

Royal Borough of Chelsea and Kensington Pension Fund Investment Strategy Statement 2024/25

1. Introduction

1.1 This is the Investment Strategy Statement (ISS) adopted by the Royal Borough of Kensington and Chelsea Pension Fund (“the Fund”), which is administered by the Royal Borough of Kensington and Chelsea (“the Administering Authority”).

Under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, the Fund is required to publish this ISS. The Regulations require administering authorities to outline how they meet each of the six objectives aimed at improving the investment and governance of the Fund.

1.2 This Statement addresses each of the objectives included in the 2016 Regulations:

- A requirement to invest fund money in a wide range of instruments;
- The authority’s assessment of the suitability of particular investments and types of investment;
- The authority’s approach to risk, including the ways in which risks are to be measured and managed;
- The authority’s approach to pooling investments, including the use of collective investment vehicles;
- The authority’s policy on how social, environmental and governance (ESG) considerations are taken into account in the selection, non-selection, retention and realisation of investments; and
- The authority’s policy on the exercise of rights (including voting rights) attaching to investments.

We deal with each of these in turn below.

1.3 The Investment Committee of the Fund oversees the management of the Fund’s assets. Although not trustees, the Members of the Investment Committee owe a fiduciary duty similar to that of trustees to the council tax payers and guarantors of other scheme employers, who would ultimately have to meet any shortfall in the assets of the Fund, as well as to the contributors and beneficiaries of the Fund.

1.4 The relevant terms of reference for the Committee within the Council’s Constitution are:

The Committee’s responsibilities are set out in their terms of reference and are to have responsibility for all aspects of the investment and other management activity of the Council’s Pension Fund, including, but not limited to, the following matters:

- decide the overall investment strategy and strategic asset allocation of the pension fund, reporting to Council as necessary;
- decide how the Pension Fund is invested and to appoint investment managers, global custodians, actuaries and any other professional independent external advisors necessary for the good stewardship of the Pension Fund;
- monitor performance of the Pension Fund, the individual fund managers and other external advisors;
- authorise the acquisition and sale of investment properties which are or to be held within the direct property portfolio in the Pension Fund;
- prepare, publish and ensure compliance with the ISS, the Funding Strategy Statement (FSS), the Business Plan, the Governance Compliance Statement and the Communications Policy and Practice Statement and revise the statements to reflect any material changes in policy;
- approve policy on environmental, social and governance (ESG) considerations and on the exercise of share voting rights;
- approve any other investment or pension policies that may be required to comply with regulations or good practice in the management of pension funds and to make any decisions in accordance with those policies;

- approve and publish the Pension Fund Annual Report and Accounts, reporting it to Council for information;
- receive actuarial valuations of the Pension Fund regarding the overall funding level and the level of employers' contributions necessary to maintain the Pension Fund and to make recommendations to the Council about the level of contributions required;
- consider any proposed legislative changes in respect of the pension fund and to respond to government consultations;
- receive and consider the external auditor's report on the governance of the pension fund;
- decide on the admission to and cessation of bodies to the pension fund.

The Investment Committee has responsibility for:

- Overall investment strategy and strategic asset allocation with regard to the suitability and diversification of investments;
- Monitoring compliance with this Investment Strategy Statement and reviewing its contents;
- Appointing investment managers, an independent custodian, the Fund actuary, external independent advisers and investment consultants;
- Setting performance benchmarks and reviewing investment manager performance against these benchmarks on a regular basis
- Reviewing the managers' expertise and the quality and sustainability of their investment processes, procedures, risk management, internal controls and key personnel;
- Reviewing policy on environmental, social, governance and ethical matters and on the exercise of rights, including voting rights;
- Reviewing the investments over which they retain control and obtaining advice about them regularly from the Investment Consultant. The Investment Committee will also obtain written advice from the Investment Consultant when deciding whether or not to make any new investments.

The Executive Director for Resources and Assets, along with the Tri-Borough Director, appointed consultants and actuaries to support the Investment Committee. The day-to-day management of the Fund's assets is delegated to investment managers.

1.5 This ISS will be reviewed at least once a year, or more frequently as required, in particular, following valuations, future asset/liability studies and investment performance reviews, which may indicate a need to change investment policy, or significant changes to the FSS.

