

MEETING: **PENSION BOARD**

DATE: **4 FEBRUARY 2025**

TITLE: **REVIEW OF STRATEGIC OBJECTIVES FOR THE FUND'S INVESTMENT CONSULTANTS**

PURPOSE: **To report progress against current objectives and to note future objectives**

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1. INTRODUCTION

At the end of 2018, following a review of the investment consulting and fiduciary management markets, the Competition and Markets Authority ("CMA") stipulated that Pension Scheme Trustees should set objectives for their investment consultants. These objectives are set and reviewed each year.

2. ESTABLISHING OBJECTIVES FOR INVESTMENT CONSULTANTS

The CMA states that objectives for consultants should include a clear definition of the outcome expected, and should be:

- 'closely linked' to the pension scheme's strategic objectives
- reviewed at least every three years, and after a significant change to the investment strategy or objectives

Establishing long term objectives is part of a well organised governance approach. The extension to set objectives for investment consultants could be regarded as a natural progression towards all stakeholders being aligned towards a common goal.

3. GWYNEDD PENSION FUND OBJECTIVES FOR INVESTMENT CONSULTANTS

The objectives for Gwynedd Pension Fund can be found in Appendix 1, with the progress reported against them during 2024.

4. FUTURE OBJECTIVES

The future objectives have been noted in Appendix 2. They remain broadly similar but the following have been added:

- Triennial valuation
- Establishing a net zero date and steps to reduce carbon emissions
- Developing knowledge of the government's consultation on the future of the LGPS and how this will affect the operation of the fund

5. RECOMMENDATION

The Board is asked to note the progress report and the Investment Consultants' objectives for the upcoming year.