

Merseyside Pension Fund
Statement of Investment Principles

This Statement of Investment Principles (SIP) was approved by the Pension Committee of Wirral Council (constituting the primary governing and decision-making body of the Merseyside Pension Fund) at its meeting on 23rd March 2010. The statement has been prepared in accordance with Regulation 12 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (SI 2009 No. 3093).

The SIP describes the high-level principles governing the investment decision-making and management of Merseyside Pension Fund (MPF) and the policy that has been developed to ensure their implementation. It has been prepared, in line with guidance received from the Secretary of State for Communities and Local Government, with reference to the CIPFA Pensions Panel publication 'Principles for Investment Decision Making and Disclosure in the LGPS in the United Kingdom 2009 – A Guide to the Application of the 2008 Myners Principles to the Management of LGPS Funds'. It is accepted that these six principles form the code of best practice for LGPS Funds; this SIP reports the extent of MPF's compliance with each of the six principles. A statement of compliance can be found on page 17 of this document.

This statement supersedes the SIP approved by Pensions Committee on 26th November 2007, which reported compliance against ten CIPFA Principles. The SIP, and the policy approaches it describes, has been developed with the benefit of proper advice from the Fund's consultants and advisers, whom it considers to be suitably qualified and experienced in investment matters. The Fund consults its stakeholders over matters of policy, including scheme employers, trade unions and other interested parties.

The SIP will be made available on the Fund's website and compliance with the CIPFA Principles will be reported in the Fund's Annual Report. This statement should be read in conjunction with the following statements, also available on the Fund's website:

Funding Strategy Statement; Governance Policy Statement; 2007 Actuarial Valuation and Review; Communications Strategy Statement.

Principle 1: Effective decision-making

Administering authorities should ensure that:

- decisions are taken by persons or organizations 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..

- Wirral MBC is the Administering Authority with overall responsibility for Merseyside Pension Fund (MPF), which it delegates to its Pensions Committee. This body comprises 10 Wirral councillors, with representation from other principal employers in the Fund (5) and Trade Unions (3), representing beneficiaries' interests. There is also an Investment Monitoring Working Party (IMWP) to which all members of the Pensions Committee and Trade Unions are invited; the IMWP meets six times a year.
- The terms of reference for the Committee, IMWP and the Director of Finance are set out in the scheme of delegation for Wirral MBC; the structural and operational details of the delegation are set out in a Governance Policy Statement¹ for Merseyside Pension Fund.
- The Pensions Committee takes strategic decisions on asset allocation, investment manager selection and other high-level investment policy matters and delegates tactical asset allocation and investment monitoring through the IMWP. The IMWP is a deliberative body, acting as a forum where investment issues can be discussed in depth, with the power to make recommendations to Committee. The Director of Finance of Wirral MBC (Section 151 Officer) is delegated to implement Committee policy and manage the Fund, leading a well qualified and experienced internal team (Fund officers).
- The Committee receives what it considers to be proper advice from Fund officers and, in addition, has appointed an external consultant to provide advice on its high-level investment strategy. The Committee has also appointed an independent adviser to the IMWP, to further inform and

¹ http://mpfmembers.org.uk/pdf/gov_policy.pdf

support decision-making across the breadth of issues that are considered by the IMWP.

- The Committee considers that its strategic objectives are best met by further delegating investment decision-making, at the level of portfolio management, to a combination of Fund officers and a roster of external investment managers. Fund officers are tasked with making recommendations to Committee regarding the appointment of external managers; a task supported by use of a Committee-approved 'framework list' of investment manager selection consultants. Fund officers also make use of specialist advisers in managing those areas over which they exercise delegated responsibility (including property, private equity and responsible ownership).
- The Fund has an ongoing training programme (updated annually) for Committee Members and Fund officers to ensure that decision-making is on an informed basis. Members have each been issued with a manual which outlines the regulatory framework of the LGPS, the Fund's governance structure, fundamental concepts in pensions administration and investment policy and a glossary of technical terminology. The manual emphasises the quasi-trustee status and fiduciary role of Committee Members. The manual also serves as a tool for Members to assess where their individual training needs may lie. It is intended that this will be developed into a formal self-assessment exercise, following publication of a knowledge and skills framework for the LGPS.

Principle 2: Clear objectives

An overall investment objective(s) should be set out for the Fund that takes account of the scheme's 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 advisers and investment managers..

- The Fund's objective is to achieve a funding level position of 100% whilst minimising the level and volatility of employer contributions. Investment strategy is decided with clear reference to this objective, as described in MPF's Funding Strategy Statement.²
- Over the long-term, the Fund's objective is to set policies that will seek to ensure that investment returns achieved will at least match the assumptions underlying the actuarial valuation and therefore be appropriate to the liabilities of the Fund.
- Having regard to its liability profile, the Fund has determined that adopting a bespoke benchmark should best enable it to implement an effective investment strategy. This strategic benchmark is reviewed every three years, at a minimum, at the time of the actuarial valuation but will be reviewed as required particularly if there have been significant changes in the underlying liability profile or the investment environment.
- The Fund has carefully considered the expected returns from the various permitted asset classes and has concluded that in the longer-term the return on equities will be greater than from other conventional assets. Consequently, the benchmark is biased towards equities and skewed towards active management, particularly in less developed markets.
- The Fund is also cognisant of the risk that the shorter-term returns may vary significantly from one period to another and between the benchmark and actual returns. Diversification of assets is seen as key to managing this risk and the risk/return characteristics of each asset and their relative correlations are reflected in the make-up of the strategic benchmark.

² <http://mpfmembers.org.uk/pdf/fss2009.pdf>

- Following the changes in investment management arrangements and the award of external mandates the overall investment target for the Fund is to outperform its strategic benchmark by 1.25% per annum over a rolling three years.

Focus on Asset Allocation

Following an asset/liability study from the Fund's actuaries and consultation with its various advisers and officers, the following strategic benchmark was agreed by the Pensions Committee on 26 November 2007.

MPF MULTI ASSET PORTFOLIO		
Asset Class	Bench mark	Benchmark index
UK Equities	30	FTSE ALL SHARE INDEX
Overseas Equities	29	
US Equities	8	FTSE AW NORTH AMERICA
European Equities	10	FTSE WORLD EUROPE EX UK
Japan	4	FTSE AW JAPAN
Pacific	3	FTSE AW DEV ASIA PAC EX JAPAN
Emerging Markets	4	MSCI EMERGING MARKETS FREE
Fixed Interest	20	
UK Gilts	4	FTSE A ALL STOCKS
Overseas Gilts	0	JPM GLOBAL GOVT EX UK
UK Index Linked	12	FTSE UK GILTS INDEXED ALL STKS
Corporate Bonds	4	ML £ NON GILTS
Property	10	IPD ALL PROPERTIES INDEX
Venture Capital / Other Investments	10	GBP 7 DAY LIBID
Cash	1	GBP 3 MONTH LIBID
TOTAL	100	SPECIFIC BENCH MARK

The control range around the main asset classes is +/-5%

Explicit Mandates

- The Fund mandates are governed in compliance with the following principles.
- Investment managers are prohibited from holding investments not defined as such in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 by clear reference in their Investment Management Agreements. Clear instructions for fund

managers as to how the investment portfolio is to be managed including; the objective, asset allocation, benchmark flexibility, risk parameters, regulatory requirements, performance targets and measurement timescales.

The Managers, listed below, have been appointed by the Fund.

Manager	Asset type/brief
Legal & General	Active bonds
Schroders	Active bonds
Internal	Alternatives / private equity
Internal	Cash
Unigestion	European (ex UK) equities (unconstrained)
Internal	European equities
JP Morgan	European equities
State Street	Global custodian
Nomura	Japan/Far East/Emerging markets equities
Legal & General	Passive equities & bonds
UBS	Passive North American equities
Internal	Property
CB Richard Ellis	Property Managers
CBRE Investors	Strategic Property advisers
Internal	UK equities
BlackRock	UK equities (unconstrained)
M&G	UK equities (unconstrained)
Newton	UK equities (unconstrained)
TT International	UK equities (unconstrained)

- The Fund is aware of the need to monitor transaction costs for external managers and uses Inalytics Ltd to monitor the explicit and implicit costs arising from transactions.
- The Fund does not practice soft commissions through its internal managers. Where external managers operate a soft commission policy the Fund has where possible set up recapture arrangements.
- The Fund has appointed internal monitoring officers to closely monitor the external managers and ensure compliance with mandates.
- The Fund has utilised the use of the extensions in investment limits per Schedule 1 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 to allow investments in its Legal

and General passive mandate to 35% of the Fund. The extension is to cover urgent transitions required due to the termination of a Fund Manager's contract and is to last for the period from the termination of a contract until the implementation of a new strategy for the assets in question. This facility will be reviewed on an annual basis as part of the SIP review process.

