



Investment Strategy Statement

Version 1.3



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1. Background

- 1.1 This Statement has been prepared in accordance with the *Local Government Pension Scheme (LGPS) (Management and Investment of Funds) Regulations 2016* (the Regulations). The Regulations require administering authorities to prepare, publish, and when appropriate revise, a written statement recording the investment policy of the pension fund; they also stipulate certain key issues which must be covered in the Statement.
- 1.2 The terms of appointments of any external investment managers include a provision that the investment manager must take account of, and shall not contravene, this Statement in undertaking its management role. Greater Manchester Pension Fund (GMPF) may terminate the appointment of any external investment manager by not more than one month's notice.
- 1.3 The Local Government Pension Scheme (the Scheme) was established by statute to provide death and retirement benefits for all eligible employees. The Scheme is a contributory, defined benefit occupational pension scheme.
- 1.4 Tameside Metropolitan Borough Council (TMBC) became the administering authority of GMPF in 1987 after the abolition of the Greater Manchester County Council in 1986. GMPF covers all ten councils of Greater Manchester, the National Probation Service and numerous other smaller employers.
- 1.5 The Statement outlines the broad investment principles governing the investment policy of GMPF. In preparing the Statement, TMBC has consulted those persons it considered appropriate.

2. Organisation and management arrangements of GMPF

- 2.1 The investment powers of TMBC under the Scheme are given in the Regulations. Amongst other matters, the Regulations require TMBC to have regard to both the suitability and diversification of its investments and to take proper advice in making decisions regarding the investment matters of GMPF.
- 2.2 TMBC has delegated all its functions as administering authority of GMPF to the Pension Fund Management Panel (the Management Panel or the Panel) which routinely meets on a quarterly basis and whose Terms of Reference are detailed in TMBC's Constitution. Amongst other matters, the Panel decides on the investment policy most suitable to meet the liabilities under the Scheme and has ultimate responsibility for the investment strategy.
- 2.3 The Management Panel has in turn appointed a Pension Fund Advisory Panel and external professional advisors and has dedicated internal officers of GMPF to advise it on the exercise of its delegated powers. There are also a number of Working Groups which report quarterly to the Panel on specialist matters.
- 2.4 The Director of Pensions exercises certain delegated powers as specified in the Constitution and provides the link between the Panel, the external professional advisors and GMPF's investment managers. Each year a GMPF business plan is submitted by the Director of Pensions to the Management Panel for consideration.
- 2.5 A primary objective of TMBC is to maintain a low and stable employer contribution rate. This is to be achieved by attempting to maximise the long term investment return whilst not exceeding an acceptable degree of risk.
- 2.6 The assets of GMPF are separated into two distinct parts – a Main Fund and a Designated Fund. This separation has been made in order to reflect a major difference in liability profiles between most of the employers of GMPF and that of a small number of other employers of GMPF.
- 2.7 Having taken appropriate advice, the Management Panel has decided that a bespoke benchmark, which is biased towards equity is a suitable investment benchmark for the management of the Main Fund. Detail on the Main Fund's bespoke benchmark is included in GMPF's [Annual Report and Accounts](#). This benchmark will be reviewed annually and when appropriate in response to significant changes in the investment

environment. The Designated Fund has a bespoke benchmark which is heavily orientated towards UK index linked stock.

