

<b>PENSIONS INVESTMENT COMMITTEE</b>			
<b>REPORT TITLE</b>	Statement of Investment Beliefs – Report by Hymans Robertson		
<b>KEY DECISION</b>	No	<b>Item No:</b>	
<b>WARD</b>	N/A		
<b>CONTRIBUTORS</b>	Head of Corporate Resources		
<b>CLASS</b>	Part 1	<b>Date:</b>	November 2018

## 1. PURPOSE

- 1.1. This report from the Fund’s advisors Hymans Robertson builds on the discussion held at the September meeting of PIC on the results of the Investment Beliefs questionnaire that Members completed earlier in the year, and presents the draft Statement of Investment Beliefs for review and adoption by the Committee. Further actions prompted by the results of this exercise are to be considered at future meetings.

## 2. RECOMMENDATIONS

- 2.1. Members are asked to note the report and:

2.1.1. Formally adopt the attached Statement of Investment Beliefs as an accurate representation of Members’ beliefs.

2.1.2. Agree to add additional items to the business plan for future meetings, namely:

- Rebalancing Policy
- Currency Hedging Policy
- Responsible Investment Policy

## 3. SUMMARY

- 3.1. The Committee’s Investment Beliefs were last set in November 2017 but, with a new Committee following the May 2018 elections, the Chair requested the exercise be repeated for all Members to incorporate the beliefs of the new membership.

- 3.2. The results of the exercise were discussed at September’s meeting of PIC and following that discussion the Fund’s advisors Hymans Robertson have formulated a draft Statement of Investment Beliefs.

- 3.3. The results of the Beliefs questionnaire highlighted a number of areas that need to be addressed by the Committee at future meetings in order to align beliefs with the Fund’s strategy and approach. These include:

- Agreeing a policy on rebalancing, to strike a balance between maintaining the Fund’s strategic allocation with the need to minimise trading costs;
- Agreeing a policy on currency hedging

- Setting a formal Responsible Investment Policy, to address climate risks, ESG and engagement issues.
- 3.4. Members are recommended to address these discrepancies between beliefs and current approach by agreeing to add the above items to the Fund's business plan, to be addressed in future meetings.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1. There are no financial implications arising directly from this report.

#### **5. LEGAL IMPLICATIONS**

- 5.1. There are no legal implications arising directly from this report.

#### **6. CRIME AND DISORDER IMPLICATIONS**

- 6.1. There are no crime and disorder implications directly arising from this report.

#### **7. EQUALITIES IMPLICATIONS**

- 7.1. There are no equalities implications directly arising from this report.

#### **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1. There are no environmental implications directly arising from this report.

### **APPENDICES**

The full report is attached for Members only. Commentary will be provided at the meeting by the Council's appointed advisors from Hymans Robertson.

### **FURTHER INFORMATION**

If there are any queries on this report or you require further information, please contact:

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