1.6 Under the previous Regulations, the Investment Strategy Statement was required to state how it complies with the revised six investment principles as outlined within the CIPFA Pensions Panel Principles. Although not formally required under the 2016 Investment Regulations, this information is given in Appendix A. In addition, Appendix B includes a disclosure of the Fund's policy on how the Investment Committee discharges its stewardship responsibilities.

2. Objective 7.2 (a): A requirement to invest fund money in a wide range of instruments

2.1 Funding and investment risk are discussed in more detail later in this ISS. However, at this stage it is important to state that the Investment Committee is aware of the risks it runs within the Fund and the consequences of these risks.

2.2 In order to control risk the Investment Committee recognises that the Fund should have an investment strategy that has:

- Exposure to a diverse range of sources of return, such as market, manager skill and through the use of less liquid holdings.
- Diversity in the asset classes used
- Diversity in the approaches to the management of the underlying assets.

2.3 This approach to diversification has seen the Fund dividing its assets into four broad categories: global equities, fixed Income, property and alternatives. The size of the assets invested in each category will vary depending on investment conditions. The strategic asset allocation is provided in appendix C and is reviewed

quarterly alongside a rebalance review. However, it is important to note that each category is itself diversified. A consequence of this approach is that the Fund's assets are invested in a wide range of instruments.

2.4 The main risk that the Investment Committee is concerned with is to ensure the long-term ability of the fund to meet pension, and other benefit obligations, as they fall due is met. As a result, the Investment Committee places a high degree of importance on ensuring the expected return on the assets is sufficient to do so and does not have to rely on a level of risk which the Investment Committee considers excessive.

At all times, the Investment Committee takes the view that its investment decisions, including those involving diversification, should be in the best long-term interest of Fund beneficiaries and minimise calls on the Council's resources.

2.5 To mitigate these risks the Investment Committee regularly reviews both the performance and expected returns of the Fund's investments to measure whether it has met and is likely to meet in future its return objectives. In addition to keeping its investment strategy and policy under regular review, the Investment Committee will keep this ISS under review to ensure that it reflects the approaches being taken.

3. Objective 7.2(b): The authority's assessment of the suitability of particular investments and types of investment

3.1 When assessing the suitability of investments, the Fund takes into account a number of factors:

- Prospective return
- Risk
- Concentration
- Risk management qualities the asset has, when the portfolio as a whole is considered
- Geographic and currency exposures
- Whether the management of the asset meets the Fund's ESG criteria.

3.2 Suitability is a critical test for whether or not a particular investment should be made.

3.3 Each of the Fund's investments has an individual performance benchmark against which their reported performance is measured.

3.4 The policy on asset allocation is compatible with achieving the locally determined solvency target.

3.5 The Investment Committee monitors the suitability of the Fund's assets on a quarterly basis. To that end, they monitor the investment returns and the volatility of the individual investments, together with the Fund level returns and risk. This latter point ensures that the risks caused by interactions between investments within the portfolio is properly understood. Where comparative statistics are available, the Investment Committee will also compare the Fund's asset performance with those of similar funds.

3.6 The Committee relies on external advice in relation to the collation of the statistics for review.

4. Objective 7.2(c): The authority's approach to risk, including ways in which risks are to be measured and managed

4.1 The Investment Committee recognises that there are a number of risks involved in the investment of the assets of the Fund, amongst which are the following:

4.2 Geopolitical and currency risks:

- are measured by the value of assets (the concentration risk), in any one market leading to the risk of an adverse influence on investment values arising from political intervention; and
- are managed by regular reviews of the actual investments relative to policy and through regular assessment of the levels of diversification within the existing policy.

4.3 Manager risk:

- is measured by the expected deviation of the prospective risk and return as set out in the manager(s) investment objectives, relative to the investment policy; and
- is managed by monitoring the actual deviation of returns relative to the objective and factors inherent in the manager(s) investment process.

4.4 Solvency and mismatching risk:

- are measured through a qualitative and quantitative assessment of the expected development of the liabilities relative to the current and alternative investment policies; and
- are managed by assessing the progress of the actual growth of the liabilities relative to the selected investment policy.

