
PENSIONS COMMITTEE 14.3.2019

Present: Councillors: John Pughe Roberts (Chair), Stephen Churchman, David Cowans (Conwy Borough Council), Simon Glyn, John Brynmor Hughes, Aled Wyn Jones, Peter Read, Robin Williams (Anglesey Council) and Tony Deakin (Chair of the Pensions Board - 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 Peredur Jenkins.

2. DECLARATION OF PERSONAL INTEREST

None to note.

3. URGENT ITEMS

i. National guidelines for the pooling arrangements of the LGPS investments.

It was reported that the Ministry for Housing, Communities and Local Government was consulting on the management and the administration of pooling the investments of the LGPS funds. It was highlighted that the response of the Wales Partnership was being prepared and would be discussed finally at the next meeting of the Wales Pension Partnership Joint Committee on 27 March. It was suggested that the final draft response from Wales Partnership be shared with all Gwynedd Pension Committee members, so that they could comment on it. It was reiterated that the Head of Finance Department, the Investment Manager and the Chair of the Pensions Committee would be attending the Wales Partnership Joint Committee on 27 March.

ii. Investing in Green Energy

For information, it was reported that the Fund's infrastructure asset managers, 'Partners Group', had confirmed that the "*financing for the Greenlink Interconnector*" investment would come from the *Direct infrastructure 2015 fund* in which Gwynedd was investing. It was reiterated that the *Interconnector* was a project to transfer electricity under the sea between Ireland and Pembrokeshire. It was noted that news about such an investment was to be welcomed.

4. MINUTES

The Chair signed the minutes of the meeting of this committee, held on 21 January 2019, as a true record.

5. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

In accordance with Welsh Government's Statutory Guidance on Local Government Investments, the Council was required to prepare an Annual Investment Strategy as part of its treasury management role. As good practice, it was considered that the Gwynedd Pension Fund (the "Fund"), should adopt Gwynedd Council's Treasury Management

Strategy Statement (TMSS) for 2019/20, as revised for the purpose of the Pensions Fund. Gwynedd Council's TMSS for 2019/20 was approved by the full Council on 7 March 2019.

The Pensions Committee wished to allow the Pension Fund's cash balances to be pooled with the Council's financial balances which would consequently attract higher interest rates, minimise bank costs and avoid the duplication of work within the Council. It was confirmed that the priority was to safeguard the Fund and protect the money, rather than take risks.

It was proposed and seconded to accept the recommendations.

- **Resolved – to approve the Treasury Management Strategy Statement and the Annual Investment Strategy for 2019/20, as revised for the purpose of the Pensions Committee.**
- **It was resolved to request that the Council (although not a separate body) allow the surplus cash balances of the Pension Fund to continue to be pooled with the Council's general cash flow from 1 April 2019 onwards.**

6. WALES PENSION PARTNERSHIP: EQUITY INVESTMENTS

Submitted - a report informing the members of the transfer of Gwynedd Fund's equity portfolio transfer to the new funds of Wales Partnership. Equal sums were transferred into two funds in January 2019,

- LF Wales PP Global Growth Fund (Class A Income)
(Baillie Gifford, Veritas a Pzena)
- LF Wales PP Global Opportunities Equity Fund (Class A Income)
(Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, NWG and Oaktree)

It was reiterated that the exercise had been straightforward, with investments to both funds retaining their value during the transfer.

In response to a question regarding reviewing the fees, performance and value of the transfer, it was noted that speculating on any detailed arrangements was premature, and that arrangements would be discussed at the Wales Pension Partnership's follow-up meeting with 'Link Fund Solutions' and 'Russell Investments'.

In response to a question regarding the timetable of the transfers, it was noted that the 'Fixed Income' asset category would be the next transfer by the Gwynedd Fund in summer 2019. It was reiterated that discussions had already been held at the Investment Panel about these transfers, and that there was interest in combining asset managers, including two familiar names here in the Gwynedd Fund.

In the context of equity assets in specific regions, it was explained that the Gwynedd Pension Fund did not have investments in the regions in question initially, but that our equity assets in development market regions would be likely to transfer in late 2019.

It was considered that approximately 70% of investments had been transferred thus far, and fixed income assets would add approximately 15% to this. It would be difficult to anticipate a 100% transfer due to the nature of some investments and the difficulty in transferring them due to long-term agreements.

RESOLVED to accept the information.

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