



SUNTERA  
GLOBAL

Statement of Investment  
Principles for Guernsey Pensions  
and Gratuity Schemes

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## PERMISSIBLE INVESTMENTS

- 1) Bank and cash deposits
- 2) Cash funds
- 3) Corporate or government bonds
- 4) Equities – listed on Alternative Investment Market, International Stock market, London Stock exchange or a recognised exchange (as listed in the Companies (recognised Stock Exchange) Regulations, 2009 (as amended))
- 5) Exchange- traded funds
- 6) Physicals commodities e.g. gold bullion, silver
- 7) Investment notes (structured products)
- 8) Investment trusts
- 9) National Savings and investment products
- 10) Real estate investment Trusts (REITS)
- 11) Regulated Collective schemes
- 12) Commercially let property
- 13) The Trustee reserves the right to consider alternative investment classes on a case by case basis.
- 14) Digital assets that are suitably regulated and licenced may be considered on a case by case basis but only for a maximum of 5% of the overall assets (unless otherwise agreed) with a maximum of 2% for cryptocurrency exposure if held through an appropriate jurisdiction.

## COUNTERPARTIES

Investment could be accessed via:

- 1) Directly
- 2) Via custodians
- 3) Via life contracts
- 4) Via private companies

As well as investment risks there are also counterparty risks to be considered when investing which may vary in different jurisdictions, investor protection regulation and different regulations.

## NON PERMISSIBLE INVESTMENTS

- 1) Equity investment in companies not quoted on a recognised stock exchange, where any member of the scheme holds, together with relatives or any other member, more than 15% of the issued share capital of the company, not more than 10% of the total fund value shall be invested in the company
- 2) Part ownership of property that must be commercially let at a market rate if occupied by a member, their relatives or connected parties

- 3) Direct Cryptocurrencies.
- 4) Derivatives other than for hedging purposes.

## PORTFOLIO CHARACTERISTICS

As a general guide only these are possible returns and risks that the pension trustee sees from different risk categories.

Portfolio Risk Strategy	Performance Characteristics	
	Positive Annualised 5-year rolling returns	Worst Case 12 month downside
Capital Preservation	0% - 2%.	0% to -2%
Low Risk	2% - 4%	-2% to -4%
Balanced	4% - 6%	-8% to -10%
Growth	6% - 8%	-15% to -20%
Maximum Growth	8% - 12%	-25% to -40%

These are by no way guarantees of return and are dependent on institutions own performance, counterparty risks, diversification and normal market conditions.

## DIVERSIFICATION

It is acknowledged that the member requirements, age, appetite for risk and market timing will have a significant influence on the allocation between differing asset classes. As such the pension trustee will tolerate the appointed Adviser's, Manager's or self-select member's decision on asset allocation and will not be prescriptive in this regard. A full allocation to any one asset class may therefore be accepted but diversification would usually be preferable to assist in spreading potential risk. This should be considered along with any tax implications or pitfalls that could be mitigated by the use of certain counterparties.

## LIQUIDITY

If pension lump sum or withdrawals are anticipated consideration should be given to each investment with regard to adequate liquidity. It should be noted that whilst many investments are traded on markets, some do have a dealing period or may rely on a secondary market for trading. In extreme

market conditions fund dealing can be suspended. Cash returns may yield little or no return so would be eroded by inflation.

## FREQUENCY FOR MONITORING

Entities will receive annual performance reviews as part of our monitoring process unless otherwise requested and will be charged in accordance with our latest published Terms and Conditions.

It is appreciated by all parties that stock markets may rise and fall and we may receive back less than was originally invested.

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