

**Report to:** PENSION FUND MANAGEMENT PANEL

**Date:** 23 March 2018

**Reporting Officer:** Sandra Stewart, Director of Pensions  
Tom Harrington, Assistant Director of Pensions (Investments)

**Subject:** THE GMPF "CORE BELIEF STATEMENT"

**Report Summary:** The Fund has its own Core Belief Statement (the "Statement"), which was developed after extensive consultation, and is now approaching ten years old.

The current Statement was recently circulated to the Fund Managers, Investment Consultant and Advisors for feedback. This feedback has been incorporated into an updated draft Statement which is attached as an **Appendix**.

**Recommendation(s):** That the Pension Fund Management Panel adopts the updated Statement.

**Financial Implications:** There are no material direct financial implications as a consequence of this report.  
(Authorised by the Section 151 Officer)

**Legal Implications:** Good decision making is fundamental to good governance. It is important to be able to justify and explain the balance of competing risks.  
(Authorised by the Solicitor to the Fund)

**Risk Management:** Routine investment monitoring and consideration of investment issues facilitates timely action to address investment under-performance and changes in the world economic environment.

**ACCESS TO INFORMATION:** NON CONFIDENTIAL

**This report does not contain information which warrants its consideration in the absence of the Press or members of the public.**

**Background Papers:** The background papers to this report may be inspected by contacting: Michael Ashworth, Investments Manager, on 0161 301 7257 (email: [michael.ashworth@gmpf.org.uk](mailto:michael.ashworth@gmpf.org.uk)).

## **1. BACKGROUND**

- 1.1 The Fund has its own Core Belief Statement (the “Statement”), which was developed after extensive consultation, and is now approaching ten years old. At the time it was first drafted, there were relatively few other models, and the Fund was the first LGPS fund to adopt such a statement.
- 1.2 Whilst it is recognised that the Statement has not been formally reviewed for some time, this reflects the nature of the content, which is not expected to change radically. In that context, there is consensus that the Statement has stood the test of time, and helped to guide and permeate the investment decisions that the Fund has taken.
- 1.3 Going forward, it is proposed that the Statement be reviewed at least every three years, in parallel with the Fund’s legal requirement to review the separate Investment Strategy Statement, to ensure that it remains fit for purpose and appropriate.

## **2. GMPF’S UPDATED STATEMENT**

- 2.1 The current Statement was recently circulated to the Fund Managers, Investment Consultant and Advisors for feedback. This feedback has been incorporated into an updated draft Statement which is attached as an **Appendix**. The amendments proposed are relatively limited, and accord with an overarching ambition to maintain a concise and highly focussed set of beliefs.
- 2.2 Officers believe that it is critical that when the Fund makes any investment decisions, the Fund should be able to relate that decision to the relevant belief(s), and Officers believe that there is scope for the Fund to be more explicit in how it evidences this.
- 2.3 After the updated core beliefs have been adopted, and as a separate exercise, Officers will propose recommendations for an Appendix which would form part of the Core Belief Statement and would provide greater detail and context behind each core belief thus facilitating clearer linkages between each belief and the Fund’s decisions regarding its adopted investment arrangements.

## **3. RECOMMENDATION**

- 3.1 That the Pension Fund Management Panel adopts the updated Statement.