

Ref	Statement	1 = strongly disagree 5 = strongly agree					Comments
		1	2	3	4	5	
1	The Fund is a long term vehicle which must be sustainable in generating investment returns to pay pensions for members	1	2	3	4	5	
2	It is appropriate to take a long term view when setting the investment strategy when the impact of short term volatility is also considered	1	2	3	4	5	
2	Staff and members of the Fund Investment Sub-Committee must have the correct level of skills and investment knowledge to understand the level of risk in the investment portfolio	1	2	3	4	5	
3	External advice from independent advisors and an investment consultant helps planning, risk management and decision making	1	2	3	4	5	
4	Pooling presents an opportunity to access best in class investments at a low cost. Such opportunities should always be accessed alongside the strategic asset allocation of the fund for suitability	1	2	3	4	5	
5	The fund will work closely with BCPP who will engage with companies on the Fund's behalf on Environmental, Social and Governance ("ESG") issues and exercise its voting rights at company meetings	1	2	3	4	5	
6	As the Pension Fund invests for the long-term, ESG factors are expected to have a bearing on the Fund's expected levels of risk and return	1	2	3	4	5	
7	Long-term sustainable investment returns are an important consideration, even to the extent that the sustainability of returns extends beyond the expected investment horizon of the Committee	1	2	3	4	5	
8	Responsible ownership of companies benefits long term asset owners. Asset owners, fund managers, and companies with a clear responsible investment policy are expected to outperform companies without a responsible investment policy, over the longer term	1	2	3	4	5	
9	The Committee should focus on meeting its financial obligations to pay benefits to members	1	2	3	4	5	
10	The Fund should be an active participant in Responsible Investment ("RI")	1	2	3	4	5	
11	RI is compatible with the Fund's primary purpose of paying benefits to members	1	2	3	4	5	
12	The Fund should retain responsibility for setting RI policy rather than delegating it to its investment managers	1	2	3	4	5	
13	The Fund should ensure accrued benefits are fully funded (on a 20 year view)	1	2	3	4	5	
14	The Fund should set a stable and affordable level of contributions for each employer to fund future service benefits	1	2	3	4	5	

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1	There is a long term risk premium to be earned for investing in equities, credit and property relative to government bonds	1	2	3	4	5	
2	Investors are rewarded for illiquidity in private markets. Future liquidity needs must be assessed at each review of the strategic asset allocation combined with cash flow projections from the Fund actuary	1	2	3	4	5	
3	Strategic asset allocation is the most important component of decision making and it is here that the optimum risk and return profile is designed and monitored	1	2	3	4	5	
4	The Fund's high level investment strategy and asset allocation should be set using asset liability modelling in conjunction with each actuarial valuation	1	2	3	4	5	
5	Climate Change and the expected transition to a low carbon economy is a long term financial risk to Fund outcomes and is considered to be part of our fiduciary duty	1	2	3	4	5	
6	Investment risk should only be taken where the Committee believes it will be rewarded over the longer term.	1	2	3	4	5	
7	Appropriate diversification reduces the overall dependence on any particular market or asset class and helps manage volatility	1	2	3	4	5	
8	The Committee believes that there will be opportunities for investments which support and benefit from the transition to a low carbon economy, and will seek out these opportunities for the Fund	1	2	3	4	5	
9	It is appropriate to restrict exposure to assets which are considered to have a detrimental impact on long-term environmental or social sustainability	1	2	3	4	5	
10	The transition to the Border to Coast Pool is an overall benefit to the Fund	1	2	3	4	5	
11	Diversification benefits are subject to diminishing returns	1	2	3	4	5	
12	Tactical asset allocation can enhance risk-adjusted returns	1	2	3	4	5	
13	The Fund should always consider as broad as possible a range of investment opportunities (as opposed to focusing on local investments, for example)	1	2	3	4	5	
14	Long-term affordability and stability is more important than the short-term level of contribution rates	1	2	3	4	5	
15	Active management strategies should only be considered where no passive management alternative is available or where they have a long track record of achieving target returns	1	2	3	4	5	
16	The Fund should maintain a liquidity buffer to meet short term obligations	1	2	3	4	5	

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1	Rebalancing, subject to appropriate tolerances, can add value over the longer term	1	2	3	4	5	
2	A balance of passive and active managers will, over the course of a market cycle provide the best mix of performance, diversification and	1	2	3	4	5	
3	The performance of any active managers should be assessed over suitably long periods	1	2	3	4	5	
4	Foreign currency exposure is part of managing a global portfolio of investments. There is no strategic hedging of currency exposure from volatile asset classes such as equities as the fund believes this to be of limited benefit to long term investment returns	1	2	3	4	5	
5	Fees and costs incurred within investment manager mandates are important though the primary focus should be on achieving the best returns net of fees	1	2	3	4	5	
6	Diversification of managers can enhance risk adjusted returns	1	2	3	4	5	

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		1	2	3	4	5	
1	Effective governance not only ensures appropriate levels of control over the Fund but can add value through correct resourcing and decision making	1	2	3	4	5	
2	Responsible ownership of companies benefits long term asset owners	1	2	3	4	5	
3	The Committee believe that, in relation to ESG risks, ongoing engagement with investee companies is preferable to divestment. This engagement will be carried out by the managers or alongside other investors (e.g. LAPFF)	1	2	3	4	5	
4	The Fund's investment managers' approach to RI, including integration of ESG into investment decision making, strategy and the use of engagement, must be assessed and monitored - this includes ongoing monitoring of the BCPP	1	2	3	4	5	
5	Where, over a considered period, there is no evidence of a company making visible progress towards carbon reduction, divestment should be actively considered	1	2	3	4	5	
6	The Fund's investment managers should act as responsible and active owners through considered voting of shares, and engagement with company management when required. Engagement by its investment managers with investee companies on ESG issues to positively influence company behaviour and enhance shareholder value is strongly encouraged	1	2	3	4	5	
7	Passive and active managers should actively engage with companies and comply with the Financial Reporting Council's UK Stewardship Code	1	2	3	4	5	
8	The Fund should only invest with managers who have committed to provide full disclosure on ESG issues	1	2	3	4	5	
9	Full disclosure of the Fund's policy and activity on ESG issues strengthens accountability and should be embraced	1	2	3	4	5	
10	Focusing on key engagement themes leads to more effective stewardship	1	2	3	4	5	
11	The Fund should exclude particular types of company/asset from its investment universe	1	2	3	4	5	