



DRAFT **Investment Strategy Statement**

October 2026

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1. Introduction

This is the Investment Strategy Statement (the ISS) of Derbyshire Pension Fund (the Fund), which is administered by Derbyshire County Council. The ISS is drawn up in compliance with the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 (the Regulations) and relevant guidance. It has also been prepared following consultation with the [Fund's Pension Board], LGPS Central Limited (LGPSC), [the Fund's Independent Person], [scheme members, scheme employers and such other stakeholders as the administering authority considered appropriate]. [The Committee considered the responses received before approving the ISS].

The Regulations require that the ISS is reviewed, and if necessary, revised within 18 months of each triennial valuation date. The ISS may also be reviewed, and revised if required, outside of triennial cycle should any major changes occur, or are expected to occur, which are expected to significantly affect the long-term overall assets and liabilities of the Fund.

The primary objective of the Fund is to ensure that, over the long term, the Fund will be able to meet all benefit payments as and when they fall due. These payments will be met by contributions resulting from the funding strategy or asset returns and income resulting from the investment strategy. The funding and investment strategies are, therefore, inextricably linked. The Funding Strategy Statement can be found on the Fund's website: www.derbyshirepensionfund.org.uk/fss

2. Fund Governance

Derbyshire County Council is an administering authority for the Local Government Pension Scheme (LGPS). The Pensions and Investments Committee (the Committee) is responsible for discharging Derbyshire County Council's statutory function as the administering authority for the Fund.

The Committee is responsible for determining the Fund's investment strategy, including setting the Fund's investment objectives and Strategic Asset Allocation Benchmark, monitoring performance and overall stewardship of the Fund. Members of the Committee act in a similar manner to trustees and take advice from the Fund's in-house Investment Team, LGPSC, as the Fund's Principal Investment Adviser, and Anthony Fletcher, the Fund's Independent Investment Adviser.

The implementation of the Fund's ISS is managed by LGPSC, a company managing investments on behalf of fourteen LGPS pension funds within the LGPS Central Pool, under a discretionary Fiduciary Management Agreement. Further details in respect of the LGPS Central Pool and LGPSC are set out in Section 8.

Derbyshire Pension Board assists the administering authority to ensure the effective and efficient governance and administration of the LGPS.

Full details of the Fund's governance arrangements, including the governance arrangements for the LGPS Central Pool, can be found on the Fund's website.

3. Investment Objectives

The Fund's primary goal is to set a long-term investment strategy that aims to maximise the returns from investments within acceptable levels of risk, contributes to the Fund having sufficient assets to cover the accrued benefits, enables employer contributions to be kept as stable as possible and considers the current maturity of the Fund, and the expected maturity over time.

The Fund's investment objectives are:

Returns

The Fund aims to generate a return that is at least equal to the investment return assumed by the actuary in the actuarial valuation. The assumed investment return is used to 'discount' the Fund's liabilities to a present value. The actuarial valuation on 31 March 2025 was prepared on the basis of an investment return of 5.8% over the next 20 years.

Risk

Risk refers to the level of variability in returns that is acceptable over the long-term. As at 31 March 2026, the expected volatility of the Fund's investment strategy was $\pm 10.7\%$ per annum. This figure reflects the benefits of diversification within the portfolio.

In formulating this strategy, the Fund considered a range of risk indicators, including diversification, volatility, the probability of achieving the required rate of return assumed by the Fund's actuary in the actuarial valuation, Fund maturity, and the implications for contribution stability across future valuation cycles. The Fund also considers financially material ESG and systemic risks, where these may influence long-term investment performance or funding outcomes. These form part of the Fund's risk-management assessment and will be reviewed and monitored regularly.

Cash Flow

The Fund requires sufficient cash flow to be able to meet its liabilities as they fall due on a rolling twelve-month basis, together with an operational cash reserve equivalent to around 1% of the Fund's investment assets.

