**Core Unit 4**

**Financing and Investing for Retirement Provision**

**Assignment 4**

*(Part 5 – Regulation and Administration and Part 6 – Investment Management)*

*Recommended Time: 2 hours 30 minutes*

1. Investment managers will hold a scheme’s assets on a segregated fund or pooled fund basis, often using a combination of both approaches.

Compare the fee structure used for each approach.

**15 marks**

1. A SIP must specify the trustees’ policy with regard to ESG.
2. Explain what ESG stands for.
3. Describe the difference between positive screening and negative screening.

**15 marks**

1. Outline The Pensions Regulator’s requirements for a scheme that meets the definition of a master trust.

**20 marks**

1. List 5 of the sections typically included in an Investment Management Agreement.

**5 marks**

1. Write brief notes on:
2. The statutory objectives of the FSMA
3. Why defining “regulated activity” is important.

**10 marks**

1. A newly appointed trustee wishes you to clarify his responsibility as a trustee for implementing a change in investment managers. Write him a letter detailing specifically –

* Investment manager agreement
* Performance targets
* Custody of assets
* The role of the custodian
* Trustees’ authorities and cash flow control
* Administration
* Transition management
* Use of investment banks

**35 marks**