

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS,
POWYS ON THURSDAY, 13 FEBRUARY 2020**

PRESENT

County Councillor P E Lewis (Chair)

County Councillors E A Jones, JG Morris and D H Williams
Mr G Moore, Chair, Powys Pension Board

In attendance: Head of Finance and Pension Fund Manager
Aon representatives – George Feane and Simon Mayne and Lucinda Downing and
Kenneth Ettles via skype for item 7

1.	APOLOGIES
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Apologies were received from County Councillors A Davies and T Van-Rees.

2.	DECLARATIONS OF INTEREST
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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.

3.	MINUTES
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The Chair was authorised to sign the minutes of the Pensions and Investment Committee meeting held on 12 December 2019 as a correct record.

4.	PENSIONS BOARD MINUTES
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The Committee received the report from the Chair of Powys Pension Board of the meeting held on 26 November 2019 and the draft minutes. The Chair advised that cyber security was a high profile issue for pension funds. The Pension Fund Manager advised that he had drafted a cyber security policy, which was being reviewed by the IT department. The draft would be considered by the Board and Committee in due course.

5.	PENSION FUND DISCRETIONARY POWERS
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The Committee considered the discretionary powers policies.

It was moved and seconded to agree the policy.

RESOLVED	Reason for decision
That the discretionary powers policies, as set out in Appendix A be approved.	As per report.

6. 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).

7. EQUITY PROTECTION STRATEGY

Aon presented a report regarding Equity protection. The Committee considered the review of economic activity and noted that it was considered that activity would moderate over the medium-term. A range of risks including trade tariffs, economic and political conflicts would impact on economic activity.

It was noted that equity markets were strong during 2019-20 but earnings growth had been weak. The impact of such things as the Coronavirus would add to the near-term risk. It was considered that equities would not increase much more as global markets were at the end of an economic cycle.

The Committee considered the various equity protection options and protection levels including the amount of the fund which could be protected. The appropriate level of protection was dependent on the Committee's risk tolerance. In response to questions, Aon advised that the protection was focussed on the next actuarial valuation in 2022.

It was moved and duly seconded to continue the equity protection due to come to an end in March 2020 for a further three years and the level and type of protection. The Committee decided to retain an additional 2% of loss, which enables assets to attain a greater return, as it was felt it was complimentary to the existing levels of protection already in place.

RESOLVED	Reason for decision
that equity protection due to cease in March 2020 continues as follows: at a level of £55m at a 95% - 75% put spread collar structure and protect 1/3 for each of 1, 2 and 3 years.	To ensure the Equity protection strategy continues to protect the Fund against market downturns.

County Councillor P E Lewis (Chair)