



**Cheshire**  
**Pension Fund**

**Cheshire Pension Fund**  
**Investment Strategy Statement**

**April 2026**

## Introduction

Cheshire West and Chester Council is the administering authority of the Cheshire Pension Fund (the Fund). The Council has delegated responsibility for the administration and management of the Fund to the Chief Operating Officer, who is also the Council's Section 151 officer. The Chief Operating Officer is advised by a Pension Fund Committee, who have oversight of the implementation of the management arrangements for the Fund's assets and comprises of elected members from across Cheshire, as well an employee representative. The Pension Fund Committee is supported by an Investment Sub-Committee, who provide more detailed focus on the delivery of the strategic investment outcomes as set out in this statement. In addition, the Fund has a Local Pension Board whose role is to assist with good governance by ensuring compliance with all relevant regulations and guidance and the requirements the Pensions Regulator.

The Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 (the "Regulations") require administering authorities to formulate and publish a statement of its investment strategy in accordance with guidance issued from time to time by the Secretary of State.

This is the Investment Strategy Statement (ISS) of the Cheshire Pension Fund. The ISS is an important governance tool for the Fund. The document sets out the current investment strategy of the Fund, provides transparency in relation to how the Fund's investments are managed, acts as a high-level risk register, and has been designed to be informative for all stakeholders.

In preparing this Statement, the Fund has consulted with such persons as it considers appropriate and the document will be updated based on any factors that the Fund considers material to its liabilities, finances or attitude to risk.

The current regulations require this statement to be reviewed at least triennially but the Fund reviews its strategy annually and updates as appropriate.

Any feedback or comments on this document should be addressed to the Head of the Pension Fund and emailed to: [pensions@cheshirewestandchester.gov.uk](mailto:pensions@cheshirewestandchester.gov.uk)

## Investment Objectives

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death before or after retirement for their dependants, in accordance with LGPS Regulations.

The Funding Strategy and Investment Strategy are intrinsically linked and together aim to deliver stable and affordable contribution rates for employers.

The Fund's high level investment objectives are therefore:

- To maximise investment returns subject to an acceptable level of risk
- To increase certainty of cost for employers by keeping contributions rates stable and affordable
- To contribute towards achieving and maintaining a future funding level of at least 100%

## **Investment Beliefs**

The Fund's investment beliefs help to inform the investment strategy and are as follows:

- Funding, investment strategy and contribution rates are linked
- The strategic asset allocation is the key factor in determining the risk and return profile of the Fund's investments
- Investing over the long term provides opportunities to improve returns
- Diversification across asset classes can help to mitigate against adverse market conditions and assist the Fund to produce a smoother return profile due to returns coming from a range of different sources
- Managing risk is a multi-dimensional and complex task but the overriding principle is to avoid taking more risk than is necessary to achieve the Fund's objectives
- Secure and growing income streams are key to meeting the Fund's current and future liabilities
- Environmental, Social and Governance are important factors for the selection and sustainability of investment returns over the long term
- Value for money from investments is important, not just absolute costs. Asset pooling will help reduce costs whilst providing more choice of investments and will therefore improve Fund returns
- High conviction active management adds value to returns over the long term

A successful investment strategy, delivering strong investment returns over the long term while managing short-term volatility is essential for the ongoing stable operation of the Fund. Benefits are fixed and must be paid through a combination of employer contributions, employee contributions and investment returns. Employee contributions are fixed by law, so if investment returns are below expectations, the only source of income to fill the gap is employer contributions, invariably from public sector organisations that are operating under tight financial constraints.

## **Investment Strategy and the Process for Ensuring Suitability of Investments**

Translating the Fund's investment and funding objectives into a single suitable investment strategy is challenging. The key objectives often conflict. For example, minimising the long-term cost of the scheme is best achieved by investing in higher returning assets e.g. equities. However, equity values are also very volatile (i.e. can go up and down frequently, by large amounts and often in short time periods), which conflicts with the objective to have stable contribution rates. Achieving greater stability of contributions may therefore be better achieved by a lower allocation to equities but the resulting contributions may be higher in the longer term.

