Statement of Investment Principles

May 2023

1.1 This is the Statement of Investment Principles prepared by the Trustees of the British and Foreign Bible Society 1972 Pension Scheme (the Scheme). This statement sets down the principles governing decisions about investments for the Scheme in order to meet the requirements of:

the Pensions Act 1995, as amended by the Pensions Act 2004; and

the Occupational Pension Schemes (Investment) Regulations 2005, as amended by:

- the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010;
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018; and
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

1.2 In preparing this statement, the Trustees have consulted the British & Foreign Bible Society ("BFBS"), the Principal Employer, and obtained advice from Barnett Waddingham LLP, the Trustees' investment consultant. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority.

1.3 This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates) and Scheme Funding legislation as applicable.

1.4 The Trustees will review this statement at least every three years or if there is a significant change in the policy on any of the areas covered by the statement.

1.5 The investment powers of the Trustees are set out in Clause 20 of the Definitive Trust Deed & Rules, dated 28 June 2012.

8.4 Having established the investment strategy, the Trustees monitor the performance of each investment manager against an agreed benchmark as frequently as appropriate according to market conditions and the Scheme's funding position. The Trustees meet the Scheme's investment managers as frequently as is appropriate in order to review their performance.

9.1 The Trustees have delegated the responsibility for buying and selling investments to the investment managers. The Trustees have considered the risk of liquidity as referred to above.

9.2 Ultimately, the investments will all have to be sold when the Scheme's life comes to an end. In this situation, the Trustees are aware of the fact that the realisable value of some investments, were there to be a forced sale, might be lower than the market value shown in the Scheme accounts.

10.1 The Trustees' policies in relation to these matters are set out in Appendix 2

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Baillie Gifford	Diversified Growth Fund	Bank of England Base Rate	Outperform benchmark by 3.5% p.a. net of fees over rolling 5 year periods
Ruffer	Absolute Return Fund	Bank of England Base Rate	No formal target
M&G	Discretionary Fund	Mix of asset class indices set by the M&G Treasury & Investment Office	Outperform benchmark by 1.15% to 1.4% p.a. gross of fees over rolling 3 year periods
M&G	Long Dated Corporate Bond Fund	iBoxx Sterling Non-Gilt Over 15 year Index	Outperform benchmark by 0.8% p.a. gross of fees over rolling 3 year periods
Legal & General	Active Corporate Bond Fund - All Stocks	iBoxx Sterling Non-Gilt All Stocks Index	Outperform benchmark by 0.75% p.a. gross of fees over rolling 3 year periods
Legal & General	Unleveraged Gilt Funds	Treasury gilts of the appropriate duration for each fund	To reduce the Scheme's risk exposure to changes in interest and inflation rates
Legal & General	Leveraged Gilt Funds	Leveraged exposure to treasury gilts of the appropriate duration for each fund	To reduce the Scheme's risk exposure to changes in interest and inflation rates

Legal &

The Trustees have received training from their investment consultant on the financial materiality of environmental, social and governance ("ESG") issues, including climate change, within their investment strategy. The Trustees considered the research findings presented when forming their views on the financial materiality of ESG factors as they apply to the Scheme's current investments.

The Trustees believe that ESG factors are financially material – that is, they have the potential to impact the value of the Scheme's investments over the lifetime of the Scheme (which is expected to be greater than ten years). The Trustees appreciate that the extent and method of incorporating ESG within an investment strategy and process will differ between asset classes.

The Trustees' policy on these matters, including engagement and the exercise of voting rights, is set out below. Through their consultation with the Principal Employer when setting this Statement of Investment Principles, the Trustees have made the Principal Employer aware of their policy on ESG and climate related risks, how they intend to manage them and the importance that the pensions industry as a whole, and its regulators, place on them. The Trustees have regard to the employers' policy on these matters and review their approach periodically.

The Trustees believe it is not generally appropriate to take into account individual members' views when establishing the policy on ESG issues, engagement and voting rights.

The views of the Trustees on ESG factors are considered separately for each asset class the Scheme is invested in as follows:

- – the Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's multi-asset growth fund managers. The investment managers should take ESG into account in the selection, retention, and realisation of investments, as well as in the exercise of voting rights.

- – the Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's active bond managers. The Trustees recognise that fixed-income assets do not include voting rights, however, they expect engagement with companies by their investment managers.

- – the Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the instruments used within the LDI funds.

As an investor in pooled funds, the Trustees delegate the consideration of all financially material factors in relation to determining the underlying holdings within the pooled funds, including ESG factors, to the Scheme's investment managers as part of their day-to-day management. The Scheme's investment managers will ultimately act in the best interests of the Scheme's assets to maximise returns for a given level of risk. The Trustees' policy on appointing, monitoring and replacing the investment managers are as follows:

- When selecting new investments, the Trustees will request information on ESG integration credentials as part of the proposals. However, an investment manager's excellence in this area will not necessarily take precedence over other factors, including (but not limited to) historical performance or fees.

The Trustees monitor their investments regularly with the help of their investment consultant. If, as part of this monitoring process, any issues specifically related to the ESG factors are identified, the Trustees may request further information from the Scheme's investment managers and engage with them in relation to these matters.

If any significant ESG related issues are identified for a fund or an investment manager, the Trustees may choose to replace them. However, as per the appointment of funds and investment managers, the investment manager's shortcomings in thi Ṕ ! m and environmental impact and to mitigate financial risks. The Trustees will monitor how these delegated powers are exercised by the investment structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

The Trustees are of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities (that is,

The Trustees believe that this fee structure enables the investment managers to focus on long-term performance without worrying about short-term dips in performance significantly affecting their revenue.

The Trustees ask the Scheme's investment consultant to assess if the investment management fee is in line with the market when the investment manager is selected, and the appropriateness of the investment management charges are considered every three years as part of the review of the Statement of Investment Principles.

The Trustees will monitor "portfolio turnover costs" incurred by the investment managers and consider the portfolio turnover as follows:

The Trustees acknowledge that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the half-yearly investment monitoring process.

During the investment manager appointment process, the Trustees will consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments will reflect market conditions and peer group practices.

The durations of the arrangements with the investment managers are open-ended, rather than being subject to a fixed duration contract. The Scheme has had holdings with M&G since February 1996, Legal & General since March 2001 and Baillie Gifford since January 2011. The Scheme has been invested with Ruffer since December 2018.

The suitability of the Scheme's asset allocation and its ongoing alignment with the Trustees' investment aims, beliefs and constraints is assessed every three years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.