



# Corporate Selection suite of Umbrella Funds

**Abridged Investment Policy Statement (IPS)**

**2023**

## 1. Introduction

The Fund's<sup>1</sup> investment performance is the single most important factor in determining members' reasonable assurance of acceptable retirement prospects, so the governance of the Fund's investments sits at the centre of this objective.

The primary purpose of the Fund's Investment Policy Statement (IPS) is to record the investment policy and strategy of the Fund, together with the relevant governance processes, into a single accessible document.

This Abridged IPS has been prepared to provide a high-level, simplified summary of the IPS.

The Fund is registered and administered as an Umbrella<sup>2</sup> Fund with the Financial Sector Conduct Authority (FSCA) - this means that the Fund is separate from Liberty Group Limited, which initially established the Fund as a financial services business, including providing administration services to the Fund.

## 2. Fund Governance

The Fund's Board of Trustees are the managing and controlling body of the Fund. They direct, control, and are responsible for the operations of the Fund in accordance with all applicable laws and the rules of the Fund.

Board of Trustees consists of 8 members

4 trustees fully Independent  
of the Fund's Sponsor:  
Liberty Group

4 Sponsor - employee  
trustees from senior Liberty  
Group management

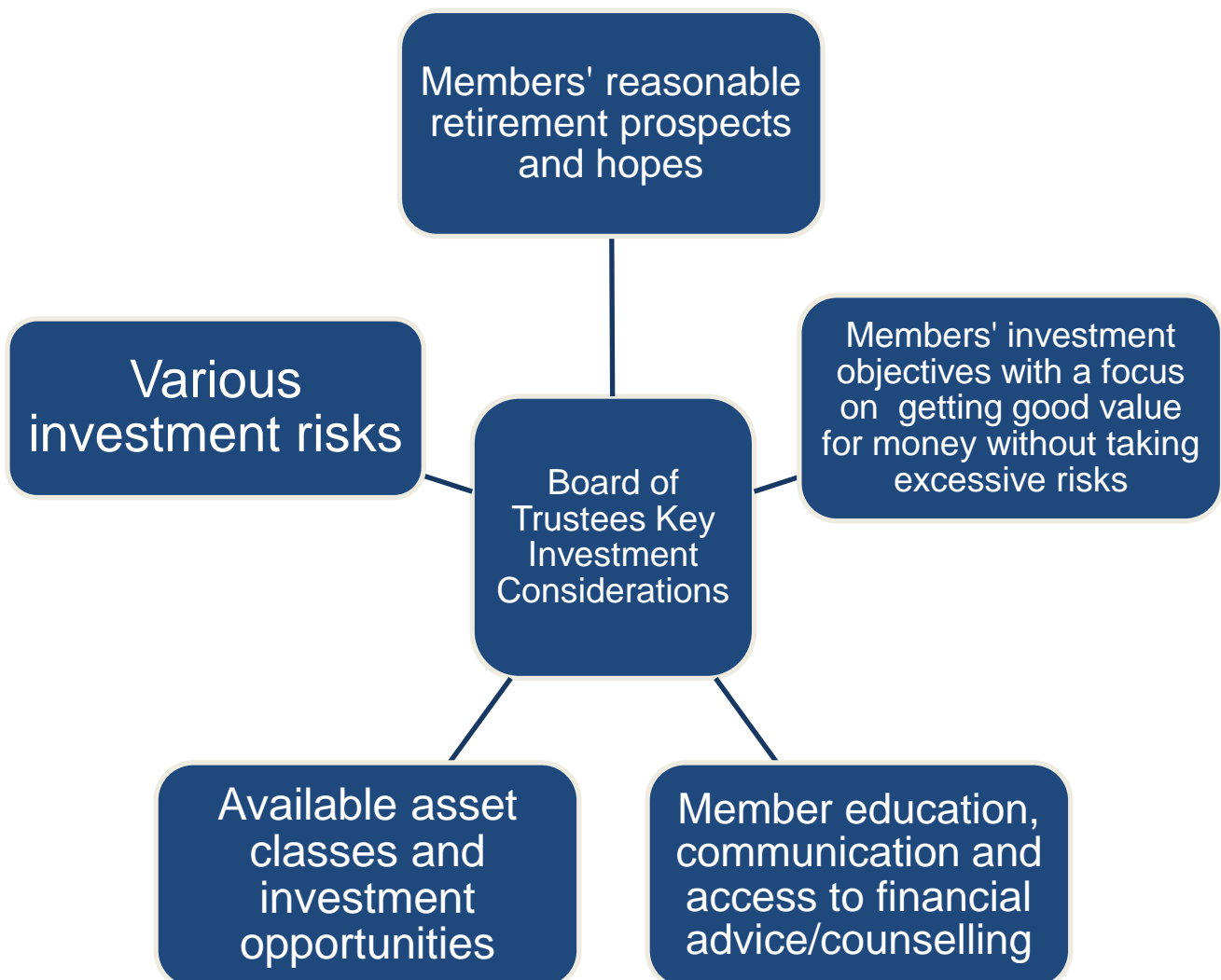
<sup>1</sup> Fund means any of the three Corporate Selection Umbrella Retirement Funds.

