset allocation of our chosen Model Portfolio for investment of Trustee Funds can be found in Appendix D

5.2 Defined Contribution Assets

Regarding the defined contribution assets, we have sought to provide a default investment arrangement that will meet the needs of members at different stages in their journey to retirement. Our default arrangement is the Royal London Balanced Lifestyle Strategy. This strategy targets a transfer to cash at the members' Normal Retirement Age. The Trustees understand that there are different retirement options available to members and the preferred option following Pension Freedoms in 2015 is now to utilise flexible income drawdown. This is not a retirement option available to the scheme and will necessitate a transfer for members at retirement which would require the sale of funds to cash on transfer. Members will be invested in a Balanced Model Portfolio which aims to deliver above inflation growth until the reach the point of being within 15 years of their Normal Retirement Age. It then gradually switches into less risky assets with the last 5 years prior to Normal Retirement Age introducing a higher level of cash to being 100% cash based in the last year of investment. The Trustees urge members to seek Independent Advice in relation to the investment of their pension funds to ensure that their investment strategy is appropriate to their needs and objectives.

In addition, we recognise that members have differing investment needs and that these may change during the course of members working lives. We also recognise that they have different attitudes to risk. We believe that members should have the option to make their own investment decisions based upon their own individual circumstances. For this reason, we have made a range of investment funds available sufficient to enable the members to tailor an investment strategy to meet their own needs. These funds are;

- Royal London Property Fund
- Royal London Deposit Fund
- Royal London Managed Fund

- Royal London Corporate Bond Fund
- Royal London Worldwide Fund
- Royal London With Profits Fund

In addition to the above listed funds members are also free to select from all risk profiles of the Royal London Governed Portfolio (GP) range (Risk Profiles 1-9). This suite of portfolios offer a Cautious Profile in Portfolios 1 – 3 with GP 1 for members with a long time horizon, GP 2 with Medium time horizon and GP 3 with a short time horizon. The Balanced Portfolios are GP4 to GP6, with GP4 being targeted at longer term investor. The Adventurous Portfolios are GP7 to GP9, with GP7 being targeted at the longer term, adventurous investors.

In addition members are also free to select the Royal London Balanced Lifestyle Strategy targeting the purchase of an annuity at retirement or use of Drawdown Pension at Retirement if they feel this would be more appropriate to their personal circumstances than the default Balanced Lifestyle Strategy Target Cash.

The investment managers are regulated by the Financial Conduct Authority, with whom day to day responsibility of the fund assets rests.

The Trustees may from time to time hold insurance policies or other assets which are earmarked for the benefit of certain members. These may include for example;

- Assets secured by Additional Voluntary Contributions (AVCs) or other arrangements made individually with the Trustees,
- Deferred or Immediate Annuity Policies purchased to match part or all of the fund's liabilities.

6 Realisation of Investments

The investment managers have discretion over the timing of realisation of investment of the scheme within the Governed Portfolios that make up the default investment strategy and form the investment strategy for Defined Benefit Assets.

The Trustees recognise that the investment managers may at times impose restrictions on the timing of purchases and sales of funds (most notably investing in Property) in some market conditions to protect the interests of all investors in a fund.

6.1 Defined Benefit Considerations

From time to time members may choose to accept a Cash Equivalent Transfer Value of their defined benefit assets or the Trustees may elect to pay GMP's via a pensioner payroll function as opposed to the purchase of annuities at the prevailing rate to secure benefits. For these purposes the Trustees maintain a cash deposit account equivalent to £50,000 plus the deficit value of any CETV's requested in the last three months. This avoids the requirement to access invested funds for these purposes.

6.2 Defined Contribution Considerations

Funds need to be sold to make payments of benefits and to undertake investment switches in line with lifestyle and governed portfolio strategies. The Trustees expect the Pension Provider to be able to realise the Scheme's funds within a reasonable timescale.

7 Monitoring

With the assistance of the investment adviser, the Trustees monitor the performance of the chosen funds and portfolios at Trustee meetings which are held on a four-monthly basis. Fund and Portfolio performance is tracked against it's stated objective and benchmark.

8 Environment, Social and Corporate Governance Factors

As the Scheme's assets are invested in a selection of pooled funds, the Trustees accept the assets are subject to the investment manager's own policy on social, environmental or ethical investment and on corporate governance.

