

ALCS INVESTMENT POLICY

General Background

ALCS has reserves which both help protect the Society and can be used to generate money to keep commission rates down. Some of these reserves need to be kept in liquid assets and are held in cash or short term deposits, but some can be deemed medium/long-term and are invested in financial securities.

Investment Policy

The aims of the investments are:

- (i) to grow assets over the long-term in real terms thereby protecting the long-term interests of the Society.
- (ii) to deliver returns on the funds invested which can be used to defray our expenses and thereby keep commission rates down.

The Society recognises that in order to generate returns it needs to take on some level of risk. It needs to diversify to protect its assets in real terms without taking on a high level of risk across its portfolio.

ALCS therefore invests in a variety of funds with different fund managers to ensure we maximise our returns whilst minimising risk.

The policy is approved by the board and funds are monitored and overseen by the Finance and Audit Committee, which is chaired by the vice chair and comprises board directors, executive and independent advisers.

Ethical considerations

Our obligation to our members is to produce the best total return combining capital and income growth at an acceptable level of risk.

We use our investment income to defray expenses and thereby keep the commission rates we charge to members low.

Because we are an organisation with around 90,000 members, no specific investment exclusion strategy will satisfy all of our members.

However, we insist that all our asset managers follow the principles of the UK Stewardship Code (<https://www.frc.org.uk/Our-Work/Codes-Standards/Corporate-governance/UK-Stewardship-Code.aspx>) and the UN-sponsored Principles for Responsible Investment (<https://www.unpri.org>) as a clear indicator of governance and a responsible investment strategy.