Additionally, the number of employers in the Fund has increased significantly in recent years meaning that there are groups of employers with different underlying characteristics and with different long term funding objectives. For example, for employers approaching the point where they will leave the Fund, the most important objective may be to protect their funding position by minimising volatility in asset values and this may be delivered by an investment strategy with a lower allocation to equities.

In order to achieve its key objectives (ensuring that it takes the appropriate level of investment risk, giving each employer the best opportunity possible to achieve its long-term funding objective whilst keeping contributions affordable), the Fund divides employers into three separate groups, with each group able to have its own distinct investment strategy. This approach is taken to recognise the different characteristics, cash flows, maturity of liabilities and funding levels of different employers.

The Fund currently organises employers into the following three groups:

- Open Employers
- Academies
- Exiting/Exited (lower risk) Employers

One of the key decisions that must be made when managing the Fund is the asset allocation strategy, which determines how the Fund's assets will be invested across different asset classes. Each employer group has its own investment strategy with its own strategic asset allocation benchmark. The strategic benchmark is consistent with the Fund's views on the appropriate balance between generating required long-term returns, whilst taking account of market volatility, risk and the nature of the Fund's liabilities.

The strategic asset allocation at 1 April 2026 for each of the three groups is shown in the following table.

### Strategic Asset Allocation

Asset class	Strategic asset allocation %				Tolerance Range (+/- %)
	Consolidated	Open Employers	Academies	Exiting/Exited Employers	
Listed equity	25.0	26.5	28.0	-	5.0
Private equity	5.0	5.0	7.5	-	2.5
Private credit	7.5	7.5	8.5	5.0	2.5
Property / Real estate	8.0	9.0	10.0	-	2.5
Infrastructure	7.5	7.5	12.0	-	2.5
Other alternatives	-	-	-	-	-
Credit	22.5	22.0	17.0	35.0	2.5
UK Government bonds	24.5	22.5	17.0	60.0	2.5
Investment cash	-	-	-	-	-

*The above tolerance ranges may be relaxed from time to time where prevalent market conditions support a measured approach to rebalancing.*

The performance of each investment strategy is regularly monitored and changes proposed as and when the Fund and its advisors believe changes are required to improve the chances of employers meeting their funding objectives.

The Fund is required to monitor its investment strategy relative to the agreed asset allocation benchmark in order to ensure that it remains consistent with the overall objective. The Fund monitors compliance with this statement on a quarterly basis.

A fundamental review of the strategic asset allocation is undertaken every three years in conjunction with the actuarial valuation to provide assurance that the investment strategy is aligned to the long-term funding plan. This review utilises both qualitative and quantitative analysis, and covers:

- The required level of return that will mean the Fund can meet its future benefit obligations as they fall due
- The level of risk that the Fund can tolerate in absolute terms, and in relation to its funding level and deficit /surplus
- An analysis of the level of the various risks facing the Fund is established in order that a priority order for mitigation can be determined
- The desire for diversification across asset class, region, sector, and type of security
- The level of cash flow and liquidity required by the Fund

## **Local Investment**

The Fund recognises the role that local investment can play as a contributor to regional growth, and has an ambition to invest up to 2.5% of total assets in opportunities that deliver economic, social and environmental benefits within Cheshire and its nearby economic regions by 2030 (subject to the availability of investment opportunities).

Local investments may span a range of asset classes - including infrastructure, private debt, private equity and real estate - and will be accessed through the Fund's asset pooling company, LGPS Central Ltd.

To guide decision-making, the Fund has established a clear set of Local Investment Principles. These include: the requirement for market-comparable risk-adjusted returns; demonstrable local economic, social or environmental impact; appropriate diversification; and robust governance, recognising that local investments typically require enhanced due diligence and ongoing monitoring.

A collaborative framework involving the Cheshire and Warrington Combined Authority, LGPS Central, and the Fund will be used to identify, prioritise and assess opportunities. Each prospective investment must set out expected returns, size, benefits and risks to ensure alignment with the Local Investment Principles and local growth priorities. This structured assessment process will evolve as the Combined Authority's Local Growth Plan develops.

The Fund will measure and report the impacts of local investments annually. Impact metrics will include economic outcomes (e.g. jobs created), social outcomes (e.g. affordable homes delivered) and environmental outcomes (e.g. carbon emission reductions).

