

**STATEMENT  
OF  
INVESTMENT  
PRINCIPLES**



**STRATHCLYDE PENSION FUND**



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## STATEMENT OF INVESTMENT PRINCIPLES

### 1. Introduction

Glasgow City Council is the administering authority for the Strathclyde Pension Fund. The council delegates this responsibility to the Strathclyde Pension Fund Committee. The council and the committee recognise that they have fiduciary duties and responsibilities towards pension scheme members and participating employers that are analogous to those holding the office of trustee in the private sector. In carrying out those duties the committee adopts the following approach.

### 2. Regulations

Management of the Fund's investments is carried out in accordance with relevant governing legislation and regulations, in particular the Local Government Pension Scheme (Management and Investment of Funds)(Scotland) regulations. Schedule 1 to this statement contains certain disclosures required by the regulations.

### 3. Key Principles

There have been a number of underlying investment principles which have guided the evolution of the Fund's structure. These principles will be as important in the future as they have been in the past. The key principles are as follows

**Long-term perspective** – by the nature of its liabilities and sponsor covenants, the Fund is able to take a long-term view and position its investment strategy accordingly.

**Diversification** – the Fund seeks to diversify its investments in order to benefit from a variety of return patterns.

**Efficiency** – the Fund aims to achieve an efficient balance between investment risk and reward.

**Competitive advantage** – the Fund's size, time-perspective and risk appetite give it some competitive advantages which it seeks to exploit.

**Pragmatism** – the Fund recognises that there are implementation considerations including cost and manageability which may lead it to favour practical investment solutions over optimised model structures.

**Stewardship** – the Fund is a responsible investor and adopts policies and practices which acknowledge the importance of environmental, social and governance (ESG) issues.

### 4. Investment Objective

The Fund's investment objective is to support the funding strategy by adopting an investment strategy and structure which incorporate an appropriate balance between risk and return. The current objectives of the funding and investment strategies are to achieve:

- a greater than 2/3 probability of being 100% funded over the average future working lifetime of the active membership (the target funding period); and
- a less than 10% probability of falling below 70% funded over the next three years.

## **5. Investment Strategy**

The Fund's investment strategy broadly defines the types of investment to be held and the balance between different types of investment. The strategy reflects the Fund's key investment principles and objectives, is agreed by the committee and reviewed regularly. The investment strategy is consistent with the Funding Strategy.

## **6. Investment Structure**

The committee agrees an investment structure to deliver the investment strategy. The current investment objectives, strategy and structure are set out in Schedule 2 to this statement.

## **7. Roles and Responsibilities**

The roles and responsibilities of the main parties involved in management of the Fund are set out in Schedule 3 to this statement.

## **8. Risk**

In order to achieve its investment objective the Fund takes investment risk including equity risk and active management risk. It is understood and acknowledged that this may lead to significant volatility of returns and an ultimate risk that its objectives will not be met. The Fund pursues a policy of lowering risk through diversification of investments by asset class, manager and geography. Risk is also controlled by setting appropriate benchmarks and investment guidelines and maintaining a robust investment monitoring regime. The Fund employs a global custodian to ensure safekeeping and efficient servicing of its assets.

## **9. Liquidity and Cash Flow**

The majority of the Fund's investments are traded on major stock markets and could be realised quickly if required. There is also significant investment in illiquid assets, including property, infrastructure, private equity and private debt. These provide diversification, a return premium and some inflation protection. The Fund monitors cash flow to ensure there is sufficient investment income to meet immediate and anticipated pensions payments.

## **10. Responsible Investment**

The Fund is a signatory to the United Nations Principles for Responsible Investment and has adopted the principles as its responsible investment policy. The principles are set out in full in Schedule 4 together with a note on the Fund's strategy for applying them in practice.

## **11. Exercise of Rights**

The Fund ensures that the votes attaching to its holdings in all quoted companies, both in the UK and Overseas, are exercised whenever practical. The Fund's voting policy is exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance and Stewardship Codes.

## **12. Additional Voluntary Contributions (AVCs)**

The Fund provides an in-house AVC arrangement. Further details, including investment choices available to scheme members are set out in Schedule 5.

