Pension Fund

Investment Strategy Statement

31 March 2019
1 Introduction

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (‘the 2016 Investment Regulations’) require administering authorities to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State.

This Investment Strategy Statement (ISS) has been designed to be a living document and is an important governance tool for the Durham County Council Pension Fund (‘the Pension Fund’). This document sets out the investment strategy of the Pension Fund, provides transparency in relation to how the Pension Fund investments are managed, acts as a risk register, and has been kept as short in order to be read in as user-friendly manner as is possible. This document replaces the Pension Fund’s Statement of Investment Principles.

This statement will be consulted on at least every three years and reviewed by the Pension Fund Committee (‘the Committee’) more frequently should any significant change occur.

2 Investment Responsibilities

The County Council, as Administering Authority for the Pension Fund, has delegated the investment arrangements of the Pension Fund to the Pension Fund Committee (the “Committee”) who decide on the investment policy most suitable to meet the liabilities of the Pension Fund and the ultimate responsibility for the investment policy lies with it. The Committee is made up of elected representatives of the County Council, Darlington Borough Council, Further Education Colleges, Other Statutory Bodies, Admitted Bodies and Member Representatives.

The Committee has full delegated authority to make investment decisions.

2.1 The Pension Fund Committee has responsibility for:

- Determining overall investment strategy and strategic asset allocation and ensuring that investments are sufficiently diversified, are not over concentrated in any one type of investment, and that the Pension Fund is invested in suitable types of investments;
- Preparing policy documents including the ISS and Funding Strategy Statement (FSS). Monitoring compliance with the ISS and reviewing its contents following any strategic changes and at least every three years;
- Appointing the investment managers, and custodian until such time as all of the Fund’s assets are transitioned to Border to Coast Pension Partnership Limited (BCPP);
- Appointing the Pension Fund actuary and any independent external advisers felt to be necessary for the good stewardship of the Pension Fund;
- Reviewing on a regular basis the investment managers’ performance against established benchmarks, and satisfying themselves as to the investment managers’ expertise and the quality of their internal systems and controls;
- Reviewing on a regular basis the performance of the independent external advisers;
• In cases of unsatisfactory performance of the investment managers and independent external advisers, taking appropriate action;
• Reviewing policy on social, environmental and ethical matters and on the exercise of rights, including voting rights; and
• Reviewing the funds allocated to investment managers on a regular basis to ensure that the strategic asset allocation is maintained (rebalancing).

2.2 The investment managers are responsible for:

• The investment of the Pension Fund assets in respect of which they are appointed in compliance with applicable rules and legislation, the constraints imposed by this document and the detailed Investment Management Agreement covering their portion of the Pension Fund’s assets;
• Stock selection within asset classes;
• Preparation of quarterly reports, including a review of investment performance;
• Attending meetings of the Committee as requested;
• Where specifically instructed, voting in accordance with the Pension Fund’s policy.

2.3 The Global Custodian is responsible for:

• Its own compliance with prevailing legislation;
• Providing the administering authority with quarterly valuations of the Pension Fund’s assets and details of all transactions during the quarter;
• Collection of income, tax reclaims, exercising corporate administration and cash management;
• Such other services as the Pension Fund shall procure, for example, in connection with performance measurement and reporting or fund accounting.

2.4 The Investment Advisers are responsible for:

• Assisting the Corporate Director Resources and the Committee in determining the overall investment strategy, the strategic asset allocation and that the Pension Fund is invested in suitable types of investment, and ensuring that investments are sufficiently diversified.
• Assisting the Corporate Director Resources and the Committee in the preparation and review of Policy documents;
• Assisting the Corporate Director Resources and the Committee in their regular monitoring of the investment managers’ performance;
• Assisting the Corporate Director Resources and the Committee, where required, in the selection and appointment of investment managers, custodians and Pension Fund Actuary;
• Advising and assisting the Corporate Director Resources and the Committee on other investment related issues, which may arise from time to time; and
• Providing continuing education and training to the Committee.

2.5 The Actuary is responsible for:

• Providing advice as to the structure of the Pension Fund’s liabilities, the maturity of the Pension Fund and its funding level in order to aid the Committee in balancing the short term and long-term objectives of the Pension Fund.
• Carrying out its responsibilities as set out in the FSS.
• Undertaking the statutory triennial valuation of the Pension Fund’s assets and liabilities.