4.5 Liquidity risk:

- is measured by the level of cash flow required over a specified period; and
- is managed by assessing the level of cash held in order to limit the impact of the cash flow requirements on the investment cash policy.

4.6 Custodial risk:

- is measured by assessing the creditworthiness of the global custodian and the ability of the organisation to settle trades on time and provide secure safekeeping of the assets under custody.

4.7 Employer contributions are based upon financial and demographic assumptions determined by the actuary. The main risks to the Fund are highlighted within the Funding Strategy Statement. The risks to the Fund are controlled in the following ways:

- The adoption and monitoring of asset allocation benchmarks, ranges and performance targets constrain the investment managers from deviating significantly from the intended approach, while permitting the flexibility for managers to enhance returns.
- The appointment of more than one manager with different mandates and approaches provides for the diversification of manager risk.

4.8 The investment management agreements (IMA) constrain the managers' actions in areas of particular risk and set out the respective responsibilities of both the manager and the Fund.

4.9 The Investment Committee is aware that investment risk is only one aspect of the risks facing the Fund. The other key risk they are aware of is the ability of the Fund to meet the future liabilities, support the investment risk (i.e. the level of volatility of investment returns) and underwrite actuarial risk, namely the volatility in the actuarial funding position and the impact that this has on contributions.

4.10 The Fund and the Investment Committee are of the view that the diversification of the Fund's assets is sufficiently broad to ensure the investment risk is low and will continue to be low. When putting in place the investment strategy, the Investment Committee carefully considered both the individual asset risk characteristics and those of the combined portfolio to ensure the risks were appropriate.

4.11 Estimating the likely volatility of future investment returns is difficult as it relies on both estimates of individual asset class returns and the correlation between them. These can be based on historic asset class information for some of the listed asset classes the Fund uses. However, for other private market and less liquid assets, it is much more difficult. The Investment Committee is also mindful that correlations change over time and, at times of stress, can be significantly different from when they are in more benign market conditions.

4.12 The most recent triennial actuarial valuation conducted by the Fund's actuary from 2019, shows The Fund is 128% funded on a conservative basis, which is considered alongside the risk register when agreeing the strategic asset allocation and diversification (appendix C). The funding position supports The Funds confidence liabilities can be met, even during times of short-term volatility.

4.13 To help manage risk, the Investment Committee uses an external investment adviser to monitor the risk. In addition, when carrying out their investment strategy review, the Investment Committee also have different investment advisers assessing the level of risk involved.

4.14 The Fund targets a prudent long-term return of 4.3 per cent per annum (the discount figure as advised by the actuary at the triennial valuation), and the Fund's investment strategy is considered to have a degree of volatility.

4.15 When reviewing the investment strategy, the Investment Committee considers advice from its advisers and the need to take additional steps to protect the value of the assets or to realise capital gains should the opportunity arise.

4.16 At each review of the Investment Strategy Statement, the assumptions on risk and return and their impact on asset allocation will be reviewed.

5 Objective 7.2(d): The authority's approach to pooling investments, including the use of collective investment vehicles

5.1 The Fund recognises the Government's wish for LGPS funds to pool their investments and is committed to pursuing pooling solutions if they benefit the fund.

5.2 The Fund has joined the London Collective Investment Vehicle (LCIV) as part of the Government's pooling agenda. The London CIV was launched in December 2015 by the 32 local authorities within London and has circa has £14.3bn under direct management, with 22 funds launched as of 2022/23.

5.3 At each review of the investment strategy, which will happen at least every three years, the investment of the Fund's assets will be actively considered by the Fund and, in particular, whether a collective investment option is available or appropriate

6 Objective 7.2(e): How social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments

6.1 The Investment Committee has considered socially responsible investment in the context of its legal and fiduciary duties and obligations. The Committee takes the view that non-financial factors should not drive the investment process at the cost of financial return on the Fund.

6.2 The Fund does not actively disinvest in companies for ethical, social or environmental reasons as this may impact on fund returns and would not accord with its principal objectives. The Investment Committee does not have the relevant expertise to make frequent assessment of the financial impact of companies' activities. To that extent, the Investment Committee maintains a policy of non-interference with the day-to-day decision making of the investment managers.

