

ISS Checklist 2024

The Investment Strategy Statement required by Regulation 7 must include:-

Requirements	Complied	Comments and reference to ISS section
a) A requirement to invest money in a wide variety of investments	✓	Section 5 & 6
b) The authority's assessment of the suitability of particular investments and types of investments	✓	Section 6
c) The authority's approach to risk, including the ways in which risks are to be measured and managed	✓	Section 7
d) The authority's approach to pooling investments, including the use of collective investment vehicles and shared services	✓	Section 2. In addition, aspects of pooling are referred to later in the statement where appropriate
e) The authority's policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments	✓	Section 8
f) The authority's policy on the exercise of rights	✓	Section 8

More Specifically	Complied	Comments and reference to ISS section
7 (2) (a) Wide variety of investments		Section 1.6
<ul style="list-style-type: none"> • Must take proper advice 	✓	
<ul style="list-style-type: none"> • Must set out clearly the balance between different types of investments 	✓	Section 5 & 6 discusses in general; asset allocation set out in Appendix 1.
<ul style="list-style-type: none"> • Must identify the risks associated with their overall investment strategy 	✓	Section 7.1-7.4 sets risk at Fund level; section 7 discusses all risks more fully
<ul style="list-style-type: none"> • Must periodically review their policy to mitigate against any such risks 	✓	Section 1.5 explains monitoring and review policy

7 (2) (b) Suitability of Investments <ul style="list-style-type: none"> • Must take proper advice 	✓	Section 1.6
<ul style="list-style-type: none"> • Should ensure that their policy on asset allocation is compatible with achieving their locally determined solvency target 	✓	Section 4 links ISS and FSS
<ul style="list-style-type: none"> • Must periodically review the suitability of their investment portfolio to ensure that returns, risk and volatility are all appropriately managed and are consistent with their overall investment strategy 	✓	Section 1.5 explains monitoring and review policy
7 (2) (c) Approach to Risk <ul style="list-style-type: none"> • Must take proper advice 	✓	Section 1.6
<ul style="list-style-type: none"> • Should clearly state their appetite for risk 	✓	Section 4, 5.3-5.5, 7.1
<ul style="list-style-type: none"> • Should be aware of the risks that may impact on their overall funding and investment strategies 	✓	Section 7 identifies all risks and how managed
<ul style="list-style-type: none"> • Should take measures to counter those risks 	✓	Section 7 identifies all risks and how managed
<ul style="list-style-type: none"> • Should periodically review the assumptions on which their investment strategy is based 	✓	Section 1.5 explains monitoring and review policy
<ul style="list-style-type: none"> • Should formulate contingency plans to limit the impact of risks that might materialise 	✓	Section 7 explains where strategies are in place. See Appendix 1 for ranges around allocations which allow tactical deviation to take place
7 (2) (d) Approach to pooling <ul style="list-style-type: none"> • Confirm the pooling arrangements meet the criteria set out in the November 2015 investment reform and criteria guidance 	✓	Section 2, 2.1 for government approval
<ul style="list-style-type: none"> • Notify the Scheme Advisory Board and the Secretary of State of any changes which result in failure to meet the criteria 	✓	n/a
<ul style="list-style-type: none"> • Set out the proportion of assets that will be invested through pooling 	✓	Section 2.7, 6.5 and Appendix 2

<ul style="list-style-type: none"> Set out the structure and governance arrangements of the pool and the mechanisms by which the authority can hold the pool to account 	✓	Section 2
<ul style="list-style-type: none"> Set out the services that will be shared or jointly procured 	✓	2.2
<ul style="list-style-type: none"> Provide a summary of assets that the authority has determined are not suitable for investing through the pool along with its rationale for doing so, and how this demonstrates value for money. 	✓	2.6 All assets will be managed within pool. Legacy private market assets will be invested as the current investments mature.
<ul style="list-style-type: none"> Regularly review any assets, and no less than every 3 years, that the authority has previously determined should be held outside of the pool, ensuring this continues to demonstrate value for money 	✓	It will be a requirement to explain why not pooling assets in our Annual Report from 2025.
<ul style="list-style-type: none"> Submit an annual report on the progress of asset transfers to the Scheme Advisory Board 	✓	Now have to include data in Annual Report which SAB collates information from
7 (2) (e) ESG <ul style="list-style-type: none"> Must take proper advice 	✓	Section 1.6
<ul style="list-style-type: none"> Should explain the extent to which the views of their local pension board and other interested parties who they consider may have an interest will be taken into account when making an investment decision based on non-financial factors 	✓	<p>Section 8 sets out Responsible Investing approach in more detail.</p> <p>Compliant as stakeholders are represented on Committee.</p> <p>In 2023 significant stakeholder engagement fed into the strategic review, including the Pension Board.</p> <p>The Fund considers non-financial factors in detail when determining strategy in line with its RI principles.</p>
<ul style="list-style-type: none"> Must explain the extent to which non-financial factors will be taken into account in the selection, retention and realisation of investments 	✓	Section 8 sets out approach to such matters at both strategic and portfolio/manager level
<ul style="list-style-type: none"> Should explain their approach to social investments 	✓	Section 8.21 – there is an allocation of Local Impact assets

7 (2) (f) Voting <ul style="list-style-type: none"> • Must give reasons in their Investment Strategy Statement for not adopting a policy of exercising rights, including voting rights, attaching to investments 	✓	Section 8.14-8.20
<ul style="list-style-type: none"> • Should, where appropriate, explain their policy on stewardship with reference to the Stewardship Code 	✓	Section 8.14
<ul style="list-style-type: none"> • Should strongly encourage their fund managers, if any, to vote their company shares in line with their policy under Regulation 7(2)(f) 	✓	Section 8.15-8.18
<ul style="list-style-type: none"> • May wish to appoint an independent proxy voting agent to exercise their proxy voting and monitor the voting activity of the managers, if any, and for reports on voting activity to be submitted annually to the administering authority 	✓	Section 8.17 - Brunel appointed Federated Hermes EOS for its portfolios
<ul style="list-style-type: none"> • Should publish a report of voting activity as part of their pension fund annual report under Regulation 57 of the 2013 Regulations 	✓	Section 8.20 Annual reporting