

APPENDIX B

TERMS OF REFERENCE

Wiltshire Pension Fund Investment Sub-Committee (ISC)

Purpose and functions of the ISC:

The role of the Wiltshire Pension Fund Investment Sub-Committee shall be to consider, in detail matters relating to the investment of the assets within the strategic investment framework and performance of investment managers in achieving the Fund's investment objectives.

It will also be responsible for considering and determining opportunistic investments for assets limited in cumulative value to 5% of the Fund's strategic allocation, using its delegated powers to agree whether to make an investment and to select an appropriate investment vehicle when necessary following a selection process.

The ISC may also be occasionally requested to by the Wiltshire Pension Fund Committee to undertake research and report back on a specific investment areas.

All decision taken and recommendations will be reported back to the next available ordinary meeting of the Wiltshire Pension Fund Committee in the form of the minutes of the ISC.

The ISC, will be responsible for:

- 1 Reviewing strategic and emerging opportunities outside the strategic asset allocation and make recommendations to the Committee.
- 2 Reporting regularly to Committee on the performance of investments and matters of strategic importance
- 3 Monitor investment managers' investment performance and recommend decision to terminate mandates on performance grounds to Committee.
- 4 Researching and providing a report back to the Wiltshire Pension Fund Committee on any specific investment areas requested.

The ISC will have delegated authority to:

- 5 Approve and monitor tactical positions within strategic allocation ranges.
- 6 Implement investment management arrangements in line with strategic policy, including the setting of mandate parameters and the appointment of managers.
- 7 Approve amendments to investment mandates within existing return and risk parameters.
- 8 Delegate specific decisions to officers as appropriate.
- 9 In relation to the opportunistic investing of a cumulative value of 5% of the total Fund assets, the ISC will:
 - 9.1 Review proposals put forward by either the Fund's adviser, officers or the Wiltshire Pension Fund Committee in regards to potential opportunistic investments;

- 9.2 Consider only investments that have the potential to deliver more favourable returns than global passive equities which will be the benchmark for success;
- 9.3 Consider only investment that have between a 3 to 7 year time horizon and investments must be redeemable after 7 years as a maximum;
- 9.4 Make decision to invest in an investment that meets the criteria listed in point 9.1 - 9.3;
- 9.5 Agreeing the most appropriate procurement process for delivering an agreed investment outlined in 9.4;
- 9.6 Making an appointment in the relevant investment fund on conclusion of a robust process for selection;
- 9.7 Reporting the outcome of the use of any delegated powers or to make recommendation (where appropriate) to the next meeting of the Wiltshire Pension Fund Committee;
- 9.8 Making a decision to disinvest in any investment appointed by the ISC with any realised assets being either re-invested in another appropriate vehicle that complies with 9.4 or to be held with the passive global equities allocation;

In order to achieve this the ISC will

1. Receive reports from either the Investment Adviser, officers, Independent Governance Adviser and where applicable be circulated to all Members of the Wiltshire Pension Fund Committee;
2. Receive advice from Investment Advisers, Independent Governance Adviser, officers or any other product specialist invited by the ISC to the meeting;
3. Receive monitoring reports when appropriate on investments to inform decision making;
4. Work within the framework set by the Council's Constitution;
5. Report to the Wiltshire Pension Fund Committee as necessary on its activities and use of delegated powers;
6. Investigate other specific areas of investment when requested by the Wiltshire Pension Fund Committee.

Composition:

Voting Members:

- (i) Chairman of the Wiltshire Pension Fund Committee (or in their absence another Wiltshire Council member of the Wiltshire Pension Fund Committee appointed by the Head of Democratic Services)
- (ii) Vice-Chairman of the Wiltshire Pension Fund Committee (or in their absence another Wiltshire Council member of the Wiltshire Pension Fund Committee appointed by the Head of Democratic Services)
- (iii) An elected Wiltshire Council Member of the Wiltshire Pension Fund Committee as co-opted by the Wiltshire Pension Fund Committee. The appointment of Wiltshire Councillor to the ISC is subject to the rules of political proportionality of the Council (and in their absence another member of the Wiltshire Pension Fund Committee appointed by the Chairman and Vice Chairman).
- (iv) A Member of the Wiltshire Pension Fund Committee as co-opted by the Wiltshire Pension Fund Committee. The intention is this will be the same person for each meeting (or in their absence another member of the Wiltshire Pension Fund Committee appointed by the Chairman and Vice Chairman). The member will be appointed for 1 year.

Non-Voting Members

- (i) Investment Adviser to the Wiltshire Pension Fund Committee
- (ii) Independent Governance Adviser to the Wiltshire Pension Fund Committee
- (iii) Director of Finance, Wiltshire Council
- (iv) Head of Pensions, Wiltshire Council
- (v) Strategic Pension Manager, Wiltshire Council

Observers

- (i) Any member from the Wiltshire Pension Fund Committee is invited to attend in a non-voting capacity as relevant to the subject matter.

Quorum:

The Quorum is three voting members.

Authority:

To make recommendation and to discharge the functions of the Wiltshire Pension Fund Committee as outlined in the Terms of Reference.

Frequency of meetings:

The ISC shall meet at least quarterly ahead of the Committee meeting.

Additional ad hoc formal meetings will be held as merited in order to utilise the delegated powers in terms of opportunistic investments to make a decision, with informal meetings as required discussing background issues / seeking clarification prior to any decision being taken.

All meetings will be subject to 5 clear days notice of meeting and access by the public to part 1 and part 2 items as applicable.

Rules of procedure

As a committee of the Council, the Rules of Procedure at part 4 of the Council's constitution apply to meetings of the ISC.

Public access to ISC meetings and information

The ISC is subject to the Access to Information Procedure Rules in Part 5 of the Council's constitution.