

CONFIDENTIAL - PENSION COMMITTEE INVESTMENT SUB-COMMITTEE

Date: Thursday 14th February 2019

Time: 9.30am - 2.50pm

Place: Room 128, Shire Hall, Cambridge

County Councillors T Rogers (Chairman), R Hickford, and M Shellens; D Seaton and J Walker

Apologies: Councillor A Hay

Officers: D Cave, S Heywood, R Perry, P Tysoe and M Whitby

Advisers/Consultants: P Gent

92. APOLOGIES AND DECLARATIONS OF INTEREST

Apologies were presented on behalf of Councillor Hay.

John Walker declared a personal interest (i) as a retired member of the Local Government Pension Scheme (LGPS), (ii) his daughter-in-law was a current member of the LGPS and (ii) his son was a deferred Member of the LGPS.

93. EXCLUSION OF PRESS AND PUBLIC

The Sub-Committee resolved that the press and public be excluded from the meeting for the following report on the grounds that it contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended (information relating to the financial or business affairs of any particular person (including the authority holding that information)) and that it would not be in the public interest for this information to be disclosed as it contained commercially sensitive information.

94. CONFIDENTIAL MINUTES FROM THE INVESTMENT SUB-COMMITTEE MEETINGS HELD 22 NOVEMBER 2018

The minutes of the Investment Sub-Committee meetings held on 22nd November were agreed as correct records and signed by the Chairman.

95. ACTION LOG

The Sub-Committee noted the Action Log.

96. CAMBRIDGESHIRE COUNTY COUNCIL PENSION FUND QUARTERLY PERFORMANCE REPORT FOR THE PERIOD ENDING 31 DECEMBER 2018

The Committee received a report summarising the performance of the Pension Fund

for the quarter ending 31st December 2018, and also a review of 2018.

The Sub-Committee resolved to note the report.

97. GLOBAL CUSTODY SERVICES

The Sub-Committee considered a report outlining the process for extending the Global Custody Services contract and seek approval for a two year extension until 30 September 2021.

It was resolved unanimously to:

- 1) approve officers to confirm with Northern Trust the terms of the contract extension, securing services to 30 September 2021;
- 2) approve officers to engage with ACCESS funds in a potential collaborative procurement for a successor Custodian contract.

98. CAMBRIDGE AND COUNTIES BANK

The Committee considered an update on the Fund's investment in the Cambridge and Counties Bank.

It was resolved, by a majority, to approve the recommendations as set out in the report.

99. LOCAL ECONOMIC DEVELOPMENT FUND

The Sub-Committee were reminded that at their September meeting, they had two presentations from two prospective fund managers. Three companies would be making presentations.

100. LOCAL INVESTING – PRESENTATION 1

Members considered a presentation.

The Chairman thanked the presenters, who withdrew from the meeting.

101. LOCAL INVESTING – PRESENTATION 2

Members considered a presentation.

The Chairman thanked the presenters, who withdrew from the meeting.

102. LOCAL INVESTING – PRESENTATION 3

The Sub-Committee considered a presentation.

The Chairman thanked the presenters, who withdrew from the meeting.

103. LOCAL INVESTING DISCUSSION AND NEXT STEPS

The Committee considered the three presentations.

It was agreed by majority to:

- 1) Commit to an investment in a Local Economic Development Fund subject to Mercer undertaking the required Due Diligence, and officers to negotiate the arrangements.

104. INVESTMENT STRATEGY REVIEW

The Sub-Committee considered a report from Mercer, which summarised points from recent meetings and workshops where Members had considered different aspects of the Investment Strategy. Having participated in those sessions, Members' views were sought on key questions which would form the basis of the Investment Strategy.

It was resolved:

- 1) to approve for recommendation to the Pension Fund Committee the high level diversified strategic of Equities 58%, Fixed Income 12%, Property 10% and Alternatives 20%, as set out in the report;
- 2) to approve officers to work with Mercer to implement a risk management framework, at an approximate cost of £50,000;
- 3) that de-risking from equities in the short term was not required.

105. ACCESS UPDATE

The Sub-Committee considered an update on progress with the asset pooling project.

Noting this was Councillor Hickford's last meeting as a Member of the Investment Sub-Committee, the Chairman thanked Councillor Hickford, on behalf of Members, for all his input and hard work he had put in to the Committee, which was really appreciated.

Chairman