<sup>2</sup> Umbrella Fund means a retirement fund with multiple and unrelated employers and their employees as compared with a single retirement fund established for one employer and its employees only.

The Board of Trustees have a legal and fiduciary duty to invest the Fund's assets on behalf of Members in a responsible and prudent manner. An Investment Consultant also assists the Board of Trustees in formulating, reviewing and monitoring the Fund's investment strategy and performance.

The Board of Trustees have undertaken to embed the Treating Customers Fairly (TCF) principles from the FSCA in its culture, operations, and decision-making processes, including with regard to the Fund's investments.

The Board of Trustees take the following into consideration in managing the Fund's investments:



The Board of Trustees therefore takes an overall, holistic view and approach to managing the Fund's investments in order to achieve the members' desired retirement outcomes.

### 3. Risks and investments

Investing the Members' assets is necessarily accompanied by risks. These risks are various but the accepted and tested wisdom is that for Members to retire comfortably, they have to take on and accept some risk within reasonable limits. These limits are carefully assessed and monitored by the Board of Trustees and the Sponsor but in simple terms, Members investing over the long term into more risky asset types should enjoy the prospects of a decent standard of living after they retire. This is especially important in times of high inflation in the economy, which has the effect of ruining Members' retirement prospects unless their investments have grown at a rate which beats inflation. Higher investment risks taken should, over the long term, reward Members with higher returns.

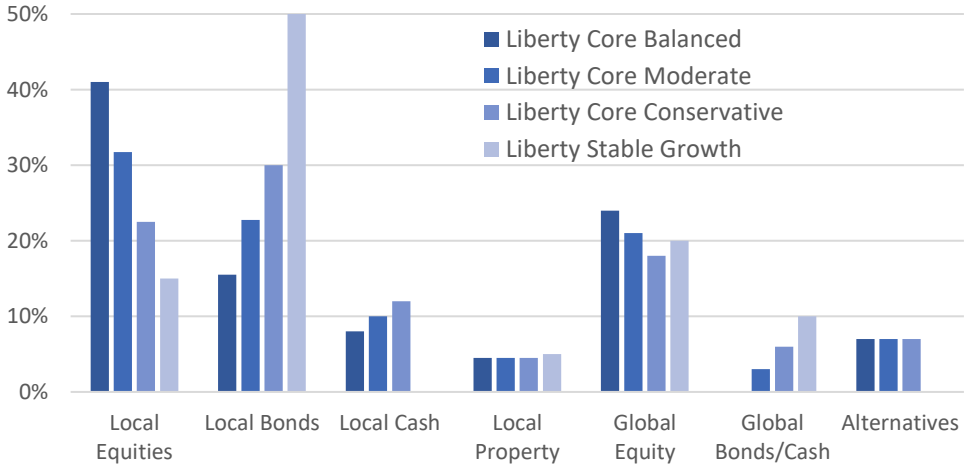
### 4. Investment Options

Our retirement fund law requires the Board of Trustees to design and select investments which when put into portfolios, optimise the retirement prospects for the majority of the Fund's members. This is called the Fund's Default Investment Strategy (DIS) and unless members along with their employers choose to invest differently, their retirement savings will be invested according to the DIS.

The DIS uses the **Core Investment Proposition** to select a suitable mix of asset classes, types and risk types for those Members of the Fund who don't wish to choose how to invest their retirement savings themselves.

The Board of Trustees and the Sponsor have designed the **Core Investment Proposition** to cater for most Members' retirement needs and risk appetites and hence the majority of Members' investments should be in the Core Investment Proposition.

The default investment approach is designed around Members' retirement goals and their individual comfort levels with the risks which go with investing. 3 risk-profiled investment portfolios are therefore offered within the Core Investment Proposition to target Member-specific projected retirement goals at normal retirement age. The goals-based model will assist Members in choosing a portfolio that best suits their retirement needs and at a risk level with which they are comfortable, all within the Trustees' Default strategy. The **Core Investment Proposition** is summarised in the table below.