- 2.8 The Management Panel has delegated the management of the majority of the Main Fund's securities portfolio, and the management of the Main Fund's direct property portfolio, to regulated, external, professional investment managers whose activities are defined and constrained by detailed Investment Management Agreements. The remainder of the Main Fund (including private equity, private debt, infrastructure, local investments, elements of the Special Opportunities Portfolio and UK cash), together with a proportion of the Designated Fund, is managed internally by officers of GMPF. The Treasury Management of UK cash is undertaken by officers of TMBC.
- 2.9 The Main Fund is largely actively managed but has a significant element, which is passively managed on a pooled basis. One of the appointed external securities managers has been given: an active multi-asset (ex-property) discretionary benchmark reflecting its perceived skills and the relative efficiency of markets. Separately, this Manager, as replicator for GMPF's Factor Based Investment portfolio has been given a single broad equity market benchmark. This is a specialist mandate to replicate a Factor Based Investment portfolio (determined via a specific customised non-market capitalisation index) that provides diversified multi-factor exposure, coupled with reduced carbon intensity and other important risk control design features. The second appointed external securities manager has a single broad equity market benchmark reflecting its specialist mandate. The third appointed external securities manager has an absolute return benchmark reflecting its specialist multi-asset credit mandate. These individual benchmarks are detailed in the Investment Management Agreements and have been chosen to be consistent with the overall bespoke benchmark determined for the Main Fund.
- 2.10 For the discretionary active mandates, each of the Main Fund's external active securities managers has been set the target of achieving a rolling three year average performance which exceeds the average performance of their individual benchmark by at least 1% per annum. The specialist Factor Based Investment portfolio is expected to outperform its broad (market capitalisation) equity benchmark over the medium to long term. GMPF anticipates that in two years out of three the external active multi-asset securities manager's annual performance will be within 4.5% of the annual performance of its individual benchmark. The equivalent range for the specialist global equity securities manager is +/- 7%, +/- 6% for the specialist multi-asset credit securities manager and +/- 2.5% for the Factor Based Investment portfolio.
- 2.11 The fees of one of the external active securities managers consist of two elements: an ad-valorem base fee together with a performance element which is capped at a prudent level of outperformance. The fees for the two remaining external active securities managers consist of a fixed base fee with no performance element. The fees of the Main Fund's external passive securities manager and the Factor Based

Investment portfolio consists of an ad-valorem base fee with no performance element. The fees of the external property manager comprise of a combination of a fixed and ad-valorem base fee with no performance element.

- 2.12 The Designated Fund is predominantly passively managed.
- 2.13 The investment returns of the Main Fund, its underlying component portfolios and the Designated Fund are calculated quarterly by an external, third party professional performance measurement company appointed directly by TMBC.
- 2.14 The Management Panel monitors the performance of the appointed external investments managers at each of its quarterly meetings. The performance of the specialist portfolios managed internally by officers of GMPF is monitored annually by the Policy and Development Working Group.

3. The types of investments to be held

- 3.1 The Regulations require TMBC to set out the maximum percentage of the total value of all investments of GMPF money that it will invest in particular investments or classes of investment. These maximum percentage limits are set out in an Appendix to this Statement and are applicable only at the time the investment is made. Depending on market conditions, the allocations to specific investments or classes of investment may stray outside the maximum percentage limits before adjustments are made to rectify the situation. The Regulations also require that not more than 5% of the total value of all investments of GMPF money be invested in entities which are connected with the authority, within the meaning of section 212 of the Local Government and Public Involvement in Health Act 2007.
- 3.2 In addition to the Regulations, TMBC has decided to further restrict the types of investment which the appointed external securities managers may hold and to restrict the type and extent of investment activity which they are permitted to undertake. These further detailed restrictions are extensive and are documented in a Schedule to each of the Investment Management Agreements.
- 3.3 GMPF assets currently include a UK and overseas spread of equity, fixed interest bonds (including those issued by Governments, companies and other entities), other debt securities (eg bank loans and securitised debt), index linked bonds, private equity, private debt, infrastructure and property. The Main Fund's external active multi-asset securities manager is permitted limited use of certain derivatives. The Main Fund's active specialist multi-asset credit manager is permitted use of certain derivatives for hedging, duration and currency management, asset allocation and security selection. The limited use of certain derivatives is permitted in the Factor Based Investment portfolio in order to maintain the desired level of (equity market) risk exposure. GMPF supplements its investment income by participating in a Commission Recapture program.

4. The balance between different types of investments

- 4.1 The Regulations require TMBC to have regard to the diversification of its investments.
- 4.2 The overall bespoke benchmark of the Main Fund comprises a mix of different assets which is sufficient to provide adequate diversification for the Main Fund. GMF's Annual Report and Accounts contains more detail on the overall Main Fund benchmark.
- 4.3 The strategic balance of investments takes account of the risk/return characteristics of each asset class and in particular the potential for enhanced long term returns from equity and the higher level of short term volatility associated with that asset class. In this context, risk in relation to any asset class is considered 'in the round' rather than being analysed into the specific components of risk (eg liquidity, foreign exchange, interest rate sensitivity etc). Allowance is also made for the benefits of diversification across the asset class mix within the Main Fund. The overall bespoke benchmark provides a reasonable long term balance appropriate to the liabilities relevant to the Main Fund and its funding position.
- 4.4 For the Main Fund, tactical asset allocation is delegated to the appointed external multi-asset securities manager who must operate within asset class and country restrictions which are documented in a Schedule to the Investment Management Agreement.
- 4.5 The bespoke benchmark of the Designated Fund has also been specifically chosen in the context of the relevant liabilities and funding position.

