

Lothian Pension Fund: Buses Strategy

Investment Objective: to generate sufficient returns to pay pensions as they fall due.

Investment Strategy: to achieve its objective, the Buses Strategy invests in a proportion of the MEG Strategy and the Main Strategy that reflects the maturity of liabilities. This is currently 45:55:50:50. Based on the Main Strategy above, the Buses Strategy will have the following exposures.

Investment strategy:

Policy Group	Target Weight 2024 - 2027	Permitted Range
Equities	27.5%	17 - 37%
Real Assets	10%	5 - 15%
Credit	4%	0 - 8%
Sovereigns	57.5%	47 - 67%
Cash	1%	0 - 10%
Total	100%	

Scottish Homes Pension Fund

Investment Objective: to match cash flows from gilt income and redemption payments as closely as possible with the expected liability payments of the Fund to minimise the risk of additional employer contributions being required.

Investment Strategy: all assets are invested in UK gilts and cash. As some liabilities are fixed in nature and some are inflation-linked, the Fund invests in both nominal and index-linked gilts to match cash flows with liability payments one year beyond the next actuarial valuation. Longer dated liability payments are duration matched.