## **13. CIPFA/Myners Principles**

The Fund complies with guidance given by the Scottish Ministers. This includes each of the six *Principles for Investment Decision Making and Disclosure in the Local Government Pension Scheme in the United Kingdom 2009* published by CIPFA and based on the updated Myners principles. Further details are set out in Schedule 6.

#### **14. Stock Lending**

The Fund participates in a securities lending programme managed by its global custodian. All stock on loan is fully collateralised with a margin above daily mark-to-market value. The programme is also indemnified by the custodian and provides a low-risk source of added value.

#### **15. Schedules:**

1. LGPS Regulations - Disclosures
2. Investment Objectives, Strategy and Structure
3. Investment Roles & Responsibilities
4. Responsible Investment Policy and Strategy
5. AVC Arrangements
6. CIPFA/Myners Principles – Assessment of Compliance



## Schedule 1

### Strathclyde Pension Fund

#### LGPS Regulations - Disclosures

##### Use of Headroom Limits

The Fund's investment activities are subject to the provisions of the Local Government Pension Scheme (Scotland)(Management and Investment of Funds) Regulations 2010 (as amended updated or re-enacted from time to time) – “the Regulations”.

Regulation 14 imposes certain limits on the types of investment which may be held. Regulation 14 also allows an administering authority to increase investments beyond the normal limits up to increased “headroom” limits as set out in Schedule 1 to the regulations. To do this it must comply with certain requirements including disclosure of the use of the increased limits within its Statement of Investment Principles.

The committee has agreed 2 instances where the headroom limits will be used.

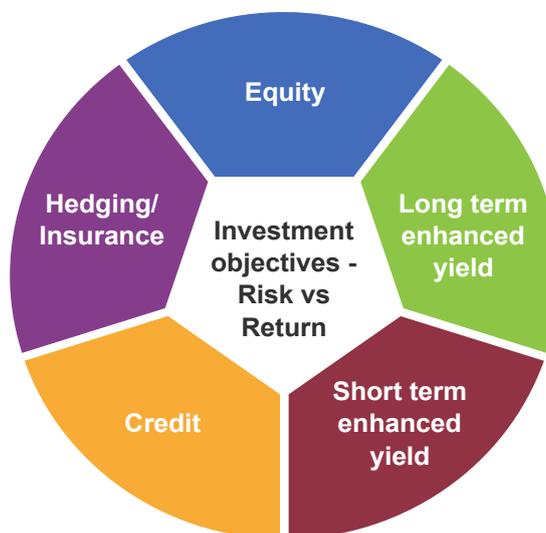
i.) In accordance with Regulation 14(3) and item 11 of Part 1 of Schedule 1 of the Regulations, an increased limit of 35% (of total Fund) invested under the terms of any single insurance contract was approved in September 2005 to be applied for the duration of the current mandate with Legal & General Investment Management.

ii.) In accordance with Regulation 14(3) and items 2 and 3 of Part 1 of Schedule 1 of the Regulations, increased limits of 5% (of total Fund) on all contributions to any single partnership and 15% on all contributions to partnerships was approved in March 2008 to be applied for the duration of the Fund's private equity programme. The limit on all contributions to partnerships was increased further to 30% of total Fund in December 2018.

These decisions are subject to periodic review simultaneous with the periodic review of the Fund's Statement of Investment Principles.



The Fund has adopted a risk-return asset framework as the basis for modelling and agreeing investment strategy.



Within the framework, assets are grouped into 5 broad categories, each with an average expected return, volatility and set of correlations.