2.6 The Corporate Director Resources is responsible for:

• Ensuring compliance with this document and bringing breaches thereof to the attention of the Committee;
• Ensuring that this document is regularly reviewed and updated in accordance with the 2016 Investment Regulations;
• Exercising delegated powers granted by the County Council to:
  o Administer the financial affairs in relation to the County Council’s functions as a pension fund administering authority;
  o Exercise those discretions under the Local Government Pension Scheme Regulations 2013 as appear from time to time in Pension Fund Statements of Policy; and
  o Authorise, in cases of urgency, the taking of any action by an investment manager of the Pension Fund which is necessary to protect the interests of the Pension Fund.
• Managing the cash balances of the Pension Fund which the Investment Managers have not invested

3 Investment Beliefs and Objectives

The Pension Fund has the following investment beliefs which help to inform the investment strategy derived from the decision making process:

• Funding, investment strategy and contribution rates are linked
• The strategic asset allocation is the key factor in determining the risk and return profile of the Pension Fund’s investments
• Investing over the long term provides opportunities to improve returns
• Diversification across asset classes can help to mitigate against adverse market conditions and assist the Pension Fund to produce a smoother return profile due to returns coming from a range of different sources
• Managing risk is a multi-dimensional and complex task but the overriding principle is to avoid taking more risk than is necessary to achieve the Pension Fund’s objectives
• Environmental, Social and Governance are important factors for the sustainability of investment returns over the long term
• Value for money from investments is important, not just absolute costs.
• Asset pooling will help reduce costs whilst providing more choice of investments and will therefore be additive to Pension Fund returns
• High conviction active management can add value to returns

The Administering Authority's primary aim is long-term solvency. Accordingly, employers’ contributions will be set to ensure that 100% of the liabilities can be met over the long term. The Solvency Target is the amount of assets which the Fund requires to hold to meet its objective of paying all benefits arising as they fall due.

3.1 Investment strategy and the process for ensuring suitability of investments.

The Pension Fund’s objective is to pay benefits as they fall due. The Pension Fund is currently assessed to have a deficit in respect to previously accrued liabilities, and so the strategy is focused on recovering this deficit as well as maintaining affordable contributions for future benefit accrual, without taking undue risks. Having a thorough understanding of the risks facing the Pension Fund is crucial and these are covered later in the statement.

The Pension Fund’s asset strategy, along with an overview of the role each asset plays is set out in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Allocation %</th>
<th>Benchmark &amp; Performance Target</th>
<th>Role (s) within the strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equities</td>
<td>40.0</td>
<td>MSCI All Country World Index +2%</td>
<td>Long term growth in excess of inflation expected; Generate investment income i.e. dividends.</td>
</tr>
<tr>
<td>Emerging Market Equities</td>
<td>7.0</td>
<td>MSCI Emerging Markets Net Index +2.5%</td>
<td></td>
</tr>
<tr>
<td>Asset class</td>
<td>Allocation %</td>
<td>Benchmark &amp; Performance Target</td>
<td>Role (s) within the strategy</td>
</tr>
<tr>
<td>---------------------------</td>
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<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Index Linked Gilts</td>
<td>20.0</td>
<td>FTSE Over 5 Year Index-Linked Gilt Index +0.5%</td>
<td>Provide protection from changes in inflation both in terms of capital value and income</td>
</tr>
<tr>
<td>Global Bonds</td>
<td>15.0</td>
<td>UK 3-month LIBOR +3.0%</td>
<td>Diversified source of income and provides a degree of protection from changes in interest rates. Some growth above gilts expected</td>
</tr>
<tr>
<td>Dynamic Asset Allocation</td>
<td>0.0</td>
<td>UK 3-month LIBOR +3.0%</td>
<td>Diversification and Tactical Asset Allocation</td>
</tr>
<tr>
<td>Global Property</td>
<td>8.0</td>
<td>UK Retail Price Inflation +5.0%</td>
<td>Diversification; Generate investment income; Provide some inflation-sensitive exposure; Illiquidity premium</td>
</tr>
<tr>
<td>Private Markets</td>
<td>10.0</td>
<td>tbc</td>
<td>Long term growth in excess of inflation expected; Diversification; Illiquidity premium</td>
</tr>
</tbody>
</table>

The Committee is responsible for the Pension Fund’s asset allocation which is determined via a triennial strategy review as part of the valuation process. The review is both qualitative and quantitative and is undertaken by the Committee in conjunction with the actuary, officers and investment adviser. The review considers:

- The required level of return that will mean the Pension Fund can meet its future benefit obligations as they fall due
- The level of risk that the Pension Fund can tolerate in absolute terms, and in relation to its funding level and deficit
- An analysis of the order of magnitude of the various risks facing the Pension Fund is established in order that a priority order for mitigation can be determined
- The desire for diversification across asset class, region, sector, and type of security.