6.3 As a responsible investor, the Fund wishes to promote corporate social responsibility, good practice and improved performance in the managers through which it invests. It is clear that adverse publicity relating to low corporate, environmental or social standards can have an adverse impact on shareholder value, the Fund, its beneficiaries and local taxpayers. The Fund has published a Responsible Investment Strategy to address the way the Fund promotes corporate social responsibility.

6.4 All of the managers through which the Fund invests comply with the United Nations Principles for Responsible Investment (UNPRI). The Investment Committee is reassured by this that its assets are being invested responsibly.

6.5 Committee members are also keen to engage with managers on their active voting records, particularly where, with policies such as remuneration, this could have an impact on shareholder value

6.6 The Committee considers climate change risk on its risk register along with other ESG risks.

6.7 It is the view of RBKC Council that holding investment companies that are negatively associated with the Grenfell tower tragedy is not acceptable from an environmental, social and governance standpoint. As such, The Fund does not invest in these companies from an ethical standpoint.

7 Objective 7.2(f): The exercise of rights (including voting rights) attaching to investments

The Present Policy

7.1 The Fund is committed to making full use of its shareholder rights, and this is covered in 6.4 and 6.5. The Investment Committee has delegated the Fund's voting rights to the investment managers who are required, where practical, to make considered use of voting in the interests of the Fund. The Investment Committee expects the investment managers to vote in the best interests of the Fund.

7.2 The Fund expects its Fund Managers to vote in an appropriate and informed manner and report their voting actions in their quarterly investment reports. The exercise of shareholders' rights is delegated to the Fund Managers as part of their mandate. Fund Managers will vote in accordance with their Corporate Governance Policy Statements. These policy statements have been developed with the recommendations of Institutional Shareholder Service (ISS), Pensions and Lifetime Savings Association (PLSA) and the Association of British Insurers (ABI).

8 Feedback on this statement

Any feedback on this Investment Strategy Statement is welcomed. If you have any comments or wish to discuss any issues, then please contact:

Tri-Borough Treasury and Pensions Team
PensionFund2@rbkc.gov.uk

Compliance with CIPFA Pensions Panel Principles for investment decision making in the local government pension scheme in United Kingdom**Decision Making**

Regulation 12(3) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 requires an administering authority to report on its compliance with the six Myners Principles, in accordance with guidance given by the Secretary of State. The guidance for the Local Government Pension Scheme is set out in the CIPFA publication "Investment Decision Making and Disclosure in the Local Government Pension Scheme in the United Kingdom 2012".

The Fund aims to comply with all of the Myners Principles, recognising it is in all parties' interests if the Fund operates to standards of investment decision-making and governance identified as best practice. It is also recognised as important to demonstrate how the Fund meets such principles and best practice.

The Secretary of State has previously highlighted the principle contained in *Roberts v. Hopwood* whose administering bodies exercise their duties and powers under regulations governing the investment and management of Funds:

"A body charged with the administration for definite purposes of funds contributed in whole or in part by persons other than members of that body owes, in my view, a duty to those latter persons to conduct that administration in a fairly business-like manner with reasonable care, skill and caution, and with a due and alert regard to the interest of those contributors who are not members of the body. Towards these latter persons the body stands somewhat in the position of trustees or managers of others".

The Myners Principles are seen as supporting this approach. The principles, together with the Fund's position on compliance, are set out below:

Principle 1 - Effective decision-making**Administering authorities should ensure that:**

- **Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and**
- **Those persons or organizations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.**

Full Compliance

The Council has delegated the management and administration of the Fund to the Committee, which meets at least quarterly. The responsibilities of the Committee are described in paragraph 1.4 of the ISS. The Investment Committee is made up of elected members of the Council who each have voting rights, as well as co-opted members recruited for their experience and skill in the governance of pension funds.

The Investment Committee obtains and considers advice from the Executive Director for Resources, Tri-Borough Director, Corporate Finance, and as necessary from the Fund's appointed actuary, investment managers and advisors.

The Investment Committee has delegated the management of the Fund's investments to professional investment managers, appointed in accordance with the scheme's regulations, whose activities are specified in detailed investment management agreements and regularly monitored.

