

**PENSIONS COMMITTEE
 26 MAY 2016**

PRESENT: COUNCILLOR M G ALLAN (CHAIRMAN)

Councillors R J Phillips (Vice-Chairman), N I Jackson, B W Keimach, Mrs S Rawlins and A H Turner MBE JP

Co-Opted Members: Mr A N Antcliff (Employee Representative) and Mr J Grant (Non-District Council Employers Representative)

Officers in attendance:- Jo Ray (Pension Fund Manager), Nick Rouse (Investment Manager), Catherine Wilman (Democratic Services Officer)

56 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies were received from Councillors C E D Mair and P Wood.

57 DECLARATIONS OF MEMBERS' INTERESTS

Mr A Antcliff requested that a note be made in the minutes that he was currently a contributing member of the Pension Fund as an employee of Lincolnshire County Council.

Councillor R J Phillips declared a personal interest in all items on the agenda as a member of the Upper Witham Internal Drainage Board and as a contributing member of the Pension Fund.

58 CONSIDERATION OF EXEMPT INFORMATION

RESOLVED

That in accordance with section 100(A) (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that if they were present there could be a disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

59 MANAGERS' REPORTS

60 MANAGER PRESENTATION - MORGAN STANLEY ALTERNATIVE INVESTMENT PARTNERS

The Committee received a presentation from Morgan Stanley Investment Management on the Fund's Diversified Alternatives portfolio.

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A question was asked about the fees relating to the hedge fund element of the portfolio. It was noted that hedge funds were expensive to invest in, however the fees would be kept under review.

RESOLVED

That the report and presentation be noted.

61 MANAGER PRESENTATION - MORGAN STANLEY GLOBAL BRANDS FUND

The Committee received a presentation from Morgan Stanley Funds UK on the Fund's Global Brands portfolio.

The portfolio had excellent returns from consumer staples which included British American Tobacco and Reckitt Benckiser both in the top five absolute contributors over 3 years.

RESOLVED

That the report and presentation be noted.

62 MANAGER PRESENTATION - F&C - ABSOLUTE RETURN BONDS

Prior to welcoming Goodhart Partners Horizon Fund to receive their presentation, the Committee discussed the options available to it for the future of the Target Return Fund managed by F&C Investments as absolute return bonds were proving less profitable.

RESOLVED

That the report and presentation be noted.

63 ASSET POOLING - BORDER TO COAST PENSION PARTNERSHIP

Consideration was given to a report which introduced an update from the Pension Fund Manager on the latest developments on asset pooling.

The Chairman reported that all the committee chairs of the participating funds within the BCPP (Border to Coast Pension Partnership) had met as a group. Out of this meeting, a memo of understanding had been written which provided for a group of Members to be formed (Pool Advisory Board) which would include the chairman and one other member from each committee. Councillor Allan suggested Vice Chairman, Councillor Phillips for this role.

There would be a separate Officer Advisory Group to take information back to the individual funds. This would ensure funds did not make manager decisions without informing the other members of the pool.

Although the pool took certain work away from Pensions officers, the Committee was assured, there were plenty of other issues that could be given the time they deserved.

The Government's deadline for Asset Pooling Submissions (15 July 2016) was fast approaching and Officers would keep the Committee updated throughout the process.

RESOLVED

That the report be noted.

The meeting closed at 1.35 pm