

## Pwyllgor Pensiynau a Buddsoddi

---

Man Cyfarfod  
**Siambr y Cyngor - Neuadd y Sir,  
Llandrindod, Powys**

---

Dyddiad y Cyfarfod  
**Dydd Iau, 6 Medi 2018**

---

Amser y Cyfarfod  
**10.00 am**

---

I gael rhagor o wybodaeth cysylltwch â  
**Carol Johnson**  
01597 826206  
carol.johnson@powys.gov.uk



Neuadd Y Sir  
Llandrindod  
Powys  
LD1 5LG

Dyddiad Cyhoeddi

---

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

---

### AGENDA

<b>1.</b>	<b>YMDDIHEURIADAU</b>
-----------	-----------------------

I dderbyn ymddiheuriadau am absenoldeb.

<b>2.</b>	<b>DATGANIADAU O DDIDDORDEB</b>
-----------	---------------------------------

I dderbyn unrhyw ddatganiadau o ddiddordeb gan Aelodau mewn perthynas ag eitemau i'w hystyried ar yr Agenda.

<b>3.</b>	<b>COFNODION</b>
-----------	------------------

I awdurdodi'r Cadeirydd i arwyddo cofnodion y cyfarfod diwethaf a gynhaliwyd ar 13 Gorffennaf 2018 fel cofnod cywir.

(Tudalennau 1 - 6)

<b>4.</b>	<b>EITEM EITHRIEDIG</b>
-----------	-------------------------

Mae'r Swyddog Monitro wedi penderfynu bod yr eitemau canlynol yn destun categori 3, Rheolau Trefn Mynediad at Wybodaeth. Ei farn o ran prawf lles y cyhoedd (wedi ystyried darpariaethau Rheol 14.8, Rheolau Mynediad at Wybodaeth y Cyngor), oedd y byddai gwneud y wybodaeth hon yn gyhoeddus yn datgelu gwybodaeth

ynghylch materion ariannol neu fusnes unigolyn (gan gynnwys yr awdurdod yr oedd y wybodaeth honno yn ei feddiant). Oherwydd hyn a gan nad oedd yn ymddangos bod yna ddiddordeb mawr gan y cyhoedd yn gofyn bod angen datgelu'r data personol yma, roedd o'r farn bod diddordeb y cyhoedd wrth gadw'r eithriad yn fwy pwysig na diddordeb y cyhoedd wrth ddatgelu'r wybodaeth. Gofynnir i Aelodau ystyried y ffactorau hyn wrth benderfynu ar y prawf lles y cyhoedd, sy'n rhaid iddynt benderfynu wrth ystyried eithrio'r cyhoedd o'r rhan hon o'r cyfarfod.

<b>5.</b>	<b>IS-GRONFA ECWITI BYD-EANG</b>
-----------	----------------------------------

I ystyried adroddiad gan y Cyfarwyddwr Strategol – Adnoddau.  
(Tudalennau 7 - 8)

<b>6.</b>	<b>FFIOEDD RHEOLWYR Y GRONFA MANTOLI</b>
-----------	--

I ystyried adroddiad ar Ffioedd Rheolwyr y Gronfa Mantoli.  
(Tudalennau 9 - 14)

<b>7.</b>	<b>ADOLYGIAD CYFREITHIOL RHEOLWYR Y GRONFA MANTOLI</b>
-----------	--

I ystyried yr adroddiad.  
(Tudalennau 15 - 18)

<b>8.</b>	<b>ADRODDIAD A CHYFLWYNIAD GAN AON AR INCWM SEFYDLOG</b>
-----------	--

I ystyried y papur ar Incwm Sefydlog a derbyn cyflwyniad gan Aon.

(Tudalennau 19 - 24)

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE  
HELD AT COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS,  
POWYS ON FRIDAY, 13 JULY 2018**

**PRESENT**

County Councillor P E Lewis (Chair)

County Councillors JG Morris, T J Van-Rees, D H Williams, A W Davies.

Mr G Moore, Chair of the Powys Pensions Board

Mr M. Weale, Co-opted Member

<b>1.</b>	<b>APOLOGIES</b>
-----------	------------------

Apologies were received from County Councillor A. Jones.

The Committee noted that County Councillor T. Van-Rees would be arriving late.

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>
-----------	---------------------------------

Members of the Committee declared interests as members of the Local Government Pensions Scheme. These are personal interests, not prejudicial interests in accordance with Paragraph 12(b) (iv) of the Members Code of Conduct 2016.

<b>3.</b>	<b>MINUTES</b>
-----------	----------------

The Chair was authorised to sign the minutes of the meetings held on 9 March and 17 May 2018 as correct records.

<b>4.</b>	<b>PENSION BOARD MINUTES</b>
-----------	------------------------------

The Powys Pension Board Chair advised that as the Board had met on 10 July, 2018 the minutes of the meeting were not available. The Chair provided the following verbal report:

The following assurances had been gained, all of which help to protect the reputational risk of the Powys Pension Fund:

- The production of accurate and timely Annual Benefits Statement for relevant scheme members is on schedule for the deadline of 31 August 2108
- Provisional analysis of data quality required by the Pensions Regulators as part of the Scheme Annual Returns 2018 indicates a satisfactory score for Powys County Council
- the completion of the Guaranteed Minimum Pension reconciliation and rectification exercise is on target for the end date of December 2018
- Preliminary information from the Government Actuary's Department regarding the assumptions chosen underlying the Triennial Valuation 2016 indicates that there are no issues with the Powys approach.

The Board noted that following a previous Board recommendation the process for recording breaches had been improved and further developments were planned. The Board had agreed with officers that one recorded breach was not

of material significance to the Pensions Regulator” and as such was not reportable.