5. Risk: measurement and management

- 5.1 The Management Panel recognises that risk is inherent in any investment activity. The overall approach is to seek to reduce risk to a minimum where it is possible to do so without compromising returns (eg in operational matters), and to limit risk to prudently acceptable levels otherwise (eg in investment matters).
- 5.2 Operational risk is minimised by:
- having custody of GMMPF's financial assets provided by a regulated, external, third party, professional custodian appointed directly by TMBC with control and liability issues thoroughly addressed in a Global Custody Agreement;
 - having the deeds of direct property investments held securely by GMMPF's Legal Section;
 - documenting control and liability issues relating to the relationships with the appointed external investment managers in the Investment Management Agreements;
 - having an external, third party, accounting provider independently maintain complete accounting records relating to the investment activity of the appointed external securities managers and to the entitlements (eg income) arising from GMMPF's securities portfolios;
 - officers of TMBC Internal Audit and of GMMPF's Investments Group receiving reports on and reviewing the internal operating procedures of the appointed external custodian/accounting provider and securities managers; and
 - subjecting internal investment management activity to close Internal Audit scrutiny.
- 5.3 Investment risk is constrained by:
- diversifying across investment managers;
 - diversifying across types of investment;
 - restricting external appointed investment manager activity as documented in a Schedule to or in relevant Clauses of the Investment Management Agreements;
 - selecting appropriate investment benchmarks in order to control the risk that the assets will not be sufficient to meet the liabilities whilst also having a strong likelihood of achieving a good return;

- taking appropriate internal and external professional advice on the investment activity of both the externally managed securities portfolios and of the internally managed portfolios;
 - quarterly, formal, Management Panel monitoring of asset allocation against the investment benchmarks and asset class restrictions; and
 - quarterly, formal, Management Panel monitoring of investment manager and overall Fund activity and performance.
- 5.4 Some risks lend themselves to being measured (eg using such concepts as 'Active Risk' and such techniques as 'Asset Liability Modelling') and where this is the case, GMPF employs the relevant approach to measurement. GMPF reviews new approaches to measurement as these continue to be developed.

6. The expected return on investments

- 6.1 There is a broad expectation that in the longer term the return on equity will be greater than on other assets.
- 6.2 The overall Main Fund return is expected to be broadly in line with the overall bespoke benchmark. Over the last 20 years this benchmark has averaged a return which is comfortably ahead of both price and earnings inflation over the same period. However, over any shorter period, such as one or five years, actual Main Fund returns may vary significantly from the benchmark and indeed benchmark returns may vary significantly from their long term averages.
- 6.3 Over the long term appropriate to the liabilities of the Scheme it is expected that the investment returns of both the Main Fund and the Designated Fund will be at least in line with the assumptions underlying the actuarial valuations.

7. The realisation of investments

- 7.1 General investment principles require that issues of liquidity and marketability be considered in making any investment decision. Over the coming years, pension payments are expected to significantly exceed employer and employee contributions each year. During this period, investment income is anticipated to comfortably generate receipts per year in excess of the expected shortfall to GMPF. Thus, it is not expected that there will be any material need to realise investments in the near future other than to seek higher returns.
- 7.2 The vast majority of GMPF's assets are readily marketable. However, some investments, such as property, and more so private market assets, are less easy to realise in a timely manner. Such relative illiquidity is not considered to have any significant adverse consequences for GMPF. Officers of GMPF will continue to investigate and assess options for dealing with the deteriorating cash flow position of GMPF.
- 7.3 TMBC informs the appointed external investment managers of any projected need to withdraw funds in order to enable the investment managers to plan an orderly realisation of assets when this proves necessary.