Asset Category	Main Objectives	Example Assets
<b>Equity</b>	To generate return.	<ul style="list-style-type: none"> <li>▪ Listed equity in a range of strategies.</li> <li>▪ Private equity</li> <li>▪ Equity derivative or options strategies.</li> </ul>
<b>Hedging/Insurance</b>	To reduce the exposure of the funding level to variations in interest rates and inflation.	<ul style="list-style-type: none"> <li>▪ UK Gilts and index-linked bonds</li> <li>▪ Overseas sovereign bonds</li> <li>▪ Interest rate and inflation swaps</li> <li>▪ Cash held as collateral</li> </ul>
<b>Credit</b>	To ensure additional yield, provide income and reduce funding volatility.	<ul style="list-style-type: none"> <li>▪ Investment grade sterling non-gilts and corporate bonds</li> <li>▪ Synthetic credit</li> </ul>
<b>Short Term Enhanced Yield</b>	To provide an income stream above the expected return on investment grade corporate bonds	<ul style="list-style-type: none"> <li>▪ Absolute return strategies</li> <li>▪ Asset backed securities</li> <li>▪ Private debt</li> <li>▪ Non-sterling bonds</li> <li>▪ Emerging market debt</li> <li>▪ Senior loans</li> <li>▪ Mezzanine loans</li> <li>▪ Real estate debt</li> <li>▪ Hedge funds</li> </ul>
<b>Long Term Enhanced Yield</b>	To provide a long-term income stream and a degree of inflation protection.	<ul style="list-style-type: none"> <li>▪ UK and overseas property</li> <li>▪ UK long lease property, ground rents and social housing</li> <li>▪ Infrastructure debt and equity</li> <li>▪ Timber and farmland</li> <li>▪ Investment grade corporate bonds</li> </ul>

After the 2014 actuarial valuation of the Fund, a roadmap of potential alternative investment strategies was agreed with a view to progressively reducing the Fund's equity exposure and diversifying its asset base. Target allocations to each of the 5 asset categories under this roadmap are outlined below.

<b>Asset</b>	<b>Alt 1</b>	<b>Alt 2</b>	<b>Alt 3</b>	<b>Alt 4</b>
	%	%	%	%
<b>Equity</b>	62.5	<b>52.5</b>	42.5	32.5
<b>Hedging/Insurance</b>	2.5	<b>2.5</b>	2.5	2.5
<b>Credit</b>	5.0	<b>5.0</b>	5.0	5.0
<b>S/T Enhanced Yield</b>	15.0	<b>20.0</b>	25.0	30.0
<b>L/T Enhanced Yield</b>	15.0	<b>20.0</b>	25.0	30.0
	100	<b>100</b>	100	100
<b>Return (% p.a.)</b>	6.0	<b>5.9</b>	5.8	5.5
<b>Volatility (% p.a.)</b>	12	<b>11</b>	10	9

The Fund implemented strategy Alt 1 between the 2014 and 2017 actuarial valuations. After the 2017 valuation Alt 2 was adopted as the strategic target model. The Fund adopted Alt2 as its benchmark for reporting purposes from 1<sup>st</sup> January 2019. A detailed investment structure consistent with Alt 2 is being developed and implemented over the period to the 2020 valuation.

A further review of strategy will be carried out alongside the 2020 actuarial valuation. Alt 3 and Alt 4 may be considered then or at a later date.

A full breakdown of the Fund's current strategy, by mandate and manager is shown overleaf.

