

Investment Consultant Aims and Objectives 2023:

Appendix 1

1. Performance Against Aims and Objectives

- 1.1 In line with best practice, the performance of the investment consultant against the objectives should be reviewed on an annual basis and the objectives updated at least every three years or when there has been a material change in investment approach.
- 1.2 In the tables below are the agreed objectives and aims for the investment consultant, against which the consultant performance will be reviewed. Each objective will be assessed individually and assigned a rating as follows:

Performance Rating	Key
Excellent	
Good	
Satisfactory	
Unsatisfactory	

1. Assistance in achieving the Fund's objectives			
Reference	Objectives	Performance Rating	Comments
a)	Any proposed changes in investment strategy or investment managers have a clear rationale linked to the Fund's objectives with specific reference to improving the efficiency of the investment strategy in terms of risk adjusted returns.		
b)	All advice considers funding implications and the ability of the Fund to meet its long-term objectives.		
c)	The investment consultant has an appropriate framework in place to recognise opportunities to reduce risk.		
d)	The investment consultant has contributed to the Fund's cashflow management process ensuring that the Fund's benefit obligations are met in a cost-efficient manner.		
e)	The investment consultant undertakes specific tasks such as the selection of new managers and asset liability studies as commissioned.		
f)	The investment consultant has complied with prevailing legislation, the constraints imposed by the Investment Strategy Statement, the detailed Investment Management Agreements and the policy agreed with the Committee when considering the investment of the Fund's assets.		
g)	The investment consultant has assisted the Committee in implementing an investment strategy which adds value through the integration of environmental, social and governance (ESG) factors, stewardship and wider sustainability considerations, into their investment and risk management arrangements.		

2. Governance and Costs			
Reference	Objectives	Performance Rating	Comments
a)	Assist the Committee to implement the Fund's investments on a more competitive fee basis, through negotiation and periodic benchmarking of fees.		
b)	Cost implications, both in terms of investment management expenses and implementation costs, are considered as part of investment strategy advice.		
c)	The investment consultant has demonstrated an understanding and appreciation of governance requirements, in particular, the investment consultant has avoided complexity where simpler, more cost-effective solutions may be available.		
d)	The investment consultant has ensured that investments are in accordance with the current regulatory and compliance requirements relevant for the LGPS.		
e)	The investment consultant has taken into account the necessity for all investment funds within the portfolio, with few exceptions, to utilise one of the pools.		

3. Proactivity/Keeping informed			
Reference	Objectives	Performance Rating	Comments
a)	Advise the Committee on appropriate new investment opportunities and emerging risks, including ESG or sustainability related.		
b)	Recognition of the dynamism of investment markets, recognising opportunities to crystallise gains or emerging risks which require immediate attention.		
c)	The investment consultant has highlighted areas that the Committee may wish to focus on in the future.		
d)	The investment consultant should be generally available for consultation on fund investment matters.		

4. Monitoring			
Reference	Objectives	Performance Rating	Comments
a)	The investment consultant provides insightful monitoring focused on the reasoning behind performance.		
b)	The Committee has been kept abreast of investment market developments and their implications for the Fund's investment strategy.		
c)	Monitoring is integrated with funding and risk.		
d)	Particular focus on the continued merits of active management. The investment consultant considers the value added by active management on a net of fees basis.		

5. Delivery			
Reference	Objectives	Performance Rating	Comments
a)	The investment consultant has formed a strong working relationship with the Committee, Council Officers and other key stakeholders.		
b)	Reports and educational material are pitched at the right level, given the Committee's understanding.		
c)	Provides training/explanation which aids understanding and improves the Committee's governance.		
d)	Meeting papers are provided in a timely fashion, with all required detail and accuracy.		
e)	The investment consultant works within agreed budgets and is transparent with regard to advisory costs, itemising additional work with fees in advance.		
f)	The investment consultant works collaboratively with the scheme's actuary and other advisors or third parties including the global custodian.		