Local Investment

The Fund aims to allocate up to 2% of assets, over an appropriate time horizon, in local investments, of which up to 0.5% will be invested within opportunities falling within the geographical footprint of the LGPS Central Pool, with the remainder invested in local investments which deliver economic benefits to the Derbyshire region and/or the geographical footprint of the East Midlands Combined County Authority. Local investment will be subject to the availability of suitable investment opportunities, and the Fund expects returns to be broadly in line with the market return for the underlying asset class.

Investment Beliefs

The Fund's investment strategy reflects the following beliefs:

- A long-term approach to investment will deliver better returns and the long-term nature of LGPS liabilities allows for a long-term investment horizon
- Asset allocation has the largest influence on long term investment returns
- Liabilities influence the asset structure; funds exist to meet their obligations
- Risk premiums exist for certain investments; taking advantage of these can help to improve investment returns
- There is a place for both passive and active investment management
- Diversification across investments with low correlation improves the risk/return profile
- Secure and growing income streams underpin the ability to meet future liabilities
- Responsible investment can enhance long term investment performance
- Investment management costs should be minimised where possible but net investment returns after costs are the most important factor

4. Strategic Asset Allocation Benchmark

The Committee aims to balance risk and reward by apportioning the Fund's assets over a range of asset classes to achieve the Fund's investment objectives.

The Strategic Asset Allocation Benchmark (the Benchmark) for the Fund has been formulated in consultation with the Fund's Independent Investment Advisor, following the completion of the 2025 triennial valuation conducted by Hymans Robertson, the Fund's actuary. The Benchmark reflects the required level of return and an appropriate balance between generating long term investment returns and exposure to investment risk. The Benchmark includes a wide variety of asset classes, to diversify sources of risk and return.

The Fund's asset classes are allocated into three categories:

- Growth Assets: largely listed equities, plus other volatile higher return assets such as private equity
- Income Assets: assets which are designed to deliver an excess return, but with more stable return patterns than Growth Assets because income represents a large proportion of the total return of these assets
- Protection Assets: lower risk UK government bonds, together with cash

LGPSC is responsible for strategy implementation and rebalancing decisions. To the extent that LGPSC is unable to implement rebalancing decisions, alternative arrangements will be put in place.

The Fund's Strategic Asset Allocation Benchmark is set out in the following table:

SAAB Category	Asset Class	Asset Allocation	Tolerance Range
Growth Assets	Listed Equities	46.0%	+/- 4%
	Private Equity	4.0%	+/- 2%
Income Assets	Private Credit	3.0%	+/- 2%
	Property / Real Estate	8.0%	+/- 2%
	Infrastructure	12.0%	+/- 2%
	Other Alternatives	0.0%	0.0%
	Credit	13.0%	+/- 2%
Protection Assets	UK Government Bonds	12.0%	+/- 2%
	Cash	2.0%	1% - 6%
Total		100.0%	

The updated Strategic Asset Allocation Benchmark is effective from 1 April 2027.

5. Asset Classes

The Fund will invest in a wide variety of investments. The Committee sets the high-level investment objectives and Strategic Asset Allocation Benchmark, while implementation decisions below that level are the responsibility of LGPSC. The Fund currently invests in listed equities, private equity, private credit, property, infrastructure, credit, UK government bonds and cash.

5.1 Growth assets

- **Equities**

Equities are classed as growth assets with the potential to provide returns in excess of inflation from growth in both capital values and income. Reinvested income accounts for a large proportion of long-term equity returns. As equity returns are linked to company revenues and profits, investing in equities increases exposure to volatility. Investors expect to be compensated for that volatility by higher returns.

- **Private equity**

Private equity investment refers to investment in unquoted, privately owned companies. Investors expect to receive an illiquidity premium for investing in this asset class and target returns above those expected from listed equities. Returns from private equity primarily come from capital growth, rather than income when investments are exited (realised) following a period of business growth/transformation. Private equity offers access to a broader universe of companies than the publicly quoted space.

