

PENSION FUND COMMITTEE – 01 DECEMBER 2023

INVESTMENT STRATEGY STATEMENT

Report by Executive Director of Resources and Section 151 Officer

RECOMMENDATION

- 1) **The Committee is RECOMMENDED to**
 - a) **approve the revised Investment Strategy Statement;**
 - b) **instruct Officers to set-up a workshop to develop the Fund's Responsible Investment Policy prior to the 01 March 2024 Pension Fund Committee Meeting; and**
 - c) **change the Climate Change Working Group to the Responsible Investment Working Group to take effect once the Fund has agreed a Responsible Investment Policy**
- 2) The Fund's Investment Strategy Statement has been updated to reflect the current position of the Fund and to include changes from the latest Fundamental Asset Allocation Review that were agreed at the Pension Fund Committee on 3rd March 2023.
- 3) The Fund's Climate Change Policy, which forms part of the Investment Strategy Statement, has been included as an annex. No changes are proposed to this policy.
- 4) A further annex has been included that sets out the work undertaken to date to develop a Responsible Investment Policy for the Fund. This includes the proposed high-level structure of the policy, initial feedback on the results of the member survey, and analysis of the Fund's investments to identify risks to which the Fund is most exposed.
- 5) There is a proposal for a Workshop to be held prior to the 1st March 2024 Pension Fund Committee meeting for all Committee and Local Pension Board Members. The aim of the workshop will be to develop a set of investment beliefs and identify the responsible investment areas that are priorities to the Fund. The outcomes from the Workshop will then be used to produce a draft Responsible Investment Policy for consideration at the 1st March 2024 Pension Fund Committee.

Lorna Baxter
Executive Director of Resources and Section 151 Officer
November 2023