

**REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 6**

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**INVESTMENT STRATEGY & ASSET ALLOCATION**

**Reason for this Report**

1. The Pension Committee Terms of Reference set out the Committee's responsibility for the strategic governance of the Cardiff & Vale of Glamorgan Pension Fund.
2. This report has been prepared to request that the Committee note the advice of the Investment Advisory Panel in respect of the Strategic Asset Allocation for 2018-19.

**Issues**

3. The Investment Advisory Panel reviews the Fund's Strategic Asset Allocation annually. A fundamental review is carried out following each Triennial Valuation and minor changes may be made following interim reviews in other years. Formal approval of the Asset Allocation now falls within the Committee's remit.
4. The Investment Advisory Panel met on 11 September 2018 with the Strategic Asset Allocation as an item for review. The Panel considered the implications of the increase in the Fund's assets over the 2017-18 financial year, the most recent projected funding position and the latest developments in the establishment of the Wales Pension Partnership investment pool. The Panel also noted that work on a Climate Change Investment Policy was in progress. The Panel's recommendation is to retain the existing allocation for the remainder of this financial year and to carry out a further review in six months' time.
5. The recommended allocation for 2018-19 is shown in Appendix 1.

**Legal Implications**

6. The Strategic Asset Allocation is a technical document, the contents of which Legal Services are unable to comment upon. It is understood by Legal Services that this is drafted and prepared with assistance from appropriate external advisors and is recommended for approval by the Pensions Advisory Panel and it is understood this is an annual review rather than a fundamental review. The recommendation does not appear to raise any specific legal implications however the general legal advice set out below should be considered.

7. As with approval of all technical documents this decision must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its tax payers; and (h) be reasonable and proper in all the circumstances and comply with any equalities legislation.

### **Financial Implications**

8. There are no direct financial implications arising from this report.

### **Recommendation**

9. That the Committee notes the advice of the Investment Advisory Panel not to make any changes to the Strategic Asset Allocation at this point in time but to consider a further review in March 2019.

**CHRISTINE SALTER  
CORPORATE DIRECTOR RESOURCES**

The following Appendix is attached:

Appendix 1 – Strategic Asset Allocation for 2018-19