

ABERDEEN CITY COUNCIL

COMMITTEE	Pensions Committee
DATE	21 June 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Investment Strategy Review 2024
REPORT NUMBER	PC/JUN24/REVIEW
EXECUTIVE DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Graham Buntain and Laura Colliss
TERMS OF REFERENCE	1.1 and 4.1

1. PURPOSE OF REPORT

- 1.1 This report details the outcome of the investment strategy review which has been prepared by officers following the outcome of the 2023 Actuarial Valuation. This report sets out the details of the Fund's current investment strategy and makes a number of recommendations on taking the strategy forward.

2. RECOMMENDATION

That the Committee:-

- 2.1 Approve the proposed investment strategy as set out in the main report.

3. CURRENT SITUATION

- 3.1 See main report.

4. FINANCIAL IMPLICATIONS

- 4.1 The performance of the Fund over the long term impacts on the Fund's 'funding level' and therefore the ability to meet its long term liabilities.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendation of this report.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendation of this report.

7. RISK

7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risk	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified.	N/A	N/A	N/A
Compliance	No significant risks identified.	N/A	N/A	N/A
Operational	No significant risks identified.	N/A	N/A	N/A
Financial	<ul style="list-style-type: none"> • Insufficient assets to meet the Funds long term liabilities • Failure to monitor investment managers and assets 	<ul style="list-style-type: none"> • Quarterly assessment of investment performance and funding updates • Tri-ennial valuation and investment strategy review • Diversification of assets • Due diligence of fund managers • External advisor for specialist guidance on strategy. 	L	Yes
Reputational	No significant risks identified.	N/A	N/A	N/A
Environment / Climate	No significant risks identified.	N/A	N/A	N/A

8. OUTCOMES

8.1 The proposals in this report have no impact on the Council Delivery Plan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	No assessment required. I can confirm this has been discussed and agreed with Jonathan Belford, Chief Officer-Finance on 10 th June 2024.

Data Protection Impact Assessment	Not required
Other	N/A

9. BACKGROUND PAPERS

9.1 None

10. APPENDICES

10.1 None

11. REPORT AUTHOR CONTACT DETAILS

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