

**SURREY COUNTY COUNCIL**

**PENSION FUND COMMITTEE**



**DATE: 10 DECEMBER 2021**

**LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR CORPORATE FINANCIAL & COMMERCIAL**

**SUBJECT: INVESTMENT STRATEGY REVIEW**

**SUMMARY OF ISSUE:**

**Strategic objectives**

**Investment**

The Pension Fund reviews its Investment Strategy, in accordance with the 2022 valuation, taking it to account its investment core beliefs and in line with Border to Coast's asset offerings. This paper provides the high-level project plan for this review.

**RECOMMENDATIONS:**

It is recommended that the Pension Fund Committee:

1. Approves the high level project plan for the Investment Strategy Review.

**REASON FOR RECOMMENDATIONS:**

The Pension Fund Committee is required to review the investment strategy at least annually. The 2022 valuation is an appropriate and necessary time to undertake a full review of the investment strategy of the fund. This is consistent with the Fund's strategic investment objectives.

**BACKGROUND:**

1. The Investment Strategy and associated asset allocation is a key driver of actuarial assumptions for the triennial valuation.
2. It is an appropriate time to review the Investment Strategy, in accordance with the 2022 triennial valuation, in light of the Fund's investment core beliefs and particularly its evolving approach to responsible investing. The review of the Investment Strategy also informs product development with the Fund's asset management pooling company, Border to Coast.
3. In reviewing its Investment Strategy, the Fund is supported by its Independent Investment Advisor, Anthony Fletcher and its Investment Consultant, Mercer.

**DETAILS:**

**Investment Strategy Review, high level project plan**

4. The Investment Strategy Review incorporates training for the Pension Fund Committee and work currently in progress to produce a stand-alone Responsible Investment Policy. It also requires collaboration with the Fund's actuary and Border to Coast.
5. It is expected that review of the Investment Strategy will progress through 2022, with a target completion date of June 2022.
6. Mercer have produced a high-level project plan for the Committee to approve, this is shown as Annexe 1.

#### **CONSULTATION:**

7. The Chairman of the Pension Fund Committee has been consulted on this report.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

8. The consideration of risk related issues, including investment, governance and reputational risk, are an integral part of this project and will be considered as part of the project development.

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

9. There are no financial and value for money implications contained in this report.

#### **DIRECTOR CORPORATE FINANCIAL & COMMERCIAL COMMENTARY**

10. The Director Corporate Financial and Commercial is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

#### **LEGAL IMPLICATIONS – MONITORING OFFICER**

11. There are no legal implications or legislative requirements.

#### **EQUALITIES AND DIVERSITY**

12. There are no equality or diversity issues.

#### **OTHER IMPLICATIONS**

13. There are no potential implications for council priorities and policy areas.

#### **WHAT HAPPENS NEXT**

14. The following next steps are planned:

- a) Officers to work with the Independent Investment Advisor, Investment Consultant, Fund actuary and Border to Coast to progress the review in accordance with the high level project plan.
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**Contact Officer:**

Neil Mason, Strategic Finance Manager (Pensions),

**Consulted:**

Pension Fund Committee Chairman

**Annexes:**

1. High level investment review project plan

**Sources/background papers:**

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