

INVESTMENT CONSULTANT SERVICE REVIEW

1 October 2024 to 30 September 2025

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
Demonstration of Value added				
Expected outcomes:				
a) Help the Committee implement of the Investment Strategy Statement (ISS)	Duration of the contract	Committee receives timely and effective advice on strategic decisions, including asset allocation, benchmarks, and associated risks.	No further investment strategy implementation was required during the period. In line with the agreed work plan, IC reviewed the equity portfolio and presented findings to the Committee on 10 December 2024. Rebalancing was completed in January 2025.	GREEN
b) Increase the Fund's asset value through tactical asset allocation over the long term	Duration of the contract	Portfolio returns exceed strategic benchmark over five-year rolling periods without excessive volatility. Returns on the Portfolio net of fees exceed the composite manager benchmark over rolling three year periods	Data from our performance measurers asset returns as at 30 August 2025 are as follows: 5 Year strategic return Fund return: 5.54 Benchmark: -6.90 Excess Return 12.43 3-year composite benchmark Fund return: 5.66 Benchmark: 8.08 Difference in Return -2.42 Asset values over the 3 quarters to June 2025 have increased by £48.9m from £996.1m to £1,045m. The current strategic benchmark is the return on index-linked Government bonds	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
			plus 1.7% per annum, which is consistent with the discount rate used by the Actuary as part of the 2022 actuarial valuation to value the Fund's liabilities. Over the longer term, returns are ahead of the long-term (absolute) return deemed sufficient to support an affordable and stable level of contributions.	
c) Enable the Committee to implement scheme investments on a more competitive fee basis through negotiation on implementing and periodic benchmarking of fees	Duration of the contract	Where appropriate, IC provides input on fee arrangements and recommends actions to reduce fees.	As at June 2025, 63% of the Fund's assets are pooled or deemed pooled with the London Collective Investment Vehicle (LCIV) competitive fee arrangements are one of the primary aims of investing via LCIV and are therefore not considered a key role for the IC. The IC advised on the proposal to transfer CBRE holding to an Investment Management agreement under LCIV management. However, the funds that are outside of the pool arrangement have also benefited from fee negotiations lead by the IC.	GREEN
d) Help the Committee to implement an Investment Strategy, which adds value through the integration of Environmental, Social and Governance (ESG) and stewardship	Duration of the contract	Committee feels adequately briefed on ESG and stewardship issues and understands their relevance to the prevailing strategy. IC provides proactive advice on emerging ESG trends.	IC prepared a report summarising the Fund's investment managers' compliance with the main industry governance standards and their voting and engagement activities (where applicable) for the 12 months to 30 June 2024, which was presented to the Committee on 18 March 2025.	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
considerations in investment manager appointments.		IC provides proactive advice on emerging trends in ESG issues	This annual report supports the ISS monitoring process and helps identify any stewardship concerns. The IC is instrumental in producing the Fund's reporting against the Task Force Climate Related Financial Disclosures (TCFD) Framework, meeting the Committees desire to publish before it becomes mandatory. IC has produced four reports to date, the latest covering 2023/24. The Climate Policy and Action Plan was agreed at the 25 July 2023 meeting, this includes the objectives set, targets to be measured and actions the committee will take. This will help the Fund better understand the climate risks facing the Fund and also to fulfil our reporting requirement against the Task Force Climate Related Financial Disclosures (TCFD) framework. The IC hosted a Strategy Workshop on 29 September to discuss the Investment Strategy and the ESG beliefs that will shape future decisions.	
e) Manage cash flow needs in a more cost effective manner	Annually	Development and regular review of cash flow policy.	IC updated the Cash Flow Management Policy for the Committee on the 19 March 2024, which the Fund is using as a monitoring tool. This will be reviewed when monthly outgoings increase by more than 20% or every three years to incorporate	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
		Proactive response and advice where changes in cash flow requirements are identified.	cash information from the outcome of the valuation process. Officers regularly consult the IC on managing capital call requests as part of cash flow planning. The Fund has maintained sufficient cash balances and has not required additional support.	
Delivery of specialist services				
Expected outcomes:				
f) Work with the Fund Actuary to undertake asset liability modelling as required	Triennially	IC confirms the strategy remains appropriate and conducts a full review following each actuarial valuation, including assessment of risks associated with different approaches. Ongoing liaison between the IC and Fund Actuary to ensure asset management aligns with the funding approach from triennial valuations.	The Fund's 2022 valuation results were discussed at meetings with officers in October 2022 and February 2023. As part of the 2022 valuation modelling was undertaken and the ISS was tested against a range of strategies. The outcome was a strategic tilt towards income generating investments. The rationale for this approach was discussed and agreed with the Committee on the 21 March 2023. The IC has engaged with the Actuary on the proposed scope of work for the 2025 valuation. Discussion will continue as the valuation progresses and the IC together with the Actuary will consider the ISS to be presented to committee on 17 March 2026.	GREEN