4 Risk measurement and management

The Committee assesses risks both qualitatively and quantitatively, with the starting point being the triennial strategy review. Risks are considered, understood and then prioritised accordingly.
(a) Investment risks

The Committee uses Risk Attribution Analysis to determine the order of magnitude of the main investment risks the Pension Fund is facing. The chart below shows the VaR (Value at Risk, essentially the minimum losses that would occur in a 1-in-20 event) facing the Pension Fund, split into major risk categories.

As an additional illustration of risk, the table below shows how a range of events (in isolation) could impact the Pension Fund:

<table>
<thead>
<tr>
<th>Event</th>
<th>Event movement</th>
<th>Estimated Impact on Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall in equity markets</td>
<td>30% fall in equities</td>
<td>£395m</td>
</tr>
<tr>
<td>Rise in Inflation</td>
<td>0.5% increase in inflation</td>
<td>£250m</td>
</tr>
<tr>
<td>Fall in discount rate</td>
<td>0.5% fall in the discount rate</td>
<td>£296m</td>
</tr>
<tr>
<td>Active Manager underperformance</td>
<td>3% underperformance from all active managers</td>
<td>£84m</td>
</tr>
</tbody>
</table>

As shown in both the Value-at-Risk attribution chart and the table above, the most significant risk that the Pension Fund is running is in relation to equities. Whilst not immaterial the risks being run by the use of active management is far smaller.
**Equities**

The largest risk that the Pension Fund is running is in relation to its equity holdings. Should equity market conditions deteriorate significantly this will have a negative impact on the funding level. The Pension Fund holds equities in order to provide the necessary returns to ensure that the Pension Fund remains affordable. The Committee believes that the extra returns that are expected to be generated by equities compensates the level of risk equities bring to the Pension Fund, but does believe in diversification, and looks to mitigate equity risk by investing significantly in bonds and alternatives. The Pension Fund is a long term investor but does require income over and above contributions received in order to pay pensions.

**Inflation**

Another significant risk that the Fund faces is in relation to inflation. The Pension Fund’s liabilities are impacted by inflation both explicitly and implicitly. The Pension Fund will seek to invest in a range of assets that provide returns in excess of inflation and in some cases provide an inflation linked income, subject to a tolerable level of volatility.

**Alternatives**

The Pension Fund has a significant amount of assets allocated to a range of alternatives; previously via a dynamic asset allocation fund, but also through property. Going forward, the Fund will have a strategic allocation to Private Markets. The level of diversification these assets provide helps to reduce the Funds reliance on returns from equities. Illiquid assets such as property can also be a valuable source of income.

**Active Manager Risk**

Investment Managers are appointed to manage the Pension Fund’s investments on its behalf, until such time as all of the Fund’s assets are transitioned to BCPP. This risk is small relative to other risks; however the Pension Fund still addresses this risk. Extensive due diligence is used before managers are selected, with a number of different managers chosen to prevent concentration risk. The investment managers are also monitored regularly by the Committee, Officers and by the Pension Fund’s investment adviser.

The Pension Fund’s portfolio is well diversified across asset classes, geography and asset managers. As different asset classes have varying correlations with other asset classes, the Pension Fund by investing in a range of different investments can minimise the level of risk run to a degree.

(b) **Demographic Risks**
The Pension Fund is subject to a range of demographic risks, but with particular reference to investment strategy, the Committee is aware of the potential for the Pension Fund to mature over time as the pensioner liability increases. A mature pension fund is likely to take less investment risk over time and this is considered at each strategy review. The more mature a pension fund, the more likely it is that disinvestments would need to be made to pay benefits. The Pension Fund is not in that situation at present as income from contributions and investments are greater than benefit payments. However, this situation is monitored regularly and formally as part of the actuarial valuation and strategy review.