8. GMF's approach to pooling investments

- 8.1 TMBC signed a memorandum of understanding with the administering authorities of the Merseyside Pension Fund and the West Yorkshire Pension Fund to create the Northern LGPS in order to meet the criteria for pooling investments released by Government on 25 November 2015. [Formally, this is achieved through the mechanism of a joint committee established under sections 101 and 102 of the Local Government Act 1972.]
- 8.2 The three funds submitted a pooling proposal to Government in July 2016 and DCLG (now MHCLG) provided its confirmation in January 2017 that it was content for the funds to proceed with the formation of the Pool as set out in the July 2016 proposal.
- 8.3 Following the issue of the LGPS (Management and Investment of Funds) Regulations 2016, the plans for the Northern LGPS evolved from the July 2016 proposal.
- 8.4 The vast majority of the benefits of pooling for the funds in the Northern LGPS are in respect of alternative assets where there is greatest scope to generate further economies of scale and to combine resources to make increasingly direct investments. Following detailed discussions and consideration of professional advice, it was agreed in March 2017 by each of the participating funds that in order to meet the Reduced Costs and Excellent Value for Money criteria set by Government most effectively, the Northern LGPS should focus resource on making collective investments in alternative assets such as private equity and direct infrastructure. The private equity and direct infrastructure investments would initially be made via joint ventures and partnerships to enable pooled investments to be made and start generating material cost savings from an early stage. Such structures would in all cases be compliant with relevant financial services law.
- 8.5 The Scale and Strong Governance and Decision Making criteria are met by:
 - i. the joint committee providing monitoring and oversight of the operations of the Northern LGPS with the Joint Committee constituted so as to separate elected members from any manager selection decisions and;
 - ii. appointing a FCA regulated common custodian for the Pool, which has custody of all the pool's actively managed listed assets (ie internally and externally managed equities and bonds) and act as master record keeper for all pool assets.

- 8.6 As at 31 March 2015, the total value of assets across the three participating funds was £35.4 billion which is in excess of the £25 billion criterion set by Government. The combined asset value of the Northern LGPS is expected to remain (significantly) above £25 billion over the foreseeable future. Strategic asset allocation will continue to be set by each fund's pension committee with the selection of individual investments and investment managers for external mandates carried out on a pooled basis by appropriately qualified and experienced officers, operating under the legal framework of specialist investment vehicles where appropriate.
- 8.7 All public-market assets and new commitments to private equity and direct infrastructure will be monitored and overseen by the Northern LGPS Joint Committee with all assets other than day to day cash used for scheme administration purposes being held under the common custody agreement. Day to day cash is assumed to be 1% of total assets for each fund.
- 8.8 In accordance with the 2015 pooling criteria and guidance, legacy private market assets (ie those entered into prior to the formation of the Pool) will be run-off on a segregated basis.
- 8.9 At 31 March 2019, externally managed public-market assets, direct infrastructure and private equity commitments made via the Pool made up 80% of GMPF's total assets. Over time, as private equity commitments continue to be made via the Pool and legacy private-market assets run off it is expected that approximately 90% of GMPF assets will be invested via the Pool structure set out above.
- 8.10 It is intended that the Northern LGPS will procure the following services as required on behalf of the participating funds:
 - External fund management for certain public-market mandates.
 - Common custodian for Pool.
 - Investment management systems.
 - Performance analytics.
 - Responsible Investment advisory services.
 - Other professional advice.
- 8.11 The Northern LGPS Joint Committee is created via the approval of an inter-authority agreement between the administering authorities to the participating funds. The role of the Joint Committee is to:
 - i. provide monitoring and oversight of the Northern LGPS to ensure that the pool is effectively implementing the participating authorities' strategic asset allocation decisions
 - ii. to oversee reporting to the participating authorities' pension committees

- iii. act as a forum for the participating authorities to express the views of their pension committees
 - iv. ensure segregation of duties in investment decision making between elected members and officers
 - v. monitor performance of portfolios
 - vi. monitor the appointment of investment managers.
- 8.12 Reporting processes of the Northern LGPS include regular written reports on the performance of Northern LGPS investments to the Joint Committee, which are discussed at formal meetings. The Joint Committee will not be undertaking any regulated activities.
- 8.13 The Northern LGPS governing documentation grants the Joint Committee and each administering authority certain powers regarding the operation of the Northern LGPS, which can be used to ensure the effective performance of Northern LGPS. GMPF's approach to pooling set out above will be reviewed periodically going forwards to ensure this continues to demonstrate value for money, particularly following any changes to funds' strategic asset allocations, pool management arrangements or taxation policy in the UK or internationally. The reviews will take place no less than every three years.
- 8.14 A report on the progress of asset transfers will be made to the Scheme Advisory Board on at least an annual basis.