Appendix A

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
g) Work with the Fund Actuary on an ongoing basis in respect of the integrated management of fund assets and liabilities	Duration of the contract		The IC continues to liaise with the Fund Actuary to ensure the Fund's asset management remains aligned with the funding strategy. As part of the ongoing 2025 valuation process, the IC has worked collaboratively with the Actuary to review and discuss the Fund's Investment Strategy. IC facilitated a Strategy Workshop on 29 September 2025, providing insights to inform decision-making ahead of the valuation outcome. The results of the 2025 valuation are expected to be presented to the Committee on 9 December 2025.	GREEN
h) Help the Committee to develop and define their investment beliefs	Duration of the contract	IC provides input and challenge on investment beliefs and facilitates discussion to interpret their implications.	The IC played a key role in developing the Committee's investment beliefs, which have been incorporated into the ISS since 2020. These beliefs are now referenced in ongoing investment decisions. Officers and the Committee have acknowledged the IC's support in developing the statement of investment beliefs. The Fund also benefits from having the Head of Responsible Investment at the IC as one of its consultants. To support ongoing review, the IC facilitated a Strategy Workshop on 29 September	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
			2025 to revisit and refine the Committee's investment beliefs. A paper will follow	
i) Help the Committee develop and maintain an appropriate framework to track progress against strategic and tactical benchmarks	Duration of the contract	IC provides input on the monitoring regime for the Committee from time to time. IC provides input on the monitoring regime. Officers and the Committee can understand and articulate the Fund's progress toward its investment objectives.	The IC maintains a robust reporting process that tracks Fund performance against the strategic benchmark and individual fund manager performance. They actively participate in Committee meetings, challenge fund managers on performance and strategy, and maintain ongoing dialogue to stay informed of developments. Quarterly reports are produced in line with contractual requirements. During the review period, these reports were refreshed to improve readability and to better support the Committee in assessing whether the investment strategy is on track and whether fund manager objectives are being met. The introduction of asset class buckets—'growth', 'income', and 'protection'—helps the Committee understand the purpose of each asset class more clearly.	GREEN
Proactivity of Advice				
Expected outcomes:				
j) Advise the Committee on new investment opportunities or emerging risks	Duration of the contract	IC proactively identifies and communicates potential opportunities or risks to Officers and the Committee for discussion.	New investment opportunities are explored on an ad hoc basis as part of Investment Strategy development. The IC maintains regular contact with LCIV to stay informed of new product offerings and assesses their suitability against the Fund's Investment Strategy.	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
			IC provides market updates to officers monthly and produces a product assurance note when applicable. The IC undertook a review of ‘Resonance’, a potential investment for the fund, and a local investment opportunity. The IC provided guidance on the transition of the CBRE property holding to LCIV. There is potential to add natural capital as an asset class to the Fund. This may be explored in time.	
k) Advise on any changes in the investment governance arrangements to enable the committee to best access emerging opportunities	Duration of the contract	IC proactively identifies potential improvements to governance arrangements and communicates these to Officers and the Committee.	The IC advises the Fund on relevant government consultations and legislative changes that may impact governance arrangements. Officers value the IC’s input, particularly the briefing papers provided to support consultation responses—such as those relating to the Government’s “Fit for the Future” proposals.	GREEN
l) Deliver training to enable the Committee: to be supported maintaining high standards of investment governance and compliance.	Duration of the contract	The Committee has sufficient understanding of any new investment class and associated risks in which it is suggested they might invest	Training and development are incorporated into Committee meetings when relevant reports are presented. The IC presented a Strategy Workshop to Committee members and officers on 29 September 2025, discussing the committee's beliefs with a view to	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
engage with new investment opportunities, emerging risks or opportunities to transfer risk			- Review climate action progress - Review investment beliefs - Local investment training Investment training is also provided via the Hymans LGPS Online Learning Academy (LOLA) platform	
Support with scheme management and compliance				
Expected outcomes:				
m) On a quarterly basis , undertake investment manager performance monitoring and review for presentation to the Committee	Quarterly	IC delivers advice on a timely basis in line with Officer expectations and consults on future agenda items.	Each quarter, the IC produces a monitoring report covering market analysis and individual fund manager performance. The IC attends Committee meetings to present findings and provide advice and guidance. Officers and the IC collaborate to develop a work plan that supports timely delivery of the Fund's Business Plan.	GREEN
n) Produce briefing papers and periodic investment advice in advance of committee meetings in a timely basis	Duration of the contract	Consults with Officers on the development of agenda items for future meetings	The IC produce monthly market briefings and briefing papers as applicable.	GREEN
o) Support the Fund in obtaining data required to report investment fees in line with the Code of Transparency.	Duration of the contract		IC presented a 2023/24 report to officers on cost analysis with action points. The 2024/25 report will follow.	GREEN
p) Review and update as appropriate the schemes	Duration of the contract		ISS will be reviewed following the outcome of the 2025 valuation. A report setting out any proposed changes to the investment	GREEN

