



Anglo-Saxons Friendly Society Ltd

Investment Committee

Board Sub-Committee

Terms of Reference

1. General

- 1.1 The Investment Sub-Committee is established under the Authority of the Board of Anglo Saxons Friendly Society (ASFS).
- 1.2 It considers matters in relation to the investment of funds managed by the Society, in line with the Board approved Investment Strategy.
- 1.3 The Investment Committee reports to the Board of the Society and conducts its business in accordance with the Society's Rules, these Terms of Reference, any applicable legislation or regulation and the Society's policies, principles, and values.

2. Investment Philosophy

- 2.1 The Society Investment Philosophy is as follows:

Value for Money and Member Focused

At the heart of our investment philosophy is the aim to deliver value for money for Members, balancing risk and return.

Responsible Investment (ESG)

All of the Society's investments will be made with due consideration to the ESG (Environmental, Social and Governance) philosophy and be consistent with the Climate Change Strategy. These values will be at the heart of all investment decisions. We will aim to generate stable and reliable returns whilst also making a positive contribution to our Society and the environment.

Strong Governance

We believe that all investments should be monitored on a regular basis and that strong governance can help to ensure investment performance is in line with expectations.

Liquidity

We will ensure that we maintain a level of liquidity that is consistent with the Society's risk appetite and to ensure that members benefits can be paid when due.

Diversification

Where the Society's strategic aims allow, we will look to invest in a range of asset classes to help achieve a more consistent performance, balancing risk and return.

3. Membership

- 3.1 Membership and the Chairmanship of the Committee will be determined by the Board of the Society.
- 3.2 The Committee will consist of not fewer than three members. Two members of the Committee must be independent Non-Executive Directors and they shall be joined on the

Committee by the Chief Executive Officer. At least one of the Non-Executive Directors should be regarded by the Board as having recent and relevant investment experience.

- 3.3 Only members of the Committee have the right to attend Committee meetings but other individuals may be invited to attend whole or part of the meeting if appropriate.
- 3.4 The Committee may request the presence, at any of its meetings, of any Employees of the Society as it may decide.

4 Meetings

- 4.1 The Chairman of the Committee will chair each meeting. In the case of the Chairman's absence, the members present will elect one of their number to chair the meeting.
- 4.2 The Committee will meet not less than two times a year and at such other times as the Chairman of the Committee shall determine or a member of the Committee shall request. The date of any meeting will not be changed without all members being given at least one week's notice of the revised date.
- 4.3 The quorum will be three members at least two of whom must be Non-Executive Directors with at least one having recent and relevant investment experience. Committee members may be present in person or through any other means of communication but to count towards a quorum, members must be able, fully, to hear and participate in the Committee's proceedings.
- 4.4 The content of the Agenda for each meeting shall be determined by the Committee Chairman and drafted by the Committee Secretary, in a form approved by the Committee Chairman.
- 4.5 The Agenda and papers for each meeting of the Committee will be submitted under the authority of the Committee Chairman and will be circulated to members at least one week prior to the meeting. Papers not complying with these requirements will not be tabled at the meeting except with the prior approval of the Committee Chairman.
- 4.6 The Committee Chairman may vote on any issue as an ordinary member of the Committee. If, having done so, the voting is level; he or she may, if he or she so decides, exercise an additional casting vote to decide the issue.
- 4.7 The Company Secretary, or his or her nominee, will act as Secretary to the Committee. The Committee Secretary is responsible for producing minutes of the Committee meetings. The minutes will be passed to the Committee Chairman and circulated to all Committee members and appropriate attendees within three weeks.
- 4.8 The Chairperson may request any invited attendees to leave the meeting in order that the Committee members can discuss matters confidentially.
- 4.9 The Committee may inspect any records of the firm and seek information from any of its Employees in the furtherance of its purposes.