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.

The Fund believes that, over the long term, a willingness to take on volatility and illiquidity is likely to be rewarded with outperformance. The Fund considers that its strong employer covenant, maturity profile and cashflows enable it to adopt a long term investment perspective. A mix of short-term assets such as bonds and cash is maintained to cover short-term liabilities while equities (both passive and active), private equity and direct property are held to benefit from the potential rewards arising from volatility and illiquidity risks.

The Fund recognises that risk is inherent in investment activity and seeks to manage the level of risk that it takes in an appropriate manner.

The Fund manages investment risks through the following measures as illustrated in this SIP

- Broad diversification of types of investment and investment managers
- Explicit mandates governing the activity of investment managers.
- The use of a specific benchmark, related to liabilities of the Fund for investment asset allocation.
- The appointment of independent investment advisors to the IMWP.
- Comprehensive monitoring procedures for investment managers including internal officers and scrutiny by elected Members.

The Fund complies with The Local Government Pension Scheme (Management and Investment of Funds Regulations 2009, where use of the extensions in investment limits per Schedule 1 are utilised.

The Fund manages operational risks through the following measures as illustrated in this SIP.

- The use of a global custodian, State Street, for custody of assets.
- Having formal contractual arrangements with investment managers.
- Maintaining independent investment accounting records.
- Having access to the internal audit service of Wirral MBC.

Compliance manual.

Stock lending policy.

The Fund participates in stock lending of its segregated assets, as permitted under Regulation 3 (8) and 3 (9) of the LGPS (Management and Investment of Funds) Regulations 2009, and within the limits specified in these Regulations.

Lending takes place via the Fund's Custodian as Agent Lender. The Fund has in place a legal agreement with the Custodian, which includes an indemnification to the Fund in the event of loss, providing for full replacement of the lent securities regardless of the value of the collateral, or for the return of the cash value of the lent securities at the time of default.

Regular reviews of the lending programme take place with the Custodian.

Risks in a Stock Lending Programme

Identified risks in participating in such a programme, and the mitigating arrangements, include:

Agent Lender risk: as agreed by Pensions Committee, a Custodian Monitoring service will be activated in 2010. This will measure, among other issues, the financial stability of the Custodian.

Counterparty risk: the Custodian reviews counterparties on a daily basis, and adds or terminates counterparties in the light of market information. Counterparty selection is in accordance with the above Regulations. This risk is measured by value of stock loaned to any one counterparty at any one time. The risk is managed in conjunction with the Custodian to ensure no undue concentration of risk with counterparties. The Fund has not entered into any exclusive arrangement with a single counterparty, as this would represent an unacceptable concentration of counterparty risk. Counterparty risk is also mitigated by the policies on collateral risk and market risk described below. In addition, all borrowers must have in place with the Custodian an industry standard Global Master Securities Lending Agreement.

Collateral risk: other than in delivery by value when equities from approved Indexes are required, collateral is restricted to G20 sovereign debt. Such collateral is very liquid, hence easy to sell in the event of a default by a

borrower. This represents a conservative approach to collateral risk. Although now permitted by the Regulations, cash is not taken as collateral.

Market risk: as the value of the lent securities varies from day to day, it is marked to market on a daily basis and the value of the collateral is appropriately adjusted. In addition, an excess margin is obtained from the borrower above this mark to market value. This margin is adjusted in the light of market conditions and perceived risks. This excess margin will help to protect the Fund against the possibility that the value of the collateral will fall relative to the lent securities in the period between default by the borrower and the realization of the collateral.

Currency risk: this is partly mitigated by certain collateral being in the same currency as the stock lent out.