The Trustees undertake an annual review of the Platform Provider's policy in relation to these matters by an analysis of their 'Stewardship and Responsible Investment Activity Report'.

9 Exercise of Investment Rights

The Trustees recognise their responsibilities as the owners of significant investment capital and believe that good corporate governance enhances shareholder value over the long term. As Investors in Pooled investment funds the Trustees cannot directly influence the managers' policies on the exercise of investment rights. Having reviewed the Stewardship Policy of Royal London Asset Management, the Trustees understand the investment managers' Corporate Governance policies reflect the recommendations of the UK Stewardship Code issued by the Financial Reporting Council.

Whilst there is no direct influence, if the Trustees felt that the policies of the investment managers were divergent with good Corporate Governance Practices they would implement a review of the Pension Provider in the wider market to ascertain if the assets of the scheme could be put to more effective use.

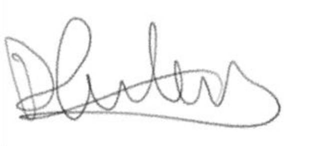
10 Review and Compliance of the Statement

In compliance with the requirements of Section 35 of the Pensions Act 1995 the Trustees will review this Statement at the very least on a three yearly basis to coincide with the Actuarial Valuation of the scheme and immediately after any significant change in investment policy. Any such review will be taken after receiving advice and will be in consultation with the Company.

It is the Trustees' working practise to monitor compliance of the Statement as part of the investment review at every Trustee meeting.

This Statement of Investment Principles was completed in October 2019 and updated in February 2020.

The Trustees of the Crossroads Commercials Retirement Benefits Scheme



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David Crowley

Chair of Trustees

11 Appendix

11.1 Appendix A: Fee Structures

All professional, advisory fees and trustee expenses are met entirely by the employer.

Investment management fees are paid via an AMC based on the value of funds across all types of investment asset – Defined Contribution Funds, Trustee Managed GMP Funds and the Contingency Fund. In agreeing the fee structure with the Platform Provider, the Trustees have negotiated discounts as follows on the published fund AMC.

Scheme Section	Scheme Code	Agreed Discount	Effective AMC if published AMC is 1%
Defined Contribution	60730	0.45%	0.55%
GMP Funds	60781	0.25%	0.75%
Contingency Fund	15996	0.6%	0.4%

The Trustees are satisfied that the total charges borne by the members over a 12-month period comply with the charge cap of 0.75%.

11.2 Appendix B: The Trustee's policy with regard to risk

The Trustees recognise a number of risks involved in the investment of the Scheme's assets. The following table shows each type of risks along with the Trustees policy on how each risk is to be measured and managed.

Type of Risk	**Measured by**	**Managed by**
Mismatching	Value of liabilities and assets not moving in line with one another.	The Trustees adopt an investment strategy, which considers investments that 'best' match the Scheme's liabilities. The Trustees consider what extent to match the assets to the liabilities and the risk of mismatching. The Trustees accept that even where they decide to match, perfect matching is not possible and that there will be some residual mismatching risk. The degree of mismatching risk will be monitored periodically and at any time should there be a significant change in the financial strength of the sponsoring employer.
Solvency	Funding position on a solvency buy-out basis changing from one valuation to the next.	The Trustees accept that the assets are invested to match the liabilities on an ongoing basis and not a buyout solvency basis. The Trustees will monitor the buyout position at the Triennial Actuarial valuation

Currency	The level of scheme asset exposure to foreign currencies leading to adverse influence on investment values arising from economic conditions affecting that currency	The Trustees may from time to time decide to hedge currency risks, though their default position is not to hedge such risks.
Liquidity	The level of cashflow required for the scheme over a specific period. Failure to meet benefits as they fall due, as a result of inability to realise assets.	The Trustees examine the projected cash flow of the Scheme and, if there is predicted to be a net outflow in a given year will ensure sufficient assets are held in cash or other liquid assets.
Diversification	Concentration of assets in any one investment fund or asset class leading to the risk of an adverse influence on investment values arising from poor performance of that fund or asset	The Trustee's investment policy is to invest in pooled investment funds, with the objective of achieving diversification. In addition, the Trustees hold no employer related assets.
Fraud	Loss of assets as a result of fraud.	The appointed fund managers provide custody of the majority of the scheme's assets and each fund manager accepts responsibility should fraud be committed by their staff. The Trustees have put in place strict controls on who can authorise the transfer of cash and the accounts to which transfers can be made.
Legislative	Impact of additional legislative requirements affecting either; • An increase in the value of the liabilities, or • A fall in asset values or expected future returns.	The Trustees have no control over this type of risk. If the risk emerges then Trustees will review the investment strategy with the guidance of their appointed advisers.
Political	The level of concentration in any one market leading to the risk of an adverse influence on investment values as a result of political action, such as; • Change in government,	The Trustees have no control over this type of risk however they expect the investment manager to take account of it in both their asset allocation strategy at both fund and portfolio level.