- 4.10 The Committee members may seek external legal and professional advice if this is required for it to fulfil its duties and responsibilities.
- 4.11 The Chairperson will be responsible for summarising the Committee deliberations and any recommendations to the subsequent Board meeting

5. Purposes

- 5.1 Ensure that the Investment Strategy is in line with the Firm's Purpose, Vision and Values and its obligations to its policyholders and members as to how the Society's assets are invested.
- 5.2 Annually recommend to the Board, the company's investment philosophy, embracing responsible investment and any material environmental, social and governance matters.
- 5.3 Recommend to the Board the Investment Strategy, including asset allocation, for the Society. The Committee will make asset allocation decisions in line with agreed policy and strategy having considered the recommendations of the Appropriate Actuary and other relevant parties.
- 5.4 Make recommendations to the Board on the Society's asset class mix.
- 5.5 Ensure that the Society establishes the amount of funds it needs to hold as both a Cash Reserve as well as a Liquidity Buffer.
- 5.6 The Investment Policy and Strategy are to be reviewed and approved by the Board on an annual basis.
- 5.7 Monitor the implementation and effectiveness of the Society's Investment Policy and Liquidity Policy.

6. Main Functions

- 6.1 The Committee will, within the agreed risk appetite for market and credit risks:
 - 6.1.1 Approve the investment management agreements and the appointment of external investment managers and outsource service providers.
 - 6.1.2 Approve all Investment transactions in excess of £100k with an upper limit of £1m, above which must be referred to the Board; the limits to be reviewed annually by the Board.
 - 6.1.3 Ensure compliance with all applicable legislation.
- 6.2 The Committee will monitor, periodically review and instigate change as necessary:
 - 6.2.1 The investment performance of all investment funds against performance measurement targets (benchmarks) understanding the impacts of external factors.

- 6.2.2 The performance and fees of all external investment managers and outsource service providers.
- 6.2.3 Relevant risk limits and the risk appetite.
- 6.2.4 Investment decisions made, to ensure they are consistent with the company's purpose and as outlined in our mandate to our investment managers.
- 6.3 The Committee shall carry out such other activities as may be determined by the Board.
- 6.4 Periodically review the systems, processes and resources in place to manage all risks associated with investment, markets, governance risks in line with the Investment Risk Framework.

7. Specific Responsibilities

- 7.1 Society Policies
 - 7.1.1 The annual review of the **Investment Policy** and make recommendation for changes to the Board.
 - 7.1.2 Consider the **Liquidity Policy** and make any recommendations for changes to the Audit & Risk Committee.
- 7.2 Liquidity
 - 7.2.1 Review and update the **Liquidity Risk Appetite** and recommend to the Board.
 - 7.2.2 Recommend to the Board appropriate levels of cash reserves and a liquidity buffer

8. Standards

- 8.1 It is the responsibility of the Committee to monitor that, in regards to investment management, reporting and governance, that the Committee follows appropriate good practice as laid down in the Society's policies, principles and values and relevant codes of practice.
- 8.2 The Committee should take due regard of market conditions, regulatory requirements and guidelines, applicable legislation and the Society's business needs in its deliberations.

9. Reporting

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on how it has discharged its responsibilities.
- 9.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee Chairman shall attend the Annual General Meeting to respond to any questions on Committee activities.

- 9.4 The Committee will produce a report to be included in the Company's Annual Report and Accounts on the Committee's Activities. The report will be fair, balanced and understandable and apply best practice reporting.

10. Authority

- 10.1 The Committee is authorised to seek any information it requires from any employee of the company to perform its duties.
- 10.2 The Committee is authorised to obtain, at the Society's reasonable expense, outside legal or other professional advice on any matters within its terms of reference in accordance with any procedures agreed by the Board.

11. Changes in Circumstances and Other Interests

- 11.1 The Committee will adhere to the Society's Conflict of Interest Policy, the Society Rules and relevant legislation. When there is an agenda item which poses a conflict of interest for any Committee member, that member should withdraw from the meeting.
- 11.2 All declarations of conflicts of interest shall be recorded in the minutes of the meeting. They shall also be recorded in the register of interests of Directors and senior staff.
- 11.3 All Committee members are required to notify the Company Secretary of all other bodies in which they have a significant interest or of which they are an employee, director, partner, trustee or for which they perform a similar role.
- 11.4 All Committee members are required to notify the Company Secretary of any changes in circumstances which may affect their Approved Person status under the Appropriate Regulator's regulatory regime or their ability to perform their role as a member of the Committee.

12. Monitoring

The Committee will:

- 12.1 Periodically review these terms of reference and make any necessary proposals to the Board as to their amendment.
- 12.2 At least annually review and report to the Board on the effectiveness of the Committee.
- 12.3 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

Approved by the Board on 6 April 2023