

Minutes of the Pensions Panel Meeting held on 8 September 2015

Present: Philip Atkins (Chairman)

Attendance

Stephen Sweeney
Derek Davis, OBE

Shelagh McKiernan
Robert Marshall

Also in attendance: Carolan Dobson (Independent Adviser) and Graeme Johnston (Hymans Robertson).

Apologies: David Thomas (Independent Adviser)

PART ONE

20. Declarations of Interest

There were no declarations of interest on this occasion.

21. Minutes of meetings held on 9 June and 21 July 2015

RESOLVED – That the minutes of Meetings of the Pensions Panel held on 9 June and 21 July 2015 be confirmed and signed by the Chairman.

22. Pension Fund Performance and Portfolio of Investments as at 30 June 2015

The Director of Finance and Resources submitted a summary of the performance of the Pension Fund together with a portfolio of the Fund's investments as at 30 June 2015.

The Panel were informed that, with the second quarter of 2015 giving back the gains of the first quarter, the market value of the Fund at 30 June 2015 fell just short of £3.7 billion. The Fund did outperform its benchmark return by 0.4%, but equity market declines meant the Fund returned -2.4% over the quarter versus the benchmark return of -2.8%. Whilst the return from the Fund's Global Equity portfolio (-5.1%) impacted negatively on the Fund's performance, this was mitigated to some degree by positive returns from the Fund's Private Equity portfolio, which generated a return of +13.5% and also the Fund's Property portfolio which generated a return over the quarter of +3.7%.

Over the longer term, the Fund continued to outperform its benchmark return in the 1, 3 and 5 year time periods by +1%, with an absolute return in each of the last 5 years of +10.9%, well above the return assumptions made by the Actuary in the 2013 valuation.

RESOLVED – That the Pension Fund performance and portfolio of investments for the quarter ended 30 June 2015 be noted.

23. Dates of Future Meetings

1 December 2015
9 March 2016 (1.30pm)
7 June 2016 (Provisional)
19 July 2016 (Managers' Day) (Provisional)
8 September 2016 (Provisional)
6 December 2016 (Provisional)
7 March 2017 (Provisional)

All meetings are scheduled to start at 9.30am at County Buildings, Stafford.

24. Exclusion of the Public

RESOLVED - That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraph of Part One of Schedule 12A of the Local Government Act 1972 (as amended) indicated below.

The Panel then proceeded to consider reports on the following issues:

25. Exempt Minutes of the Meetings held on 9 June and 21 July 2015
(Exemption paragraph 3)

26. Private Equity - Review of position at 30 June 2015
(Exemption paragraph 3)

27. Strategic Benchmark Review and Monitoring
(Exemption Paragraph 3)

- (a) Economic and Market Update
- (b) Review of Position as at 31 July 2015

28. Pension Fund Performance and Manager Monitoring for the quarter ended 30 June 2015
(exemption paragraph 3)

29. Corporate Governance and Socially Responsible Investment Report Quarter 2 2015
(Exemption paragraph 3)

30. Securities Lending
(Exemption paragraph 3)

- (a) Presentation and Training from Northern Trust
- (b) Securities Lending Update

31. Property
(Exemption paragraph 3)

- (a) Property Investment Strategy Report for the three years commencing 1 April 2015
- (b) Confirmation of the action of the Director of Finance and Resources

Chairman