(c) Cashflow Management Risks

The Pension Fund is becoming more mature and although it is cashflow positive after taking investment income into account, managing cashflow will become an increasingly important consideration in agreeing the investment strategy. Should this position change and cash outflows exceed cash inflows, mitigating actions would be taken such as investing in assets which produce cashflows.

(d) Governance Risks

The Pension Fund believes that there is a benefit to the Pension Fund to be gained from good governance in the form of either or both of an increased return and/or decreased risk. Poor governance could lead to opportunities and risks being missed, and have a detrimental effect on the funding level and deficit.

(e) Environmental, Social and Governance (‘ESG’) Risks

The Committee believes that ESG risks should be taken into account on an ongoing basis and are an integral part of the Pension Fund’s strategy and objective of being a long term investor.

The Committee believes that engagement is key in relation to strong corporate governance, which in turn will enhance returns. Details of the Pension Fund’s policies can be found later in this statement.

5 Approach to asset pooling

In order to satisfy the requirements of the Local Government Pension Scheme: Investment Reform and Guidance issued by the Department for Communities and Local Government (DCLG) in November 2015, the Administering Authority has elected to become a shareholder in BCPP Limited. BCPP was created in 2017 as a wholly owned private limited company registered in England and Wales, authorised and regulated by the Financial
Conduct Authority (FCA) as an alternative investment fund manager (AIFM). BCPP has 12 equal shareholders who are the administering bodies of the following 12 Funds:

- Bedfordshire Pension Fund
- Cumbria Pension Fund
- Durham Pension Fund
- East Riding Pension Fund
- Lincolnshire Pension Fund
- North Yorkshire Pension Fund
- Northumberland Pension Fund
- South Yorkshire Pension Fund
- South Yorkshire Passenger Transport Pension Fund
- Surrey Pension Fund
- Teesside Pension Fund
- Tyne and Wear Pension Fund
- Warwickshire Pension Fund

The partner Funds submitted their proposal to Government on 15th July 2016 and have received written confirmation from the Secretary of State to confirm that the proposal meets the criteria laid down in the guidance issued in November 2015 and set out below:

- Asset pool(s) that achieve the benefits of scale;
- Strong governance and decision making;
- Reduced costs and excellent value for money; and
- An improved capacity to invest in infrastructure.
5.1 Assets to be invested in BCPP Ltd

The Pension Fund’s intention is to invest its assets via BCPP Ltd as and when suitable sub-funds become available. An indicative timetable for participating administering authorities to invest through BCPP Ltd was set out in the July 2016 submission to Government.

The key criteria for the Pension Fund’s assessment of a BCPP Ltd sub-funds will be as follows:

- that the sub-fund enables access to an appropriate investment that meets the objectives and benchmark criteria set by the Pension Fund; and
- that there is financial benefit to the Pension Fund in investing in the sub-fund offered by BCPP Ltd.

The Fund’s intention is to invest its assets through the BCPP pool as and when suitable investment solutions become available. At the time of preparing this statement, the Fund is planning to transition the first of its assets to BCPP. The first transition will be the Fund’s investments in Global Equities. The Fund has also committed to develop a Private Market portfolio through BCPP. As the detailed parameters and objectives of BCPP sub funds are finalised, the Fund plans to transition further assets in line with the key criteria above.

Any assets not invested in BCPP Ltd will be reviewed at least every three years to determine whether the rationale remains appropriate, and whether it continues to demonstrate value for money. The next such review will take place no later than 2020.

The Pension Fund will retain the decision making powers regarding asset allocation and will delegate the investment management function to BCPP Limited.

5.2 Structure and governance of BCPP Ltd

The 12 Partner Funds and BCPP work collaboratively to build the investment capabilities required to ensure that the Partner Funds are able to efficiently and effectively deliver their Strategic Asset Allocations in line with the following guiding principles:

- Meeting central Government’s aims for governance, responsible investing, infrastructure and value for money
- One fund, one vote
- Funds retaining governance role and ownership of asset allocation
- Generating improved net-of-fees risk adjusted performance
- Border to Coast internal management capability
- Improved resilience and capacity over existing structures
- A shared team in one location
In order to hold BCPP to account, and to meet FCA requirements for a regulated asset manager, the Partner Funds stand at arms-length to Border to Coast during implementation and ongoing management of the sub-funds. The investment performance and capability of BCPP is overseen on a day to day basis by senior officers at each partner fund, and more formally on a quarterly basis by the Joint Committee, which is constituted of elected members from each partner fund. BCPP’s performance as a company is overseen by shareholder representatives from the twelve administering authorities both on an ongoing basis and formally once a year at its AGM.