## **Risk measurement and management**

The Fund assesses risks both qualitatively and quantitatively, with the starting point being the investment strategy review, which is undertaken as a minimum every three years. Investment related risks are kept under review as part of the regular Fund performance monitoring. Any changes to investment related risks are reported to Investment Sub-Committee. The Fund's approach to risk is informed by the Pension Fund Committee, its professional advisors and officers of the Fund.

The Fund's key risks are categorised under the following headings:

### **INVESTMENT RISK**

There is a risk of funding levels deteriorating because of a fall in asset values or an unexpected increase in inflation increasing the value of future pensions and benefit payments. For open employers the funding level itself is not an immediate concern as the deficit or surplus will never be crystallised. However, a sustained weakening of the funding position and/or deterioration in the outlook for future returns may eventually feed through into higher employer contribution requirements.

### **FUNDING RISK**

The Fund's investment strategy is a fundamental part of ensuring that affordable contributions can be set in the long term. Employer contribution strategies are aligned with the investment strategy. There are, however, a number of factors that could lead to a disconnect between the investment and contribution strategies.

### **OPERATIONAL RISK**

Operational risks arise through the implementation of the Fund's investment strategy.

### **GOVERNANCE RISK**

Good governance is an essential part of the Fund's investment strategy and the Fund therefore identifies poor governance as a potential risk that can have a detrimental effect on the successful operation of the Fund. The Fund ensures that its decision making process is robust and transparent and this is documented in the Governance Compliance Statement which is published on the Fund's website.

Appendix A provides a summary of the Fund's key risks and mitigations.

## **Securities Lending**

Securities lending is undertaken in respect of the Fund's directly owned quoted equities holdings through an arrangement with the Fund's Custodian, BNY Mellon. The Fund receives a fee whenever it loans stock out via this arrangement and the income is used to help the Fund meet its liability payments. The Fund's securities lending programme is regularly reviewed by the Investment Sub-Committee to ensure sufficient safeguards are in place and to assess whether the programme still meets the requirements of the Fund.

## **Roles and responsibilities**

The Fund has full responsibility for setting the investment strategy of the Fund, as well as the funding strategy (for example target funding level, return and risk objectives, income requirements and stability of contributions). The investment strategy includes the Fund's investment objectives and, regarding responsible investment, its approach to environmental, social and governance (ESG) matters and local investments. The Fund also retains responsibility, as part of the investment strategy, for setting the high-level strategic asset allocation for the Fund's assets.

The Fund is part of the LGPS Central Ltd (LGPS Central) asset pooling company. LGPS Central has been set up as an arms-length company, accredited by the Financial Conduct Authority, to manage the pooled investment assets of its fifteen LGPS funds. LGPS Central are responsible for the implementation of the Fund's investment strategy in order to achieve the Fund's stated investment objectives.

The Fund is one of the fourteen partner funds, all of whom hold equal shares in the company. The other partner LGPS funds are Derbyshire, Leicestershire, Nottinghamshire, Staffordshire, Shropshire, West Midlands, Worcestershire, Oxfordshire, Hampshire, Norfolk, Suffolk, Gloucestershire and Wiltshire.

LGPS Central started trading on 3 April 2018 and partner funds have migrated assets to the company as and when appropriate investment products have become available. As at April 2026, all of the Cheshire Pension Fund's total assets are either in LGPS Central pooled funds, or are under the management of the pool through discretionary arrangements.

The Fund is committed to making a success of LGPS asset pooling in the belief that the Fund will benefit from lower investments costs achieved via economies of scale and greater bargaining power driven through the aggregation of assets. In addition, the Fund has greater access to a broader range of investable asset classes, including new and innovative products and services. LGPS Central and the partner funds have put in place a robust governance framework to ensure the company operates effectively and delivers timely and transparent reporting to shareholders and client funds.

## **Exercise of Ownership Rights**

The Fund has delegated the exercise of voting rights for all directly owned equity shares to the investment manager on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the Fund's asset pooling company, LGPS Central Ltd, have produced written guidelines of their processes and practice in this regard. The Fund's Investment Sub-Committee monitors voting decisions on a quarterly basis.

