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MINUTES OF A MEETING OF THE PENSIONS COMMITTEE

**Town Hall, Main Road, Romford
13 December 2016 (7.00 - 9.40 pm)**

Present:

COUNCILLORS

Conservative Group John Crowder (Chairman) and Melvin Wallace

Residents' Group Stephanie Nunn and Nic Dodin

**East Havering
Residents' Group** Clarence Barrett

UKIP Group David Johnson (Vice-Chair)

Trade Union Observers: John Giles (UNISON)

Apologies were received for the absence of Councillor Jason Frost, Andy Hampshire (GMB) and Heather Foster-Byron (Admitted/Scheduled Bodies).

The Chairman reminded Members of the action to be taken in an emergency.

29 MINUTES OF THE MEETING

The minutes of the meeting of the Committee held on 22 November 2016 were agreed as a correct record and signed by the Chairman.

30 PENSION FUND PERFORMANCE MONITORING FOR THE QUARTER ENDED SEPTEMBER 2016

Officers advised the Committee that the net return on the Fund's investments for the quarter to 30 September 2016 was 6.7%. This represented an outperformance of 2.5% against the tactical benchmark and represented an outperformance of 1.8% against the strategic benchmark.

The overall net return for the year to 30 September 2016 was 16.2%. This represented an outperformance of 2.6% against the tactical combined benchmark and an under performance of -7.9% against the annual strategic benchmark.

At the close of business on 30 September 2016 the total combined value of the fund was £640.81m this represented an increase of £38.48m from the

position at the close of business on 30 June 2016. Officers advised that as at the end of November 2016 the value of the fund stood at £634.5m.

The Committee **noted** the report.

31 **MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE (MIFID) II**

The Committee were advised that the consultation period for responses to the MiFID II proposals closed on 4 January 2017. This could have a significant impact on both the Pension Fund and the Council's treasury Management function. There were several areas of concern and both the London CIV and London Government Association were submitting responses. It was important that the Council also respond and the Committee **AGREED** to delegate to the Section 151 Officer authority to respond on the Pension Fund's behalf.

32 **EXCLUSION OF THE PUBLIC**

The Committee resolved to excluded the public from the meeting during discussion of the following item on the grounds that if members of the public were present it was likely that, given the nature of the business to be transacted, that there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972 which could reveal information relating to the financial or business affairs of any particular person (including the authority holding that information) and it was not in the public interest to publish this information.

33 **HYMANS ROBERTSON REVIEW OF FUND PERFORMANCE FOR THE QUARTER ENDING SEPTEMBER 2016**

The committee **noted** the presentation from Hymans Robertson.

34 **STATE STREET GLOBAL ADVISORS (SSGA) - FUND PERFORMANCE TO 31 OCTOBER 2016**

The Committee **thanked** Jason Allan, the UK Head of Pension Funds for his presentation on the performance of the MPF All World Equity Index sub-Fund, the MPF Fundamental Index Global Equity sub-Fund and the MPF Sterling Liquidity Index sub-Fund. In response to questions Jason explained the methods used to ensure the tracking errors were kept to a minimum.

35 **PRESENTATION BY GMO ON PERFORMANCE OF THEIR GLOBAL REAL RETURN (UCITS) FUND**

The Committee **thanked** both Tommy Garvey, a member of GMO's Asset Allocation team and Helen Roughsedge, Client Relationship Manager for their presentation on the performance of GMO's Global Real Return (UCITS) Fund.

36 **LONDON CIV PRESENTATION**

Jill Davys and Julian Pendock presented on behalf of the London CIV discussing performance of the three funds they manage on behalf of the Pension Fund and proposals for the further development of the London CIV.

The Committee **thanked** them for the presentation.

37 **INVESTMENT STRATEGY**

The Committee **deferred** consideration of this item for decision at a special meeting to be called in January 2017.

Chairman

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