The governance structure of BCPP is as follows:

The following groups support the governance of BCPP:

- **Joint Committee** – the Joint Committee is constituted from the 12 Pension Fund Chairs and will meet quarterly now that BCPP is established and functioning. It is the collaborative vehicle through which the individual Partner Funds provide collective oversight of the performance and direction of BCPP. Its remit includes oversight of progress towards the pooling of Partner Fund assets as a whole.

- **Officer Groups** - The Joint Committee is supported by the respective Authority s151 and Monitoring Officers and the Officer Operations Group (OOG), constituted from the 12 Senior Pension Fund Officers. These groups meet to discuss issues and give input to both Elected Members and BCPP as required. It is anticipated that the OOG will meet monthly, part of the meeting being attended by Border to Coast, part in closed session. The OOG work collaboratively together to ensure that due diligence over BCPP investment capabilities is carried out effectively on behalf of the Pension Committees.
• **Local Pension Boards** - In line with their role in other administrative and governance matters, the local pension boards provide support and challenge to the Pension Committee's decisions and decision-making process in relevant investment areas, and look to ensure appropriate governance is in place to provide effective monitoring.

• **Advisers** - Regulations require that Pension Funds take professional advice in respect of any investment decisions, and this is generally provided through Funds appointing Independent Investment Advisors and/or Investment Consultants. They will work with the Pension Committee and Officers to ensure that the strategic asset allocation can be effectively implemented through the use of the sub-funds available at BCPP.

6 **Environmental, Social and Corporate Governance policy and policy of the exercise of rights (including voting rights) attaching to investments**

The Committee must act with the best financial interests of the beneficiaries, present and future, in mind. The Committee believes that companies should be aware of the potential risks associated with adopting practices that are socially, environmentally or ethically unacceptable. As part of the investment decision-making process, Investment Managers are required to consider such practices and assess the extent to which this will detract from company performance and returns to shareholders.

Investment Managers are required to exercise voting rights on behalf of the Pension Fund when it is in the best interests of the Pension Fund. The quarterly report from investment managers should include details of voting activity.

The Pension Fund has never sought to implement a policy that explicitly excludes certain types of investments, companies or sectors except where they are barred by UK law. The Pension Fund believes that its influence as a shareholder is better deployed by engaging with companies, in order to influence behaviour and enhance shareholder value. The Pension Fund believes that this influence would be lost through a divestment or screening approach. The Pension Fund actively engages with companies through its investment managers.

Ultimately the Pension Fund will always retain the right to disinvest, where it is possible to do so, from certain companies or sectors in the event that all other approaches are unsuccessful and it is determined that the investment is no longer aligned with the interests of the Pension Fund or that the issue poses a material financial risk.
6.1 Myners Principles

Although not specifically referenced in the Regulations, the Committee feels that assessment of compliance with the Myners Principles is a valuable governance tool. A copy of the Pension Fund’s Myners Compliance Statement can be found in Appendix 1.

7 Responsible Investing with BCPP

The purpose of BCPP is to make a difference to the investment outcomes for partner funds through pooling, by creating a stronger voice and investing responsibly now and into the future to enable sustainable performance. The LGPS (Management and Investment of Funds) 2016 regulations state that the responsibility for stewardship, which includes shareholder voting, remains with individual Funds. Stewardship, day-to-day administration and implementation is delegated by the Fund to BCPP for any assets managed by Border to Coast, with appropriate monitoring and challenge to ensure this continues to be in line with the Fund’s requirements.

To leverage scale and for operational purposes, BCPP has, in conjunction with partner funds, developed a Responsible Investment Policy and accompanying Corporate Governance & Voting Guidelines to ensure clarity of approach on behalf of partner funds. The Pension Fund Committee and the committees of all 11 other partners in BCPP agreed to adopt BCPP’s Responsible Investment (RI) Policy into their ISS. The policy is monitored with regular reports to BCPP’s Chief Investment Officer (CIO), Investment Committee, Board, Joint Committee and partner funds. It is reviewed at least annually, or whenever revisions are proposed and updated as necessary.

