Statement of Investment Governance

(July 2026)

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Pension Authority No: PB67866 Revenue Approval No: SF7346

Introduction:

The purpose of this document is to outline the governance process whereby the investment objectives and strategy of the Scheme are decided and implemented. This Statement of Investment Governance will be reviewed every three years or sooner if deemed appropriate. The key components of the objectives and strategy will be incorporated into any critical review or market review that the Trustees undertake.

In framing the policy the Trustees will take account of:

(a) The membership of the Scheme and the needs of different members.

(b) The nature of the Scheme as a defined contribution scheme.

(c) The key role of the Default Investment Strategy.

(d) The need to offer the Scheme members a range of suitable funds with different attitudes to risk.

(e) The need to ensure ongoing oversight and review of the investment managers and funds.

(f) The investment managers credentials regarding sustainable investment.

(g) The need to engage with members and to assist them in understanding investment funds, attitude to risk, investment volatility and the charges that apply to the different fund choices.

Legislative Requirements:

The Trustees have considered the following legislation and codes of practice in writing this internal audit policy:

- Code of Practice for trustees of occupational pension schemes and trust retirement annuity contracts
- Pensions Act, 1990, as amended by the European Union (Occupational Pension Schemes) Regulations 2021 – S.I. 128/2021
- Institutions for Occupational Retirement Provisions Directive (the IORPs II Directive) – EU 2016/2341

Membership Profile:

With over 10,000 active and deferred members spread across 24 participating employers, it is recognised that there will be a wide range of members at different stages of their pension journey, different size funds being accumulated and different attitudes to, and knowledge of, investment risk. In framing the investment objectives and strategy, the need to provide a range of funds covering most of the different risk categories (European Securities and Markets Authority (ESMA) risk rating of 1-7) or similar will be considered and in particular, the Default Investment Strategy where the majority of members pension funds will be invested.

Defined Contribution Pension Scheme:

As the Scheme operates on a defined contribution basis, investment performance will have a direct bearing on the eventual fund that each member will have accumulated by their retirement date. In recognition of this, the Trustees' objective is to:

- Provide a suitable Default Investment Strategy that automatically evolves as individual members move from the growth-focused phase to the consolidation phase and into the pre-retirement phase of their retirement savings journey.

- Offer a range of appropriate investment funds, which are positioned to provide reasonable rates of return, subject to acceptable levels of risk, taking into consideration the varying risk tolerances, age profiles and level of investment knowledge of members; and the likely benefits to be drawn from the Scheme by members at retirement.
- Ensure that investment fund options, with increased investment performance protection for members approaching retirement, are offered.
- Ensure that the Investment Manager's policies take adequate consideration of financially material Environmental, Social and Governance ("ESG") factors and that these are appropriately incorporated in their investment decision making processes.
- Ensure that the legislation and guidance around the number of investment fund options is taken into account.

Default Investment Strategy:

The Trustees acknowledge that a significant majority of members will be invested in the Default Investment Strategy, with approx. 99% of members so invested at the end of June 2026. While the Trustees will continue to offer a range of funds to members and will strive through member engagement to make members aware of the investment fund choices that are available, the main objective will be to ensure that the Default Investment Strategy meets the requirements of the Scheme members.

Because of the challenge of engaging with members as they approach retirement to ensure that they are invested in funds that will match the likely benefits that they will draw down at retirement, a key objective of the Trustees is to adopt, where possible, a Default Investment Strategy that will automatically switch members into funds that will match the way members are most likely to draw their benefits at retirement based on their optimum cash lump sum. This objective will be supported by a pro-active member engagement programme to ensure that the investment fund / benefit matching process is suitable for each member.

The suitability of the Default Investment Strategy will be a key metric in assessing investment managers as part of the three-year critical review and any market review that is undertaken by the Trustees. The suitability of Irish Life's Default Investment Strategy and the automatic fund / benefit matching process was a key factor in the selection of the Empower Personal Lifestyle Strategy (PLS) as the Default Investment Strategy for the Pension Scheme from January 2022.

