

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
16 July 2020

INVESTMENT STRATEGY STATEMENT

Purpose of the Report

1. This report introduces the draft 2020 Investment Strategy Statement (ISS) for consideration and approval. It is an update to the 2018 version.

Background

2. The ISS has been reviewed and significantly updated from the 2018 version. This project has been done with advice from Mercer, the Fund's investment adviser, in order to ensure compliance with the requirements, as set out in the Government guidance on preparing and maintaining an Investment Strategy Statement, first published in September 2016 and updated in July 2017.
3. The formulation, publication and maintenance of an Administering Authority's Investment Strategy Statement is required by Regulation 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.
4. Under Regulation 7(6) and (7), the statements must be published by 1st April 2017 and then kept under review and revised from time to time and at least every three years. The ISS was last reviewed in July 2018, and the current review is therefore compliant with this requirement.
5. The new version incorporates the following major changes:
 - Includes the new Strategic Asset Allocation;
 - Reflects the new arrangements in place following the removal of the flight path trigger process;
 - Includes comprehensive information on the Fund's position regarding responsible investment and specifically on climate change;
 - Includes updates following the completion of the 2019 actuarial valuation;
 - Has been significantly streamlined in order to improve relevance and readability of the information contained in the document.

Main Considerations for the Committee

6. The draft ISS is attached as Appendix 1. The 2018 version has been updated for the changes detailed above. It has not been possible to highlight the changes from the previous version as they have been too extensive, with sections re-ordered etc, therefore members are encouraged to review the entire document.
7. The draft was reviewed by the Investment Sub-Committee on 2 July 2020, and was agreed to be an accurate reflection of the current situation, and has been updated for minor comments.
8. At the meeting on 21 May 2020, the Local Pension Board were asked to consider the process that has been followed in reviewing the ISS, and to confirm that this is in line

with best practice and expectations. Members of the Board were satisfied that proper process had been followed.

9. In another item on this agenda, members are asked to approve the decision to appoint a manager for the interim private debt portfolio. Subject to the decision made, the ISS will be updated from the current version to reflect this decision.

Safeguarding Considerations/Public Health Implications/Equalities Impact

10. There are no known implications at this time.

Environmental Impact of the Proposals

11. Environmental considerations are dealt with within the draft ISS.

Proposal

12. The Committee is asked to approve the draft ISS, and to authorise officers to update the ISS to reflect the decision made regarding the interim private debt portfolio.

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Unpublished documents relied upon in the production of this report: None

Appendices:

Appendix 1 – Draft Investment Strategy Statement