Schedule 2  
Investment Objectives, Strategy and Structure



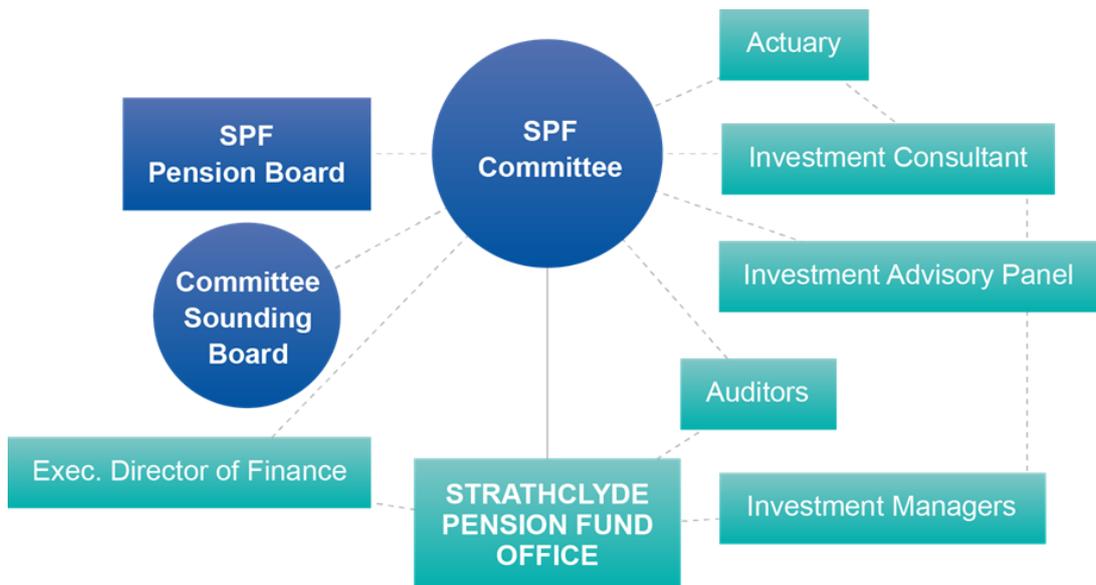
Asset Class / Mandate Type	Manager	Target (%)	Benchmark
<b>Equity</b>		<b>52.5</b>	
<b>Passive</b>	<b>L&amp;G Global</b>	<b>18</b>	FTSE World equity indices composite
	<b>L&amp;G RAFI</b>	<b>6</b>	FTSE RAFI equity indices composite
<b>ACWI ex US</b>	<b>Baillie Gifford</b>	<b>7.5</b>	MSCI All Countries World ex US index
<b>Global</b>	<b>Lazard</b>	<b>2.5</b>	MSCI All Countries World index
	<b>Veritas</b>	<b>2.5</b>	MSCI All Countries World index
	<b>Oldfield</b>	<b>2.5</b>	MSCI All Countries World index
<b>Specialist</b>	<b>Henderson</b>	<b>1</b>	Specialist smaller companies index
	<b>JP Morgan</b>	<b>3</b>	Regional smaller co. indices composite
<b>Private Equity</b>	<b>Genesis</b>	<b>1.5</b>	S&P/IFC Investable index
<b>DIP Equity</b>	<b>Pantheon / PG</b>	<b>7.5</b>	FTSE All Share index +5%
	<b>Various</b>	<b>0.5</b>	CPI +3%
<b>Hedging/Insurance</b>		<b>1.5</b>	
<b>Passive I/L</b>	<b>L&amp;G I/L</b>	<b>1.5</b>	FTSE Index Linked over 5 Years
<b>Credit</b>		<b>6</b>	
<b>Passive Credit</b>	<b>L&amp;G Corp</b>	<b>6</b>	UK/US corporate bond indices composite
<b>STEY</b>		<b>20</b>	
<b>Absolute Return</b>	<b>PIMCO</b>	<b>5.0</b>	LIBOR +3.25%
	<b>Ruffer</b>	<b>1.0</b>	LIBOR +3%
<b>Multi Asset Credit</b>	<b>Barings</b>	<b>2.75</b>	LIBOR +4%
	<b>Oak Hill</b>	<b>1.75</b>	LIBOR +4%
<b>Private Debt</b>	<b>Barings</b>	<b>1.25</b>	LIBOR +4%
	<b>Alcentra</b>	<b>1.25</b>	LIBOR +4%
	<b>Partners Group</b>	<b>1.0</b>	LIBOR +4%
<b>Real Estate Debt</b>	<b>ICG Longbow</b>	<b>1.0</b>	LIBOR +4%
<b>EMD</b>	<b>Ashmore</b>	<b>2.5</b>	Emerging Market Debt indices composite
<b>DIP STEY</b>	<b>Various</b>	<b>1.5</b>	CPI +3%
<b>Cash</b>		<b>1.0</b>	
<b>LTEY</b>		<b>20</b>	
<b>UK Property</b>	<b>DTZ</b>	<b>10</b>	IPD Quarterly Universe
<b>Global Real Estate</b>	<b>Partners Group</b>	<b>2.5</b>	8% p.a. absolute return (£ adjusted)
<b>Infrastructure</b>	<b>JP Morgan</b>	<b>2.5</b>	8% p.a. absolute return
<b>DIP LTEY</b>	<b>Various</b>	<b>5</b>	CPI +3%
<b>Total</b>		<b>100</b>	



## 1. Introduction

The Strathclyde Pension Fund Governance structure is illustrated and the main investment roles and responsibilities are described below.

