

Statement of Investment Policy Principles

Date prepared	10.03.2022
Date of adoption by the Trustees	28.04.2022
Date last reviewed and approved	June 2021
Current document version	Version 3 – Mar 2022

1. Purpose of Statement

- 1.1 Under the Pensions Act 1990, as amended, the Trustees of the Scheme are required to prepare and maintain a Statement of the Investment Policy Principles (SIPP) applied to the resources of the Scheme.
- 1.2 The statement must be reviewed at least every 3 years and revised following any change in investment policy which is inconsistent with the statement.
- 1.3 The Trustees hereby set out their statement in relation to the above Scheme
- 1.4 The Scheme is a Defined Contribution Scheme, which means that the benefits available are determined by the amount of contributions paid by or in respect of the member, and the investment return achieved on those contributions, net of the Annual Management Charge / Total Expense Ratio.
- 1.5 The Statement is not, nor is it intended to be, a legal document with legally binding terms and conditions.

2. Investment Objectives and Investment Choices to be offered to Members

- 2.1 The main investment objectives of the Trustees are
 - 2.1.1 To provide for the proper investment of the resources of the Scheme in accordance with relevant legislation and the rules of the Scheme
 - 2.1.2 To seek to provide Scheme members with an appropriate range of investment options which are positioned to provide reasonable rates of return, subject to acceptable levels of risk; having regard to, amongst other factors; members' varying risk tolerances, age profiles, level of investment knowledge and likely benefits to be drawn from the Scheme.
 - 2.1.3 To provide a 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.
 - 2.1.4 To provide a reasonable range of fund options for members seeking to manage their own investment strategy at any stage of their retirement savings journey.
 - 2.1.5 To seek to provide investment options with increased investment performance protection for members approaching retirement.
 - 2.1.6 To seek to 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.
 - 2.1.7 To ensure the scheme gains access to the required fund options via a suitable structure that takes account of factors such as asset liquidity and dealing frequency and allows for ease of fund switching for members.

- 2.1.8 To provide members with information regarding the range of investment options in order to assist them in selecting suitable funds.

3. Investment Risk Measurement Methods

- 3.1 As the scheme is defined contribution, the investment risks are borne primarily by the members and by the trustees to a lesser extent. The main investment risks are set out below
- 3.1.1 Asset mix risk – the extent to which a member's fund is diversified can determine the level of risk exposure. For example, equities are an asset class which offers the potential to outperform inflation over the long term, however over shorter periods can be quite volatile. Cash and fixed interest securities exhibit lower volatility, however their inflation risk is higher. Combining these asset classes allows a member to diversify their risks.
- 3.1.2 Specific risk – excessive reliance on any particular asset or group of undertakings.
- 3.1.3 Market risk – the risk that the value of an investment will decrease due to moves in market factors, such as equity prices, exchange rates, interest rates or other investment factors.
- 3.1.4 Performance risk – the frequency and severity of any relative underperformance of the elected funds and the investment managers compared to similar funds and other investment managers.
- 3.1.5 Inflation risk – inflation can erode the purchasing power or real value of investments. Inflation risk needs to be considered when evaluating investments such as cash and fixed interest securities.
- 3.1.6 Suitability risk – the appropriateness of a member's investment choice, taking into consideration the member's age, proximity to retirement, risk tolerance and personal financial situation.
- 3.1.7 Liquidity risk – is the risk that assets held within funds cannot be converted to cash without a loss of capital. As far as is practicable and necessary, the range of investment funds will be invested in liquid assets that can be quickly realised as required.
- 3.1.8 Regulatory risk – is the risk that the investments held by the Scheme may not comply with the Regulations. The Trustees offer members a range of investment funds which comply with the Regulations.
- 3.1.9 Valuation risk – is the risk that an asset held within funds is overvalued and is worth less than expected when it matures or is sold. The range of investment funds will be invested primarily in liquid, quoted assets in order to manage the valuation risk.

4. The Risk Management Process

- 4.1 The Members and the Trustees have access to Pension Planet Interactive, an online system provided by Irish Life which enables the Members and Trustees to monitor contributions paid and the underlying investments within the Scheme.
- 4.2 Fund prices are also published daily by Irish Life which allows the Trustees and Members to monitor performance of the underlying investments.
- 4.3 Members should make their investment choices having regard to their personal circumstances, proximity to retirement, and risk tolerance.
- 4.4 An annual report is made available and reviewed and signed by the Trustees each year which sets out the performance of the underlying unit-linked funds.
- 4.5 Members have access to monthly investment fund performance updates via their member portal. Factsheets will also be uploaded on the Fedvol website each month.
- 4.6 The day-to-day management of the Scheme's underlying investments is carried out by Irish Life Investment Managers Limited ("ILIM").
- 4.7 The Scheme's resources are invested predominantly on regulated markets.
- 4.8 Concentration of investment in the underlying unit-linked funds is avoided.
- 4.9 The default fund choice is the Personal Lifestyle Strategy.
- 4.10 Quarterly Investment reports for the whole schemes Investments will be provided to the Trustees to help review and provide oversight.