9. Socially responsible investment

- 9.1 GMPF holds a general policy of not interfering in the day to day investment decisions of its investment managers. However, GMPF may choose to actively invest in or disinvest from companies for social, ethical or environmental reasons, so long as that does not risk material financial detriment to GMPF.
- 9.2 As a responsible investor, GMPF wishes to promote corporate social responsibility, good practice and improved company performance amongst all companies in which it invests.
- 9.3 GMPF endeavours to be a socially responsible investor wherever possible but does so within the duties placed upon it under statute and under general trust law principles to manage the Scheme in the best financial interests of the Scheme members and beneficiaries.
- 9.4 GMPF's approach to responsible investment activities is set out in its Responsible Investment Policy. Consequently, from time to time GMPF will pursue certain specific issues direct with investee companies, either individually or, more usually, collectively with other institutional investors via its membership of the 'Local Authority Pension Fund Forum' (LAPFF), its membership of the 'Institutional Investors Group on Climate Change' (IIGCC), as a signatory to the 'UN Principles for Responsible Investment' or by means of other ad hoc groupings.
- 9.5 The climate emergency is an urgent, financially material social, economic and environmental risk. The Panel recognise that climate-related risks and opportunities will be financially material to the performance of the investment portfolio and will become ever more so over the expected lifetime of GMPF. As such, the Panel will consider climate change issues across GMPF and specifically in areas such as Strategic Asset Allocation, Investment Strategy and Risk Management with the aim of minimising adverse financial impacts and maximising the opportunities for long term economic returns on GMPF's assets.
- 9.6 GMPF's long term goal is for 100% of assets to be compatible with the net zero emissions ambition by c2050 in line with the Paris Agreement. The decarbonisation goal will be regularly evaluated in line with the latest science and climate risk assessment and GMPF's objective of maintaining long term financial performance. GMPF will continue to measure and report its carbon footprint and will seek to utilise

the latest methodologies to ensure accuracy and relevance. GMPF reports annually in line with the recommendations of the Taskforce for Climate Related Financial Disclosures.

- 9.7 GMPF, via its membership in the Northern LGPS is a signatory to the Paris Aligned Investment Initiative's Net Zero Asset Owner Commitment. GMPF will draw on the IIGCC's Net Zero Investment Framework to reach its decarbonisation goal. This includes the setting of interim targets which GMPF is currently developing and will publish in due course.
- 9.8 GMPF has undertaken a number of initiatives to enhance its approach to managing this risk. Company engagement is a key element of GMPF's approach to climate change. GMPF wishes to promote and encourage compliance with its own UK Environmental Investment Code. GMPF's appointed external securities managers are encouraged to operate a policy of constructive shareholder engagement with companies. GMPF is a signatory of the UK Stewardship Code.
- 9.9 By joining forces with over 80 other LGPS funds within LAPFF, GMPF collectively has a very powerful voice in challenging companies to disclose their business models, and the assumptions that underpin their investment decisions, leading to greater capital discipline. This could have the dual success of enhancing shareholder value, whilst also reducing greenhouse gas emissions.
- 9.10 GMPF is a signatory to the Carbon Disclosure Project (CDP) which seeks information from major corporations worldwide on their Greenhouse Gas Emissions. GMPF is also a signatory to Climate Action 100+ whose aim is to work with companies to ensure that they are minimising and disclosing the risks and maximising the opportunities presented by climate change.
- 9.11 GMPF is a member of the Institutional Investors Group on Climate Change (IIGCC) which is a forum for collaboration on climate change for European investors. The IIGCC seeks to promote a better understanding of the implications of climate change amongst its members and other institutional investors, and to encourage companies and markets in which its members invest to address any material risks and opportunities to their businesses associated with climate change and a shift to a lower carbon economy.
- 9.12 GMPF actively invests in low carbon and renewable energy technology and will seek to increase the scale of investment in this sector where suitable opportunities arise, in order to encourage a move toward a lower carbon economy. Within the strategic asset allocation to infrastructure, a key strategy is investments in low carbon and renewable energy opportunities.
- 9.13 GMPF supports the Investing in a Just Transition initiative which focuses on delivering a transition to a low carbon economy while supporting an inclusive

economy with a particular focus on workers and communities across the UK. GMPF understands this needs to be done in a sustainable way that safeguards against communities being left behind during this transition.

