

Trustee toolkit downloadable



An introduction to investment

Check your scheme

Each module features a section called 'Check your scheme'. This aims to embed the learning you have completed throughout the module by asking you questions about your own scheme or to check your scheme documents.

It is essential that you complete each 'Check your scheme' section relevant to your scheme type and size, so we have created this worksheet to help you do this offline.

Once you have completed the learning, work through the questions and learning points in this worksheet, noting your findings, to help you transfer the theoretical learning into the practical application of your own scheme.

If you have already completed the toolkit, the worksheet can serve as a useful refresher. Work through each section to identify any areas you should brush up on by redoing the module or reviewing your own scheme documents.

This worksheet applies to
all schemes.

The Pensions
Regulator

Statement of Investment Principles (SIP)	For your notes
Have you read your scheme's SIP? If not, find this now and take a look.	<input type="radio"/> Yes <input type="radio"/> No
When was it last reviewed?	
Where there any changes last time it was reviewed?	
When is it due for the next review?	
What are the investment objectives for your scheme?	
How is the strategy defined?	

Statement of Investment Principles (SIP) continued	For your notes
<p>What does the SIP say about:</p> <ul style="list-style-type: none"> • how the strategy will be monitored and reviewed? • choosing investments and funds and the balance between different kinds of investment and investment funds? • risk and how it is measured and managed? • the expected return on investments? • how investments will be realised? • social, environmental and ethical considerations? 	

Investment sub-committees	For your notes
Do you have an investment sub-committee?	<input type="radio"/> Yes <input type="radio"/> No
If you have, what are the terms of reference?	
What were your board's reasons for deciding to have, or not have, a sub-committee?	
If you do have an investment committee, does it scrutinise investment reviews and meet fund managers?	<input type="radio"/> Yes <input type="radio"/> No

Asset types (DB schemes)	For your notes
Of the most common asset types, which are included in your investments?	<input type="radio"/> Equities <input type="radio"/> Bonds <input type="radio"/> Gilts <input type="radio"/> Cash
Very approximately, in what proportions?	
Does your scheme invest in alternative assets?	<input type="radio"/> Yes <input type="radio"/> No
If so, which of the following are included?	<input type="radio"/> Property <input type="radio"/> Infrastructure <input type="radio"/> Private equity funds <input type="radio"/> Ethical investments <input type="radio"/> Hedge funds <input type="radio"/> Multi-asset investments <input type="radio"/> Derivatives <input type="radio"/> With-profit policies <input type="radio"/> Commodities <input type="radio"/> Annuities

Asset types (DC schemes)	For your notes
Of the most common asset types, which are included in your investments?	<input type="radio"/> Equities <input type="radio"/> Bonds <input type="radio"/> Gilts <input type="radio"/> Cash
Very approximately, in what proportions?	
Does your scheme invest in alternative assets?	<input type="radio"/> Yes <input type="radio"/> No
If so, which of the following are included? If your scheme invests in exclusively in a with-profits policy you will not be able to answer this question. However, do make sure that this is the case.	<input type="radio"/> Property <input type="radio"/> Infrastructure <input type="radio"/> Private equity funds <input type="radio"/> Ethical investments <input type="radio"/> Hedge funds <input type="radio"/> Multi-asset investments <input type="radio"/> Derivatives <input type="radio"/> With-profit policies <input type="radio"/> Commodities <input type="radio"/> Annuities

Fully insured with-profits policies	For your notes
Is your scheme, or any part of it, an insurance company with-profits policy? If so, who is the provider?	
What are the arrangements for reviewing the performance of the investment?	
Economic cycles	
Thinking about the four stages of the economic cycle, what stage do you believe the economy is in currently?	<input type="radio"/> Boom <input type="radio"/> Slow down <input type="radio"/> Recession <input type="radio"/> Recovery
DB schemes: How has that affected the investment performance of the scheme assets?	
DC schemes: How has that affected the performance of the default investment strategy and any alternative investment options made available to members?	

Investment reviews	For your notes
<p>How frequently are your investments reviewed? (This question applies equally to schemes investing in with-profits policies.)</p>	
<p>If you have investment managers, how frequently do they attend meetings?</p>	
Measuring asset performance	
<p>Can you identify the benchmarks used by your scheme to monitor investment performance?</p>	
<p>Is there a target to be achieved in each case? If so, what is it?</p>	

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