### STRATHCLYDE PENSION FUND GOVERNANCE



The Fund pursues a policy of seeking enhanced returns whilst lowering risk through diversification of both investments and investment managers. In order to achieve this it has delegated day to day investment decisions to a number of external investment managers. A management agreement is in place for each Investment Manager, which sets out the relevant benchmark, performance target, asset allocation ranges, and any restrictions, as determined by the Fund.

## 2. Strathclyde Pension Fund Committee is responsible for:

- maintaining the Statement of Investment Principles
- agreeing investment objectives, strategy and structure
- appointing investment managers, global custodian and consultants
- reviewing the performance of the Fund, its investments and investment managers.

The Committee is supported by council officers and external advisers. The Committee may appoint a working group to develop specific initiatives. The **Committee Sounding Board** reviews proposals before they are considered by the Committee for decision.

**3. The Executive Director of Finance is responsible for:**

- governance of the Fund
- implementation of Committee decisions
- committee training
- maintaining the Investment Advisory Panel.

The Executive Director may delegate these functions to the Director of the Strathclyde Pension Fund.

**4. The Investment Advisory Panel is responsible for:**

- developing investment strategy
- monitoring investment performance
- assisting in the selection and appointment of investment managers
- setting and reviewing detailed investment mandate terms and guidelines
- implementation of the passive rebalancing strategy
- monitoring cash flows
- implementation of the private equity, private debt, and global real estate programmes.

**5. The Investment Consultant is responsible for:**

- advice on setting investment objectives and strategy
- advice on appropriate investment management structures
- advice on asset classes and investment vehicles
- assistance with investment manager monitoring
- assistance with investment manager selection, retention and termination
- benchmark advice
- advice on the appropriate content of Investment Management and other related Agreements.

**6. The Investment Managers are responsible for:**

- portfolio management including individual decisions on purchase retention and sale of investments
- decisions on corporate actions and corporate governance (proxy voting)
- responsible investment activity including analysis and engagement with companies.

**7. The Global Custodian is responsible for:**

- safekeeping of assets
- servicing of assets including income collection
- execution of transactions, corporate actions and proxy voting
- record keeping and primary accounting
- securities lending
- cash management
- performance measurement.

**8. The Actuary is responsible for:**

- measurement, monitoring advice and information relating to the Fund's liabilities and the relationship between its investment assets and liabilities.

**9. The Pension Board is responsible for:**

- assisting the Committee in securing compliance with the regulations, other legislation and the requirements of the Pensions Regulator.



## Responsible Investment Policy

 <b>PRI</b>	Principles for Responsible Investment
<p>As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:</p> <ol style="list-style-type: none"> <li>1. We will incorporate ESG issues into investment analysis and decision-making processes.</li> <li>2. We will be active owners and incorporate ESG issues into our ownership policies and practices.</li> <li>3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.</li> <li>4. We will promote acceptance and implementation of the Principles within the investment industry.</li> <li>5. We will work together to enhance our effectiveness in implementing the Principles.</li> <li>6. We will each report on our activities and progress towards implementing the Principles</li> </ol> <p>We encourage other investors to adopt the Principles.</p>	

## Responsible Investment Strategy

Responsible Investment activity is carried out by:

- the Fund's investment managers who are required to exercise the Fund's voting rights, to incorporate analysis of ESG issues into their investment analysis and expected to engage on these issues with the companies in which they invest;
- Global Engagement Services (GES), a specialist responsible investment engagement overlay provider appointed by the Fund in 2012 and again in 2014; and
- the Fund itself through direct engagement, and collaboration with other investors including the Local Authority Pension Fund Forum (LAPFF), ShareAction, Institutional Investor Group on Climate Change (IIGCC), Carbon Action and other ad hoc alliances.



