

Appendix A

Memorandum of Understanding

- 1.1 Local Pensions Partnership and Royal Borough of Windsor and Maidenhead (as administering authority for the Berkshire Pension Fund) would like to enter into a memorandum of understanding (MOU).
- 1.2 This MOU builds on discussions that have taken place over the last 18 months and confirms that both parties provide a commitment to working together to reach a successful conclusion in respect of Berkshire Pension Fund joining the Local Pensions Partnership.
 - Berkshire will delegate asset management responsibilities to the LPP from 1st April 2018 under an Advisory and Management Agreement recognising that this will include 100% of Berkshire's assets. A staged asset transition plan will operate from 1st April 2018 whereby assets will transfer to pooling platforms as quickly as possible, after considering costs and benefit. Assets not transitioned will be allowed to mature and as they return cash this will be re-invested via the pooling platforms.
 - LPP will invest those assets from 1st April 2018 in line with Berkshire's Investment Strategy Statement, as set out in the Advisory and Management Agreement.
 - Berkshire will continue to set its, strategic asset allocation, employer contribution rates and exercise relevant discretions over areas of policy as defined in the LGPS Regulations.
 - LPP will provide pension administration, liability management and employer risk services to Berkshire from 1st October 2018.
 - Project management responsibilities will be shared with both parties allocating sufficient resources to deliver a successful conclusion of all key deliverables in the project.

Costs and Charges

- 1.3 LPP will not charge Berkshire any historic partnership set up costs.
- 1.4 In respect of investment management and advisory services LPP will charge a management fee from 1st April 2018 to take over the management of the Berkshire assets. The exact fee will be discussed as part of the development of the business case.
- 1.5 LPP commit to transfer Berkshire assets into pooled environments, where appropriate, as soon as reasonably possible. Berkshire would pay any transition costs but would begin to experience fee reductions once assets had been transferred into the pooled environments.
- 1.6 Further costs associated with wider services, including pension services and employer risk management, will form part of the wider business case.

- 1.7 Each party is responsible for their own legal costs associated with Berkshire joining the partnership.
- 1.8 This MOU provides an understanding and commitment on which a full business case will be developed and presented to the Berkshire and LPP governance approval routes.

Signed : _____ Date: _____
On behalf of The Royal County of Berkshire Pension Fund

Signed: _____ Date: _____
On behalf of Local Pensions Partnership