Settlement Risk: would arise if, for example, lent securities were delivered in one settlement system prior to the receipt of collateral securities in another system. Steps are taken to ensure that daylight exposure is recognised and properly controlled. The common way of avoid this risk is for the Agent Lender to require settlement of both legs in a delivery-versus-payment system

Operational risk: the possibility that a transaction does not work as planned because of human or system error giving rise to a financial exposure. The Fund is protected against this risk by the Indemnity from the Custodian.

Reputational risk: the damage to the reputation of MPF should any loss be incurred in stock lending. The risk is managed by ensuring both that the Fund has a high level of understanding of the industry and that Members are aware of the nature of the activity, its risks, its risk controls and its rewards.

Performance risk: earnings from the programme are compared with industry averages.

Corporate Governance in Stock Lending

Stock lending involves the temporary loss of title to a security, and its replacement with a legal contract for the return the stock on a fixed day or upon request, together with the provision of appropriate collateral and for an agreed fee. In addition, the lender retains the economic rights in respect of corporate actions and dividends. The return of stock is in accordance with normal settlement timescales. As such, should the lending period of the stock co-incide with a contentious voting issue, the Fund will recall the stock to exercise its vote, in accordance with its corporate governance responsibilities. Additionally, the Fund will have regard to the market environment and liquidity of individual stocks in committing holdings to the programme.

The Fund engages with the industry to promote best practice. Currently it represents the Local Authorities Pension Fund Forum at the International Securities Lending Association (ISLA) and is active within the Corporate Governance sub group of ISLA.

Principle 4: Performance assessment

- Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisers.
- 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.

- In setting the overall investment objective and asset allocation and in the award of mandates to individual investment managers the Pensions Committee has set benchmarks for each asset class, these are set out in the asset allocation table under Principle 2.
- The different benchmarks culminate in the specific benchmark for the Fund, which is determined by the core asset allocation, which has been made with reference to the Fund's liabilities.
- The Fund engages the WM Company to provide an independent measurement of investment returns. These are used for comparison purposes against specific and peer group benchmarks. The reporting from the WM Company also comprises performance attribution broken down by asset class, and owing to the impacts of asset allocation and stock selection. The Fund has recently re-negotiated contracts with WM to ensure that information is available for comprehensive monitoring of individual fund managers. The Fund has dedicated internal staff resource to providing timely valuations of its assets.
- The Pensions Committee and IMWP receive WM reports and are therefore able to consider the performance of all asset classes and managers against a variety of time frames on a regular basis. These considerations form the basis of decision making.
- The Investment Monitoring Policy³ establishes the framework for the monitoring of the Fund's internal and external investment managers. This framework is linked into the reporting and governance framework of the

³ <http://mpfmembers.org.uk/pdf/impolicy09.pdf>

Fund and defines a range of status levels linked to management actions, which are assigned to each investment manager. It takes account of quantitative measures, such as performance against benchmark and target, but assessment of status is weighted toward longer-term measures, such as one and three-year annualised returns. The monitoring policy is not felt to be overly prescriptive, as it does allow for qualitative factors to be taken into account in status assessment, as well as flexibility over the range of management actions to be taken and the outcomes expected.

- Neither the Pensions Committee, nor the IMWP, presently undertake a formal self-assessment of their effectiveness as decision-making bodies. Historically, the reasons for this lie in the lack of a suitable framework for conducting such an assessment. However, this position will be reviewed following publication of the CIPFA Pensions Panel's knowledge, skills and competencies framework for elected Members and officers involved in managing the LGPS. Likewise, there is no performance framework in place for monitoring the effectiveness of the Fund's consultants and advisers. However, as these are contractual relationships, they will be subject to a formal review and re-tendering exercise on a five-to-seven yearly cycle.

Principle 5: Responsible ownership

Administering authorities should:

- Adopt, or ensure their investment managers adopt, the Institutional Shareholders' Committee (ISC) Statement of Principles on the responsibilities of shareholders and agents,
- include a statement of their policy on responsible ownership in the SIP; and
- report periodically to scheme members on the discharge of such responsibilities.

