



LOCAL PENSION COMMITTEE – 1 DECEMBER 2023

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

INVESTMENT ADVISOR OBJECTIVES 2024

Purpose of Report

1. The purpose of this report is to provide the Local Pension Committee with the details regarding the proposed 2024 investment advisor objectives for Hymans Robertson, the Fund's investment advisor.

Policy Framework and Previous Decisions

2. The Investment Consultancy and Fiduciary Management Market Investigation Order 2019 requires pension scheme trustees to set strategic objectives for their investment consultants before they enter into a contract or continue to receive services from them.
3. The Fund has set and agreed objectives over the past few years for Hymans Robertson and submitted to the Competition and Markets Authority (CMA) during the first week in January.

2024 investment advisor objectives

4. Hymans Robertson have reviewed prior year performance. The CMA order only requires trustees to confirm that they have complied with the requirements over the last 12 months and had objectives in place. However, reviewing performance against the objectives that the Fund has set is part of ongoing good governance.
5. Inclusion of the Fund's Net Zero Climate Strategy and approach to responsible investment is to be reflected within decision making and governance.
6. The full list of objectives and last years' objectives review is included within the appendix to this report.

Recommendation

7. The Local Pension Committee is asked to approve the investment advisor objectives for 2024.

Environmental Implications

8. The Fund has developed a Net Zero Climate Strategy (NZCS). This outlines the high-level approach the Fund is taking to its view on climate risk. This will align with the Fund's Responsible Investment approach as set out in the Investment Strategy Statement. The Fund is committed to supporting a fair and just transition to net-zero. There are no changes to this approach as a result of this paper.

Equality Implications

9. There are no direct implications arising from the recommendations in this report. The Fund incorporates financially material Environmental, Social and Governance ("ESG") factors into investment processes. This has relevance both before and after the investment decision and is a core part of the Fund's fiduciary duty. The Fund will not appoint any manager unless they can show evidence that responsible investment considerations are an integral part of their decision-making processes. This is further supported by the Fund's approach to stewardship and voting through voting, and its approach to engagement in support of a fair and just transition to net zero. There are no changes to this approach as a result of this paper.

Human Rights implication

10. There are no direct implications arising from the recommendations in this report. The Fund incorporates financially material Environmental, Social and Governance ("ESG") factors into investment processes. This has relevance both before and after the investment decision and is a core part of the Fund's fiduciary duty. The Fund will not appoint any manager unless they can show evidence that responsible investment considerations are an integral part of their decision-making processes. This is further supported by the Fund's approach to stewardship and voting through voting, and its approach to engagement in support of a fair and just transition to net zero. There are no changes to this approach as a result of this paper.

Appendix

2024 Hymans Robertson investment advisor objectives

Background Papers

None

Officers to Contact

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