

PENSION FUND COMMITTEE – 2 DECEMBER 2016

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 2017/18, 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. 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.
4. The proposed detailed monitoring arrangements are as follows:

	Committee	Officer/IFA meetings
Quarter 1 Committee 9 June 2017	Insight	Baillie Gifford Legal and General Private Equity
Quarter 2 Committee 1 September 2017	Baillie Gifford Legal and General	UBS Wellington Private Equity
Quarter 3 Committee 1 December 2017	Adams Street Private Equity	UBS Wellington Insight
Quarter 4 Committee 9 March 2018	UBS Wellington	Baillie Gifford Legal and General Insight Private Equity

RECOMMENDATION

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

**Lorna Baxter
Chief Financial Officer**

Background papers: Nil

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November 2016