

## Suffolk Pension Fund Committee

<b>Report Title:</b>	Investment Strategy Statement
<b>Meeting Date:</b>	28 February 2017
<b>Chairman:</b>	Councillor Andrew Reid
<b>Director:</b>	Geoff Dobson, Director of Resource Management Tel. 01473 264347
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### Brief summary of report

1. This report provides a draft format of the Fund's Investment Strategy Statement.

### Action recommended

2. The Committee is asked to approve the Investment Strategy Statement which will then be subject to consultation with the Pension Board and the employers in the Fund. The results of the consultation will be reported back to the Committee on 22 March 2017.

### Reason for recommendation

3. The Committee is required to approve and publish its Investment Strategy Statement by 1 April 2017.

### Alternative options

4. None.

### Main body of report

5. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 ("2016 Regulations") were introduced in November 2016. A key feature of the 2016 Regulations is the requirement to publish an Investment Strategy Statement by 1 April 2017 which will replace the Statement of Investment Principles.
6. The investment strategy statement is attached as **Appendix 1**.
7. The investment strategy statement must be reviewed, and if necessary revised, following any material change in the factors which are judged to have a bearing on the stated investment policy, and at least every three years.

## **Requirements**

8. An authority must, after taking proper advice, formulate an investment strategy statement which must be in accordance with guidance issued by the Secretary of State.
9. The authority's investment strategy must include:
  - a) a requirement to invest fund 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; and
  - f) the authority's policy on the exercise of the rights (including voting rights) attached to investments
10. The authority's investment strategy must 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.
11. The authority's investment strategy may not permit more than 5% of the total value of all investments of fund money to be invested in entities which are connected with that authority within the meaning of section 212 of the Local Government and Public Involvement in Health Act (e).
12. The authority must consult such persons as it consider appropriate as to the contents of its investment strategy.
13. The authority must review and if necessary revise its investment strategy from time to time and at least every 3 years and publish a statement of any revisions.
14. The authority must invest, in accordance with its investment strategy, any fund money that is not needed immediately to make payments from the Fund.

### **Sources of further information**

- a) The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016