Appendix A

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
Investment Strategy Statement (ISS)			strategy is expected to be presented to the Committee on 17 March 2026 for formal agreement.	
q) Ensure compliance of the scheme's investment arrangements with developments in regulation and all legislation	Duration of the contract		As appropriate the IC advises the Fund of the issuance of government consultations and legislation changes that impact governance arrangements, in particular, briefing papers covering next steps on pooling and the Fit for Future government review of pension schemes.	GREEN
Relationship and service standards				
Outcomes Expected:				
r) Maintain fees in line with tender submission	Quarterly	Invoiced fees are in line with agreed budgets	IC core fees are maintained in line with the tender submission. Detailed breakdowns are provided with each invoice to support monitoring of costs against the agreed specification.	GREEN
s) Agree fee budget with officers / the Committee for any significant piece of work over £2,000 where the work and associated fees are not explicitly stated in the existing contract.	Duration of the contract	IC provides an annual business plan and budget proposal for agreement with Officers IC provides fee quotes for significant work items	Officers will continue to work with IC to ensure fee budgets are agreed prior to commencing any significant work. A pre-agreed work plan for the year ahead is discussed including indicative costings. Hymans provides regular updates of work in progress, upcoming projects and associated fees.	GREEN
t) Clear understanding of the Scheme's goals and objectives	Duration of the contract	Officers are satisfied with the IC's knowledge and understanding of the Fund's requirements.	The IC has supported the Fund since April 2006 and demonstrates a clear understanding of its goals and objectives through contributions to the development of	GREEN

Appendix A

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
			the ISS, cash flow management, and ongoing performance monitoring.	
u) Appropriate quality and quantity of resourcing to meet the needs and requirements of the scheme	Duration of the contract	IC is able to support Officers and the Committee at all times and seeks feedback on their views.	The IC provides strong support through a dedicated team available to respond to officer queries. To manage internal resources, Hymans established a support consultant in Spring 2024, ensuring continuity and ongoing support to the Fund.	GREEN
v) Maintain strong positive working relationship with the Committee members and officers	Duration of the contract	IC undertakes an annual business planning /review meeting	Communication and relationships with the IC remain strong. The IC has responded positively to feedback, including the introduction of a headline summary page in monitoring reports to highlight key takeaways. Officers and the Committee value the advice provided, particularly regarding strategic direction. A service review meeting was held on the 3 October 2025. Feedback from members and officers was discussed along with suggested areas of improvement and future developments: • Strategy workshop outcomes and updating the work plan. • Work plan for 2026 to be finalised • LCIV Governance & Oversight review	GREEN

Appendix A

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
w) Work collaboratively with other advisors and provide effective support to the Committee when engaging with other stakeholders	Duration of the contract	Positive feedback on working relationship from other advisors and stakeholders	The IC maintains close working relationships with the Fund's Actuary, supporting a shared understanding of the implications of different investment strategies. This collaboration enhances the Committee's ability to make informed decisions and ensures alignment between funding and investment approaches.	GREEN
x) Appropriate management and mitigation of any conflicts of interest	Duration of the contract	IC promptly notifies Officers of any conflicts and proposes appropriate mitigations.	The Governments 'Fit for the Future' review introduced potential conflict for the IC as elements of self-interest could arise. However, the IC has acted with integrity, supporting officers in navigating governance changes and consistently prioritising the best interest of the Fund. The IC played a key role in the transfer of investment management of the CBRE pooled property holdings to LCIV and collaborated openly throughout the process. Importantly, the IC does not provide advice to LCIV, further reinforcing the independence and integrity of their guidance.	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
Support with additional matters arising				
Expected outcomes:				
y) Provide advice and assistance to the Committee on any other issues arising	Duration of the contract	IC demonstrates support for the Committee as needed	IC has provided advice on the suitability of investments on offer via the London CIV and how it aligns to the investment strategy It is important that the Committee and officers receive expert advice on investment issues and how they affect the Local Government Pension Scheme. IC reported on the initial suitability of Resonance as an addition to the strategy and potential to meet 'Local Investment' targets. Officers to ensure that Hymans are sent a copy of Fund Manager presentations in order that they can provide tailored advice for the committee meetings. Following previous feedback, it was agreed that at the committee meeting the IC, as part of their introduction and fund highlights, will cover key points that the committee needs to be aware of in advance of the Fund Manager presenting	GREEN

2025/26 objectives: in addition to the above

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
1. Work with officers to support a smooth transition of the remaining assets to the investment pool	By 1 April 2026	All assets successfully transitioned.		
2. Support oversight of the pool following transition.	From 1 April 2026	Committee members are confident that the pool management arrangements work effectively and in the best interests of the fund.		
3. Help the Committee to establish clear expectations of the investment pool.		Committee members understand what the Pool's role is.		