5.2 Income assets

- **Private Credit**

Private credit refers to loans provided to businesses by non-bank lenders (such as private equity firms) instead of traditional banks. Because these loans are not traded on public markets, their terms are privately negotiated, offering companies customised financing while giving investors higher yields and structural protections.

- **Property**

Property investments have traditionally been split between four UK commercial property sectors: office; retail; industrial; and alternatives (e.g. hotels and leisure). Increasingly within the asset management industry, exposure to niche sectors such as residential property and exposure to debt secured against property assets is also included within the property asset class, together with overseas property assets. Returns from this asset class come from rental income and the change in market values. Rental income has accounted for a large proportion of total returns over the long term. Given the relative stability of rental income, which gives property bond like characteristics, the returns from property are generally expected to fall between the returns from listed equities and those from bonds.

- **Infrastructure**

Infrastructure offers access to long term predictable cash flows, which are often linked to inflation. A low correlation to the business cycle and the other major asset classes provides diversification benefits and long investment horizons. Infrastructure includes developed nation core assets (long term assets with regulated and contracted returns), social PFI concessions (typically schools, hospitals and military accommodation) and renewable energy assets (e.g. on-shore & off-shore wind, solar and hydro).

- **Credit**

Credit includes instruments across the credit spectrum including investment grade bonds, high yield debt, listed private loans, asset-backed securities and non-UK government bonds. Credit offers a predictable income stream with a yield pick-up relative to UK Government Bonds. Credit investments span both Income Assets and Protection Assets depending on their risk profile. For example, higher risk credit including high yield debt, listed private loans and asset-backed securities are considered to be Income Assets, whereas lower risk investment grade credit are considered to be Protection Assets.

5.3 Protection Assets

- **UK Government Bonds**

UK Government Bonds offer a predictable stream of income and predictable returns if held to maturity. They are held as stabilising assets to reduce volatility and to provide diversification. As pension funds mature, they can be used to provide liquidity and to match liabilities as they fall due.

- **Cash**

Cash relates to cash held by both LGPSC for investment portfolio management purposes and cash held in the Fund's operational cash accounts used to meet the Fund's liabilities as they fall due. The Fund's operational cash balances are managed by Derbyshire County Council's Treasury Management Team in line with the Fund's Treasury Management Strategy.

6. Risk

The overall risk for the Fund is that its assets will be insufficient to meet its liabilities. The Funding Strategy Statement, which is drawn up following the triennial actuarial valuation of the Fund, sets out how any deficit in assets compared with liabilities is to be addressed.

Underlying the overall risk, the Fund is exposed to a number of underlying risks including demographic risks, political & regulatory risks, governance risks and financial risks (including investment risk). The measures taken by the Fund to control these risks are included in the Funding Strategy Statement and are reviewed periodically by the Committee via the Fund's risk register. The primary investment risk is that the Fund fails to deliver the returns anticipated in the actuarial valuation over the long term. The Committee anticipates expected market returns on a prudent basis to reduce the risk of underperforming expectations.

It is important to note that the Fund is exposed to external, market driven, fluctuations in asset prices which affect the liabilities (liabilities are partially estimated with reference to government bond yields) as well as the valuation of the Fund's assets. Holding a proportion of the assets in government bonds helps to mitigate the effect of falling bond yields on the liabilities to a certain extent. Further measures taken to control/mitigate investment risks are set out in more detail below:

6.1 Concentration

The Fund manages the risk of exposure to a single asset class by holding different categories of investments (e.g. listed equities, private equity, property, infrastructure, cash, etc) and by holding a diversified listed equity portfolio, spread by both geography and market sectors. Each asset class is managed within an agreed tolerance range to ensure that the Fund does not deviate too far away from the Strategic Asset Allocation Benchmark, which has been designed to meet the

required level of return with an appropriate level of exposure to risk, taking into consideration the level of correlation between the asset classes.

