



Pensions  
Management  
Institute

ACHIEVING PENSIONS EXCELLENCE

## Professionalism and Governance

Tuesday 8<sup>th</sup> October 2019 14.00pm – 17.00pm

Centre Name	<input type="text"/>
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This contains several short answer questions. Attempt **ALL** questions in the green answer booklet **in pen** for the paper-based version of this exam or follow the instructions on screen for the online version.

The total marks for this paper are 100.

**THIS EXAMINATION PAPER REMAINS THE PROPERTY OF THE PENSIONS MANAGEMENT INSTITUTE AND MUST BE HANDED TO THE INVIGILATOR AT THE END OF THE EXAMINATION.**

Three hours are allowed for this paper. Answer all parts of all questions. In a multi-part question when the marks are not equally divided a guide to the available marks for each part is shown. A small number of marks may be awarded for appropriate and relevant communication and formatting.

The total marks for this examination are 100.

Please make sure that you answer these questions, by following the instructions on screen for the online version of the exam, or by writing them down in the green answer booklet, in pen, for the paper-based version.

**OCOTBER 2019**

### Question 1

You have been asked to write a technical article for inclusion in the PMI's Pensions Aspects magazine on monitoring investment manager performance. Technical articles in the magazine are usually three or four pages long and are designed to appeal to the range of pensions professionals.

The Editor has also asked that the article covers the following areas:

- Why it is necessary for trustees to monitor the performance of their investment managers.
- The typical content of portfolio valuations.
- The purpose of performance reporting.
- The factors that influence the rate of return on a fund.
- The typical content of performance reports.
- The factors that influence the different approaches by managers.
- The ways in which the performance of the investment managers can be measured.

(60 marks)

### Question 2

(i) Explain why it is important for a financial organisation to have an anti-bribery policy. (8 marks)

(ii) Outline the key areas that should be covered in an anti-bribery policy. (7 marks)

### Question 3

Your cousin has recently received a pay rise and now meets the criteria for auto enrolment. He knows you work in pensions and has emailed you to ask for your advice on whether he should opt out of auto enrolment as he wants to spend his pay rise rather than save it.

Set out the issues that you would cover in your reply to your cousin.

(15 marks)

### Question 4

You are at lunch during a pension conference and a fellow delegate seated at your table is talking loudly to another delegate about the business of one of his pensions consultancy's clients (identifying them), and you feel that he is being unprofessional.

- When can you talk in public about one of your employer's clients?
- What should you do to ensure that the information you impart about your client is accurate?
- When is it not appropriate to discuss client issues in public?

(10 marks)

**Total for paper – 100 marks**