

**MINUTES** of a meeting of the **PENSION AND INVESTMENT COMMITTEE**  
held at County Hall, Matlock on 16 March 2016

**PRESENT**

Councillor D J Wilcox (in the Chair)

**Derbyshire County Council**

Councillors S Brittain, R Davison, S J Ellis, S Freeborn, J Innes, S Marshall-Clarke, and R Parkinson

**Derby City Council**

Councillor P Hezelgrave

**Investment Advisor**

Mr P Williams

An apology for absence was submitted on behalf of Councillor M Tittley

**13/16** **MINUTES RESOLVED** that the minutes of the meeting held on 27 January 2016 be confirmed as a correct record and signed by the Chair.

**14/16** **MATTERS ARISING – (a) Update on the Appointment of an External Advisor to the Derbyshire Pension Fund** (Minute No 3/16 refers) Some concern was raised over the appointment process for a new External Advisor, and it was stated that what had been agreed at the last meeting of the Committee in terms of membership of the interview panel had not been complied with. It was agreed that this would be looked into to see what had gone wrong in the process, and an update would be provided to the next meeting.

**15/16** **INVESTMENT REPORT** The report of the external advisor to the Committee was presented, and Mr Philip Williams attended the meeting. The report incorporated Mr Williams' view on the global economic position, information on global market returns, the performance of the Derbyshire Fund, and his latest recommendations on investment strategy and asset allocation.

Mr Williams had increased his allocation to North American and Japanese Equities, and had reduced his allocation to Bonds and Cash. Details were provided of Mr Williams' recommendations in UK Equities, North American Equities, European Equities, Japan, Asia/Pacific, Emerging Markets, Bonds, Property, Alternatives and Cash, along with those of the Derbyshire Pension Fund In-House Fund Management Team.

The Fund's latest asset allocation as at 31 January 2016, and the recommendation of the Director of Finance and the Fund's Independent Advisor in relation to the Pension Fund's benchmark was reported. Relative to the benchmark, the Fund as at 31 January 2016 was overweight in equities and cash but underweight in bonds, property and alternative investments. Investment activity since the last meeting was reported. The Fund's investment assets were currently valued at £3,528.8m. A copy of the latest portfolio was presented. Also detailed were the recommendations of the Director of Finance, adjusted to reflect the impact of future investment commitments, and these largely related to alternatives and property and totalled £77m at 31 January 2016.

A summary of world equities and UK fixed income and index linked bond performance over the past year was given. This demonstrated that markets had been volatile over the last twelve months, and it was felt that this was likely to continue for the foreseeable future. Over the three months to 31 January 2016, Bonds had outperformed equities. There had been a broad recovery in equity markets in February, but investor confidence remained very fragile and the recent rise in geo-political tensions created additional uncertainty.

Details were given on the Fund's performance over 1, 3, 5 and 10 years to 30 September 2015. The Fund had outperformed against its benchmark in each period.

This was to be Mr Williams' last meeting. The Committee formally thanked him for his work and contribution to the success of the Pension Fund over the years, and wished him all the best for his retirement.

**RESOLVED** that (1) the report of the external advisor, Mr Williams, be noted;

(2) the asset allocations, investment activity and long term performance analysis be noted;

(3) the strategy outlined in the report be approved; and

(4) the Committee formally thanks Mr Williams for his contribution to the success of the Pension Fund over many years.

**16/16**      **VOTING ACTIVITY** Details of the Fund's voting activity for the period 5 December 2015 – 4 March 2016 were given, along with a summary of votes against management proposals.

**RESOLVED** that the report be noted.

**17/16      LOCAL GOVERNMENT PENSION SCHEME INVESTMENT REGULATIONS** Following consultation with the Chair and Vice-Chair of the Committee, a response had been submitted by the Derbyshire Pension Fund to the Government's consultation on the revocation and replacement of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. A copy of the response was presented.

**RESOLVED** to note the report.

**18/16      EXCLUSION OF THE PUBLIC RESOLVED** that the public be excluded from the meeting during the Committee's consideration of the remaining items on the agenda to avoid the disclosure of the kind of information detailed in the following summary of proceedings:-

**SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING**

1. To confirm the exempt minutes of the meeting held on 27 January 2016
2. To consider the exempt reports of the Director of Finance on:-
  - a) Update on Local Government Pension Scheme Investment Pooling (contains information relating to the financial or business affairs of any particular person (including the Authority holding the information))
  - b) Update on the Appointment of an External Advisor to the Derbyshire Pension Fund (contains information relating to the financial or business affairs of any particular person (including the Authority holding the information))
3. To consider the exempt report of the Chief Executive on Early Release of Pension on Flexible Retirement Grounds (contains information relating to an individual)