6.2 Volatility

The Benchmark contains a high proportion of listed equities with a commensurate high degree of volatility. The strong covenant of the major employing bodies enables the Fund to take a long-term perspective and to access the forecast inflation plus returns from listed equities.

6.3 Performance

The implementation of the Fund's investment strategy, including manager selection, is delegated to LGPSC and the Fund expects LGPSC to outperform the individual asset class expected performance return detailed in the overall Strategic Asset Allocation Benchmark. The Fund's performance is measured by an independent provider and reported to the Committee on a quarterly basis. The Committee takes a long-term approach to the evaluation of investment performance but expects LGPSC to take steps to address persistent underperformance.

6.4 Liquidity

Close attention is paid to the Fund's projected cash flows; the Fund is currently cash flow positive, in that annually there is a surplus between the cash paid into the Fund from contributions and investment income after pension benefits are paid out. However, the Fund forecasts that it will increasingly be cash flow negative moving forward, due to both the increasing underlying maturity of the Pension Fund and the expectation that investment income will be automatically reinvested by LGPSC and will not form part of the Fund's operational cash flows. A significant proportion of the Fund's investments are expected to be liquid assets, and a liquidity facility will be put in place between the Fund and LGPSC to allow the Fund to drawdown liquidity as required to meet its liabilities.

6.5 Currency

The Fund's liabilities are denominated in sterling which means that investing in overseas assets exposes the Fund to a degree of currency risk. The Fund believes that the currency exposure associated with investing in overseas listed equities is part of the return on the overseas equities, whereas the currency exposure in respect of the Fund's Income Assets and Protection Assets should be hedged back to sterling, albeit the Fund notes that the decision whether to hedge any investments is the responsibility of LGPSC.

6.6 Stock Lending

As part of the LGPS Central Pool, the funds managed by LGPSC may participate in stock-lending arrangements, and LGPSC is expected to put controls in place to protect the security of the Fund's assets.

6.7 Custody

The risk of losing economic rights to the Fund's assets is managed through the use of a global custodian, either directly appointed by the Fund, or in the case of investments managed through LGPSC investment products, through LGPSC's custody arrangements. The Fund also maintains independent investment accounting records.

7. Local Investment

The primary purpose of the Fund's investment strategy is to ensure that the Fund's assets, together with contributions, are sufficient to meet the Fund's pension liabilities as they fall due. Within this, the Fund recognises the role that local investment can play as a contributor to regional growth.

Target Allocation: The Fund has set a target to allocate up to 2% of assets in local investments. Delivery of this target allocation will take time to achieve and is subject to availability of suitable opportunities, including meeting return and risk requirements, assessed by LGPSC.

Asset Classes: The Fund expects local investments to span a range of asset classes, with private markets providing the greatest scope for impact while also delivering long-term income streams with some inflation-linkage. Local investments are expected to be diversified broadly equally across four private markets categories: private equity, private credit, property and infrastructure. LGPSC will be expected to identify and implement opportunities consistent with the Fund's investment objectives and fiduciary duty.

Target Area: Of the Fund 2% target to local investment, up to 0.5% will be invested within opportunities falling in the geographical footprint of the LGPS Central Pool, with the remainder invested in local investments which deliver economic benefits to the Derbyshire region and/or the geographical footprint of the East Midlands Combined County Authority (EMCCA).

The Fund, in collaboration with LGPSC, will work with EMCCA, an established Strategic Mayoral Authority, with membership made up of the directly elected Mayor and democratically elected councillors from the East Midlands partner councils of Derbyshire County Council, Derby City Council, Nottinghamshire County Council, Nottingham City Council, to understand local needs, review emerging pipelines, and identify investable opportunities for review by LGPSC, which align with EMCCA's East Midlands Growth Plan 2025-2035.

EMCCA's growth plan was published in October 2025 and sets out six enablers of growth: Jobs and Skills; Business Partnerships; Connectivity; Housing and Place; Clean Energy and Climate Resilient Infrastructure; and Innovation. It also notes the identification of five high impact sectors: clean energy; advanced manufacturing; medtech and life sciences; digital; creative and cultural; and visitor economy.

