

Strategic Objectives for Investment Consultants (IC)				
The Trustees and those responsible for managing the Fund, seeks to ensure that it has sufficient assets to be able to meet its long term obligations to pay pensions to the Fund's members. It also has an objective to maintain employer contribution rates as reasonably stable and affordable as possible.				
Objectives as agreed at PFC Dec 2021 (Annexe 1)		Examples from Mercer Reappointment Criteria July 2021	Score (1-5)	Comments
#	Alignment of services with the Objective of the Fund			
1	The IC Provider should take into account the objective of the Fund, and in doing so, will give due consideration to relevant circumstances of the Fund when advising in its interests. Those relevant circumstances include, but are not limited to, the contributions policy, developments in the funding level of the Fund from whatever cause, the tolerance for investment risk of the Fund and the employers, economic and market conditions and outlook	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs c) The use of overlays d) Risk management and reporting e) Setting appropriate performance targets and benchmarks f) Working with the Fund Actuary to undertake asset liability modelling as required g) Working with the Fund Actuary on an on-going basis in respect of the integrated management of fund assets and liabilities 		
2	The IC Provider should consider the fiduciary duty of the Fund to act in the best interests of pension members as per the objective of the Fund, and consider Environmental, Social and Governance (ESG) factors and stewardship risks when providing advice			
3	The IC Provider should avoid potential conflicts of interest between the objectives of the IC Provider and the objectives of the Fund			
Investment strategy objective				
4	Where applicable, the IC Provider should guide the Fund in determining appropriate strategic investment objectives to achieve optimal funding levels to meet liabilities. This can be achieved through improved performance or management of investment risk over the long term	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs c) The use of overlays d) Risk management and reporting e) Setting appropriate performance targets and benchmarks f) Working with the Fund Actuary to undertake asset liability modelling as required g) Working with the Fund Actuary on an on-going basis in respect of the integrated management of fund assets and liabilities j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) 		
5	The IC Provider should develop an investment strategy robust enough in steering through volatile market movements which can impact asset and liability values	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs c) The use of overlays d) Risk management and reporting e) Setting appropriate performance targets and benchmarks f) Working with the Fund Actuary to undertake asset liability modelling as required j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) 		
6	The IC Provider should advise the Fund on setting a strategic asset allocation that is well diversified and expected to generate returns in excess of the expected rise of the Fund's liabilities	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs e) Setting appropriate performance targets and benchmarks f) Working with the Fund Actuary to undertake asset liability modelling as required g) Working with the Fund Actuary on an on-going basis in respect of the integrated management of fund assets and liabilities j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) 		
7	The IC Provider should, when advising on the overall level of risk in the strategic asset allocation, take into consideration the Fund's current risk appetite	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs c) The use of overlays d) Risk management and reporting j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) 		
8	The IC Provider should advise the Fund in maintaining sufficient liquid resources to meet its ongoing obligations	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs g) Working with the Fund Actuary on an on-going basis in respect of the integrated management of fund assets and liabilities j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) 		
9	The IC Provider should advise the Fund on new investment opportunities and emerging risks and periodically propose amendments to the investment strategy where appropriate	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs c) The use of overlays d) Risk management and reporting j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) 		

Objectives as agreed at PFC Dec 2021 (Annexe 1)		Examples from Mercer Reappointment Criteria July 2021	Score (1-5)	Comments
#	Investment manager selection objective			
10	The IC Provider should make recommendations on the appointment and retention of suitable investment managers and also on construction of prospective sub funds within the Border to Coast Pensions Partnership (BCPP), which are consistent with the Fund's strategic objectives	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs e) Setting appropriate performance targets and benchmarks j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) n) Advising on Pooled Fund design when transitioning assets to Border to Coast Pensions Partnership 		
11	The IC Provider should recommend investment managers/ sub funds that the IC Provider believes have a high degree of confidence in achieving the objective set for the investment manager after fees over a market cycle	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs c) The use of overlays d) Risk management and reporting e) Setting appropriate performance targets and benchmarks j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) 		
Implementation objective				
12	The IC Provider should assist with achieving timely and cost-effective implementation of the Fund's investment decisions where appropriate, also in the context of current market conditions	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs d) Risk management and reporting j) Advising on the investment market and solutions (at a strategic and fund investment strategy level) based upon the application of current market intelligence (or advising on investment markets and the outlook for different asset classes) 		
Investment Strategy Statement				
13	The IC Provider should provide guidance on any matters in respect of which the Fund is required by law to seek advice in relation to the preparation or revision of the Fund's Investment Strategy Statement	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs h) Advising on the Investment Strategy Statement and other statutory policy or reporting requirements including monitoring, reporting and assessment of investment management service providers 		
Breaches of Law				
14	The IC Provider has a legal duty to report any breaches of law, in relation to its investments, if they have reason to believe there has been a breach made by the Fund that is likely to be of material significance to the Pensions Regulator			
Monitoring objective				
15	Monitoring current legacy manager and asset class performance, and advising courses of action as and when required. Monitor design, structure and performance of investment funds and comment and advise courses of action when necessary	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs e) Setting appropriate performance targets and benchmarks n) Advising on Pooled Fund design when transitioning assets to Border to Coast Pensions Partnership 		
16	Monitoring performance of Fund Managers, asset classes of BCPP Sub-funds, and advising courses of action as and when required	<ul style="list-style-type: none"> e) Setting appropriate performance targets and benchmarks n) Advising on Pooled Fund design when transitioning assets to Border to Coast Pensions Partnership 		
17	Monitoring the liquidity of the Fund in meeting its ongoing obligations and at what stage the Fund should begin to improve its cash flow requirements. Advise on potential asset allocation changes and income drawdown strategies in response to actuarial cash flow requirement forecasts	<ul style="list-style-type: none"> a) Review of investment strategy including strategic and tactical asset allocation to include a full range of asset classes including alternative investments and emerging products and services b) Investment beliefs d) Risk management and reporting g) Working with the Fund Actuary on an on-going basis in respect of the integrated management of fund assets and liabilities 		
18	Monitoring current risk attrition of the Fund's portfolio in relation to its risk appetite and advising when the Fund should increase/ decrease risk in its portfolio	<ul style="list-style-type: none"> b) Investment beliefs d) Risk management and reporting 		
19	General attendance, participation and response times	<ul style="list-style-type: none"> k) Attend meetings and provide training to members of the pensions committee, local pension boards, officers etc in support of maintaining high standards of investment governance 		