

PE35. Updated Statement of Investment Principles

The Committee and Board considered a report by the Director of Corporate and Housing Services on the updated Statement of Investment Principles.

The report detailed:-

- That the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010 required that administering authorities maintain a Statement of Investment Principles (SIP);
- That the SIP was the formal document which set out the strategies, policies and principles that the authority intends to apply in managing the investments of the Pension Fund;
- The requirement to update the SIP whenever there are any material changes to the Fund's approach to investing; and
- The appendix to the report including the revised SIP for consideration incorporating the decisions taken by the Committee earlier this year following the work of the Investment Strategy Sub Group including:-
 - the inclusion of investment beliefs;
 - the updating of the strategic asset allocation;
 - the establishment of a longer term strategic asset allocation;
 - the making of an allocation to a factor based index strategy (i.e. smart beta);
 - the increasing in allocation to infrastructure, and
 - the decision against making any new allocations to private equity; and
- The consistency with regulatory requirements and in the interests of transparency and good governance.

Decision

The Committee and Board noted the report.

The Committee agreed the updated version of the Fund's Statement of Investment Principles.