

Minutes of the Pensions Panel Meeting held on 5 September 2017

Attendance

Derek Davis, OBE	Stephen Sweeney
Mike Sutherland (in the chair)	

Also in attendance: Carolan Dobson (Independent Adviser), Ann Edgeller (Observer), Colin Greatorex (Observer), Ian Jenkinson (Observer), Paul Potter (Hymans Robertson) and David Thomas (Independent Adviser).

Apologies: Philip Atkins OBE, Robert Marshall and Graeme Johnston (Hymans Robertson).

PART ONE

69. Declarations of Interest

There were no Declarations of Interest on this occasion.

70. Minutes of meeting held on 6 June 2017

RESOLVED – That the minutes of the Meeting of the Pensions Panel held on 6 June 2017 be confirmed and signed by the Chairman.

71. Pension Fund Performance and Portfolio of Investments as at 30 June 2017

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 2017.

The Panel were informed that the Fund had a market value of £4.7 billion as at 30 June 2017; the highest reported to date. Over the quarter the Fund returned 0.5%, slightly underperforming its strategic benchmark by 0.1%. The best performing asset classes relative to their benchmarks were Global Equities and Private Equity but these were offset by UK Equity, Property and Hedge Funds which delivered marginal underperformances, relative to benchmark, this quarter.

Despite the small underperformance over the quarter, in the longer term the Fund was still outperforming its strategic benchmark. Annualised returns over the 3 and 5 year time periods were in excess of 11% per annum, which was well above the investment return assumptions used by the Actuary as part of the triennial valuation.

In response to a question from Mr Davis, Mr Potter indicated that, although some members of the Monetary Policy Committee had started to vote for a rise, it was considered unlikely that the Bank of England would make any changes to the base interest rate of 0.25% in the very near future.

RESOLVED – That the Pension Fund Investment performance and the portfolio of investments for the quarter ended 30 June 2017 be noted.

72. Dates of Future Meetings

- 5 December 2017
- 6 March 2018

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

73. 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.

PART TWO

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

74. Exempt Minutes of the Meeting held on 6 June 2017 (Exemption paragraph 3)

75. Pension Fund Performance and Manager Monitoring for the quarter ended 30 June 2017 (Exemption paragraph 3)

76. Pooling of LGPS Investments (Exemption paragraph 3)

77. Strategic Benchmark Review and Monitoring (Exemption paragraph 3)

- a) Economic and Market Update
- b) Review of Position as at 31 July 2017

78. Responsible Investment (RI) Quarter 2 2017 (Exemption paragraph 3)

79. Managers' Presentations (Exemption paragraph 3)

- a) **Highbridge Capital Management (UK) Ltd**
- b) **Alcentra Limited**

Chairman