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STATUTORY RULES OF NORTHERN IRELAND

2000 No. 178

Local Government Pension Scheme (Management and Investment of Funds) Regulations (Northern Ireland) 2000

Management of the fund

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5.—(1) This regulation specifies the sums which the Committee must pay or credit to and may pay from the fund it administers.

(2) The Committee must pay or credit to the fund, in addition to any other sum the 2000 regulations specify must be paid or credited to the fund—

(a) the amounts payable by it or paid to it for the credit of the fund by employing authorities under regulations L5 to L7 of the 2000 regulations (employers' contributions),

(b) all members' contributions except contributions payable under regulation C24 of the 2000 regulations (additional voluntary contributions),

(c) all income arising during the year from investment of the fund,

(d) all capital money deriving from such investment, and

(e) all additional payments received by it under the 2000 regulations.

(3) Interest under regulations L5 to L7 of the 2000 regulations must be credited and paid to the fund.

(4) Any costs, charges and expenses incurred in administering the fund (except those incurred in connection with a FSAVC scheme) may be paid from it.

Choice of investment managers

6.—(1) Instead of managing and investing fund money itself, the Committee may appoint one or more investment managers to manage and invest the fund money for it.

(2) The Committee may only appoint an investment manager if it complies with paragraphs (3) to (6).

(3) The Committee must reasonably believe that the investment manager is suitably qualified by his ability in and practical experience of financial matters to make investment decisions for it.

(4) The investment manager must not be an employee of the Committee.

(5) The Committee must be satisfied—

(a) that the fund is managed by an adequate number of investment managers; and

(b) that the value of the fund money to be managed by any one investment manager will not be excessive.

(6) The Committee must have taken proper advice.

Terms of appointment of investment managers

7.—(1) Investment managers must, if appointed, be appointed on the terms set out in paragraphs (2) to (7).

(2) The Committee must be able to terminate the appointment by not more than one month's notice.

(3) The investment manager must report to the Committee at least once every three months on the action he has taken for it.

(4) The investment manager must comply with all the Committee's instructions.

(5) Subject to paragraph (6) the investment manager in managing the fund must take into account—

(a) that fund money must be invested in a wide variety of investments,

(b) the suitability of those types of investment for the fund,

(c) the suitability of any particular investment of that type, and

(d) the Committee's statement of investment principles.

(6) Paragraph (5)(*a*) does not apply where the investment manager only manages part of the fund and the terms of his appointment provide that it does not apply.

(7) The investment manager must not make investments which would contravene the Committee's statement of investment principles, regulation 12 or the Schedule.

(8) In determining the investment manager's terms of appointment, the Committee must take proper advice.

Review of investment manager's performance

8.—(1) Where the Committee has appointed an investment manager it must keep his performance under review.

(2) At least once every three months the Committee must review the investments the investment manager has made.

(3) Periodically the Committee must consider whether or not to retain the investment manager.

(4) In reviewing an investment manager's decisions and appointment, the Committee must take proper advice—

(a) if regulation 7(5)(*a*) applies, about the variety of the investments he has made, and

(b) about the suitability of those investments for the fund generally and as investments of their type.