

PENSIONS COMMITTEE 18.01.2018

Present: Councillors: Stephen Churchman (Chair), David Cowans (Conwy Borough Council), John Griffith (Isle of Anglesey County Council), Peredur Jenkins, John Brynmor Hughes, Aled Wyn Jones, Peter Read, John Pughe Roberts and Tony Deakin (Pension Board Chair - Observing)

Officers:- Dafydd Edwards (Head of Finance Department), Caroline Roberts (Investment Manager) and Lowri Haf Evans (Member Support Officer)

1. APOLOGIES

Apologies were received from Councillor Simon Glyn

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chairman signed the minutes of the previous meeting of this committee that took place on 9 November 2017, as a true record subject to noting that Councillor John Brynmor Hughes was present.

5. RESPONSIBLE INVESTMENT

The Head of Finance Department reported that Members of the Pensions Committee and members of the Pensions Board had attended a Responsible Investment training session by Paul Potter and Simon Jones from Hymans Robertson.

It was noted that it would be possible to respond practically to short term matters by discussing the steps they were acting upon when considering 'operational ownership' with the Investment Managers at the Investment Panel meeting on 28 February 2018.

In the context of the Wales Pensions Partnership, the Operator will need to report on their intention to be accountable to responsible investments as the partnership develops.

In response to the observation, members highlighted that better preparation was required prior to attending the Investment Panel meetings in order to have an opportunity to consider the information that was shared in advance. It was suggested that an informal meeting of approximately 1 hour should be held, with no representative from any company present, to discuss the information and have an opportunity to draw-up questions. It was agreed that this was an appropriate arrangement.

A proposal was made for the Head of Finance Department to request information from the Investment Managers in advance, and to arrange informal meetings prior to the meeting of the Panel. Arrangement to be trialled for 28 February 2018.

It was added that there was an intention to invite the Blackrock company to an imminent meeting of the Panel in order to explain the different options from the passive investments

they offered, including the new "MSCI Low Carbon" fund. It was accepted that this was an opportunity to receive additional information which would widen the horizon of Committee members.

The Head of Finance Department reiterated that Paul Potter from Hymans had offered to prepare a report, to be discussed at the Investment Panel, that would outline the agreed investment principles of members and Gwynedd officers based on responses to the questionnaire on the training session. The intention was for the Panel to recommend observations from the report to the next Committee meeting.

RESOLVED:

To trial holding informal preparatory meetings prior to the Investment Panel meetings.

To invite the Blackrock company to an imminent meeting of the Investment Panel. To make a request for Hymans to provide a report on Gwynedd investment principles.

6. WALES PENSIONS PARTNERSHIP

The Head of Finance Department gave an oral update on Wales Pensions Partnership developments. Following a press release, it was confirmed that Link Asset Services had been appointed as operator for the partnership's fund following a thorough procurement process by the Wales Pension Partnership and the consultants, Hymans Robertson and Burges Salmon.

It was reported that Link would jointly establish and maintain an investment vehicle which would be tax-efficient on behalf of the Wales Pension Partnership. It was added that Link, with the assistance of Russell Investments (in an investment consultant role), and in consultation with the eight single local authority funds, had started to plan the process of appointing investment managers companies.

It was highlighted that appointing Link was a positive step and a milestone on the journey of establishing a Collective Investment Vehicle, in accordance with the requirements of the Westminster Government. It was reported that the process had now entered an establishment period and that a project plan had been programmed.

The intention was that Link, with the support of the Wales Pensions Partnership, would initially establish **one** Global Equity sub-fund, in order to show that they were 'operational' on time, and then undertake detailed work on structures prior to launching other sub-funds. It would be possible to trial one sub-fund in order to have an opportunity to adapt and review the amount to invest in it as appropriate. Link would submit a document to the Governance Joint Committee in March, which would detail all of the other sub-funds and their timelines.

RESOLVED to accept the information.

The meeting commenced at 2:00pm and concluded at 2:30pm