Impact objectives: Alongside appropriate risk adjusted returns, local investments should have a quantifiable economic, social and environment benefit to the target area. This positive impact could be via economic growth, local business development, housing, clean energy, infrastructure, environmental projects, reduced pollution, community wellbeing and employment within the regions in which stakeholders live and work.

Target Returns: The Fund expects local investment will be subject to the availability of suitable investment opportunities. The Fund expects returns to be broadly in line with the market return for the underlying asset class but the Fund acknowledges that the restrictions imposed by a local mandate such as narrow geography, scale of investment opportunities and the need to target impact, may result in returns by underlying asset class at the lower end of normal expectations and risk at the higher end. This risk is managed by allocating a relatively small allocation of the Fund's total assets to local investments and then by LGPSC, firstly through investment due diligence on all appropriate opportunities, and secondly, by diversification across different asset classes.

Reporting: LGPSC will be required to report annually on the local impact of these investments, and the Fund will monitor these investments in line with its broader portfolio monitoring activities, including the delivery of appropriate investment returns in line with the market return for the underlying asset class.

As a Partner Fund in the LGPS Central Pool, the Fund recognises the benefits of collaboration and scale in delivering local investment and will seek, where practicable, to align its local investment priorities with those of other partner administering authorities and LGPSC.

8. LGPS Central Pool

The Fund is part of the LGPS Central Pool established in 2018 in accordance with Government requirements for pooling the management of LGPS investment assets. The LGPS Central Pool comprises fourteen LGPS funds (Cheshire, Derbyshire, Gloucestershire, Hampshire, Leicestershire, Norfolk, Nottinghamshire, Oxfordshire, Staffordshire, Shropshire, Suffolk, West Midlands, Worcestershire and Wiltshire) (collectively known as Partner Funds), with combined assets under management of around £100bn.

Collective investment management offers the potential for savings in investment management fees, increased opportunities for investor engagement and access to a shared pool of knowledge and expertise.

The administering authorities of the pension funds within the LGPS Central Pool are equal shareholders in LGPSC, a company established to manage investments on behalf of the Pool. LGPSC received authorisation from the Financial Conduct Authority in January 2018.

In line with the Local Government Pension Scheme (Pooling, Management and Investment of Fund) Regulations 2026 and the Local Government Pension Scheme (Amendment) (Governance) Regulations 2026, which come into force on 30 June 2026, the Fund signed a Fiduciary Management Agreement with LGPSC in March 2026, delegating the implementation of the Fund's investment strategy to LGPSC and agreeing to take principal investment advice from LGPSC from 1 April 2026. Responsibility for determining the ISS, including setting the investment objectives and Strategic Asset Allocation Benchmark remains with the Fund.

The Fund's investment assets are now all managed within LGPSC products or via discretionary management agreements with LGPSC. However, in line with an LGPSC Phased Delivery Plan, which reflects the need for LGPSC to build the appropriate capacity and capability to deliver a number of products and services, the Fund is continuing to take investment advice from its independent investment adviser and to undertake day-to-day investment management activities in collaboration with LGPSC.

9. Responsible Investment

Responsible Investment (RI) is an approach to investment that aims to incorporate environmental, social and governance (ESG) considerations into investment decisions, to better manage risk and generate long-term returns¹. It has relevance both during the selection of an investment and after an investment decision has been made, through on-going analysis and stewardship activity which covers considered voting and engagement with investee companies.

