

Pension Fund Investment Sub Committee

15 June 2015

Outcome of Transition - Fundamental Index Tracking

Recommendation

That the Pension Fund Investment sub-committee note the report.

1 Introduction

- 1.1 At the sub-committee meeting of 17 November 2014, a report was presented which gave a progress report on the decision to move assets from State Street passive UK equity to Legal and General fundamental index tracking product FTSE RAFI 3000 Eq. The transition has now taken place and this report details the transactions that took place and the costs incurred.

2. Transition

- 2.1 On March 18 2015 an amount of £80.0m was redeemed from the State Street passive UK equity mandate (£79.0m stock and £1.0m cash) and placed with Legal and General. This leaves State Street with residual assets of £36.4m
- 2.2 The amount of £80.0m was allocated to equivalent pooled product until 25 March when the allocation to the Legal and General's RAFI 3000 fund was purchased. The value of the units purchased was £79.9m.
- 2.3 Total costs involved in the transfer of these assets totalled £191k.
- 2.4 BlackRock did not act as transition manager. It was decided in discussion with BlackRock, Hymans Robertson, and officers that Legal and General were best placed to manage the transactions in terms of simplicity and to minimise cost.

Background Papers

- 1) Legal and General Portfolio Transfer Report

	Name	Contact Information
Report Author	Mathew Dawson, Treasury and Pension Fund Manager	01926 412227 mathewdawson@warwickshire.gov.uk
Head of Service	John Betts, Head of Finance	01926 412441 johnbetts@warwickshire.gov.uk
Strategic Director	David Carter, Strategic Director, Resources Group	01926 412564 davidcarter@warwickshire.gov.uk