- 9.14 The Panel has approved an allocation to Local Investments, which has the twin aims of generating a commercial return and delivering a positive social impact. GMPF's Annual Report and Accounts contains more detail on the specific investments within this allocation.
- 9.15 GMPF is able to exercise its responsibilities on wider ESG (Environmental, Social and Governance) issues through its membership of organisations such as the 30% Club, Workforce Disclosure Initiative and the Make My Money Matter initiative. GMPF reports annually on its responsible investment activity through the UN Principles for Responsible Investment's reporting framework and uses this framework as a basis to report on its responsible investment activity quarterly to GMPF's Management Panel which is publicly available.

10. The exercise of investment rights

- 10.1 The exercise of rights which are not voting rights (eg dividend entitlements, rights issues etc) are delegated by TMBC to the investment managers of GMPF as part of their normal investment responsibilities.
- 10.2 GMPF retains maximum possible authority to exercise the voting rights attached to its investments to promote and support good corporate governance principles. The importance of accountability to beneficiaries is fundamental to GMPF's approach. Therefore, GMPF makes publicly available its voting record. In the case of the GMPF's own voting decisions, it pre-discloses votes on all companies. GMPF will report on its voting activity as part of its Annual Report.
- 10.3 GMPF implements its voting policy in partnership with a specialist advisor (currently PIRC Ltd) who provides appropriate research and vote execution services that cover the major markets in which shares with voting rights are held.
- 10.4 GMPF votes in line with the recommendations of its advisor, having judged that the advisor's voting guidelines promote high standards of corporate governance and responsibility and enable GMPF to exert a positive influence as shareholders concerned with value and values.
- 10.5 The appointed external passive securities manager votes in respect of GMPF at every opportunity in the UK and in respect of companies in the vast majority of overseas markets except where practicalities are a significant obstacle.
- 10.6 In casting votes in respect of GMPF in the UK, the appointed external passive securities manager normally implements its own Voting Policy. However, the passive securities manager will vote in respect of GMPF according to GMPF's instructions on a case by case basis should GMPF so require.

11. Stocklending

- 11.1 GMPF itself has participated in a prudently structured Stocklending program via its Custodian since March 2003. However, GMPF suspended its Stocklending program between September 2008 and May 2011 in the wake of the 2008 financial crisis.
- 11.2 GMPF does not lend UK and US Equities and does not take Cash as collateral. The maximum volumes of stock 'on loan' are set at a prudent level. All loans must be pre-collateralised and be subject to recall upon demand.
- 11.3 Certain pooled vehicles within which GMPF invests may undertake an amount of Stocklending on behalf of the pooled vehicle investors. Where this occurs, the extent of the activity is disclosed by the pooled vehicle. GMPF considers this aspect of the pooled vehicle when making investment decisions.

Appendix to investment strategy statement

TABLE OF LIMITS ON INVESTMENTS

MAIN FUND

Asset Class	Limit (%)
Total Equities	30 – 85
UK Equities	5 – 20
Overseas Equities	10 – 50
Global Equities	2 – 25
Total Bonds	10 – 50
Government Fixed Interest Bonds	1 – 12
Corporate Bonds	2 – 17
Government Index Linked Bonds	1 – 12
Multi-Asset Credit	2 – 10
Total Alternatives	5 – 45
Private Equity	0 – 10
Private Debt	0 – 7
Infrastructure	0 – 15
Special Opportunities	0 – 7
Local Investments	0 – 7
Property	3 – 15
Total Cash	0 – 10

DESIGNATED FUND

Asset Class	Limit (%)
Equities	0 – 100
Government Fixed Interest Bonds	0 – 100
Corporate Bonds	0 – 100
Government Index Linked Bonds	0 – 100
Other Liability Matching Assets*	0 – 100
Cash	0 – 100

*Other Liability Matching Assets include exposure to derivative instruments (eg interest rate and inflation swaps) used for liability matching purposes and are currently accessed via pooled funds.

There are a small number of employers whose liability profiles are significantly different from most of GMPF's employers. Investments in the Designated Fund reflect the specific liability profiles of these employers. The assets held in the Designated Fund have been specifically chosen in the context of the relevant liabilities and funding position. Given the nature and size of the Designated Fund, it is not considered appropriate to restrict the limits on Asset Classes. The proportion of assets within each asset class will change over time as GMPF develops its framework to meet the diverse needs of its employers.

