

**COMMITTEE: PENSIONS COMMITTEE**

**DATE: 15 September 2016**

**TITLE: Fidelity Fees**

**PURPOSE: To accept the offer of Fidelity's new fee scale**

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1. At the Committee meeting on 9 June 2016, members were updated regarding the Welsh LGPS funds Investment pooling plans.
2. At the Fund's Investment Panel meeting in London on 28 July 2016, I reported confidentially on significant savings in BlackRock's fees after pooling the Welsh funds' passive equity investments.
3. At the same meeting, Fidelity mentioned their new fees for actively managed global equity investments for pools.
4. Subsequently, Fidelity agreed that existing clients such as the Gwynedd Fund could move onto their new fee scale now, in advance of the establishment of the Wales pool's actively managed equity investment arrangements.
5. A confidential paper, prepared by Paul Potter of Hymans Robertson, was circulated to all members of the Pensions Committee early in September.
6. Hymans' paper compared the current fee paid by the Gwynedd Fund against the new proposed fee, in % terms for each £m invested annually, and provided confidential advice on the suitability of Fidelity's new fees for our Fund.
7. Having prudently considered the risks involved, it is recommended that the Committee accept the offer of Fidelity's new fee scale forthwith.