## Responsible Investment (RI)

The Cheshire Pension Fund is a long-term investor aiming to deliver a sustainable Pension Fund for all stakeholders.

Cheshire West and Chester Council, as the administering authority of the Fund, has a fiduciary duty to act in the best, long-term, interests of the Fund's employers and members. The Fund believes that in order to fulfil this duty, it must have a clear policy on how it invests in a responsible manner.

Responsible Investment is a fundamental part of the Fund's overarching investment strategy as set out in this Investment Strategy Statement – that is to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers, and minimising the long term cost of the scheme. The Fund believes that consideration of Environmental, Social and Corporate Governance (“ESG”) factors are fundamental to this, particularly where they are likely to impact on the overarching investment objective.

The Fund's approach aims to ensure that consideration of ESG factors is embedded in the investment process, utilising the various tools available to manage ESG risks and to harness opportunities presented by ESG factors.

The Fund's core principles of responsible investment are:

- We will apply **long-term thinking** to deliver **long-term sustainable returns**
- We will seek **sustainable returns** from **well-governed assets**
- We will use an **evidence-based** long term investment appraisal to inform **decision-making** in the implementation of RI principles and consider the costs of RI decisions consistent with our fiduciary duties

The way in which the Fund ensures that these core principles are met, and how it monitors its own performance, is provided within the Responsible Investment Policy which is available on the Fund's website.

[Responsible Investment | Members](#)

## Myners Principles

Although not specifically referenced in the Regulations, the Fund continues to assess its own compliance with the Myners Principles of Good Investment Governance. A statement that sets out an assessment of compliance is presented in Appendix B.

## Advice taken

In creating this statement, the Fund has taken advice from its Officers and external advisors.

In relation to each of the constituent parts, such as the asset allocation and risk mitigation, the Fund has taken advice from its Investment Consultant, Mercer, and the contents have also been shared with the Scheme Actuary, Hymans Robertson. In providing investment advice, Mercer is regulated by the Financial Conduct Authority.

**APPENDIX A**

**SUMMARY OF KEY RISKS AND MITIGATIONS**

<b>Risk</b>	<b>Description</b>	<b>Mitigation</b>
<b>Investment</b>		
Interest Rates	Long-term interest rates provide an indicator of future investment returns. If interest rates fall, this can indicate that future investment returns are expected to be lower. Lower investment returns would lead to the investment strategy underperforming the funding target.	Allocation to fixed income assets, such as index-linked gilts and corporate bonds, which increase in value with falling interest rates. Higher asset value helps to protect against a possible reduction in future investment returns on the other assets in the portfolio.
Credit Risk	A counterparty related to a Fund investment could fail to meet its contractual obligations causing a financial loss to the Fund.	The Fund is exposed to this risk via its fixed income and alternatives investments. This credit risk is mitigated via diversification to minimise the impact of default by any one issuer. The expected return from these assets is considered appropriate for the associated risk.
Equities	The Fund invests in equities in order to provide the necessary long-term returns to ensure that the Fund remains viable, but recognises the risk of financial loss due to market volatility.	The investment strategy is diversified which helps to mitigate equity risk by investing significantly in bonds and alternatives. The Fund believes that the extra returns that are expected to be generated by equities over the long term compensates for the volatility involved in equity investing.
Alternatives	The Fund believes that over the long term, alternative asset classes, including property, infrastructure, private debt and private equity, provide a level of return that compensates for the inherent risk, while providing a degree of inflation-linkage and cashflow generation.	The additional level of diversification provided by these assets helps to reduce the Fund's reliance on equity returns. At the aggregate Fund level, investing in alternative asset classes reduces the overall level of risk.
Active Manager Risk	The Fund's investment managers fail to deliver returns in line with the underlying asset classes.	The Fund's asset pooling company LGPS Central Ltd, undertakes extensive due diligence on its appointed investment managers and the performance and operation of all

