



## **LOCAL PENSION COMMITTEE – 5 DECEMBER 2025**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

#### **INVESTMENT ADVISOR OBJECTIVES 2026**

##### **Purpose of Report**

1. The purpose of this report is to provide the Local Pension Committee with details regarding the proposed 2026 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 require 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 these to the Competition and Markets Authority (CMA) during the first week in January each year.

##### **2026 Investment Advisor Objectives**

4. The CMA requires trustees to confirm that they have complied with the requirements over the last 12 months and have had objectives in place. However, reviewing performance against these objectives is undertaken as part of the Fund's ongoing good governance arrangements.
5. The full list of objectives proposed for 2026, and last years' objectives review is included in the Appendix attached to this report. Key areas addressed for 2026 include clear expectations of relationship and service standards and focus on the work to be undertaken over the next year relating to 'Fit for the future'.
6. It is recognised there will be some cross over with Government's proposal arising from Fit for the Future that pools are to provide primary advice funds. It is intended that the Fund will ensure clear expectations are set when advice is required with the existing arrangements with Hymans.
7. As part of developing arrangements and agreements with LGPS Central it is intended that investment advisor objectives will be in place ahead of the 31 March 2026 deadline.

### **Recommendation**

8. The Local Pension Committee is asked to approve Hymans investment advisor objectives for 2026 as detailed in the Appendix to this report.

### **Environmental Implications and Taskforce for Climate Related Financial Disclosure compliance.**

9. 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.
10. The investment advisor objectives imbed the relevance of considering climate risk as part of relevant advice provided to support Committee oversight and decision-making.

### **Equality Implications**

11. 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**

12. 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**

2026 Hymans Robertson investment advisor objectives

**Background Papers**

None

**Officers to Contact**

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