

 Brent	Pension Board 25 March 2020
	Report from the Director of Finance
Review of Investment Strategy	

Wards Affected:	ALL
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	OPEN
No. of Appendices:	One 1. Investment Strategy Review – February 2020
Background Papers:	<ul style="list-style-type: none"> ▪ N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel, Director of Finance Ravinder Jassar, Head of Finance Sawan Shah, Senior Finance Analyst

1.0 Purpose of the Report

- 1.1 This report presents the analysis and results of the investment review carried out by Hymans Robertson. This review follows on from the 2018 strategic investment review and the Fund's 2019 Actuarial Valuation. The purpose of the review was to review the current investment strategy and analyse the ability of alternative strategies to meet the Fund's strategic objectives.

2.0 Recommendation(s)

- 2.1 The Committee should discuss and agree the investment strategy review undertaken by the Fund's investment advisors, Hymans Robertson, available in Appendix 1. The following proposals should be taken into consideration:
- That the committee's current investment beliefs are fit for purpose but expands on its Responsible Investment beliefs in light of the increased focus on, and importance of, this area.
 - The current long term strategy is fit for purpose from a returns perspective as it is expected to return in excess of the required return.

- To introduce a global low carbon mandate as part of the Fund's equity allocation and to delegate authority to the Director of Finance to agree the size and fund in question and to put into effect this investment following discussions at the committee meeting.
- The Fund's actual investment arrangements will deviate from their target over time and therefore a degree of rebalancing should take place on a regular basis to try and prevent too much deviation from the desired strategic allocation.

3.0 Detail

- 3.1 Following the 2019 valuation and agreed at the last committee meeting, the Fund commissioned an investment strategy review. The full report is available in Appendix 1.

4.0 Financial Implications

- 4.1 These are included in Appendix 1.

5.0 Legal Implications

- 5.1 Not applicable.

6.0 Equality Implications

- 6.1 Not applicable.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 Not applicable.

8.0 Human Resources

- 8.1 Not applicable.

Report sign off:

Minesh Patel
Director of Finance