

MEETING:	PENSIONS COMMITTEE
DATE:	21 JANUARY 2021
TITLE:	SETTING OBJECTIVES FOR INVESTMENT CONSULTANTS
PURPOSE:	To report progress against current objectives and to review future objectives
RECOMMENDATION:	NOTE PROGRESS AND APPROVE FUTURE OBJECTIVES
AUTHOR:	DELYTH JONES-THOMAS, INVESTMENT MANAGER

1. INTRODUCTION

At the end of 2018, following a review of the investment consulting and fiduciary management markets, the Competition and Markets Authority (“CMA”) stipulated that Pension Scheme Trustees should set objectives for their investment consultants.

The objectives were operational from 10th December 2019.

2. ESTABLISHING OBJECTIVES FOR INVESTMENT CONSULTANTS

The CMA states that objectives for consultants should include a clear definition of the outcome expected, and should be:

- ‘closely linked’ to the pension scheme’s strategic objectives
- reviewed at least every three years, and after a significant change to the investment strategy or objectives

Establishing long term objectives is part of a well organised and well managed governance approach. The extension to set objectives for investment consultants could be regarded as a natural progression towards all stakeholders being aligned towards a common goal.

3. GWYNEDD PENSION FUND OBJECTIVES FOR INVESTMENT CONSULTANTS

The objectives for Gwynedd Pension Fund can be found in Appendix 1, with the progress reported against them during 2020.

A compliance statement has been signed by the Pensions Committee Chairman by the required deadline of 7th January 2021.

4. FUTURE OBJECTIVES

The current objectives will remain for the upcoming period unless any amendments have been identified by the committee.

5. RECOMMENDATION

The Committee is asked to note the progress report and approve the Investment Consultants' objectives for the upcoming year.