The Board recommended the urgent need to fill the vacancy on the Board, in order to reduce the risk of the Board meetings not being quorate. It was noted that the Authority was actively pursuing a replacement. The Chair had provided a training session to the new County Councillor member of the Pensions and Investment Committee and the Chair reminded the Committee members that they were welcome to attend a Board meeting to observe the work of the Board.

## 5. GDPR UPDATE REPORT

The Committee received a report from the Deputy Chief Executive which provided an update on the work undertaken to address the requirements and actions to ensure compliance with the General Data Protection Regulations.

RESOLVED	Reason for decision
To note the contents of the report.	Statutory obligation

## 6. WPP UPDATE

The Chair advised that the Joint Governance Committee [JGC] of the Wales Pension Partnership Pooled Fund had met on 19 June, 2018. The JGC had approved the prospectus to enable the Fund to operate. The Chair of Rhondda Cynon Taf and the Chair of Powys Pensions & Investment Committees had been appointed Chair and Vice Chair, respectively of the JGC.

The Pension Fund Manager advised that he would provide regular updates for the Committee.

## 7. INVESTMENT STRATEGY STATEMENT

The Committee received the revised Investment Strategy Statement [ISS] which reflected the issues raised by the Committee at the meeting in March, 2018. The Pension Fund Manager advised that the ISS would be included in the 2017/18 Annual Report.

## 8. EXEMPT ITEM

**RESOLVED to exclude the public for the following items of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).**

## 9. HEDGE FUND UPDATE

Aon Hewitt reminded the Committee that last year it agreed, in respect of the hedge fund portfolio, to move away from a fund of funds manager to four complementary managers, with the transition due to take place in late summer.

Aon Hewitt however, advised that GSA Capital [one of the four new managers] had been downgraded to “In Review” and provided information to the Committee regarding MAN Group as an alternative manager. Aon Hewitt had arranged for them to make a presentation to the Committee.

County Councillor T. Van-Rees arrived at the meeting.

#### **10. HEDGE FUND PRESENTATION**

The Committee received a presentation from MAN Group and asked questions.

<b>RESOLVED</b>	<b>Reason for decision</b>
<b>That the Committee appoint MAN Group as one of the four Hedge Fund Managers to replace GSA Capital.</b>	<b>Improved efficiency and increased diversification of the Pension Fund’s hedge fund portfolio.</b>

#### **11. PERFORMANCE MANAGEMENT REPORT**

The Committee received the Performance Measurement report and noted that Portfolio Evaluation had been selected to carry out Investment Performance Monitoring and Reporting Services for the Fund for the period 2016-17 to 2018-19 inclusive.

<b>RESOLVED</b>	<b>Reason for decision</b>
<b>To note the content of the report.</b>	<b>For information.</b>

#### **12. INVESTMENT MANAGEMENT COST MONITORING AND REPORTING SERVICES**

The Committee noted that CEM Benchmarking had been appointed to provide Investment Management Cost Monitoring and Reporting Services. The Committee also noted that CEM Benchmarking was providing similar services to all Funds in the Wales Pension Partnership.

<b>RESOLVED</b>	<b>Reason for decision</b>
<b>To note the content of the report.</b>	<b>Information.</b>

The following items were taken next.

#### **13. AON TRAINING - FORWARD LOOKING BUSINESS PLAN**

The Committee received the Forward Looking Business Plan and Investment Training Plan. It was noted that the Pooled Pension Partnership was waiting to sign up to the UK Stewardship Code.

Aon Hewitt advised that the Training Plan would evolve to incorporate the needs of the Committee.

<b>RESOLVED</b>	<b>Reason for decision</b>
<b>To include training on the investment of funds into infrastructure schemes.</b>	<b>To develop the Committee's knowledge.</b>

The Committee noted that the Audit Committee would be considering the Pension Funds Statement of Accounts and a joint meeting of the Audit Committee and Pensions and Investment Committee had been sought to discuss the document. A range of topics would be discussed including a presentation from the Pension Fund Actuary.

#### **14. AON - DECISIONS REVIEW**

The Committee noted the Decision Review.

#### **15. AON - QUARTER 1 MONITORING REPORT**

The value of the Fund as at 30 June, 2018 stood at £632,355m, which was an improvement from December, 2017. The Committee was advised that there had been concerns about equities but the outlook was better and there is growth globally. Aon Hewitt advised that as Aviva had announced the sale of its property multi-manager business Aon had changed the manager rating to "In Review".

The Committee noted the inclusion of a new report, a 12 month Market Background report, which would be included in future reports.

#### **16. AON - MTAA REVIEW**

The Committee received the Medium Term Asset Allocation [MTAA] update to 31 March, 2018. The Committee noted that performance in Quarter 1 was flat but there was some volatility in equity markets. It was noted that the fund would be protected against likely interest rate rises through investments in gilts.

#### **17. CEM PRESENTATION**

The Committee received a presentation from CEM Benchmarking in respect of the investment management cost monitoring and reporting services for the year to 31 March 2017. The purpose of the report is to compare investment performance with local government pension schemes in a peer group and with a wider global universe.

County Councillor T. Van-Rees left the meeting.

Aon Hewitt questioned the inclusion of the global median in the analysis as comparison with private sector pension funds was not relevant. A better comparison would be a global public sector median. CEM Benchmarking advised that it has a Benchmarking Working Group and representatives from

Pensions and Investment Committees and Funds can participate in this to provide feedback on the analysis being developed.

It was noted that the report gave a snapshot and should be used in conjunction with other data. It was considered that Committee should consider the key messages from the report and what issues it can address. As the Wales Pension Partnership developed, the costs incurred in managing funds should decrease.

**County Councillor P E Lewis (Chair)**

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol



Document is Restricted

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol