

# *STATEMENT OF INVESTMENT PRINCIPLES*

*for the*

## *KING AUTOMOTIVE SYSTEMS PENSION PLAN*

*November 2019*

### **1. Introduction**

#### **1.1. What is the purpose of this Statement of Investment Principles?**

This Statement of Investment Principles (“SIP”) sets out the policy of the Trustees of the King Automotive Systems Pension Plan (the “Plan”) on various matters in connection with the investment of the Plan’s assets.

#### **1.2. Who has had input to the SIP?**

This SIP has been formulated after obtaining and considering written professional advice from Lane Clark & Peacock LLP (“LCP”), the Plan’s investment adviser, who the Trustees believe to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments, including the need for diversification, given the circumstances of the Plan and the principles contained in this SIP.

#### **1.3. What is the legal and statutory background to the SIP?**

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 (“the Act”) and the Occupational Pension Schemes (Investment) Regulations 2005 (“the Regulations”).

The Plan’s assets are held in trust by the Trustees. The investment powers of the Trustees are set out in the Plan’s Rules.

### **2. Trustees’ overall investment policy**

The Trustees’ key objective is to wind up the Plan outside the PPF and secure PPF+ benefits for members with a regulated insurer. The Trustees have selected an insurance policy with Pension Insurance Corporation (“PIC”) and holds no other assets than these other than cash and members’ Additional Voluntary Contributions.

### **3. Additional Voluntary Contributions (“AVCs”)**

Members of the Plan have previously paid AVCs, which are invested and used to increase pension benefits in line with the requirements set out in the Trust Deed and Rules. The AVC arrangements are closed to future contributions.

The Trustees are responsible for the appointment and termination of AVC providers. In addition, the Trustees periodically review the investment of the AVCs previously paid by Plan members.

**4. Review**

The Trustees will, from time to time, review the appropriateness of this SIP with the help of their investment consultants, and will amend the SIP as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy, and at least once every three years.

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Date 24 September 2020 .....

**For and on behalf of the Trustees of the King Automotive Systems Pension Plan**