Risk	Description	Mitigation
		appointed managers is monitored on a quarterly basis. This process is overseen by the Investment Sub-Committee and is advised by officers and the Fund's advisors.
Liquidity Risk	The Fund is not able to obtain enough cash or funding to meet its obligations.	The Fund monitors its liquidity position carefully to ensure that it is not a forced seller of long-term assets in order to make day to day payments of benefits. Around 70% of Fund investments are expected to be in liquid assets. Investment in cash flow generative assets is undertaken to assist the Fund's cash flow needs.
Exchange Rates	Non-UK investments in the Fund exposes it to the risk of financial loss due to fluctuations in the exchange rate.	The Fund, as a long-term investor can tolerate some short-term currency fluctuations, however this is managed carefully by its investment managers who are monitored against Sterling benchmarks and therefore use hedging techniques to contain this risk. The Fund does not at present directly hedge against the risk of foreign currency fluctuations but has the capacity and processes in place to do so if necessary.
<b>Funding</b>		
Inflation	Future benefit payments to be made by the Fund are linked to inflation (as measured by CPI). Therefore, increases in the rate of inflation will increase the value of payments to pensioners.	The Fund invests in assets such as index-linked gilts, private debt and property with inflation linked income streams to manage and mitigate this risk.
Demographic	The Fund is subject to a range of demographic risks. A more mature membership base would mean that there were a greater number of pensioner members receiving benefits than active members paying contributions.	The projected maturity of the membership base is factored into the investment strategy in order to ensure that as the membership base matures, the Fund is invested in the appropriate level of income generating investments or investments that are realisable at short notice and at low cost.
Climate Change	The Fund recognises that there may be a significant risk from climate change which could	The Fund has adopted an evidence based precautionary approach to climate change to

<b>Risk</b>	<b>Description</b>	<b>Mitigation</b>
	impact on the ability of the Fund to meet its long-term liabilities.	monitor and actively manage any identified risks.
<b>Operational</b>		
Transition risk	The Fund may incur unexpected costs in relation to the transition of assets between managers and/or asset classes.	When carrying out significant transitions, the Fund takes professional advice and considers the appointment of specialist transition managers in order to mitigate this risk when it is cost effective to do so.
Custody risk	The Fund must ensure that it retains the economic rights to all Fund assets, when held in custody or when being traded.	This is mitigated through the a global custodian for custody of assets, the use of formal contractual arrangements for all investments and maintaining independent investment accounting records.
<b>Governance</b>		
Environmental, Social and Governance risks	The Fund has its own policy on Responsible Investment. Non-compliance with this policy would expose the Fund to financial and reputational risk.	The Fund believes that effective management of financially material Responsible Investment risks should support the Fund's requirement to protect returns over the long term. The Fund will seek to further integrate Responsible Investment factors into the investment process across all relevant asset classes.

**COMPLIANCE WITH MYNERS PRINCIPLES OF GOOD INVESTMENT GOVERNANCE**

<b>Principle</b>	<b>Evidence of Compliance</b>
<p><b>Principle 1 Effective Decision Making:</b> Administering authorities should ensure: That decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and That those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.</p>	<p><b>Compliant</b> Decisions are taken by the Section 151 Officer of the Administering Authority, advised by the Pension Fund Committee. The Section 151 Officer and the Committee has support from Council officers with sufficient experience to assist them. The Fund is also advised by professional actuarial and investment advisers. The Committee makes robust challenges to advice and is aware of where potential conflicts of interest may reside within the Committee and in relation to service providers.</p>
<p><b>Principle 2 Clear objectives:</b> An overall investment objective should be set out for the fund that takes account of the scheme’s liabilities, the potential impact on local tax payers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be clearly communicated to advisers and investment managers.</p>	<p><b>Compliant</b> The Fund has established investment objectives, which take account of the nature of Fund liabilities and the contribution strategy. The objectives are set based on advice from the Fund Actuary and Strategic Investment Advisor, which informs the overall risk budget for the Fund. The overarching objective is reflected in the investment mandates awarded to the asset managers. There is dialogue with admitted bodies within the Fund in relation to the contributions they pay, their capacity to pay these contributions and the level of guarantees they can provide.</p>
<p><b>Principle 3 Risk and liabilities:</b> In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities. These include the implications for local tax payers, the strength of the covenant for participating employers, the risk of their default and longevity risk.</p>	<p><b>Compliant</b> The investment strategy is considered in the light of the nature of the Fund liabilities, the timescale over which benefits will be paid, and financial and demographic factors affecting the liabilities, such as inflation and improving longevity The Pension Fund Committee and Council officers discuss and agree the contribution strategy with the Actuary, taking into account of risk factors for all employers including strength of covenant.</p>

