

PENSION FUND COMMITTEE – 7 DECEMBER 2018

FUND MANAGER MONITORING ARRANGEMENTS

Report by the Director of Finance

Introduction

1. Each year the Pension Fund Committee considers the arrangements for monitoring the performance of its Fund Managers. This report sets out the proposed schedule for 2019/20, and recommends the Committee to approve the arrangements.

Proposed Arrangements

2. Under the current arrangements, the performance of all Fund Managers is reviewed at least every six months, either by the full Committee, or by officers in conjunction with the Independent Financial Adviser (IFA) to the Fund. The active equity managers, property fund manager, fixed income and passive equity manager, and diversified growth fund manager have previously attended committee once a year with the two private equity managers attending once every two years in alternate years.
3. As portfolios have started transferring to Brunel during 2018/19, the fund manager monitoring arrangements for 2019/20 have been prepared based on the latest transition timetable produced by Brunel. Meetings with fund managers have only been scheduled where the Pension Fund continues to have a contractual relationship with the manager at the time of the meeting. As Brunel takes on more portfolios the Pension Fund will put in place arrangements for the attendance of Brunel representatives at Committee.
4. Officers and the IFA will continue to monitor manager performance during the year and regularly report to the Pension Fund Committee. In line with the schedule agreed last year it is proposed that officers and the IFA will not meet with the fund managers during the quarter immediately following their presentations to the committee, unless there are concerns regarding the manager's performance, or other issues to be addressed.
5. The proposed detailed monitoring arrangements are as follows:

	Committee	Officer/IFA meetings
Quarter 1 Committee 07 June 2019	Insight	Legal and General Private Equity
Quarter 2 Committee 06 September 2019	Legal and General	Wellington Private Equity
Quarter 3 Committee 06 December 2019	Partners Group Private Equity	Insight

Quarter 4 Committee 06 March 2020		Legal and General Private Equity
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RECOMMENDATION

- 5. The Committee is RECOMMENDED to approve the Fund Manager monitoring arrangements as set out in the report.**

**Lorna Baxter
Director of Finance**

Background papers: Nil

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November 2018