

Minutes of the Pensions Panel Meeting held on 7 June 2016

Present:

Attendance	
Shelagh McKiernan	Stephen Sweeney (in the Chair)

Also in attendance: David Thomas (Independent Adviser), Ian Jenkinson (Observer), Mike Lawrence (Observer) and Graeme Johnston (Hymans Robertson).

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

PART ONE

1. Declarations of Interest

There were no declarations of interest on this occasion.

2. Minutes of meeting held on 9 March 2016

RESOLVED – That the minutes of the Meeting of the Pensions Panel held on 9 March 2016 be confirmed and signed by the Chairman.

3. Pension Fund Investment Performance 2015/16

The Director of Finance and Resources submitted a summary of the performance of the Pension Fund for 2015/16 together with a portfolio of the Fund's investments as at 31 March 2016.

The Panel were informed that the Fund had a market value of £3.72 billion at 31 March 2016. The Fund returned 1.8% over the quarter, marginally underperforming its benchmark of 2.0%. The best performing asset class relative to benchmark was bonds, with a return of 3.7%, followed by equities at 1.6%, property at 1.4% and the Fund's alternative investments at 0.3%. The Fund's underperformance this quarter was generated from the Fund's equity portfolios with several of the Fund's investment managers struggling as a result of the volatile markets.

Whilst the 2015/16 financial year saw the Fund marginally below its benchmark return, over the longer term the Fund continued to outperform its strategic benchmark return and had generated absolute returns of 7.2% and 7.9% per annum in the 3 and 5 year time periods respectively. These were ahead of the long term return assumptions used by the Actuary in his last valuation of the Fund.

RESOLVED – That the Pension Fund Investment performance for 2015/16 and the portfolio of investments for the quarter ended 31 March 2016 be noted.

4. Dates of Future Meetings

- 19 July 2016 (Managers' Day)
- 8 September 2016
- 6 December 2016
- 7 March 2017

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

5. 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:

6. Exempt Minutes of the Meeting held on 9 March 2016 (Exemption paragraph 3)

7. Pooling of LGPS Investments (Exemption paragraph 3)

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

- a) Economic and Market Update
- b) Review of Position as at 30 April 2016

9. Pension Fund Performance and Manager Monitoring for the quarter ended 31 March 2016 (Exemption paragraph 3)

10. Corporate Governance and Socially Responsible Investment Report Quarter 1 2016 (Exemption paragraph 3)

11. Investing in Infrastructure (Exemption paragraph 3)

12. Property (Exemption paragraph 3)

- a) Property Investment Strategy for the three years commencing 1 April 2016
- b) Confirmation of the action of the Director of Finance and Resources in relation to Property Purchases and Sales

Chairman