

## **Appendix 1**

### **Fundamentals XII 2013 - Day 1**

#### **9.30 Registration and Coffee**

#### **9.50 Introduction to the Programme**

#### **10.00 The Benefits Framework “Past and Present”**

- History of the LGPS and interaction with State Provision
- The 2008 Scheme – a core scheme plus discretions; a look at the comprehensive benefit structure of the scheme
- Differences in the 2009 Scheme in Scotland
- Administering Authority and Employing Authority Discretions – how many there are and who is responsible for them
- Pensions for Councillors

#### **11.00 Coffee Break**

#### **11:15 The Investment Framework**

- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 – the statutory framework for investments
- CIPFA Principles – a look at the six investment principles
- Statement of Investment Principles
- Interaction with the Funding Strategy Statement
- Governance Compliance Statements
- Annual Reports and Auditing

#### **12:00 Delivering the Service**

- Partnership Working
- Framework Agreements
- Financial Services procurement and relationship management
- Supplier risk management
- Performance of support services

#### **12.30 Lunch**

#### **1.30 to 4:00 (Break at 2:45) BACK TO BASICS - Traditional Asset Classes**

An explanation of:

- UK Equities, Overseas Equities
- UK Gilts, UK Index-Linked Gilts
- Corporate Bonds, Property

Including a look at:

- Why invest in Fixed Income and Equity Markets?
- Long Term Investment Performance of Equities and Fixed Income
- Benchmarks used

- Cashflows
- The Bond Market
- Return / Risk Profiles

#### 4.00 Close

### **Fundamentals XII 2013 - Day 2**

#### 9:30 Registration and Coffee

#### 9:45 Valuations

- The Purpose of an Actuarial Valuation
- Assets and Liabilities
- How do liability calculations work?
- What assumptions are used?

#### Funding Strategy Statements

- What is the funding strategy?
- Different Employers – different characteristics and objectives
- What is the strength of the covenant?
- Deficit Recovery Periods

#### 11:15 Break

#### 11.30 Corporate Governance

- Approach to Corporate Governance
- Voting, Activism and Engagement
- Institutional Shareholders Committee principles
- Socially Responsible Investment

#### 12.30 Lunch

#### 1.30 Communication Strategies/Policies

- Policy Statement Requirements
- LGPS – Valuable part of employment package
- Purpose and effect – Changes and Choices
- A look at some good practice initiatives

#### 2.00 to 4:00 (Break at 2:45) BACK TO BASICS 2 – Established Alternative Investments

An explanation of:

- Private Equity, Commodities, Hedge Funds, Emerging Markets, Currency Funds, High Yield Bonds and Overlays

Including a look at:

- The market evolution of Alpha and Beta
- Private Equity sectors
- Commodities – what do they cover and why include them in a portfolio?

- The Hedge Fund universe
- The background to Emerging markets
- The value of Currency Funds and Currency Overlays
- How High Yield Bonds fit into the Bond market

4:00 **Close**

### **Fundamentals XII 2013 - Day 3**

9:30 **Registration and Coffee**

9:45 **Duties and Responsibilities of Committee Members**

- The LGPS in its legal context
- General local authority legal issues
- LGPS specific duties and responsibilities
- Wider duties and responsibilities
- What happens when things go wrong?

11:15 **Break**

11:30 **The Future for the LGPS?**

- Following on from Hutton
- Negotiation and Consultation
- The LGPS2014 Project

12:30 **Lunch**

1:30 **Focus on good governance**

- Far more than just corporate governance
- Delegation and representation
- Spending the governance budget
- Managers and Manager Selection
- Manager de-selection

2:15 to 4:00 (**Break at 2:45**) **BACK TO BASICS 3 - Bringing it all together**

- The Evolution of LGPS Benchmarks
- Portfolios and Portfolio Construction
- Portfolio Concepts
- Combining Assets in your Portfolio
- Risks and Efficient Frontiers
- Standard Deviation
- Correlation
- Diversification
- Three Things to Remember!

3:55 **Course Review and Further Information**

4:00 **Close**