

Investment charter of the Trustees

Mission statement

The Trustees are responsible for formulating the overall investment policies of the Society, subject to approval by the Board of Directors, and establishing investment guidelines in furtherance of those policies. The Trustees monitor the management of the portfolios for compliance with the investment policies and guidelines and for meeting performance objectives over time.

Organisation

- a. The Trustees shall meet at least four times each year in connection with regularly scheduled meetings of the Investment Committee.
- b. A majority of the Trustees shall constitute a quorum for the transaction of business at any meeting thereof and the act of a majority of the members of the Trustees present at any meeting at which a quorum is present shall be the act of the Trustees.

Roles and responsibilities

After taking into account the advice of the Investment Committee established by the Board, the Trustees shall be responsible for:

- a. Setting investment policies (with approval of the Board) and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments.
- b. Overseeing investment and reinvestment of the funds of the Society by officers and employees of the Society and external investment managers.
- c. Monitoring the management of the funds by reviewing written reports from investment staff and by discussions with investment staff at meetings that focus on the primary determinants of returns, including asset allocation and investment strategy.
- d. Evaluating investment performance of the fund based on a comparison of actual returns with the Society's absolute return objective, and with such other benchmarks as the Trustees may from time to time select subject to the approval of the Board. The evaluation will take into account compliance with investment policies, guidelines and risk levels.

Statutory obligations of Trustees

The Trustees are required to observe obligations under the Friendly Societies and Credit Unions Act 1982 (**Act**) namely:

- a. Under section 49 of the Act, the Trustees may, with the consent given either generally or specifically by the Board or by a majority of the members of the Society, from time to time invest the funds of the Society.
- b. Section 52 of the Act provides that the Trustees may invest the funds of the Society in accordance with the provisions of the Trustee Act 1956 as to the investment of trust funds, but this is subject to section 49(2) which states that without limiting the matters to which the Trustees may have regard pursuant to part 2 of the Trustee Act 1956, in the exercise of their powers of investment, Trustees shall have regard:
 - (i) to the need to ensure that sufficient funds are readily available to meet the operating expenses and other outgoings of the Society

- (ii) to a consideration of whether or not any investment is consistent with the objectives of the Society and is within its Rules, and
- (iii) to the need for diversification and balance in the investments, both as to the nature of the investments and to the time elapsing before maturity or realisation, insofar as is appropriate having regard to the circumstances of the Society,

but shall not be obliged to make any investment that the Trustees consider to be of an undesirable nature or that they would otherwise regard as being imprudent.

- c. Section 49(3) states that before exercising any power of investment, the Trustees shall obtain and consider proper advice as to whether or not the investment is authorised and is satisfactory after having regard to the matters referred to in the previous paragraph.
- d. Section 49(4) provides that the Trustees shall formulate, and from time to time review, a policy relating to the retention of investments and the circumstances under which investments should be realised or changed, having regard to the matters referred to in paragraph b. above, and, in cases of doubt, shall obtain proper advice. Under subsection (5), proper advice is the advice of the person who is reasonably believed by the Trustees to be qualified to give it by reason of his profession or occupation and his personal expertise and experience in financial and investment matters, and may be given by a person notwithstanding that he gives it in the course of his employment as an officer or employee of the Society or as a co-Trustee.