

PE49. Statement of Investment Principles

The Committee and Board considered a report by the Director of Corporate and Housing Services seeking approval of the revised Statement of Investment Principles (SIP).

The fund was required to maintain and publish a statement of Investment Principles (SIP) which set out the beliefs and principles it intends to adopt in investing fund money. A SIP had been adopted in August 2017 (ref PE8). A revised SIP had been developed following a review and a workshop session for the Committees and Boards of the Falkirk, Fife and Lothian Funds. The revised SIP included the following changes:-

1. the incorporation of high level principles/beliefs which emerged from the November workshop;
2. an updated section showing the Fund's target asset allocation across the newly agreed policy groups (Equities, Other Real Assets, Non Gilt Debt, Gifts and Cash) and the permitted ranges for each group (see SIP Appendix A);
3. a statement recording how the Fund will comply with the UK Stewardship Code (see SIP Appendix C); and, overall,
4. a simplification of content and format to improve readability.

The SIP provides the Framework within which the Fund sets its investment strategy. The Funding and Investment objectives were to

- achieve a funding level of 100% over 20 years
- achieve an annual return of gilts plus 2.8%

Decision

The Committee approved the revised Statement of Investment Principles.