

Cumbria Pension Fund

Consultation on Investment Strategy Statement

Cumbria Pension Fund is launching a consultation on its draft Investment Strategy Statement (ISS) and revised Responsible Investing (RI) policy.

This survey asks for your views on the Investment Strategy Statement (ISS), which sets out how the pension fund invests its money, and its Responsible Investment (RI) Policy which governs its approach to RI and stewardship. You can read the full documents here:

<https://www.cumbriapensionfund.org/media/cvwhu3zb/investment-strategy-statement-draft.pdf>

<https://www.cumbriapensionfund.org/media/ucqk3ywp/responsible-investment-policy-draft.pdf>

The Investment Strategy Statement (ISS) outlines how the investment risk and return issues are managed relative to the Fund's investment objectives. Following the 2025 Actuarial Valuation, the Cumbria Pensions Committee have taken investment consultancy advice and reviewed the ISS and RI Policy. LGPS funds must publish an ISS under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2026, consult with the LGPS Board, employers, members and stakeholders, and keep it under regular review.

Your response will not affect the pension benefits members receive, and we may not be able to act on all feedback.

If you have any queries about this consultation, or need this Response Form in another language or format, please contact Cumbria Pension Fund by emailing pensions@westmorlandandfurness.gov.uk

This consultation will close at **17:00 Friday 14th August 2026**.

Background

Cumbria Pension Fund ("the Fund") manages the pension assets of the Local Government Pension Scheme (LGPS). Part of this responsibility is consulting stakeholders on the Fund's Investment Strategy Statement (ISS).

Stakeholders are invited to have their say on the priorities for the Fund over the coming years, such as the types of assets that the Fund holds, and how responsible investment factors influence investment choices.

The ISS sets out how money that has been received from scheme members' and employers' contributions will be invested. The value of those investments do not affect the value of pension benefits – these are guaranteed as the LGPS is a Defined Benefit scheme.

The LGPS is a 'funded' pension scheme – scheme members' and employers' contributions are invested so that money is available to pay pensions benefits.

About your response

Question	Options
Which of the following best describes you?	<ul style="list-style-type: none"> • Member – Active Member (currently paying contributions to the Fund) • Member – Deferred Member (contributed previously but not currently drawing a pension) • Member – Pensioner • Member – Beneficiary of a member • Employer – Unitary Council • Employer – City, Town or Parish Council • Employer – Academy or Academy Trust • Employer – Administration Body • Employer – Other • Other – please specify

Investment Objectives & Beliefs

The pension fund exists to pay pensions to members both now and in the future. To do this, it needs to balance investment returns with keeping employer contributions stable and affordable.

You can find this in the Investment Strategy Statement sections 2.1 to 2.4.

Question	Options
How clear do you find the overall purpose of the Investment Strategy Statement (ISS)?	<ul style="list-style-type: none"> • Very clear • Mostly clear • Needs improvement • Unclear • Unsure
The pension fund has to balance three things: <ul style="list-style-type: none"> • Paying pensions when they are due • Keeping employer contributions stable • Being fully funded over time Do you think the Strategy is clear on how these are balanced?	<ul style="list-style-type: none"> • Very clear • Mostly clear • Needs improvement • Unclear • Unsure
What (if anything) would you change about the balance of pension fund core objectives?	
Do you have any comments on the Investment Beliefs?	

Risk and Return

All investments involve risk, meaning their value can go up and down. In practice, there is a trade-off between risk and cost. Taking less risk may mean higher employer

contributions, while taking more risk may reduce employer contributions in the short term but increases the chance of losses which need to be funded by employer contributions.

This section asks for your views on how much risk the pension fund should take, and how to balance growth with stability.

You can find this in the Investment Strategy Statement sections 2.5 to 2.7.