	• Change in supply of gilts.	
Funding	The funding level on the Statutory Funding Objective (SFO) falls below an acceptable level.	The Trustees invest the assets such that the risk of deterioration of the SFO funding level to below an acceptable level is balanced against the risk of not achieving the other objectives set out in this Statement and the Statement of Funding Principle.
Employer	The level, ability and willingness of the Employer to support the continuation of the Scheme and make good any current and future deficit	Trustees regularly monitor the Employer Covenant and take account of any changes in determining the asset allocation.
Investment Manager	Is measured by the expected deviation of the prospective risk and return as set out in the Manager objectives relative to investment benchmark.	Monitoring of the actual deviation of returns relative to the objective over the long term.
Inflation	Investment returns for members and Trustees not keeping pace with inflation and not producing adequate retirement benefits	The Trustees have selected a diversified portfolio of assets for both Trustee managed and member selected accounts that are targeted to produce returns in excess of inflation over the longer term. Members are encouraged to review their investment selection with an Independent Financial Adviser
Benefit Conversion	Adverse movements in investment values prior to realisation for specific members or at Trustee level	The Trustees have selected a default investment option that reduces risk in the 15 years running up to a member's normal retirement date
Climate Change	Considered to be a systemic risk	The Trustees review the Investment Managers approach to managing climate change concerns and are confident that they have a positive engagement approach to work with companies/institutions to reduce this risk over the longer term

11.3 Appendix C: Expected Return on Investments

The expected returns on the principal asset classes and fund types within the scheme are:

Asset	Return Characteristics
Equities	Strong positive return relative to inflation over the longer-term but tend to be the most volatile asset class over the shorter term
Property	Should achieve a positive return relative to inflation over the longer term which lower than that for equities but with a lower level of short-term volatility
Corporate Bonds	Should achieve a positive return relative to inflation over the longer term which lower than that for equities and property but with a lower level of short-term volatility
Gilts (Government Bonds)	Should achieve a positive return relative to inflation over the longer term which lower than that for equities, property and Corporate Bonds but with a lower level of short-term volatility
Index Linked Gilts	Should achieve a return in line with inflation over the longer-term but with a lower level of short-term volatility than equities, property and corporate bonds
Cash	Should achieve a positive return which may not always keep pace with inflation, while normally providing a minimal level of volatility and a high degree of capital security
Long Dated Bonds	Values should move broadly in line with financial factors influencing annuity rates
Multi-Asset Funds	Invest in a mix of asset classes with the objective of delivering a positive return relative to inflation over the longer-term, with lower level of volatility than equities

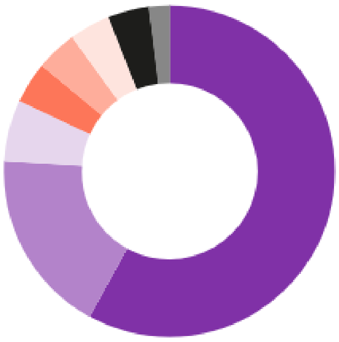
11.4 Appendix D: Defined Benefit Funds Asset Allocation

Based upon advice from the Investment Adviser and in proportion of the size of the defined benefit assets of the scheme the Trustees have elected to invest in an 'off the shelf' model portfolio provided by the platform provider.

This portfolio benefits from a monthly review of asset allocation and fund selection with automatic rebalancing to maintain the selected attitude to risk.

The current asset allocation of the Royal London Governed Portfolio 5 is as follows:

GP 5



Equities	**55.00%**
Property	**15.00%**
Absolute return strategies (*inc. cash*)	**7.50%**
Commodities	**5.00%**
Index-linked government bonds	**5.00%**
Corporate bonds	**5.00%**
Government bonds	**5.00%**
High yield bonds	**2.50%**