

Staffordshire Pension Fund – Investment Consultant Objectives – 2024/25

Appendix 2

Pension Fund Requirement	Investment Consultant Objective	Desired Outcome / Measurement	2024/25 Focused Objective
Ensure members' benefits are met as they fall due.	Advise on a suitable investment strategy, and amendments to the strategy, to deliver the Fund's required investment returns to support progress towards a long-term steady state of funding.	Returns from the investment strategy, over time, are in line with or exceed the investment return assumptions in the Fund's Funding Strategy Statement, subject to market conditions and strategy implementation.	Facilitate the review of the Fund's investment strategy, focusing on key aspects of investment structure, to ensure it remains fit-for-purpose going into the 31 March 2025 Actuarial Valuation and assists the Fund to maintain full funding in the context of market changes.
Support a long-term funding approach that is consistent with a stable and affordable contribution approach from the employers.	Deliver an investment approach that reflects the Fund's cash flow position, and likely evolution, and minimises the risk of forced divestment.	The Fund has sufficient liquid cash flow to allow members benefits to be paid as they fall due.	Monitor, and alert the Fund, to new investment opportunities that would improve the likelihood of the Fund achieving its objectives. Ensure investment advice takes the whole Fund position into account, including the impact on funding and contribution rates.
Ensure the Fund's approach is aligned with the objectives of pooling and associated guidance.	Advise on the cost-efficient implementation of the Fund's investment strategy, as required, taking into account the evolution of the LGPS Central pool.	Advice has a focus on key risk / return priorities. Any areas of misalignment with the Fund's objectives and/or poor performance highlighted are challenged and solutions identified.	Assist the Fund in enhancing arrangements for monitoring the implementation of its investment strategy. Ensure investment decisions taken by the Fund are informed by a full analysis of the key risks, return expectations and costs of available investment options. Based on a pooling first principle, advise the Fund on the attractiveness of alternative third-party investment options (if required) and the benefits/potential opportunity cost of investing via the pool.
Ensure cost efficient implementation of the Fund's investment strategy			

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Appendix 2

			Assist the Fund in reviewing their oversight arrangements of the pool to ensure operational and performance standards are being met and a range of suitable and investable products continue to be offered.
Ensure the Fund’s approach reflects regulatory and legislative requirements.	Ensure that the advice provided to the Fund complies with relevant pensions regulations, legislation and supporting guidance.	<p>No instances of non-compliance with relevant regulations or internal policies.</p> <p>Guidance is provided on any matters, in respect of which the Fund is required by law to seek advice, particularly in relation to the preparation or revision of the Fund’s Investment Strategy Statement.</p>	<p>Advise the Fund on the investment implications of new regulations/ guidelines notably the Pension Schemes Act 2021, the investment implications of the TPR General Code of Practice, TCFD, TNFD, UK Stewardship Code 2020, Good Governance review, DLUHC guidance on pooling and Local Investment / Levelling Up, Annual Report Guidance.</p> <p>Ensure any investment advice is consistent with these and existing regulations/ guidelines.</p> <p>Advise the Fund on changes to its Investment Strategy Statement and related policies considering the above.</p>
Continue to develop the Committee’s Responsible Investment beliefs and ensure this is reflected in ongoing governance and decision-making processes	Continue to develop the Committee and Panel’s policies and beliefs, including those in relation to Responsible Investment and ensure that any advice provided is consistent with such.	Policies and beliefs are developed with appropriate input from the Investment Advisor and any advice provided is consistent with those policies and beliefs, including those in relation to Responsible Investment.	<p>Review the Fund’s Climate Change Strategy and target metrics with reference to the Fund’s RI beliefs.</p> <p>Ensure any changes to investment strategy consider the Fund’s RI beliefs and goals.</p> <p>Assist the Fund in evaluating potential changes to the Fund’s investment portfolio in support of its climate strategy and wider RI beliefs and goals.</p> <p>Advise the Fund on changes to its Investment Strategy Statement and related policies considering the above.</p>

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Appendix 2

<p>Ensure the Fund’s investment objectives are supported by an effective governance framework.</p>	<p>Provide relevant and timely advice.</p> <p>Help the Panel develop knowledge and understanding of investment matters.</p> <p>Provide services to support ongoing governance which are proportionate and competitive in terms of costs relative to our peer group.</p>	<p>Advice which is appropriate to the matter being considered is clear, targeted and delivered on time</p> <p>The Fund is supported with training, through general communications and presentations to the Pensions Committee and Panel where required.</p> <p>Pensions Committee and Panel are satisfied with the quality, presentation and content of any training requested.</p> <p>Services provided in support of Governance are considered proportionate and represent value for money.</p>	<p>Assist the Fund in strengthening its oversight of the products and services provided by LGPS Central.</p> <p>Provide training, through general communications and presentations, on relevant topics including Climate Change and new investment regulations/ guidelines.</p> <p>Ensure all items of advice are scoped, budgeted for within tendered fee scales, and executed, to deliver value for money.</p>
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