## AVC Arrangements

Since September 2000 Prudential has been the Fund's in-house AVC provider. The arrangement was reviewed in 2009 and in 2017.

Prudential offers the following investment options to Strathclyde members:

AVC Funds available to Strathclyde Members	
<ul style="list-style-type: none"> <li>• Prudential Cash Fund</li> <li>• Prudential Deposit Fund (closed)</li> <li>• Prudential M&amp;G Recovery Fund</li> <li>• Prudential Long Term Bond Fund</li> <li>• Prudential Fixed Interest Fund</li> <li>• Prudential Index Linked Fund</li> <li>• Prudential Corporate Bond Fund</li> <li>• Prudential UK Equity Fund</li> <li>• Prudential UK Equity Passive Fund</li> <li>• Prudential Ethical Fund</li> <li>• Prudential Long-Term Gilt Passive Fund</li> <li>• Prudential Dynamic Growth I</li> <li>• Prudential Dynamic Growth III</li> <li>• Prudential Dynamic Growth V</li> </ul>	<ul style="list-style-type: none"> <li>• Prudential With-Profits Fund</li> <li>• Prudential Discretionary Fund</li> <li>• Prudential Property Fund</li> <li>• Prudential Global Equity Fund</li> <li>• Prudential International Equity Fund</li> <li>• Prudential HSBC Islamic Global Equity Index Fund</li> <li>• Prudential Overseas Equity Passive Fund</li> <li>• Prudential Long Term Growth Fund</li> <li>• Prudential BlackRock Ascent European Equity Fund</li> <li>• Prudential BlackRock Ascent Japanese Equity Fund</li> <li>• Prudential BlackRock Ascent Pacific Rim Equity Fund</li> <li>• Prudential Japan Equity Passive Fund</li> <li>• Prudential Dynamic Growth II</li> <li>• Prudential Dynamic Growth IV</li> </ul>

Details of the various funds, including investment objectives, methods, risk profiles, and management charges are available to scheme members:

- in a dedicated Local Government area on Prudential's website at <http://www.pru.co.uk> and
- in Prudential's *Fund Guide – Strathclyde Pension Fund AVC Scheme* which is available from their website. The guide and website also provide background information on the AVC facility and how it works.



**Schedule 6**  
**The CIPFA/Myners Principles – Statement of Compliance**

Principle		Compliance	Comments
<b>1. Effective Decision Making</b>			
	<b>Administering authorities should ensure that:</b>		
<b>1.1</b>	<b>Administering authorities should ensure that:</b> <ul style="list-style-type: none"> <li><b>decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and</b></li> </ul>	Yes	<p>The decision making body for the Strathclyde Pension Fund is the Strathclyde Pension Fund Committee.</p> <p>The committee is supported by in-house resource, external consultants and independent expert advisers.</p> <p>The committee has established a Sounding Board with a remit to review proposals before they are considered by the Committee for decision</p> <p>The committee is assisted by the Board.</p>
<b>1.2</b>	<ul style="list-style-type: none"> <li><b>those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.</b></li> </ul>	Yes	<p>The Committee approves an annual training plan for all those involved in the Fund's governance. The plan covers a broad spectrum from regular, short briefing sessions on topical issues to in-depth <i>ad hoc</i> training on areas where substantive decisions require to be made.</p> <p>Completion of the Pension Regulator's public service toolkit is encouraged as part of the plan.</p> <p>Conflicts of interest are managed in line with the Council's code of conduct and with the Pensions Regulator's Code of Practice.</p>

2. Clear Objectives			
2.1	<p><b>An overall investment objective(s) should be set out for the fund that takes account of the scheme's liabilities, the potential impact on local tax payers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be clearly communicated to advisers and investment managers.</b></p>	Yes	<p>The strategy for managing liabilities, employer contributions and employer covenant is set out in the Funding Strategy Statement. The Fund's stated investment objective is to support the funding strategy by adopting an investment strategy and structure which incorporate an appropriate balance between risk and return.</p> <p>The strategy and structure are monitored continuously and fully reviewed every three years based on output from the triennial actuarial valuation and using asset-liability and risk modelling techniques.</p> <p>The key governance criteria of Prudence, Affordability, Stability and Stewardship are explicitly addressed as part of the periodic review of investment strategy. .</p>