Core Investment Proposition Summary (within the Trustees' Default Strategy)																																										
<b>Available Options</b>	Retirement goals-based vs. risk-averse Members																																									
<b>Investment strategy</b>	<ul style="list-style-type: none"> <li>• Retirement goals-based: Core Range (Multi-strategy)</li> <li>• Risk-averse: Stable Growth (Smoothed absolute return)</li> </ul>	Varying risk Lowest risk																																								
<b>Investment objectives</b>	A range of Strategic Asset Allocation portfolios to suit various CPI targets (2%, 4% and 6% above CPI) and time horizons.	As targets rise to beat inflation, so does the risk																																								
<b>Investment portfolios</b>	Liberty Core Balanced, Liberty Core Moderate, Liberty Core Conservative, Liberty Stable Growth.	Slightly higher risk Medium risk Lower risk Lowest risk																																								
<b>Benchmark Asset Allocation</b>	<p style="text-align: center;">Benchmark Asset Allocation for Core Proposition Portfolios</p>  <table border="1"> <caption>Benchmark Asset Allocation Data (Estimated %)</caption> <thead> <tr> <th>Asset Class</th> <th>Liberty Core Balanced</th> <th>Liberty Core Moderate</th> <th>Liberty Core Conservative</th> <th>Liberty Stable Growth</th> </tr> </thead> <tbody> <tr> <td>Local Equities</td> <td>41%</td> <td>32%</td> <td>23%</td> <td>15%</td> </tr> <tr> <td>Local Bonds</td> <td>16%</td> <td>23%</td> <td>30%</td> <td>50%</td> </tr> <tr> <td>Local Cash</td> <td>8%</td> <td>10%</td> <td>12%</td> <td>0%</td> </tr> <tr> <td>Local Property</td> <td>5%</td> <td>5%</td> <td>5%</td> <td>5%</td> </tr> <tr> <td>Global Equity</td> <td>24%</td> <td>21%</td> <td>18%</td> <td>20%</td> </tr> <tr> <td>Global Bonds/Cash</td> <td>3%</td> <td>6%</td> <td>10%</td> <td>0%</td> </tr> <tr> <td>Alternatives</td> <td>7%</td> <td>7%</td> <td>7%</td> <td>0%</td> </tr> </tbody> </table>		Asset Class	Liberty Core Balanced	Liberty Core Moderate	Liberty Core Conservative	Liberty Stable Growth	Local Equities	41%	32%	23%	15%	Local Bonds	16%	23%	30%	50%	Local Cash	8%	10%	12%	0%	Local Property	5%	5%	5%	5%	Global Equity	24%	21%	18%	20%	Global Bonds/Cash	3%	6%	10%	0%	Alternatives	7%	7%	7%	0%
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<b>Investment management fees</b>	Corporate Selection: 0.60%, Liber8: 1.00%																																									

For Members and their employers who prefer to opt out of the core investment strategies, two further options are available:

1. The **Extended Investment Proposition**, which contains all Fund- approved investment strategies for Employer-level defaults and Member-level choice.
2. The **Enhanced Investment Proposition**, which contains adviser-specific investment strategies designed to create bespoke advice-level solutions for specific Employers and Members.

Details of the Extended and Enhanced propositions are available in the Fund's full IPS.

The ongoing investment monitoring of the Funds and the underlying portfolios are the responsibility of the Board of Trustees. Every quarter the investment performance of the Fund and Members' underlying portfolios is monitored on a formal basis by the Fund's Investment Sub-committee.

The Fund and the Sponsor also aim to increase the rate of preservation of Members' assets, particularly through in-fund preservation when Members leave their employer before retirement, usually for reasons of resignation or dismissal. In these circumstances, preservation of Members' pre-tax retirement savings within the savings system is a critically important factor in improving the likely retirement outcomes for these Members over time. The Fund is required by law to retain exiting Members' retirement savings and keep them invested in accordance with the same factors as contributing Members, unless the exiting Members request to withdraw their funds.

## 5. Member Education

The Board of Trustees acknowledge that member investment education is a crucial building block that supports the Members of the Fund in making informed investment decisions. The Board of Trustees endeavour to facilitate member investment education campaigns and communication strategies from time to time.

## 6. Communication & Review of the Investment Policy Statement

The purpose of designing and documenting the Fund's IPS is to communicate the investment policies and philosophies of the Fund to all stakeholders. The Board of Trustees will make the IPS available to the respective stakeholders concerned when necessary and will review the IPS of the Fund annually or when any substantial changes warrant a review which is detailed in the IPS.