Business plans are presented to the Committee annually and progress is monitored and report annually.

Several of the Investment Committee members have extensive experience of dealing with Investment matters and training is made available to new Investment Committee members.

Principle 2 - Clear objectives

An overall investment objective(s) should be set for the Fund that takes account of the pension liabilities, the potential impact on local tax payers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be clearly communicated to advisors and investment managers.

Full Compliance

The aims and objectives of the Fund are set out within the FSS and within the ISS. The main fund objective is to meet the cost of pension liabilities and to enable employer contribution rates to be kept as nearly constant as possible at reasonable cost to the taxpayers and admitted bodies.

The investment strategy has been set with the objective of controlling the risk that the assets will not be sufficient to meet the liabilities of the Fund while achieving a good return on investment (see paragraphs 4 and 5 above). The approach taken reflects the Fund's liabilities and was decided upon without reference to any other funds. The Fund's performance is measured against the investment objective on a quarterly basis. The Fund's strategy is regularly reviewed.

Principle 3 – Risk and liabilities

In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities. These include the implications for local tax payers, the strength of the covenant for participating employers, the risk of their default and longevity risk.

Full Compliance

The Committee has, in conjunction with its advisers, agreed an investment strategy that is related to the Fund's liabilities. An actuarial valuation of the Fund takes place every three years, with the most recent triennial actuarial valuation taking place in 2019. The investment strategy is designed to give diversification and specialisation and achieve optimum return against acceptable risk.

Investment Committee regularly review the investment asset allocation of the Fund, the current allocation is outlined in appendix C.

Principle 4 – Performance Assessment

Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisors. Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to scheme members

Full Compliance

The Investment Committee has appointed investment managers with clear index strategic benchmarks within an overall Investment objective which place maximum accountability for performance against that benchmark on the manager.

The managers are monitored at quarterly intervals against their agreed benchmarks, and independent detailed monitoring of the Fund's performance is carried out by Mercer, the Fund's advisor and by Northern Trust, the Fund's custodian who provide the performance figures. Moreover, portfolio risk is measured on quarterly basis and the risk/return implications of different strategic options are fully evaluated.

The advisor is assessed on the appropriateness of asset allocation recommendations and the quality of advice given.

The actuary is assessed on the quality and consistency of the actuarial advice received. Both the advisor and the actuary have fixed term contracts which when expired are tendered for under the OJEU procedures. The Investment Committee monitors the investment decisions it has taken, including the effectiveness of these decisions. In addition, the Investment Committee receives quarterly reports as to how the Fund has performed against their investment objective.

Principle 5 – Responsible Ownership

Administering authorities should:

- **Adopt, or ensure their investment managers adopt, the Institutional Shareholders Committee Statement of Principles on the responsibilities of shareholders and agents.**
- **Include a statement of their policy on responsible ownership in the statement of investment principles.**
- **Report periodically to scheme members on the discharge of such responsibilities.**

Full Compliance

The Fund is committed to making full use of its shareholder rights. The approach used is outlined in paragraph 6 of the ISS and in the Fund's RI (Responsible Investment) Policy. Authority has been delegated to the investment managers to exercise voting rights on behalf of the Fund. The investment managers are required to report how they have voted in their quarterly reports.

The Fund believes in using its influence as a shareholder to promote corporate social responsibility and high standards of corporate governance in the companies in which it invests – the Fund's approach to this is outlined in paragraph 7 of the ISS and in the Fund's RI Policy.

Principle 6 – Transparency and reporting

Administering authorities should:

- **Act in a transparent manner, communicating with stakeholders on issues relating to their management of investments, its governance and risks, including performance against stated objectives.**
- **Provide regular communications to scheme members in the form they consider most appropriate.**

Full Compliance

Links to the Governance Compliance Statement, the ISS, the FSS, the RI Policy and the Communications Statement are all included in the Pensions Fund Annual Report which is published and is accessible to stakeholders of the Fund on the Council's web site, and a website developed specifically for the Fund.

All Committee meetings are open to members of the public and agendas and minutes are published on the Council's website and internal intranet. The Fund's Annual Report includes an assessment of the Fund's performance and an extract from the accounts is sent to stakeholders annually.

