

Minutes of the Pensions Panel Meeting held on 4 December 2018

Present:

Attendance

Colin Greatorex (in the Chair) Stephen Sweeney
Mike Sutherland

Also in attendance: Ian Jenkinson (Observer), Paul Potter (Hymans Robertson) and David Thomas (Independent Adviser).

Apologies: Philip Atkins, OBE, Derek Davis, OBE and Carolan Dobson (Independent Adviser).

PART ONE

26. **Declarations of Interest**

There were no declarations of Interest on this occasion.

27. **Minutes of meeting held on 4 September 2018**

RESOLVED – That the minutes of the Meeting of the Pensions Panel held on 4 September 2018 be confirmed and signed by the Chairman.

28. **Pension Fund Performance and Portfolio of Investments as at 30 September 2018**

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 September 2018.

The Panel were informed that the Fund had a market value of £5.1 billion as at 30 September 2018; the highest reported to date. Over the quarter the Fund returned 3.4%, outperforming its strategic benchmark by 0.4%. The best performing asset classes relative to their benchmarks were active global equities and alternatives. Emerging markets and property were detractors from performance.

The Panel noted that the Fund had outperformed its strategic benchmark over the 1, 3, 5 and 10 year periods, and had achieved positive absolute returns over all periods. Annualised returns over both 3 and 5 years were in excess of 10% per annum, well above the investment return assumptions used by the Actuary as part of the triennial valuation. Mr Thomas indicated that it was very encouraging to see that returns had exceeded target levels over both the 3 and 5 year periods.

In response to a question from Mr Sutherland, Mr Potter indicated that any trend for an upward drift in interest rates was likely to be affected by the repercussions from Brexit.

In response to a question from Mr Greateorex as to whether it was a good time to make additional investments in Global Bonds/Global Equities, Mr Potter indicated that the Fund already had significant investments outside the UK.

RESOLVED – That the Pension Fund Investment performance and the portfolio of investments for the quarter ended 30 September 2018 be noted.

29. Dates of Future Meetings

- 5 March 2019
- 14 June 2019
- 11 September 2019
- 3 December 2019
- 3 March 2020

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

30. 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:

31. Exempt Minutes of the Meeting held on 4 September 2018
(Exemption paragraph 3)

32. Pension Fund Performance and Manager Monitoring for the quarter ended 30 September 2018
(Exemption paragraph 3)

33. Property - Confirmation of action taken by Director of Finance and Resources
(Exemption paragraph 3)

34. Responsible Investment (RI) Report Quarter 3 2018
(Exemption paragraph 3)

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

- a) Economic and Market Update
- b) Review of Position as at 30 September 2018

36. LGPS Central - Global Active External Equity Multi Manager Sub-Fund
(Exemption paragraph 3)

Chairman