

Appendix 3 – Draft Enfield Pension Fund Investment Consultant Objectives

We have outlined below objectives relevant to the services the Fund ought to receive from an Investment Consultant. We have divided these objectives into broad categories to help identify the services which are provided.

1 Strategy Objectives

- a The consultant to assist the Committee to formulate and understand their collective investment beliefs.
- b The consultant to assist the Committee consider their approach to investment management (e.g. active, passive or factor-based approaches)?
- c To check if the Fund's assets outperformed the investment objective over a (1, 3 or 5 year) period based on advice given and implemented by the consultant.
- d The consultant to assist the Committee in setting or reviewing the Fund's long-term objectives and/or helped to develop a plan to achieve these objectives?
- e Has the consultant assisted the Committee in assessing, understanding and managing the risks within the Fund (e.g. through the use of Asset-Liability Projections, VaR analysis or deterministic scenario/stress testing)? These risks may include interest rate and inflation, currency, equity and longevity risks.
- f Has the consultant assisted in constructing a suitably diversified portfolio, and helped the Committee to understand the role of each asset class within the Fund's portfolio?
- g Has the consultant helped the Committee to consider appropriate governance structures to make ensure investment decisions are made effectively (e.g. through the use of sub-committees or delegation of investment decisions to Officers)?
- h Has the consultant helped the Committee to develop views on Responsible Investment to create (or review) a clear and thought out Responsible Investment Policy covering environmental, social and governance factors (including climate change)? This may involve training sessions and portfolio monitoring.
- i Has the consultant provided sufficient assistance for the Committee to develop/review its policy on currency hedging?

2 Implementation and LGPS Pooling

- a Has the consultant worked alongside the Committee, Officers and relevant pool to develop/provide suitable investment solutions for the Fund?
- b Has the consultant assisted the Committee to understand the offerings provided by the London CIV and with the transition of assets to the London CIV where relevant?
- c Has the consultant provided, where relevant, sufficient assistance in the management of asset transitions (e.g. project management, appointment of a third-party transition manager, drafting of instruction forms etc.)?
- d Has the consultant helped the Committee to consider the liquidity of the investment portfolio in order to ensure that its various cashflow

requirements can be met (e.g. benefit payments, capital calls and transfers out)? This may involve cashflow stress testing.

- e Has the consultant, where appropriate, worked effectively with the Officers on the implementation of investment mandates

3 Monitoring

- a Does the consultant provide sufficient, and clear and accurate monitor of the performance of the Fund's investments on a regular basis?
- b Is the quality of the consultant's reporting to the expected standard?
- c Has the consultant kept the Officers and Committee updated, on a timely basis, of any material developments with any of the Fund's investment managers held outside the relevant pool?
- d Does the consultant provide sufficient, and clear and accurate, monitoring of the Fund's asset allocation vs. strategic target and provide advice on rebalancing where appropriate?

4 Compliance and regulation

- a Has the consultant provided sufficient support in relation to the review of the Fund's investment strategy statement following any material changes to the investment strategy (or at least once every three years)?
- b Has the consultant ensured that the Fund's investment arrangements comply with all relevant regulations?
- c Has the consultant assisted the Officers and Committee sufficiently with the setting/review of appropriate investment consultant objectives?
- d Has the consultant kept the Officers and Committee up to date with latest regulatory changes?
- e Has the consultant provided appropriate assistance, where relevant, with completing the annual report and accounts and other required documents?

5 Client servicing and relationship management

- a Has the consultant produced investment reports, briefing papers and investment advice in good time ahead of Committee meetings?
- b Has the consultant responded to email requests and voicemails on a timely basis?
- c Has the consultant maintained fees in line with pre-agreed budget and agreed a budget in advance for significant pieces of work?
- d Does the Committee consider that the consultant has continued to develop a positive working relationship with the Members, with sufficient opportunity to provide feedback?
- e Has the consultant worked effectively with the Fund's other key stakeholders (e.g. actuary, London CIV pool etc.)?
- f Has the consultant raised any material client team personnel changes and meeting cover attendance with the Committee and Officers in a timely manner?
- g Has the consultant provided advice in a clear and concise manner, limiting the use of jargon and ensuring that the Committee understand the key messages?
- h Do the Members feel that the consultant has managed any potential

conflicts of interest appropriately)?

- i Has the consultant been sufficiently pro-active in raising new suitable investment opportunities?
- j Has the consultant raised risk mitigation opportunities to the Officers and Committee's attention where appropriate?
- k Has the consultant fulfilled all of the Committee's educational needs from an investment perspective?