Investment Choice:

The Trustee's objective is to offer Scheme members a choice of funds, ideally with one fund offering in each of the ESMA rating of 1-6 or similar risk ratings. In making this choice, the Trustees have decided not to offer:

(a) A fund with a risk rating of 7, as they deemed this as unsuitable for the Scheme members.

(b) A property fund, as this would be in breach of the requirement to be predominantly invested in regulated markets.

A choice of 6 funds, in addition to the Default Investment Strategy, is considered a suitable range by the Trustees, in that it offers a wide choice of funds, without confusing the members by offering too many funds. In selecting the investment funds, the Trustees will try to ensure that the fund names and descriptions are easily understood by the Scheme members, and that the target return for each fund is readily identifiable.

The Trustees will ensure that for each of the funds offered, the information in relation to the fund will be clearly understood by members in terms of:

(a) The objective of the fund.

(b) Its risk rating.

(c) Its target rate of return.

(d) Its Environmental, Social & Governance (ESG) designation.

(e) The Annual Management Charge (AMC) and the Total Expense Ratio (TER).

Adding New Investment Funds:

The Trustees will generally use the following criteria when considering whether to include a proposed new investment fund in the Scheme fund range:

- Investment manager philosophy
  - The manager should follow a clear and sensible set of investment beliefs.
- Investment manager process (including responsible investment)
  - The manager should have robust processes for implementing investment reviews, as well as managing risk (including sustainability risks) appropriately.
- Investment resources and governance
  - The manager must demonstrate sufficient human and intellectual resources, and a clear and well-established investment governance structure.
- Investment performance
  - Past performance should be consistent with stated investment strategy (where available).
- Investment costs and value for money
  - Costs (AMC and TER) should be competitive and not detrimental to members' net outcomes.

Oversight and Review:

The Trustees will monitor the performance of each fund on a quarterly basis and review them on an annual basis (Pensions Authority Code of Practice, Chapter 4, 86).

The investment performance benchmarks in use are:

(a) Cash+ returns over 10 years.

(b) Cash+ returns since 1/1/2022 (the date that ILIM was appointed).

(c) Long term default investment strategy versus peer managers.

(d) Solactive ILIM New World Global Market Equity Index for the New World Indexed All Country Equity Fund.

The Trustees will take action if warranted based on a fund or investment manager not meeting the expected performance / requirement of the Trustees. This could include significant underperformance versus an agreed benchmark or failing to maintain an agreed position regarding ESG investment.

Critical / Market Review:

The Trustees will undertake a critical review every three years, or sooner if considered warranted (Pensions Authority Code of Practice, Chapter 4, 87-88). The Trustees note that the Code allows the investment review term to be extended to 5 years, but as the existing contract is a bundled arrangement combining administration and investment services, the investment review term will be three years.

A full market review / RFP will be undertaken if considered warranted on completion of the critical review or in any event every six years. This review will follow the Critical Review process as detailed in the Pensions Authority Code of Practice (Chapter 4, 87-88).

The investment requirements to be assessed will be set out in the tender request / RFP as agreed by the Trustees at the time but, will reflect the objectives and strategy outlined in this document.

Sustainable Investment:

The Trustees are conscious of the need to take account of sustainable investment issues (Environmental, Social and Governance – ESG) as part of their investment objectives and strategy.

The Trustees have delegated the consideration of all financially material factors in relation to determining the underlying holdings within all selected investment funds, including ESG factors, to ILIM as part of their day-to-day investment management obligations.

The Trustees will consider ESG, voting and engagement issues when appointing and reviewing their investment manager (and reviewing the selected investment funds) to ensure that they are appropriately considered given the asset class(es) involved.

The Trustees will also review aspects such as, but not limited to, longer term performance, achieved performance volatility levels, manager incentivisation and funds' total expense ratios and ensure alignment with the Scheme's investment policy.

