

The Amco Group Pension Scheme

Statement of Investment Principles – April 2022

Introduction

The Trustee of the Amco Group Pension Scheme (“the Scheme”) has drawn up this Statement of Investment Principles (“the Statement”) to comply with the requirements of the Pensions Act 1995, the Pensions Act 2004, the Occupational Pension Funds (Investment) Regulations 2005, and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2018 and 2019. The Statement is intended to affirm the investment principles that govern decisions about the Scheme’s investments. In preparing this Statement the Trustee has consulted Amalgamated Construction Limited (“the Employer”) on the Trustee’s investment principles.

Governance

The Trustee makes all major strategic decisions including, but not limited to, the Scheme’s asset allocation and the appointment and termination of investment managers. The process for making investment decisions is as follows:

- Identify appropriate investment objectives
- Agree the level of risk consistent with meeting the objectives and the covenant of the sponsoring employer
- Implement an investment strategy and investment manager structure in line with the level of risk and objectives agreed

When making such decisions, and when appropriate, the Trustee must take professional advice. The Trustee’s investment consultants, Capita Pension Solutions Limited (“Capita”), are qualified by their ability in and practical experience of financial matters, and have the appropriate knowledge and experience to provide such advice.

Investment Objectives

The Trustee is required to invest the Scheme’s assets in the best interest of members, and its main objective with regard to investment policy is:

- To invest all of the Scheme’s assets in a bulk annuity contracts with Rothesay Life (“Rothesay”) and Legal & General Assurance Society (“LGAS”) (the “Insurers”). These are initially held as buy-in policies, which will convert into a buy-out of benefits before the Scheme is formally wound up.

Investment Managers

The Trustee holds bulk annuity policies with Legal & General Assurance Society (“LGAS”) and Rothesay Life. Both are regulated under the Financial Services and Markets Act 2000.

Insurer Remuneration, Philosophy/Engagement, Portfolio Costs,

With Capita's help the Trustee assessed the Insurers' remuneration, long term incentives and alignment of interests as documented in information supplied by the Insurers to the Trustee at the time of each annuity purchase, in the Insurers' contracts with the Trustee; and the Insurers' ESG policies.

Financially material considerations over the Scheme's time horizon

The Trustee believes that its main duty, reflected in its investment objectives, is to protect the financial interests of the Scheme's members. The Trustee believes that ESG, voting and engagement considerations (including but not limited to climate change) can be key factors in the selection, retention and realisation of investments. However given the nature of the contracts held (i.e. no voting rights) and the medium-term goal of winding up the Scheme, there is relatively limited scope for these to be financially material.

Non-financial matters, including members' views, are currently not taken into account.

Employer-Related Investments

The Trustee's policy is not to hold any direct employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Funds (Investment) Regulations 2005.

Fee Structures

The investment consultant is paid on a fixed fee or time-cost basis - as negotiated between the Trustee and Capita.

Review of this Statement

The Trustee will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustee reasonably believes to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension fund investments.

On behalf of Trustee

Date

For and on behalf of the Trustee of the Amco Group Pension Scheme