Investment Strategy Statement: Appendix B

Compliance with the Stewardship Code

The **Stewardship Code** is a set of principles or guidelines released in 2010 and updated in 2020 by the Financial Reporting Council (FRC), directed at institutional investors who hold voting rights in United Kingdom companies. Its principal aim is to make shareholders, who manage other people's money, be active and engage in corporate governance in the interests of their beneficiaries.

The Code applies to pension funds and adopts the same "comply or explain" approach used in the UK Corporate Governance Code. This means that it does not require compliance with principles but if fund managers and institutional investors do not comply with any of the principles set out, they must explain why they have not done so.

The seven principles, together with the council's position on compliance, are set out below:

1. Publicly disclose their policy on how they will discharge their stewardship responsibilities

The Stewardship responsibilities are outlined in section 1.4 of the ISS, which outlines the terms of reference of the Investment Committee. Investment Managers, authorised under the regulations, are appointed to manage virtually all the assets of the Fund. The Investment Committee actively monitors the Fund Managers through quarterly performance analysis, periodic meetings with the Fund Managers and through direct monitoring by the Fund's investment advisor, which includes monitoring and reporting on:

- Fund manager performance;
- Investment Process compliance and changes;
- Changes in personnel (joiners and leavers);
- Significant portfolio developments;
- Breaches of the IMA;
- Business wins and losses; and
- Corporate and other issues.

Voting is delegated to Fund Managers through the Investment Management Agreement (IMA), which is reported on a quarterly basis to Investment Committee members via the Council's intranet site.

All the Fund's managers, listed below, have signed up to the United Nations Principles for Responsible investment. The investment managers used by the Fund are: Adams Street (private equity), Baillie Gifford (active global equity), BlackRock (passive global equity), CBRE (property), Kames (property), Legal and General (passive global equity and cash).

2. Have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

The Investment Committee encourages its fund managers to have effective policies addressing potential conflicts of interest. Investment Committee members are also required to make declarations of interest prior to all Investment Committee meetings.

3. Monitor their investee companies.

Day-to-day responsibility for managing the Fund's investments are delegated to the relevant fund managers, who are expected to monitor companies, intervene where necessary, and report back regularly on activity undertaken. The Fund's expectations with regards to voting and engagement activities are outlined in its RI Policy. Reports from fund managers on voting and engagement activity are received and will be reported to the Investment Committee members on a quarterly basis. Concerns are raised directly with the fund managers and issues raised are reported back to the Investment Committee at the subsequent Investment Committee meeting. Fund manager Internal Control reports are monitored, with breaches reported back to the Investment Committee.

4. Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

Day-to-day interaction with companies is delegated to the Fund's asset managers, including the escalation of engagement when necessary. The Fund's expectations with regards to voting and engagement activities are

outlined in its RI Policy. The Fund Managers are expected to have their own RI/ESG policy and to disclose their guidelines for such activities in their own statement of adherence to the Stewardship Code.

5. Willing to act collectively with other investors where appropriate.

The Fund seeks to work collaboratively with other institutional shareholders in order to maximize the influence that it can have on individual companies. Where possible, the Fund seeks to exercise its voting rights attached to its non- UK equity holdings by delegation through Power of Attorneys. On environmental issues in particular, the Fund also pursues engagement with companies through membership of the Institutional Investors Group on Climate Change (IIGCC). One of the core objectives of the IIGCC is to engage in dialogues.

6. Have a clear policy on voting and disclosure of voting activity.

The Fund currently votes on all decisions and this is reported via Northern Trust. The Fund's approach to voting is clearly outlined in the ISS.

7. Report periodically on their stewardship and voting activities.

A section on voting is included in each fund manager quarterly update, with a yearly review of the policy. The Fund's annual report includes information about the Fund's voting and engagement work. The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), acting together with other funds to exert an influence on investee companies.

Strategic Asset Allocation: Appendix C

	Longer Term Target	Review Range
Listed Equity	70%	+/- 5%
Baillie Gifford – Global Active	20%	+/-3%
BlackRock Global Passive	50%	+/-3%
Private Equity	5%	+/-2%
Property	20%	+5/-2%
Index Linked Gilts	5%	-2%
Total	100.0%	