¹ PRI Principles for Responsible Investment

ESG considerations include:

- Environmental: climate (including physical risk and transition risk); resource depletion (including deforestation); waste & pollution
- Social: working conditions; health & safety; employee relations and community relations
- Governance: board composition, executive pay; bribery and corruption; board diversity; audit, tax strategy; political lobbying; and disclosure & transparency

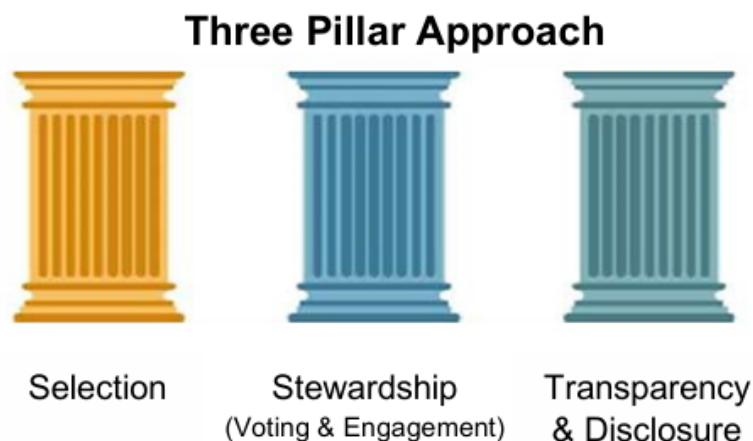
The Fund's approach to RI has been developed in collaboration with both LGPSC and LGPS Central Pool Partner Funds and is aligned with LGPSC's Core RI approach.

The Fund is responsible for determining its responsible investment priorities and objectives as part of its Investment Strategy Statement. In developing these priorities, the Fund has considered its fiduciary duty, long-term investment objectives and the interests of employers and scheme members. The Fund has appointed LGPSC to provide advice on, and implement, its investment strategy, including responsible investment and stewardship activities, in accordance with the Fund's objectives and priorities.

RI assists the Fund to discharge its fiduciary duty. It is distinct from 'ethical investment', which is an approach to selecting investments based on ethical beliefs (beliefs about what is morally right and wrong). Effective management of financially material ESG risks supports the requirement to protect investment returns over the long term. The Fund expects that LGPSC and its investment managers will seek to incorporate relevant ESG factors, when necessary, alongside conventional financial considerations within the investment process. The Fund recognises its responsibility to act in the best interest of the Fund's employers and scheme members, whilst seeking to protect local taxpayers and employers from unsustainable pension costs.

The Fund adopts a strategy of engagement with companies to influence behaviour and enhance value, rather than adopting a divestment approach, believing that this is more compatible with the administering authority's fiduciary duties and supports responsible investment. Engagement allows the Fund to use its influence as part of the LGPS Central Pool as an active owner, with other like-minded investors, to improve ESG practices in investee companies, influence that would be lost through a divestment approach. It is recognised that change takes time, as a long-term investor the Fund takes a long-term approach to stewardship activities.

The Fund takes a three-pillar approach to the implementation of RI as demonstrated in the following image:



The implementation of the three pillars is the responsibility of LGPSC, and the three pillars approach is consistent with LGPSC's Responsible Investment & Engagement Framework (RIEF), which was last updated in 2024, following consultation with LGPS Central Pool Partner Funds. The three pillars provide an overview of the RI process that LGPSC will follow before an investment (i.e. the selection of investments and/or investment managers) and after the decision (i.e. the stewardship of investments). These actions will be communicated to the Fund's stakeholders to ensure accountability for actions (i.e. transparency and disclosure of RI activities).

Selection – ESG Integration

ESG considerations are integrated into the investment decision making process where they are financially material within the context of the investment mandate. Non-financial factors may be considered to the extent that they are not detrimental to the investment return and where the Fund has good reason to think that scheme members would support their decision.

Stewardship - Monitoring

The stewardship oversight process is designed to identify ESG risks and opportunities. The approach involves engaging with companies, escalating issues when needed, and exercising voting rights.

LGPSC exercises voting and other ownership rights for assets under its management in accordance with its Responsible Investment and Engagement Framework and published Voting Principles. The Fund oversees delivery through regular stewardship reporting and escalation where outcomes are not consistent with the Fund's objectives.