Principle	Evidence of Compliance
<p><b>Principle 4 Performance assessment:</b> Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisers. Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to scheme members.</p>	<p><b>Partially compliant</b> The performance of the Fund and its individual managers are monitored on a regular basis. The quality of advisers is assessed on a qualitative basis and is subject to periodic retender in order to ensure value for money. Independent external reviews of the Fund's governance arrangements are undertaken periodically and recommendations implemented.</p>
<p><b>Principle 5 Responsible Ownership:</b> Administering authorities should adopt, or ensure their investment managers adopt, the Financial Reporting Council's (FRC) Stewardship Code (the Code) on the responsibilities of shareholders and agents. Include a statement of their policy on responsible ownership in the Statement of Investment Principles. Report periodically to scheme members on the discharge of such responsibilities.</p>	<p><b>Compliant</b> The Fund is a signatory to the Financial Reporting Council's (FRC) Stewardship Code and encourages its investment managers to adopt the Code. All relevant managers comply. This Investment Strategy Statement includes a statement on the Fund's policy on responsible ownership. The Fund's asset pooling company, LGPS Central Ltd, has its own Responsible Investment and Engagement policy and publishes quarterly update reports on its website.</p>
<p><b>Principle 6 Transparency and Reporting:</b> Administering authorities should act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives. Should provide regular communication to scheme members in the form they consider most appropriate.</p>	<p><b>Compliant</b> The Fund maintains minutes of all Pension Fund Committee meetings and publishes them on the Fund website. The Council meets regularly with sponsoring employers and a member representative attends Committee meetings. The Investment Strategy Statement is published on the Fund's website and is available to members on request. Other information on the Scheme including comprehensive quarterly information on the Fund's investment holdings, is available to members on the Fund's website.</p>

## Glossary of Terms

<b>Term</b>	<b>Definition</b>
<b>Absolute return</b>	A fund that aims to achieve a positive return irrespective of movements in the equity and bond markets.
<b>Alternatives</b>	Typically seen as an “unconventional” asset class – i.e. an asset class, other than traditional asset classes such as public equities, bonds, property and cash.
<b>Bonds / Fixed Income</b>	A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate. Seen as a good “matching” asset for a pension scheme.
<b>De-risking</b>	Moving from growth to matching assets to reduce risk.
<b>Diversifying fixed income</b>	A bond like investment that is return seeking and provides a different source of return other than equities.
<b>Equities</b>	A share in a company. Seen as a “higher risk” or “growth” asset from a pension scheme perspective.
<b>ESG</b>	Environmental, social and corporate governance factors which could impact company performance and therefore investment returns. Examples include (but are not limited to) climate change, workforce issues, remuneration, independence of the board and auditors, board composition and diversity.
<b>Funding basis</b>	The assumptions used by the Scheme Actuary to place a value on the Fund’s liabilities (the value of the benefits to be paid out of the Fund).
<b>Funding level</b>	The difference in the value of the Fund’s assets and liabilities. Assesses the financial health of the Fund at a fixed point.
<b>Hedging</b>	Currency hedging is an approach that is intended to manage the degree of risk that may be present when engaging in some type of foreign investment strategy. Essentially, the structure of a currency hedging process would attempt to compensate for any shifts in the relative value of the currency types utilized in the investment scheme or the transaction.
<b>High Conviction</b>	High conviction is a style of active management often associated with active equity investment funds. Such managers seek to deploy a high conviction approach over time with the aim of outperforming the benchmark or passive fund equivalent for their target sector.
<b>Illiquid alternatives</b>	An alternative asset which is not easily traded (i.e. cannot be converted into cash quickly or without an impact to the price received)
<b>Liquid asset</b>	An asset which is easily traded (i.e. can be converted into cash quickly and with minimal impact to the price received)