- Merseyside Pension Fund has long since regarded the fiduciary duty it has toward its stakeholders as fully including a duty of stewardship over the assets owned by the Fund. As the core purpose of the Fund involves being a long-term investor to meet long-term liabilities, the Fund considers it prudent to view the long-term absolute performance of its investments as being subject to a wide range of factors. Such factors, as may not appear to be materially or financially pertinent in the present, may well prove to be so in the future; and, as such, the Fund considers its interests not best served by a disinterested attitude to asset ownership.
- It is a core belief within the investment philosophy of Merseyside Pension Fund that environmental, social and governance (ESG) factors can affect investment performance and, therefore, should be a feature of investment analysis and management. The Fund is mindful of legal opinion on the nature of its fiduciary responsibility and regards the 'Freshfield opinion' (as commissioned by the United Nations Environmental Project Finance Initiative) as being authoritative. This states that it is a breach of fiduciary duty not to have due regard to ESG issues within the framework of investment policy.
- Therefore, the Fund has adopted a policy of responsible investment and, in November 2007, became a signatory to the United Nations Principles for Responsible Investment (UNPRI). The UNPRI are:
 1. Integrate ESG factors into investment analysis and decision-making;
 2. Active ownership - integrating ESG factors into asset ownership;
 3. Seek effective ESG disclosure in investee entities;
 4. Promote acceptance of UNPRI within the investment industry;
 5. Work with others to enhance our effectiveness in implementing the Principles;

6. Report on our activities and progress toward implementing the Principles.

- The Fund's policy for acting on its UNPRI commitment can be summarized as one of constructive engagement with its investee companies and asset managers on ESG matters; often acting in collaboration with other like-minded investors. Engagement encompasses a broad range of activity, including meaningful dialogue with companies and active use of voting rights. The Fund considers the engagement approach to be best suited to meeting its investment objectives and fulfilling its fiduciary duty to stakeholders; as opposed to an approach based on the positive or negative screening of assets from a portfolio on ESG or ethical grounds. This latter approach could be seen as effectively negating the value of responsible ownership.
- Active use of the voting rights attached to equity shares is the principal tool used in the Fund's engagement strategy. The Fund considers voting rights to be part of the intrinsic value of share ownership; and the use of these rights is an important mechanism for communicating the Fund's views to the management of investee companies. Therefore, the Fund has appointed a specialist adviser (Pensions Investment & Research Consultants Ltd, aka PIRC) to assist in implementing a comprehensive voting policy that covers the Fund's global equities portfolio. The Fund considers PIRC's Global Shareholder Voting Guidelines to insist upon the highest standards of corporate governance and responsibility. Accordingly, MPF's voting policy at all company meetings, in all markets, where it has a vote, is to vote in line with PIRC guidance.
- MPF does not view its voting policy as seeking to enforce a 'tick box' compliance regime within its equity portfolio, but rather as a means of promoting the highest standards of corporate governance. The practical arrangements for implementing the voting policy are determined by the Fund's preference for retaining the beneficial ownership of its equity investments, separate from its investment managers, by using a single global custodian. PIRC are mandated by the Fund to issue voting instructions to the custodian.
- MPF further pursues its engagement strategy through its active membership of the Local Authority Pension Fund Forum (LAPFF). It states its mission thus, "LAPFF exists to promote the investment interests of local authority pension funds, and to maximize their influence as shareholders whilst promoting corporate social responsibility and high standards of corporate governance among the companies in which they invest." The LAPFF membership agree annual research and engagement work-plans that cover a broad range of ESG subjects and are appropriate to the typical member's investment portfolio. LAPFF members then work

with a partner organization (PIRC Ltd) to implement these work-plans. The combined ownership influence of LAPFF enables it to conduct high-level engagement with investee companies and policy-makers, both on a sustained long-term basis and with pertinent issues as they arise.

