

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CLWYD PENSION FUND COMMITTEE**

DATE: **21th MAY 2015**

REPORT BY: **CHIEF OFFICER (PEOPLE AND RESOURCES)**

SUBJECT: **INVESTMENT STRATEGY AND MANAGER SUMMARY**

1.00 PURPOSE OF REPORT

1.01 To update Committee Members on the performance of the Fund's investment strategy and performance of fund managers.

2.00 BACKGROUND

2.01 A role of the Committee is to monitor the performance of the Fund's investment strategy and fund managers.

2.02 On behalf of the Committee, the Investment Consultant and Pension Finance Managers:

- Undertake regular monitoring to ensure that the investment strategy is operating within the approved Statement of Investment Principles (SIP).
- Regularly monitor fund manager and investment performance.
- Recommend to Advisory Panel alternative investments within the asset allocations agreed within the SIP.
- Recommend to Advisory Panel changes to asset allocation allowed within the SIP, including re-balancing.
- Report investment performance to the Advisory Panel and Committee.
- Recommend changes to the investment strategy to Committee.

3.00 CONSIDERATIONS

3.01 The report from the Fund's Investment Consultant on the performance of the investment strategy as at 31st March 2015 is attached.

3.02 In summary the Fund performed in line with its benchmark over the quarter ending 31st March 2015. In Appendix 1 of the Investment Consultant's report there is a summary of mandates which shows the benchmark and outperformance targets of the funds invested. Some of these have been revised since the last report to targets that are considered achievable under current financial conditions. The new targets are based on managers' stated targets, the views of the Investment Consultant's Market Forecast Group or a combination of these. All performance figures are compared to targets net of fees which include the expected outperformance above relevant indices, where appropriate.

3.03 The Fund has undergone a strategic review, resulting in a new strategic benchmark allocation which has started to be implemented during March 2015. The Investment Consultant's report is written in terms of the current strategic benchmark, which applied for most of the quarter, and so deviation from this should be seen in this context. Further restructuring will take place during quarter 2 2015 which will allow the Investment Consultant's next report, as at 30th June 2015, to be written in terms of the new strategic allocation.

4.00 RECOMMENDATIONS

4.01 That Committee Members note and discuss the performance of the investment strategy and fund managers.

5.00 FINANCIAL IMPLICATIONS

5.01 None directly as a result of this report.

6.00 ANTIPOVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report

10.00 CONSULTATION REQUIRED

10.01 None directly as a result of this report

11.00 CONSULTATION UNDERTAKEN

11.01 None directly as a result of this report

12.00 APPENDICES

12.01 Investment Strategy and Fund Manager Summary Q1 2015

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None

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