3. Risk and liabilities			
3.1	<ul style="list-style-type: none"> <li><b>In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities.</b></li> <li><b>These include the implications for local tax payers, the strength of the covenant for participating employers, the risk of their default and longevity risk.</b></li> </ul>	Yes	<p>The strategy for managing liabilities, employer contributions and employer covenant is set out in the Funding Strategy Statement. The Fund's stated investment objective is to support the funding strategy by adopting an investment strategy and structure which incorporate an appropriate balance between risk and return.</p>
		Yes	<p>The strategy and structure are reviewed every three years based on output from the triennial actuarial valuation and using asset-liability and risk modelling techniques. The investment strategy does not currently seek to match cash flows or liabilities but does reflect the anticipated profile of these. It is accepted that the actively managed, equity based strategy will lead to volatility of returns and divergence between asset and liability values.</p>

4. Performance assessment			
4.1	<ul style="list-style-type: none"> <li>• <b>Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisers.</b></li> </ul>	Yes	<p>The Fund has a very robust performance measurement and monitoring regime. Independent performance measurers, Northern Trust and IPD produce detailed quarterly and annual reports on Fund and manager performance compared to fund-specific, index and peer group benchmarks. Summary reports are reviewed by the Committee each quarter. Detailed monitoring of managers and investments is delegated to the Investment Advisory Panel and officers.</p> <p>Consultancy contracts are regularly market tested.</p>
4.2	<ul style="list-style-type: none"> <li>• <b>Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to scheme members.</b></li> </ul>	Yes	<p>The Fund's objectives are captured in its strategic benchmark, which is the primary comparator for performance.</p> <p>The Investment Advisory Panel assesses the individual components of performance and reports quarterly to the Committee.</p> <p>Performance is reported regularly to scheme members.</p>
5. Responsible ownership			
5.1	<p><b>Administering authorities should:</b></p> <ul style="list-style-type: none"> <li>• <b>adopt, or ensure their investment managers adopt, the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholders and agents;</b></li> </ul>	Yes	<p>Investment managers are expected to conform with current best practice including the UK Corporate Governance and Stewardship Codes.</p> <p>The Fund's statement of compliance with the UK stewardship code is available from its website at: <a href="http://www.spfo.org.uk">www.spfo.org.uk</a></p>
5.2	<ul style="list-style-type: none"> <li>• <b>include a statement of their policy on responsible ownership in the Statement of Investment Principles; and</b></li> </ul>	Yes	<p>In January 2008 the Fund became a signatory to the United Nations Principles for Responsible Investment and in December 2008 adopted UNPRI as its core policy on responsible ownership. The policy and strategy are included as a Schedule to the Statement of Investment Principles.</p>
5.3	<ul style="list-style-type: none"> <li>• <b>report periodically to scheme members on the discharge of such responsibilities.</b></li> </ul>	Yes	<p>A Responsible Investment report is reviewed regularly by the Committee and summarised in performance reports to scheme members and in the Fund's Annual Report.</p>

6. Transparency and reporting			
	Administering authorities should:		
6.1	<ul style="list-style-type: none"> <li>act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives; and</li> </ul>	Yes	<p>The Fund has a very well established communications policy which addresses the information needs of all stakeholder groups.</p> <p>The Fund's website <a href="http://www.spfo.org.uk">www.spfo.org.uk</a> allows open access to policy documents, performance reports and other committee papers.</p>
6.2	<ul style="list-style-type: none"> <li>provide regular communication to scheme members in the form they consider most appropriate.</li> </ul>	Yes	<p>The Fund sends an annual newsletter to each of its current contributors (<i>Fundnews</i>), pensioners (<i>Pensionnews</i>) and deferred members (<i>In Touch</i>). These are delivered digitally but members can request hard copy.</p>