



## London Borough of Enfield

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<b>Report Title</b>	Code of Transparency - Investment Manager fee templates
<b>Report to</b>	Local Pension Board
<b>Date of Meeting</b>	28 June 2023
<b>Cabinet Member</b>	Cllr Tim Leaver
<b>Executive Director / Director</b>	Fay Hammond
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### Purpose of Report

1. This report presents the investment manager fee template (issued by the LGPS scheme advisory board) which all investment managers with whom the Enfield Pension Fund has investments with are expected to complete in order to demonstrate transparency over fees charged on investment products.

### Recommendations

2. The Pension Board are recommended to note the contents of this report and the attached appendix.

### Background

3. The LGPS Scheme Advisory Board (Board / SAB) was set up under the Public Service Pensions Act 2013 and the Local Government Pension Scheme Regulations. The purpose of the SAB/Board is to encourage best practice, increase transparency and coordinate technical and standards issues as well as liaise with ministerial bodies and relevant sector regulators. The Board is keen that the LGPS is seen as a value led and innovative scheme and the move toward investment fee transparency and consistency across pension funds / asset owners forms part of this goal.
4. Investment costs are a complex area which pension committees and officers need to consider and understand. The LGPS Code of Transparency

(described in more detail below) helps LGPS clients gather cost information in a consistent format. Cost information must always be viewed in the context of risk and return, and should form part of any overall value for money assessment.

5. A Code of Transparency covering investment management fees and costs was developed and approved by the SAB/Board and launched in May 2017. Fund managers to the LGPS are being encouraged to sign up to this Code
6. The Financial Conduct Authority (FCA) wanted to see more consistent and standardised disclosure of costs and charges for institutional investors. It thought that a standardised disclosure template should provide institutional investors with a clearer understanding of the costs and charges for a given fund or mandate. This should allow investors to compare charges between providers and give them a clear expectation of the disclosure they can expect.
7. For the LGPS funds to have the relevant data to investigate and understand their respective fees and costs, the SAB and the Investment Association developed the templates currently used under the Code. These templates can be found in Appendix 1.

### **Next steps**

8. The fee templates attached in appendix 1 have been sent to all fund Enfield Pension Fund Investment managers requesting a completed return. This information will be collated and analysed in Q3 of 2023 and the results brought back to Pension Policy Investment committee and Pension Board thereafter.

### **Reason for Recommendation**

9. With approximately £1.5 billion in assets, it is essential that the Fund has transparency over the costs charged by its investment managers to ensure best value is delivered to the fund.

### **Relevance to Council Plans and Strategies**

10. An economy that works for everyone

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### **Appendices**

Appendix 1: Cost Transparency Template