



Investment Strategy and Structure

Following the 2014 actuarial valuation, the Fund adopted the risk return framework summarised in the table and chart below as the basis for modelling and agreeing investment strategy.



Asset Category	Main Objectives
Equity	To generate return
Hedging / Insurance	To reduce the exposure of the funding level to variations in interest rates and inflation
Credit	To ensure additional yield, provide income and reduce funding volatility
Short-term Enhanced Yield	To provide an income stream above the expected return on investment grade corporate bonds
Long-term Enhanced Yield	To provide a long-term income stream and a degree of inflation protection

The Fund's current investment strategy, fully implemented during the 2024/25 financial year is shown below:

Asset Category	Allocation (%)
Equity	47.0
Hedging / Insurance	10.0
Credit	5.0
Short-term Enhanced Yield	17.0
Long-term Enhanced Yield	21.0
	100.0
Expected Return (% p.a)	5.0

The investment strategy is broken down by asset class below:

