

**DELEGATED RESPONSIBILITIES**

	<b>Delegation to Officer(s)</b>	<b>Delegated Officer(s)</b>	<b>Communication and Monitoring of Use of Delegation</b>
1.071	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><b>Action taken –</b></p> <p>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 (January to March 2017) the Fund's strategic allocation will be rebalanced in conjunction with implementing the agreed strategic review. To date, the following have been actioned:</p> <ul style="list-style-type: none"> <li>• Investec Diversified Growth Fund rebalanced to 6% using part redemption of Aberdeen Frontier Markets Mandate</li> <li>• Pyrford Diversified Growth Fund rebalanced to 6% using In House cash balances.</li> </ul> <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 31<sup>st</sup> January 2017 was £17.3m (£31.4m at 31<sup>st</sup> December 2016). This reflected the additional payment to Pyrford. 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>			

	<b>Delegation to Officer(s)</b>	<b>Delegated Officer(s)</b>	<b>Communication and Monitoring of Use of Delegation</b>
1.072	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><b>Action taken –</b></p> <p>Meetings of the (TAAG) involving Fund officers and JLT Consultants take place on a monthly basis. Standard agenda items for the meetings cover 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". This allocation has been increased to 11% as agreed in the Strategic Review. Additional investments are still to be implemented. 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"> <li>• Crystallise some profits from Investec Commodities and rebalance the Commodity exposure between Wellington and Investec (Investec returned 49.6% since inception in May 2016)</li> <li>• Further reduce holdings in Equity Linked Bonds to £10m</li> <li>• Increase exposure to US Equities</li> <li>• Increase exposure to Emerging Market Equities</li> </ul> <p>The transition of these assets was actioned in January resulting in the following allocations within the portfolio:</p> <ul style="list-style-type: none"> <li>• Commodities (3%)</li> <li>• Japanese Equities (1%)</li> <li>• US Equities (2%)</li> <li>• Equity Linked Bonds (1%)</li> <li>• Emerging Market Equities (2%)</li> </ul> <p>As at the end of September, the Best Ideas portfolio has both outperformed its target and added value to the investment return at total Fund level.</p>			

	<b>Delegation to Officer(s)</b>	<b>Delegated Officer(s)</b>	<b>Communication and Monitoring of Use of Delegation</b>
1.073	Investment into new mandates / emerging opportunities	PFM and either the CFM or CEO (having regard to ongoing advice of the IC)	High level monitoring at PFC with more detailed monitoring by PAP
<p><b>Action taken –</b></p> <p>Within the investment areas which fulfil the criteria which was agreed in the last review of the In-House portfolio of Private Equity and Real Asset holdings , the Fund has undertaken due diligence on one Property and two Private Equity investments and agreed the following commitments since the last Committee:</p> <ul style="list-style-type: none"> <li>• \$10 million to North Haven Real Estate IX (Global Real Estate Fund targeting 10 - 15% Net IRR)</li> <li>• £8 million to Bridges Ventures Fund IV (UK Sustainable Private Equity Fund targeting 15 - 20% Net IRR)</li> <li>• €8 million to Access Capital Fund VII (European Private Equity Fund targeting 10 – 13% Net IRR)</li> </ul> <p>All three commitments are follow on investments with existing managers. Officers are continuing to look at any opportunities which fulfil the agreed strategy for In House investments.</p>			

	<b>Delegation to Officer(s)</b>	<b>Delegated Officer(s)</b>	<b>Communication and Monitoring of Use of Delegation</b>
1.074	Ongoing monitoring of Fund Managers	PFM, CFM and CEO (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

**Action taken –**

The in – house team monitor the Fund’s managers on a regular basis. The next meetings have been scheduled for February. 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 a separate agenda item of the committee papers. There are no strategic issues to report.

<b>Manager</b>	<b>Mandate</b>	<b>Strategic Weight %</b>	<b>Mar 2016</b>	<b>Jun 2016</b>	<b>Dec 2016</b>	<b>Mar 2017</b>
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	✓		✓	

1.075	Selection, appointment and dismissal of Fund Managers	PFM, CFM and CEO (having regard to ongoing advice of the IC) and subject to ratification by PFC	Notified to PFC via ratification process.
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**Action taken –**

The strategy changes agreed by Committee as a result of the “light touch” strategic review included redeeming in full from Aberdeen Frontier Markets Mandate. This was actioned in 4 stages due to the illiquidity of the asset class and has now been completed.

The allocation to Private Credit will result in the appointment of one or more managers. A search is currently underway for the selection of those managers.