

DELEGATED RESPONSIBILITIES

	Delegation to Officer(s)	Delegated Officer(s)	Communication and Monitoring of Use of Delegation
1.081	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 has been agreed that any rebalancing will be deferred until any changes as a result of the "light touch" Investment Review are agreed.</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 31st August 2016 was £41.2m (£45.3m at 30th June 2016). 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>			
1.082	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

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	<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"> • Disinvest from Japanese Equities (Unhedged) • Disinvest from European Equities • Invest in US Equities (Hedged) • Additional investment in Commodities <p>The transition of these assets has been completed and the current allocation within the portfolio is as follows:</p> <ul style="list-style-type: none"> • Commodities (3%) • Japanese Equities (1%) • Equity Linked Bonds (3%) • US Equities (2%) <p>As at the end of July, the Best Ideas portfolio has both out performed its target and added value to the investment return at total fund level</p>		
1.083	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

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<p>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).</p> <p>Within the investment areas which fulfil the criteria which was agreed in the review, the Fund has undertaken due diligence on one Infrastructure and two Property investments and agreed the following commitments since the last Committee:</p> <ul style="list-style-type: none"> • €11 million to Impax Infrastructure III (European Environmental Infrastructure targeting 10% Net IRR) • £8 million to Bridges Property Fund III (UK Sustainable Property Fund targeting 15% Net IRR) • £8 million to InfraRed Active Property IV (European Property Fund targeting 13 – 15%) <p>All three commitments are follow on investments with existing Real Asset managers. Officers are continuing to look at any opportunities which fulfil the agreed strategy for In House investments.</p>						
1.084	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			
<p>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 ongoing monitoring and details on the managers are reported by JLT, the Fund's Investment Consultant, in agenda item 12 of the committee papers. There are no strategic issues to report.</p>						
Manager	Mandate	Strategic Weight %	Sept 2015	Dec 2015	Mar 2016	Jun 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		✓	✓	