

Fund Requirements	Investment Adviser Objectives	Comments
Strategy		
Ensure members' benefits are met as they fall due.	Advise on an investment approach that reflects the Fund's cash flow position, and likely evolution, and minimises the risk of forced disinvestment	<i>Comment on the collaborative nature of the approach, how well they have worked with the actuary and considered future cashflow changes etc</i>
Support a long term funding approach that is consistent with a stable and affordable contribution approach from the employers.	<p>Advise on a suitable investment strategy, including undertaking at least a 3 yearly review, helping the Committee to formulate and understand their collective investment beliefs.</p> <p>Assist the Committee in assessing, understanding and managing the investment risks within the Fund and how these interact with funding.</p>	<p><i>Comment on the success of the approach taken and how well the Committee understands their stated objectives/beliefs.</i></p> <p><i>Comment on how well joined-up the investment and funding advice is and whether the adviser adequately focuses on the key risks for the Fund as part of the LGPS</i></p>
Support a long-term funding aim to be fully funded by 2031 on an ongoing basis of 1.65% over gilts and to continue maintaining this funding level going forward.	Advise on reviewing and amending the strategy, to ensure it delivers the Fund's long-term objectives, including the required investment returns from the Fund's investments (and associated risks) to support progress towards a long term steady state of funding.	<i>Comment on how well the strategic advice relates to a gilts plus funding objective and whether there is appropriate clarity on the risks of the investment strategy in light of that objective.</i>
Support the Fund in its development of its overarching responsible investment (ESG) approach	<p>Advise on possible approaches and the development of the funds approach to responsible investment in all areas associated with ESG.</p> <p>Assist with the development of an RI policy for inclusion in the Fund's Investment Strategy Statement</p>	<i>Comment on the quality and clarity of advice in relation to ESG issues and appropriate investments where appropriate, particularly those suitable provided by the London CIV</i>

<p>Reduce the Fund's exposure to fossil fuels by 50% over six years to July 2022</p>	<p>Advise on suitable investment options to reduce fossil fuel exposure in the portfolio to support the Committee in achieving its target reduction</p>	<p><i>Comment on the quality and clarity of advice in relation to fossil fuel investments and. If appropriate, if/how this links in with products available from the London CIV</i></p>
<p>Monitoring and performance</p>		
<p>Ensure cost efficient implementation of the Fund's investment strategy</p>	<p>Advise on the cost efficient implementation of the Fund's investment strategy as required, including advice on the use of suitable benchmarks, active or passive management, and taking into account the evolution of the London CIV.</p> <p>Provide advice on the suitability of investment managers and regular reporting to allow the Committee to monitor the success of the investment strategy, including on the relative merits of using products offered by the London CIV compared to external managers. Justify any advice to invest outside of the CIV.</p> <p>Ensure all our services to support the Fund's investment strategy ongoing governance are proportionate and competitive in terms of costs relative to their peer group</p>	<p><i>Comment on the clarity of advice and whether there is an appropriate focus on cost efficiency (note that this shouldn't just be about fees)</i></p> <p><i>Comment on the fees compare to those from the last tender and on the direction of travel in relation to fees and any outcome of regular market testing</i></p>
<p>Ensure the Fund's actual allocation doesn't notably deviate from the target allocation</p>	<p>Provide clear and accurate monitoring and regular reporting which enables the Committee to monitor the success of the investment strategy. This should take account of/complement reporting provided by others and avoid duplication of effort/cost.</p>	<p><i>Comment on the quality and timeliness of reporting and if/how it supports the Committee's objective</i></p>
<p>Compliance and regulation</p>		
<p>Ensure the Fund's approach is aligned with the objectives of pooling and associated guidance</p>	<p>Keep the Committee informed of developments in relation to investment pooling and assist in interactions with the CIV as required.</p>	<p><i>Comment on the timeliness and clarity of any updates on the pooling environment. Comment on the constructiveness (or otherwise) of any advice in relation to the CIV.</i></p>

<p>Ensure the Fund's approach reflects relevant regulatory and legislative requirements</p>	<p>Ensure our advice assists the Fund in complying with relevant pensions regulations, legislation and supporting guidance, and is consistent with the Committee's policies and beliefs</p> <p>Ensure the Committee is kept up-to-date with the latest regulatory changes and how these affect the Fund.</p>	<p><i>Comment on the extent to which appropriate, relevant regulations and guidance are reflected in advice</i></p> <p><i>Comment on the quality and timeliness of provision of updates and training and the extent to which these are Fund-specific/relevant</i></p>
<p>Develop the Committee's Responsible Investment policy and ensure this is reflected in ongoing governance and decision making processes</p>	<p>Advise on the development of the Committee's Responsible Investment and wider ESG policies and beliefs and ensure all investment advice is consistent with those policies and beliefs.</p>	<p><i>Comment on the clarity and quality of advice in relation to RI and wider ESG</i></p>
<p>Client servicing and relationship management</p>		
<p>Ensure the Fund's investment objectives are supported by an effective governance framework</p>	<p>Provide relevant and timely advice, ensuring all reports, papers and advice are produced in good time ahead of Committee meetings</p>	<p><i>Comment on the extent to which deadlines have been met / frequency with which advice is tabled at meetings</i></p>
<p>Ensure efficient implementation of the Fund's investment strategy</p>	<p>Develop a positive working relationship with officers and Committee members, with opportunities for provision of feedback.</p> <p>Work constructively and effectively with other advisers and key stakeholders</p>	<p><i>Comment on the strength of relationship and frequency/ approach to seeking feedback</i></p> <p><i>Comment on interaction with other advisers and stakeholders (e.g. Local Pension Board members)</i></p>
	<p>Raise any material client team personnel changes and meeting cover in a timely manner</p>	<p><i>Comment on turnover of client team and how often the consultant at meetings changes</i></p>
	<p>Ensure all advice is clear, concise and, as far as possible, jargon free and that it is clearly presented and backed up as appropriate with high quality training.</p>	<p><i>Comment on the clarity and comprehensibility of advice and the quality and timeliness of training (and the extent to which it is relevant to the Fund).</i></p>