BCPP believes that businesses that are governed well and run in a sustainable way are more resilient, able to survive shocks and have the potential to provide better financial returns for investors. ESG issues can have a material impact on the value of financial assets and on the long-term performance of investments, and therefore need to be considered across all asset classes in order to better manage risk and generate sustainable, long term returns. Well-managed companies with strong governance are more likely to be successful long-term investments.

BCPP is an active owner and steward of its investments, both internally and externally managed, across all asset classes. The commitment to RI is communicated in BCPP’s UK Stewardship Code compliance statement. As a long-term investor and representative of asset owners, BCPP will therefore, hold companies and asset managers to account regarding ESG factors that have the potential to impact corporate value. BCPP will incorporate such factors into investment analysis and decision making, enabling long-term sustainable investment performance for partner funds. As a shareowner, BCPP has a
responsibility for effective stewardship of the companies it invests in, whether directly or indirectly through mandates with fund managers. It will practice active ownership through voting, monitoring companies, engagement and litigation.

BCPP's full approach to sustainability, including Voting and Engagement, Responsible Investment Policies, Collaborations, and Corporate Policies can be found online at https://www.bordertocoast.org.uk/sustainability/.

8 Advice Taken

In creating this statement, the Pension Fund has taken advice from its Investment Adviser. Also, in relation to each of the constituent parts, such as the asset allocation and risk mitigation, the Pension Fund has taken advice from its Investment Adviser, Mercer, and the Scheme Actuary, Aon Hewitt. In providing investment advice, Mercer is regulated by the Financial Conduct Authority.
Appendix 1 – Myners Principles

This appendix sets out the extent to which Durham County Council as the Administering Authority of the Durham County Council Pension Fund complies with the six principles of investment practice set out in the document published in November 2012 by CIPFA, the Chartered Institute of Public Finance and Accountancy, and called “Principles for Investment Decision Making and Disclosure in the Local Government Pension Scheme in the United Kingdom 2012”, in future, compliance with guidance given by the Secretary of State will be reported.

Principle 1 —Effective decision-making

Fully compliant: Investment decisions are made by those with the skill, information and resources necessary to take them effectively. A programme covering investment issues is being developed for new members joining the Committee and training is provided to all members.

Principle 2 –Clear objectives

Fully compliant: The overall investment objective for the Pension Fund is set out in the Funding Strategy Statement.

Principle 3 –Risk and Liabilities

Fully compliant: The overall investment objective is considered by the Pension Fund. The risks associated with the major asset classes in which the Pension Fund’s assets are invested is regularly considered. A risk register has been completed for the Pension Fund and reports from Internal and External Audit are considered by the Committee.

Principle 4 –Performance Assessment

Partial compliance: Appropriate benchmarks have been set in consultation with the investment adviser and the actuary. Benchmarks are considered regularly as part of the review of the Strategic Asset Allocation. Performance against benchmarks is considered quarterly at the Committee. Investment Managers’ performance is measured quarterly. Separate monitoring of Committee performance and investment adviser performance has yet to be established.

Principle 5 –Responsible Ownership
Partial compliance: The Pension Fund’s policy for socially responsible investing is set out in the Statement of Investment Principles and (from April 2017) the Investment Strategy Statement. Explicit written mandates agreed with all investment managers. Investment Managers are required to exercise voting rights on behalf of the Pension Fund when it is in the best interests of the Pension Fund. Normal practice is to allow the Investment Managers to follow their in-house voting policy unless otherwise instructed by the Committee. The mandates do not specifically incorporate the principle of the US Department of Labor Interpretative Bulletin on activism.

**Principle 6 – Transparency and Reporting**

Fully compliant: The Committee acts in a transparent manner, communicating with its stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives through the publication of Committee reports and Minutes on the County Council website. The Funding Strategy Statement and the Statement of Investment Principles are also available on the internet and are included in the Pension Fund’s Annual Report and Accounts. The Annual Report and Accounts includes the statutory documents that the Pension Fund is required to provide.

The Pension Fund provides regular communication to scheme members in a Newsletter and Annual Statements which are considered the most appropriate form.