

Fund Requirements	Investment Adviser Objectives	Evidence
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	Cashflow is regularly monitored and reports to Committee have been provided to ensure that it understands the different classes of assets available and the potential impact of asset allocation on the cashflow. A refreshed investment strategy has been presented to Committee and agreed that shifts some of the focus from growth to income assets given the cashflow outlook over the next 2-3 years. This revised allocation should ensure that sufficient investment income is realised to assist with cashflow of the fund and avoid need to disinvest at short notice from funds.
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>The funding level of the Fund has improved over the latest valuation cycle and particularly over the last year, largely driven by strong equity returns. The investment strategy advised to and agreed by the Committee has supported the stabilisation approach adopted as part of the triennial valuation.</p> <p>We have worked alongside and in co-operation with the Fund actuary to produce joint advice on funding and investment matters, ensuring that the investment advice supports the agreed funding strategy. Most recently presented a joint paper with the actuary to officers and the Committee in respect of asset performance and how that has affected funding level along with next steps to be taken.</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	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.	Investment advice has been provided after liaison with the fund actuary ensuring that the fund is able to fulfil its funding strategy. We have worked alongside the actuary to provide joint papers to Committee ahead of the upcoming triennial valuation, particularly looking at investment decisions and the impact on the Fund's funding level and contribution rates.

level going forward.		
Support the Fund in its development of its overarching responsible investment (ESG) approach	Advise on possible approaches and the development of the funds approach to responsible investment in all areas associated with ESG. Assist with the development of an RI policy for inclusion in the Fund's Investment Strategy Statement	We have worked with officers and the Committee, including leading discussions at specific RI workshops for the Committee and providing relevant advice regarding options to invest in greener and more sustainable mandates. Provided training, support and advice in respect of the current refresh of the RI policy.
Reduce the Fund's exposure to fossil fuels by 50% over six years to July 2022	Advise on suitable investment options to reduce fossil fuel exposure in the portfolio to support the Committee in achieving its target reduction	The fund has significantly reduced its exposure to fossil fuel reserves, achieving c60% of its target at the halfway stage. Recent advice on a refreshed investment strategy has been agreed and implemented, and it is likely that the fund will now have met this target ahead of the July 2022 deadline. We have advised on suitable investments for the fund to transition to in order to achieve this target, also focusing on LGPS pooling requirements via LCIV.
Monitoring and performance		
Ensure cost efficient implementation of the Fund's investment strategy	<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>In advising on a refreshed investment strategy and its implementation, the costs of transition to new mandates has been assessed. We have worked alongside officers from the Council and LCIV to identify suitable mandates within the pooling regime that offer cost efficiency whilst implementing the decisions of the Committee.</p> <p>Over the last year the focus has been on pooling assets with the LCIV where this has been possible and in line with the approved strategy. We have worked with LCIV to fully understand their products and to advise the Fund on suitability. There have been no new investments outside of the CIV this year.</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>Detailed quarterly reports are provided to officers and members of the Committee setting out individual mandate performance alongside analysis of actual allocations vs target. This is used to consider if reallocation is required and to advise accordingly</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>We liaise with the LCIV in order to understand the mandates they have to offer and advise where we feel these are suitable for the Hackney Pension Fund in line with the approved investment strategy and the funds approach to pooling. We have taken part in several joint meetings with Fund officers and the LCIV in order to ensure appropriate advice has been provided. The refreshed investment strategy approved by the Committee has led to a significant transition of AUM via the LCIV in line with pooling guidance and requirements.</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 Ensure the Committee is kept up-to-date with the latest regulatory changes and how these affect the Fund.</p>	<p>All advice to both officers and the Committee has complied with legislation and regulatory requirements whilst ensuring that it is relevant to the Fund's policies and beliefs. We have been available to provide advice to officers as required and have attended all Committees and Committee Workshops over the year. We have offered tailored training to the Fund's officers and to the Committee, ensuring it is relevant to decisions to be made and in line with the requirements of CIPFA Knowledge and Skills Framework.</p>
<p>Develop the Committee's Responsible Investment policy and ensure this is</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>We have worked with Fund officers and the Committee over the course of the year to help develop a RI policy that takes full account of the Fund's adopted beliefs and their climate change target ambitions.</p>

<p>reflected in ongoing governance and decision making processes</p>		<p>We have provided specific training on RI and developed a detailed timetable to take this particular focus forward over the coming year.</p> <p>Our advice and recommendations regarding potential investments always include consideration of RI aspects and beliefs of the Fund</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>Timelines for the provision of advice and reports, etc. are agreed with Officers of the Fund ahead of Committee meetings, workshops and other meetings as they arise.</p> <p>Regular meetings are held with officers to discuss requirements, ensuring that the advice is relevant to the needs of the Committee members and fund officers. Papers are produced in line with agreed timescales allowing for relevant consultation and feedback as required ahead of finalisation of reports and other advice.</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>The ongoing relationship with both officers and Committee members is positive and open, with both sides being able to give honest opinions. We hold regular meetings with officers of the Fund and attend all Committee meetings.</p> <p>We have worked with other advisers including the actuary and the benefits and governance advisers. Examples of this over the year include the provision of a joint paper to Committee regarding funding and investment considerations and how these interact in the context of the triennial valuation and setting of the funding and investment strategies. We have also worked with the Benefits and Governance advisers directly ensuring relevant input for example to forward business planning etc.</p>
	<p>Raise any material client team personnel changes and meeting cover in a timely manner</p>	<p>The client team servicing Hackney Pension Fund has remained stable over the year, with additional specialist advice provided in respect of RI.</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</p>	<p>All of our reports to Officers and Committee are clearly presented with background information, full analysis and clear</p>

training.

recommendations. Where possible this is always jargon free and where this is not possible a glossary/explanation is always included. When important decisions are being taken by the Committee, relevant training is included, tailored to the Hackney Fund and to ensure that the reasons for and impact of any recommendations are fully understood.