

DELEGATED RESPONSIBILITIES

	Delegation to Officer(s)	Delegated Officer(s)	Communication and Monitoring of Use of Delegation
1.061	Rebalancing and cash management	PFM (having regard to ongoing advice of the IC and PAP)	High level monitoring at PFC with more detailed monitoring by PAP
<p>Action taken – The Asset allocation for the Fund is monitored against the strategic ranges within the SIP on a monthly basis. These are reported at the monthly Tactical Asset Allocation Group (TAAG) meetings. This quarter the Fund's strategic allocation is mainly within the SIP ranges. The exception being Stone Harbour who are marginally outside. It was decided it would not be cost effective to rebalance the assets at this point in time.</p> <p>Cash flows are monitored and reconciled quarterly to report to Committee but cash balances are monitored on a regular basis to ensure the availability of cash to meet payments of pensioner benefits and calls on drawdowns for In House investments. The cash balance as at 30th April 2016 was £49.6m (£13.6m at 31st March 2016). The substantial increase is due to deficit contributions for the three unitary employers being paid in advance in April. The cash flow will be monitored to ensure there is sufficient monies to pay benefits and capital calls for the In House investments and any surplus will be invested.</p>			
1.062	Short term tactical decisions relating to the 'best ideas' portfolio	PFM (having regard to ongoing advice of the IC and PAP)	High level monitoring at PFC with more detailed monitoring by PAP
<p>Action taken – Meetings of the (TAAG) involving Fund officers and JLT Consultants take place on a monthly basis. Standard agenda items for the meetings cover the short term (12 months) market outlook and discussions to determine which asset classes should be included in the 9% of the Fund's assets which is based on JLT's suggested "best ideas". Detailed minutes of the TAAG identifying the rationale behind any decisions agreed are circulated to the Advisory Panel.</p> <p>The following areas have been identified since the last Committee:</p> <ul style="list-style-type: none"> • Trim allocation to European Equities • Increase allocation to Equity Linked Bonds • Disinvest from US Equities • Invest in Commodities <p>The transition of these assets is currently underway and once actioned the allocations will be as follows:</p> <ul style="list-style-type: none"> • Commodities (2%) • Japanese Equities (2%) • Equity Linked Bonds (3%) • European Equities (2%) 			

	Delegation to Officer(s)	Delegated Officer(s)	Communication and Monitoring of Use of Delegation
1.063	Investment into new mandates / emerging opportunities	PFM and either the CFM or COPR (having regard to ongoing advice of the IC)	High level monitoring at PFC with more detailed monitoring by PAP

Action taken –

As previously reported, following the approval of the strategic review in 2014, the Fund has been progressing with a review of the In-House portfolio of Private Equity and Real Asset holdings. The review is now complete and has now been reviewed and agreed by the Fund's consultant, JLT and presented to the Advisory Panel (AP).

Within the investment areas which fulfil the criteria which was agreed in the review, the Fund has undertaken due diligence and agreed the following commitments since the last Committee:

- €11 million to Apax IX
- €11 million to Charterhouse X

Both commitments are follow on investments with long standing Direct Private Equity managers.

Officers are currently carrying out due diligence on investments in the Property and Infrastructure areas.

1.094	Ongoing monitoring of Fund Managers	PFM, CFM and COPR (having regard to ongoing advice of the IC) and subject to ratification by PFC	High level monitoring at PFC with more detailed monitoring by PAP
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Action taken –

The in – house team monitor the Fund's managers on a regular basis. A record of the managers monitored is shown in the following table. Further details on the managers are reported by JLT, the Fund's Investment Consultant, in agenda item 13 of the committee papers. There are no strategic issues to report.

Manager	Mandate	Strategic Weight %	Jun 2015	Sept 2015	Dec 2015	Mar 2016
Insight	LDI	19		✓		✓
Stone Harbor	Multi Asset Credit	15	✓		✓	✓
Investec	Global Equity (8) & DGF (5)	13	✓		✓	✓
MAN FRM	Managed Account Platform	9		✓		✓
Wellington	Emerging Market Equity	6.5	✓		✓	✓
Pyrford	DGF	5	✓		✓	✓
Aberdeen	Frontier Market Equity	2.5	✓		✓	✓

Appendix 2