

## **REPORT FOR: Pension Fund Committee**

---

**Date of Meeting:** 26 November 2014

**Subject:** Re-structure of Equities Mandates and Transition Management

**Responsible Officer:** Simon George, Director of Finance and Assurance

**Exempt:** No

**Wards affected:** All

### **Enclosures:**

### **Section 1 – Summary**

The Committee are invited to receive a presentation from State Street Global Markets which will discuss the theory and practice of transition management followed by a detailed description of the actions carried out on behalf of the Committee.

## Section 2 – Report

### Background

1. Over the last year the Committee have taken various decisions in relation to the re-structuring of the Fund's equities mandates. The decisions can be summarised as follows:

	Existing structure	Revised structure
	% of equities portfolio	% of equities portfolio
UK Passive (State Street)	41	0
Global Active (Fidelity)	18	0
Global Active (Wellington)	29	0
Global Active (Longview)	12	17
Global Active (Oldfields)	0	17
Emerging Markets Active (GMO)	0	16
Global Passive (State Street)	0	50
	100	100

2. The re-structuring has been carried out by the Fund's transition manager State Street Global Markets and, by the end of November, should be completed.
3. The Committee are invited to receive a presentation from State Street Global Markets which, as a training mechanism, will discuss the theory and practice of transition management followed by a detailed description of the actions carried out on behalf of the Committee.

### Financial Implications

4. The current estimate is that approximately £355m will be released by the legacy managers with it being allocated broadly as follows:

	£m
• State Street	204
• Longview	15
• Oldfields	68
• GMO	68

### Risk Management Implications

5. Risk in connection with the Pension Fund is included on Directorate risk register.
6. There is no separate risk register in place but risks are extensively discussed in the Pension Fund Statement of Investment Principles and Annual Report

## Equalities implications

7. Was an Equality Impact Assessment carried out? No
8. There are no direct equalities implications arising from this report.

## Council Priorities

9. Whilst the financial health of the Pension Fund directly affects the level of employer contribution which, in turn, affects the resources available for the Council's priorities there are no impacts arising directly from this report.

## Section 3 - Statutory Officer Clearance

Name Simon George	<input checked="" type="checkbox"/>	Director of Finance and Assurance
Date: 14 November 2014		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 14 November 2014		

**Ward Councillors notified:** NO

## Section 4 - Contact Details and Background Papers

**Contact:** Ian Talbot, Treasury and Pension Fund Manager  
0208 424 1450