

Statement of Investment Principles for the Homeowners Friendly Society Pension Scheme

1. Introduction

This Statement of Investment Principles ("SIP") sets out the policy of the Trustee of the Homeowners Friendly Society Pension Scheme ("the Trustee") on various matters governing decisions about the investments of the Homeowners Friendly Society Pension Scheme ("the Scheme"), a Defined Benefit ("DB") Scheme. This SIP replaces the previous SIP dated April 2023.

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act"), the Occupational Pension Schemes (Investment) Regulations 2005 (as amended) and the Pension Regulator's investment guidance for defined benefit pension schemes (March 2017). The SIP also reflects the Trustee's response to the Myners voluntary code of investment principles.

This SIP has been prepared after obtaining and considering written professional advice from LCP, the Scheme's investment adviser, whom the Trustee believes to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments including the need for diversification, given the circumstances of the Scheme, and the principles contained in this SIP. The Trustee has consulted with the relevant employer in producing this SIP.

2. Roles and responsibilities

The Trustee has ultimate responsibility for decision-making on investment matters, but has also decided on a division of responsibilities. This division is based on the Trustee's understanding of the various legal requirements and its view that this division allows for efficient operation of the Scheme overall, with access to an appropriate level of expert advice and service.

The Trustee's investment responsibilities are governed by the Scheme's Trust Deed and this Statement takes full regard of its provisions. A copy of the Scheme's Trust Deed is available for inspection upon request.

The Trustee has appointed LCP to provide advice in respect of issues relating to the investment of the Scheme's assets.

3. Investment objectives

The primary objective is to ensure that the Scheme should be able to meet benefit payments as they fall due. The Trustee's secondary objective is that the Scheme is fully funded (ie the asset value should be at least that of its liabilities on this basis) on a buyout basis. The Trustee is aware that there are various measures of funding and has given due weight to those considered most relevant to the Scheme.

4. Summary of the Investment strategy

The Scheme previously purchased a bulk annuity contract (also known as a buy-in policy) for a majority of the pensioner liabilities with Aviva in March 2019. In February 2024, the Scheme entered a second buy-in policy contract with OneFamily, which covers the remaining benefits payable to all Scheme members.

As these are the Scheme's only investments, the Scheme is a wholly-insured scheme as defined within the Occupational Pension Schemes (Investment) Regulations 2005.

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5. Additional Voluntary Contributions

The Trustee has selected ReAssure and Aviva as the Scheme's external money purchase AVC providers.

6. Review

The Trustee will review this SIP from time to time and, with the help of its advisers, will amend it as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy, and at least once every three years.

SIP signed for and on behalf of the Trustee of the Scheme:

Signed: _____