- The Fund recognizes the importance of global climate change and the impact it, and efforts to adapt to and mitigate its effects, will have on its investment strategy. MPF is a member of the Institutional Investors Group on Climate Change (IIGCC), which brings together asset owners and asset managers to catalyse greater investment in a low carbon economy by bringing investors together to use their collective influence with companies, policymakers and investors.
- MPF has taken account of the recommendations of the Walker Review⁴ and the publication of the Institutional Shareholders' Committee (ISC) Code on the Responsibilities of Institutional Investors. Although Walker's main focus was on the governance of banks and other financial institutions, the Review placed a welcome emphasis on the role of institutional shareholders and their duty of stewardship by recommending adoption of the ISC Code. The ISC Code sets out best practice for institutional investors that choose to engage with the companies in which they invest. The Fund considers that its responsible ownership policy already complies with, and may even exceed, the principles in the ISC Code. However, the Fund believes it has direct relevance for managing its relationships with external investment managers, and will require its managers to state their approach to the ISC Code on a 'comply or explain' basis, while high-lighting the Fund's policy on engagement and support for the UNPRI.
- The Fund does not believe that it is necessary, nor practicable, to make responsible ownership an explicit part of its investment manager mandates. It considers that it best promotes its belief in responsible investment, and guards against the dilution of its ownership principles, by urging adoption of the ISC Code and promoting the UNPRI as the highest standard of best practice. Therefore, the Fund's selection criteria for investment manager selection will reflect a preference for investment managers that adopt the ISC Code and are signatories to the UNPRI. MPF wishes to see the consideration of ESG factors, and the fulfillment of a duty of stewardship, become part of the mainstream of investment management practice.
- The Fund will publish annually a Responsible Investment Review. The Review will report on the Fund's activities and progress in implementing its responsible investment policy over the calendar year. This will include

⁴ http://www.hm-treasury.gov.uk/walker_review_information.htm

disclosure of the Fund's voting record, the activity of LAPFF and IIGCC and a review of the approach of the external investment managers toward responsible investment and ownership practice.

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; and
- provide regular communication to scheme members in the form they consider most appropriate.

The decision making structure for the Fund has been set out earlier. The key decision making forum is the Pensions Committee. The minutes of this Committee are available to the public through the Wirral Council website.⁵

This SIP will be made available to stakeholders on request and its availability will be publicised through newsletters, the annual conference and on the Fund's Website.

The Fund will also make available other documents relating to investment decision making and performance to interested stakeholders.

In accordance with LGPS (Administration) Regulations 2008, MPF has published a Communications Policy Statement⁶, which describes the Fund's policy on:

- Providing information to members, employers and representatives,
- The format, frequency and method of distributing such information,
- The promotion of the Fund to prospective members and their employing bodies.

The Fund recognises the need to communicate its purpose and ethos to a wider body of stakeholders, and in furtherance of this, it has developed a media protocol supported by Wirral Council's corporate communications division. The protocol outlines engagement with local and national media, as well as the pensions and investment industry trade media.

The Fund will continue to develop its website, which it considers to be its primary communications channel.

⁵ www.wirral.gov.uk

⁶ <http://mpfmembers.org.uk/pdf/commpolicy2009.pdf>

Compliance with CIPFA Principles for Investment Decision Making in LGPS

Compliance statement from SIP November 2007

Area	
Effective Decision Making	The Fund considers that its practices are compliant with the CIPFA principles.
Clear Objectives	The Fund considers that its practices are compliant with the CIPFA principles.
Asset Allocation	The Fund considers that its practices are compliant with the CIPFA principles.
Expert Advice	The Fund considers that its practices are compliant with the CIPFA principles.
Explicit Mandates	The Fund considers that its practices are compliant with the CIPFA principles.
Activism	The Fund is partially compliant with the CIPFA principles.
Appropriate Benchmarks	The Fund considers that its practices are compliant with the CIPFA principles.
Performance Measurement	The Fund is partially compliant with the CIPFA principles. The Fund does not currently undertake a formal review of the success of decisions of Members, neither does the Fund undertake a formal review of the success of decisions /recommendations of managers / advisers at present.
Transparency	The Fund considers that its practices are compliant with the CIPFA principles.
Regular Reporting	The Fund considers that its practices are compliant with the CIPFA principles.

**Compliance with CIPFA Principles for Investment Decision Making in LGPS
2010 (Applying the 2008 Myners Principles)**

Effective decision making	✓ ✓ ✓
Clear objectives	✓ ✓ ✓
Risk and liabilities	✓ ✓ ✓
Performance assessment	✓ ✓
Responsible ownership	✓ ✓ ✓ ✓
Transparency and reporting	✓ ✓ ✓ ✓

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The Fund's policy and practice exceed compliance requirements
The Fund is wholly or substantially compliant
The Fund is taking steps towards compliance
The Fund does not comply for reasons stated