Investment managers will need to demonstrate how ESG factors are taken into consideration in terms of:

(a) Engagement with companies to encourage a more ESG focused approach.
(b) Pursuing a pro ESG voting strategy at formal shareholder meetings.
(c) Positive tilting in favour of "good" ESG companies.
(d) Screening out of companies with poor ESG records.

The Trustees will include a specific question in any RFP as follows:

> *"ESG and sustainability issues and the incorporation of these considerations into the Scheme's investment options are particularly important to the Trustees. Tenderers should set out their ESG credentials / expertise, how they have incorporated ESG into their investment solutions, what further ESG related changes they intend to implement in the future. In particular, how ESG considerations are incorporated into the default strategy should be clearly set out".*

Member Engagement:

The Trustees' objective is to implement a member engagement policy to assist members in understanding pension fund investment. This will include explaining the different fund choices that have been made available, how the Default Investment Strategy works, and the different charges that apply to each of the funds.

The engagement programme will include booklets and information sheets, group presentations, webinars and videos, individual engagement by the appointed Scheme advisors and a dedicated pensions tab on www.fedvol.ie where members have access to a full suite of pension Scheme material / information in different formats.

To enable members to fully understand the charges that apply to each fund, the annual management charge (AMC) will be published in member communications.

Appointment of Investment Managers:

The appointment of additional or alternative investment managers will be carried out with reference to the Scheme's Outsourcing Policy and the criteria in the following section. Following a full market review / tender process and the identification of the successful investment manager, a written agreement will be entered into setting out the terms of the appointment. Where an insurance company is offering a bundled administration and investment service, the contract will be with the insurance company. This agreement will set out:

(a) The initial term of the agreement for a three-year period with the option to extend for a further three years, subject to a satisfactory critical review.
(b) A 90-day notice period that can be implemented by the Trustees at any stage but, typically if the Registered Administrator (RA) appointment is being terminated.
(c) The initial range of funds selected, including the Default Investment Strategy.
(d) The charges that will apply to each of the funds (both AMC and TER).
(e) The agreed target return / benchmark for each fund.
(f) Other performance benchmarks, such as performance versus peer investment managers
(g) The ESG designation of each fund (Article 6, 8 or 9).
(h) The process for reviewing and, where necessary, replacing any of the selected funds.
(i) The information to be provided to the Trustees on a quarterly and annual basis to enable the Trustees to monitor and review investment performance
(j) The information to be provided to the Trustees at the end of the three-year period to enable the Trustees to carry out a critical review.
(k) How satisfactory performance will be measured and also the steps that will be taken in the event that the Investment Manager's performance turns out to be unsatisfactory.
(l) The process, if required, for transferring assets to a new Investment Manager including the facilitation, if feasible of an in-specie transfer.

Statement of Investment Policy Principles (SIPP):

A Statement of Investment Policy Principles (SIPP) as required by the Pensions Act (Section 59) has been put in place, and this will be reviewed every 3 years, or more frequently if there is a fundamental change to the investment strategy or the funds that are made available to members. The current SIPP has an effective date of 25/5/2026.

Investment Policy:

As required under Chapter 1, 21 and Chapter 4, 83-85 of the Pensions Authority Code of Practice, this document sets out the terms of ILIM's appointment as Investment Manager, while recognising that the contractual agreement is between the Trustees and Irish Life in what is known as a "bundled product", where Irish Life then "subcontract" the investment work to ILIM. The current investment policy was approved by the Trustees at their meeting on the 31st July, 2025.

Approval and Next Review Date of this Policy:

This document was approved and came into effect as follows:

Document Control	
Approved By:	Mr James Skehan, Pension Scheme Chairman and Professional Trustee, National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme
Approved by:	Mr John McHugo, Vice Chairman, National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme
Date approved	30th July, 2026
Next review date	July 2029
Previous versions	27th January 2022, 27th July 2023

Signed: ______________________________ **Date: 30th July, 2026**

James Skehan,
Chairman & Professional Trustee.

Signed: ______________________________ **Date: 30th July, 2026**

John McHugo,
Vice Chairman.