

## Pension Fund Investment Sub-Committee

13 March 2017

### Investment Strategy Statement

#### Recommendation

The sub-committee is asked to approve the statement at **Appendix A**.

#### 1. Background

- 1.1 New investment regulations issued on 21 September 2016 included a requirement for funds to publish new Investment Strategy Statements (ISS) by 1 April 2017. The ISS will replace the Statement of Investment Principles that is currently in place.
- 1.2 The funds existing duty to prepare, maintain and review a Funding Strategy Statement under Regulation 58 of the Local Government Pension Scheme Regulations 2013 (“the 2013 Regulations”) is unaffected.
- 1.3 Regulation 7(1) requires an administering authority to formulate an investment strategy which must be in accordance with guidance issued by the Secretary of State. The Investment Strategy Statement required by Regulation 7 must include:-
  - a) A requirement to invest money in a wide variety of investments;
  - b) The authority’s assessment of the suitability of particular investments and types of investments;
  - c) The authority’s approach to risk, including the ways in which risks are to be measured and managed;
  - d) The authority’s approach to pooling investments, including the use of collective investment vehicles and shared services;
  - e) The authority’s policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments;
  - f) The authority’s policy on the exercise of rights (including voting rights) attaching to investments.

## 2. Draft ISS

- 2.1 The Investment Strategy Statement must also set out the maximum percentage of the total value of all investments of fund money that it will invest in particular investments or classes of investment.
- 2.2 The statements must be kept under review and revised from time to time and at least every three years.
- 2.3 The draft ISS can be found at **Appendix A**.

## Background Papers

None

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The report was circulated to the following members prior to publication:

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