

Pensions Sub-Committee

Minutes

Tuesday 26 March 2019

PRESENT

Committee members: Councillors Iain Cassidy, Rebecca Harvey, Asif Siddique and Matt Thorley

Co-opted members: Michael Adam

Officers: Phil Triggs (Director of Treasury & Pensions), Matthew Hopson (Strategic Investment Manager), Timothy Mpofo (Pension Fund Manager), and Amrita Gill (Committee Co-ordinator)

Guests: Kevin Humpherson & Jonny Moore (Deloitte)

1. MINUTES OF THE PREVIOUS MEETING

RESOLVED –

THAT, the minutes of the meeting held on 13 February 2019 were approved and signed by the chair

2. APOLOGIES FOR ABSENCE

There were no apologies for absence.

3. DECLARATIONS OF INTEREST

There were no declarations of Interest.

4. BUY AND MAINTAIN MANAGER APPOINTMENT

Matt Hopson, Strategic Investment Manager, invited members to express their views on BlackRock and PIMCO, buy and maintain investment managers following the training session held on 26 March 2019.

Councillor Rebecca Harvey, referring to PIMCO's presentation, asked why there a drop-in performance in had been 2018. Matt Hopson explained that the bond value had fallen due to the increase in interest rates during that period.

Matt Hopson explained that the two investment managers offered different options to the Fund. BlackRock was a more actively managed and sterling focused fund. PIMCO was a very experienced fixed income manager with possibly the largest team of analysts globally, therefore offered more diversification in global markets.

Members felt that PIMCO presented as a better option for the Pension Fund due to the diversification benefits and asked for further clarification around the management fees for PIMCO. In response, Phil Triggs, Director of Treasury & Pensions, explained that the reduced fee offered by PIMCO would be reviewed in 2 years - the new rate would be established based on the total LCIV value of the sub-fund after 2 years.

Members asked if information regarding PIMCO's hedging process could be circulated to the Sub-Committee as this was not covered during the training session.

RESOLVED -

THAT, the Sub-Committee appoint PIMCO as a buy and maintain investment manager.

5. EXCLUSION OF THE PUBLIC AND PRESS

The Committee is invited to resolve, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

6. BUY AND MAINTAIN MANAGER APPOINTMENT - EXEMPT ELEMENTS

The exempt elements of this item were noted.

Meeting started: 7:00pm
Meeting ended: 7:30pm

Chair

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Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.