Following consultation with Partner Funds, LGPSC has four core stewardship priorities: Climate Change, Natural Capital, Human Rights Risks, and Sensitive/Topical Activities arising out specific portfolio holdings. These priorities are to promote accountable governance, support credible net-zero and nature-positive transitions, strengthen practices around the management of human rights and workforce risk amongst investee companies.

The Fund became a signatory of the UK Stewardship Code 2020 in 2023-2024 and retained signatory status in 2024-2025. Derbyshire Pension Fund's signatory status to the Code ceased in January 2026 as the Fund did not submit an application during the Autumn 2025 reporting cycle, reflecting the impact of MHCLG's Fit for the Reforms, and the delegation of the implementation of the Fund's investment strategy, including RI activities, to LGPSC from 1 April 2026. LGPSC has been a signatory to the UK Stewardship Code since 2021.

Climate Change

The Fund recognises that financial returns will be impacted by climate change and by the response to climate change by policy makers.

Risks and opportunities related to climate change are likely to be experienced across the whole of the Fund's portfolio with a potentially material impact on both the assets and liabilities of the Pension Fund.

The current understanding of the potential risks posed by climate change, together with the development of climate-related measurements and disclosures, are still at a developmental stage, and there is considerable variability in the quality and comparability of carbon emissions estimates, particularly in respect of private market assets.

It will take time for companies to adapt to the changing regulatory and market positions.

The Fund believes that:

- The risks and opportunities of climate change should be considered as part of asset allocation decisions, manager selection decisions and individual investment decisions
- Diversification across asset classes, regions and sectors is an important risk management tool to reduce climate-related risks exposure
- To fully integrate climate-related risks and opportunities into investment decision processes, the consistency, comparability and quality of climate-related data, including the identification and measurement of companies' Scope 3 emissions will need to improve. Physical risks and transition risks are not captured by emissions data alone; therefore, the Fund requires the integration of climate risks and opportunities into investment analysis and decisions where they are considered material
- Governments, policy makers, consumers, companies and investors all have a role to play in the transition to a low carbon economy; investors cannot affect material change alone. If policy and corporate actions do not progressively transition towards decarbonisation, it will be extremely challenging for investors to achieve a portfolio of assets with zero carbon emissions
- Whilst the low-carbon transition is already underway, the pathway is unclear, and the transition will not occur by focusing only on the suppliers of energy; the demand for energy must also be addressed
- It is possible for a company to shift its business model in order to thrive in the transition to a low carbon future; such a shift is more likely with the support and stewardship of responsible long-term investors

Climate-related Objectives

The Fund aims:

- To have access to the best possible information available on the risk and opportunities presented by climate change. This includes impacts to the Fund's investment strategy, or funding strategy, as a result of transition risks, physical risks and opportunities.
- To ensure that its investment portfolio will be as resilient as possible to climate related risks over the short, medium and long term. For an effective first line of defence, the Fund expects climate-related factors to be integrated into the investment process, including the selection of investment managers.

Measurement & Observations

The Fund recognises that the tools and techniques for assessing climate-related risks in investment portfolios are an imperfect but evolving discipline. The Fund expects its investment managers to use the best available information to assess climate-related threats to investment performance.

The Fund will make regular measurements and observations on climate-related risks and opportunities relevant to the Fund, receiving an annual Climate Risk Management Report from

LGPSC, and publishing a Task Force for Climate-Related Financial Disclosures (TCFD) Report on a regular basis.

The RI Core approach incorporates LGPSC's net zero strategy which focusses on integrating ESG and net zero considerations into investment processes and on stewardship activities which support real-world decarbonisation.

Transparency & Disclosure

The Fund will:

- Report to Committee on the stewardship activities of LGPSC on a quarterly basis
- Provide a summary of the Fund's RI activities in the annual report
- Prepare a TCFD Report on a regular basis
- Report on a suite of carbon metrics in the Fund's annual report

10. Review

Committee will review the Fund's ISS within 18 months of each triennial valuation date, or at such time as the Committee determines it is appropriate to review the ISS.