5. Strategic Asset Allocation

- 5.1 The Scheme invests through policies of assurance with Irish Life Assurance plc. The underlying investments consist of a range of unit linked pension funds managed by ILIM.
- 5.2 The underlying strategy and distribution of assets of the underlying funds that the particular unit linked pension funds invest in is determined by ILIM in order to achieve the objectives of that particular fund.
- 5.3 Members select the fund(s) to invest in based on their particular circumstances and risk tolerance. The funds available to members, and the respective risk profiles of the funds, are set out below.
- 5.4 A review of all funds selected by members is set out in the Scheme's annual report which is available from the trustees. The review contains details of the objectives of the fund, the strategy pursued by the Investment Manager, the asset allocation of the fund and the performance of the fund.
- 5.5 Members' annual benefit statements contain details of the funds in which the individual member is invested.

List of fund choices available with Investment Return Objective and Risk Profile for each Investment Choice and for the Default.

Funds Available	Return Target (Gross of fees)	Risk Profile (High, Medium, Low)	Risk Rating (1-7)	AMC* % P.A	TER** % P.A
EMPOWER Personal Lifestyle Strategy (Default)	Various depending on members' circumstances	Initially High/ Medium moving to Medium/Low	Various depending on members' circumstances	0.29%	0.31%
Self-Select Options					
Sustainable Equity	In line with equity market index	High	6	0.23%	0.25%
EMPOWER High Growth Fund	Cash + 4.5%	Medium to High	5	0.29%	0.31%
EMPOWER Moderate Growth Fund	Cash + 4.0%	Medium	4	0.29%	0.31%
EMPOWER Cautious Growth Fund	Cash + 3.0%	Low to Medium	3	0.29%	0.31%
EMPOWER Stability Fund	Cash + 2.0%	Low	2	0.29%	0.31%
EMPOWER Cash Fund	Cash return	Very Low	1	0.15%	0.15%

*Annual management charge (AMC)

**Total expense ratio (TER)

The AMC/TER is an all-inclusive charge, taking account of administration, investment and consulting services to members and the Trustees and employers, member communication costs, costs related to the transition at the start and end of the contract (as applicable) and all taxes, duties, and Pensions Authority fees. Pensions Authority fees will be paid by Irish Life to the Pensions Authority.

6. Default Investment Strategy – Personal Lifestyle Strategy

- 6.1 The default fund in the event of a member not specifying an individual choice is the Empower Personal Lifestyle Strategy (PLS) which will invest in a fund or combination of funds taking into consideration the member's age, proximity to retirement and length of service with the Employer.
- 6.2 The member's pension fund is automatically switched as the member approaches Normal Retirement Date from performance seeking assets with potentially volatile capital values to defensive and stable assets with

less volatility capital values and a closer match to how benefits will be drawn at retirement. No single investment fund is used under the strategy.

6.3 The six funds currently used within the PLS are as follows:

- EMPOWER High Growth Fund
- EMPOWER Moderate Growth Fund
- EMPOWER Stability Fund
- EMPOWER Annuity Objective Fund
- EMPOWER ARF Matching Fund
- EMPOWER Cash Fund

6.4 Up to 20 years from the member's normal retirement age, their retirement account is invested in the Empower High Growth Fund, which targets growth of cash +4.5% p.a. over a full market cycle, managed within a volatility range.

6.5 Between 20 and 11 years from the member's normal retirement age, their retirement account assets are gradually moved from the Empower High Growth Fund to the Empower Moderate Growth Fund, which targets growth of cash +4% p.a. over a full market cycle, managed within a volatility range.

6.6 From 11 years to retirement, the member's account assets are gradually moved into less volatile assets. At 6 years to retirement, half of the pension account is invested in the Empower Moderate Growth Fund, with the other half invested in the Empower Stability Fund, which targets growth of cash +2% p.a. over a full market cycle within a volatility range.

6.7 In the final 6 years to retirement, pension account assets are moved into benefit target funds to allow the member to align those funds with how they expect to draw their benefits.

6.8 The illustration below outlines the funds at varying stages of the PLS:



Signed:

John McHugo,
Chairman.

Date:

28/4/22

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Revenue Approval No: SF7346

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Mr. Paul Switzer; Mr. James Skehan (Professional Trustee).