

# **PENSION FUND COMMITTEE – 4 DECEMBER 2015**

## **FUND MANAGER MONITORING ARRANGEMENTS**

### **Report by Chief Financial Officer**

#### **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 2016/17, 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 will attend committee once a year with the two private equity managers attending once every two years in alternate years.
3. Under the last set of agreed fund manager monitoring arrangements the frequency of committee attendance by the active equity managers was reduced from every 6 months to once a year. This change was made in order to allow the committee additional time to consider strategic issues. This change has not detracted from the monitoring of the active equity fund managers but has allowed extra time at committee meetings to be allocated to other pension fund issues. As such, and based on the large number of other important issues the Committee will need to consider over the next financial year, it is proposed that the existing arrangements continue.
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 10 June 2016	DGF	Baillie Gifford Legal and General Private Equity
Quarter 2 Committee 2 September 2016	Baillie Gifford Legal and General	UBS Wellington Private Equity
Quarter 3 Committee 2 December 2016	Partners Group Private Equity	UBS Wellington DGF
Quarter 4 Committee 10 March 2017	UBS Wellington	Baillie Gifford Legal and General Private Equity

## **RECOMMENDATION**

**6. The Committee is RECOMMENDED to approve the Fund Manager Monitoring Arrangements for the Year 2016-17 as set out in the report.**

**Lorna Baxter  
Chief Financial Officer**

**Background papers: Nil**

**Contact Officer: Gregory Ley, Financial Manager, Tel: (01865) 323978**

**November 2015**