

MINUTES

A&B - Public

Pension Fund Committee Council Chamber, Town Hall, Lerwick Thursday 5 September 2019 at 10am Present - Members: A Cooper S Coutts S Leask E Macdonald R McGregor I Scott G Smith T Smith <u>Apologies:</u> R Thomson	Pension Board Council Chamber, Town Hall, Lerwick Thursday 5 September 2019 at 10am Present - Members: A Hawick J Johnston D Marsh A Taylor <u>Apologies:</u> M Bell J Fraser A Goudie
In Attendance: J Riise, Executive Manager – Governance and Law C Bain, Treasury Accountant L Adamson, Committee Officer	

Chair

Mr Coutts, Chair of the Pension Fund Committee presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

Minutes

The minutes of the meeting held on 9 May 2019 were confirmed on the motion of Ms Macdonald, seconded by Mr G Smith.

The minutes of the meeting held on 26 June 2019 were confirmed on the motion of Mr Leask, seconded by Mr Scott.

13/19

Pension Fund – Quarter to June 2019 Investment Review Report

The Committee and Board considered a report by the Executive Manager - Finance (F-046-F), which presented the investment position and performance of the Pension Fund's external investments, managed on their behalf by Fund Managers, for the quarter to June 2019.

In introducing the report, the Treasury Accountant advised on the positive returns by all asset classes over the 3 month period, though he said that not all Fund Managers had been over their benchmark. He reported that the most up to date value of the Pension Fund at the end of the July was now £536m, but indicated that markets had fallen slightly during August. The Treasury Accountant referred to the current review of the Pension Fund Strategy, and advised on the proposal for the findings and recommendations to be reported before the end of the Financial Year.

In response to a comment regarding the poor performance of KBI Global Investors during the quarter and underperforming their benchmark, the Treasury Accountant reported that while value based investors have been struggling over the past 5-10 years, returns can fluctuate and there could be positives in the coming years. He advised however that the performance and returns of all the Fund Managers would be scrutinised as part of the review of the Pension Fund Strategy. Mr McGregor however urged caution in terms of criticising individual Fund Managers, with investments being made in the long term, and in light of the current political situation.

There was no debate, and the Committee and Board noted the outcome of the quarterly review.

Decision:

The Committee and Board **NOTED** the report.

14/19

Pension Fund Committee and Pension Board Business Programme

The Committee and Board considered a report by the Executive Manager - Finance (F-049-F), which informed of the planned business to be presented to the Committee/Board to 31 March 2020.

In introducing the report, the Treasury Accountant provided further detail on the two training events which had been included at the end of the Business Programme, at Appendix A.

In response to question, the Treasury Accountant advised that there would be presentations from Fund Managers at the meetings in December 2019 and March 2020.

In response to a comment, it was noted that the report on the review of the Pension Fund Strategy was still to be added to the Business Programme. The Treasury Accountant advised that KPMG would also be facilitating a training session to the Committee/Board in line with the new Strategy.

In response to a question, the Treasury Accountant provided an update from the Scottish LGPS Restructure Review, advising that the Scheme Advisory Board (SAB), having reviewed the responses, had concluded that further analysis and consultation would be required. He advised that the SAB meet again during October 2019, and suggested that any further information from that meeting would be relayed to the Committee/Board. The Executive Manager – Governance and Law however suggested that it would be beneficial that a report to be presented to Committee/Board on 21 November 2019 informing on the outcome of the SAB meeting, which would allow for further discussion. Mr Johnston advised that there could also be an update from the SAB meeting at an Investment Seminar due to be held at the end of October.

During debate, the Chair referred to the recent training event for Members on the Pension Fund Committee/Board. He commented on the good attendance, and thanked all Members who attended.

On the motion of Mr Coutts, seconded by Ms Macdonald, the Committee approved the recommendation in the report.

Decision:

The Committee and Board considered the business planned for the financial year to 31 March 2020, and the Committee **RESOLVED** to approve the Business Programme, as amended.

The meeting concluded at 10.17am.

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Chair