Statement of Investment Principles

The Clergy (Widows & Dependants) Pension Fund (CW&DPF)

1. Introduction

This statement sets out how the assets of the Clergy (Widows & Dependants) Pension Fund (referred to as the "CW&DPF" or the "Fund" in the rest of this document) are invested. It has been prepared by the Church of England Pensions Board (referred to as the "Trustee" in the rest of this document), which is the manager of the Scheme (not strictly a trustee), with advice from its investment consultant.

The Fund was established in 1954 by section 13 of the Clergy Pensions Measure 1954 to provide benefits to the widows and dependants of the clergy. It is currently governed by the Clergy Pensions Measure 1961. It was closed to new entrants in 1967 and no contributions have been received since 1988.

The terms of the CW&DPF are such that the Pensions Act 1995 (as amended) does not apply to it, however the Board's practice has been to operate this Fund in the same way as the other pension schemes for which it is Trustee.

2. Objectives

The Trustee is responsible for the stewardship of the Fund's assets. It has two main objectives, which are to ensure that:

(1) All beneficiaries receive the benefits to which they are entitled under the Fund's rules, and
(2) There are sufficient assets to meet the Fund's liabilities as they fall due,

Actuarial valuations of the Scheme are carried out on an ongoing funding basis (allowing for future discretionary pension increases) and on a solvency basis. The latest triennial valuation was as at 31 December 2015.

3. Investment Policy

The Trustee is responsible for how the Fund's assets are invested. It takes advice from the Investment Consultant and the Scheme Actuary, and it is supported by an in-house investment team. The Trustee has established an Investment sub-Committee, which has relevant professional investment experience and is a mix of members of the Board and co-opted members.

The main Trustee Board determines investment strategy for the Fund, which is the split in the Fund's assets between safe investments for backing pensions already in payment, and assets invested for growth (return seeking assets).

The Investment Committee selects the asset classes for investment, appoints managers for them, monitors the managers' performance and removes them when necessary. It also directs the scheme's cash flows, between asset classes and investment mandates.

Day to day investment decisions are delegated to the investment managers. They are appropriately qualified and their activities are defined by legally binding agreements.

4. Investment Beliefs

The Trustee has developed a set of investment beliefs, which underpin how the investments are made. The beliefs are set out in Appendix 1 to this statement.

5. Investment management

The Fund's assets are invested entirely in a segregated portfolio of index-linked Gilts and cash, which has been structured so that its cash flows broadly meet the likely outgoings of the Fund.

The investments in the portfolio have been selected and agreed upon by the Board's Investment Consultant with assistance from the Actuary, and by BlackRock as the manager of the portfolio.

Investment management fees are charged as a proportion of the value of assets being managed. The fees are set on appointment, and reviewed regularly thereafter. The Trustee takes advice to ensure the fees are appropriate.

Signed: Dr Jonathan Spencer
Chairman
Date: 2 March 2017