Question	Options
Keeping employer contributions stable over time should be a key factor when deciding how much investment risk to take.	Strongly agree Agree Neutral Disagree Strongly disagree Unsure
The pension fund should limit how much investment risk it takes, even if this could mean higher employer contributions.	Strongly agree Agree Neutral Disagree Strongly disagree Unsure
Which trade-off do you think the strategy should prioritise?	Lower risk / higher employer contributions Balanced approach Higher risk / lower employer contributions Unsure
Do you think the main risks facing the pension fund are clearly explained?	Yes Mostly Some gaps Significant gaps Unsure
What risks (if any) do you feel are under-emphasised or missing?	

Strategic Asset Allocation

The pension fund invests in different types of assets – like company shares (known as equity), property, or bonds – to spread risk and generate returns. Spreading investments can help reduce risk, but it can also limit returns or make the strategy more complex.

Different types of investments can play different roles. Some aim for higher growth, some provide income, and some help protect against risks like inflation.

You can find this in the Investment Strategy Statement section 3.

Question	Options
Investing in different types of assets (like shares, property and loans) can reduce risk but may limit returns. How important do you think it is to invest in a range of assets?	Very important Somewhat important Not very important Not important at all Unsure

How do you view how widely the investments are spread?	Too simple About right Too complex Unsure
Do you think the current balance between the assets is right?	Yes Broadly yes Needs adjustment No Unsure
Which area would you most like to see increased or reduced?	
Any other comments?	

Local Investment

The pension fund can invest some of its money in local projects, such as housing and infrastructure, and is required to define its approach. This may support the local economy, but suitable investments can be limited and still need to meet the pension fund’s financial requirements. This section asks for your views on whether this the approach is appropriate, how much should be invested, and what “local” should mean.

You can find this in the Investment Strategy Statement section 4.

Question	Options
Local investments may support the local area, but can be harder to find and may limit investment flexibility. Do you support allocating up to 1% to local investments?	Yes Yes, but a higher allocation could be considered Yes but lower No Unsure
Do you think that the proposed definition of “local” is appropriate?	Yes – a flexible approach works Too broad Too narrow Unsure
What types of investment would you like to see prioritised, if the pension fund invests locally?	Housing Infrastructure Small and medium-sized businesses Climate-related projects Those with the best investment return Other: _____
In some cases, local investments may involve a trade-off between financial return, risk, and local benefits. The Investment Strategy Statement states that expected returns need to be maintained when investing locally. Do you agree?	Yes No Unsure
Any other comments?	

Responsible Investment

Responsible Investment means taking account of risks and opportunities that could affect how the investments perform over the long term. This includes areas such as how companies are run, how they manage environmental risks like climate change, and how they treat workers and communities.

The pension fund's main responsibility is to pay pensions, so investment decisions must focus on long-term financial returns. One of the main ways this is done is by working with companies (known as "engagement") to encourage better practices, rather than avoiding investments altogether.

This section asks for your views on this approach and the the Responsible Investment Policy.

Question	Options
Responsible Investment is mainly used to manage long-term risks and improve investment performance. How important should this approach be in the investment decisions?	<ul style="list-style-type: none"> • A core part of decisions, focused only on financial risks and returns • A core part of decisions, including wider environmental and social outcomes • Important, but balanced with other investment priorities • A secondary consideration • Not a priority • Unsure
The pension fund may be able to show the real-world influence of its investments (e.g. changing company behaviour, or environmental improvements). How important is it that the fund reports on these outcomes?	<p>Very important Moderately important Not very important Not important at all Unsure</p>
How comfortable are you with the pension fund investing across a wide range of companies and sectors, as long as the investments are legal and aim to deliver good long-term financial returns?	<p>Very comfortable Comfortable Neutral Uncomfortable Very uncomfortable Unsure</p>
Do you have any additional comments regarding the Responsible Investment Policy?	

And finally

Thank you for your response. Your feedback will inform the Cumbria Pension Fund's Investment Strategy Statement and RI Policy.

Please either scan and email to pensions@westmorlandandfurness.gov.uk or send this form to arrive no later than **FRIDAY 14 AUGUST 2026** to:

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