

Subject	Update to SYPA's Statement of Investment Beliefs	Status	For Publication
Report to	Authority	Date	18 December 2025
Report of	Assistant Director – Investment Strategy		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To update SYPA's Statement of Investment Beliefs. Our review of the statement was driven by the Government's *Fit for the Future* consultation – but we have also taken the opportunity to update other aspects of the document, where appropriate.

2 Recommendations

- 2.1 Members are recommended to approve the updated beliefs statement.

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:

Investment Returns

To maintain an investment strategy which delivers the best financial return, commensurate with appropriate levels of risk, to ensure that the Fund can meet both its immediate and long-term liabilities.

Responsible Investment

To develop our investment options within the context of a sustainable and responsible investment strategy.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report have the following implications for the Corporate Risk Register.

5 Background and Options

- 5.1 The purpose of our Statement of Investment Beliefs is to provide a framework for reference when we are making investment decisions., particularly in relation to the investment strategy review and subsequent update of our Investment Strategy Statement. This will also be an important document as we delegate more of our decision-making to Border to Coast in light of the Government's *Fit for the Future* consultation outcomes.
- 5.2 The proposed amendments to our current statement (dated October 2019) are as set out below:
- a. Allowing the use of passive management, in addition to active management.
 - b. Incorporating a new belief related to SYPA's funding requirements.
 - c. Incorporating a new belief related to SYPA's liquidity requirements.
 - d. A new belief that there may be risk benefits to hedging part of our currency exposure.
 - e. Explicitly stating that a portion of our investments will be committed locally.
 - f. Combining our previous beliefs on Responsible Investment and Environmental, Social and Governance matters into a single belief (due to overlap between these topics).

Other than this, the existing beliefs remain in place.

- 5.3 Members were consulted on informally regarding these changes to the investment beliefs.
- 5.4 The updated statement is attached at Appendix A.

6 Implications

- 6.1 The proposals outlined in this report have the following implications:

Financial	There are no direct financial implications for the Authority and Fund from the Statement of Investment Beliefs itself. Although the implementation of our beliefs, and performance of our investments, can have implications for our funding strategy and outcomes.
Human Resources	None
ICT	None
Legal	None
Procurement	None

Andrew Stone

Assistant Director – Investment Strategy