

NORTH EAST SCOTLAND PENSION FUND
JOINT INVESTMENT ADVISORY COMMITTEE

ABERDEEN, 28th August and 29th August 2014 – Minute of Meeting of the **JOINT INVESTMENT ADVISORY COMMITTEE**.

Present Councillor B Crockett, Convener, Councillor Richard Cowling, Vice Convener, Councillor S Lonchay, Councillor A Malone, Cllr J Reynolds, Mr M McCall, Mr M Middleton and Mr A Williams.

In Attendance Ms L Goodchild, Pensions Manager, Ms C Mann, Pensions Officer (investments), Mr J Belford, Corporate Accounting Manager (28th August 2014 only), Ms J Hope, Pensions Adviser (29th August 2014 only), Ms D Sim, External Audit, and Ms F Smith, Policy & Advice Officer.

APOLOGIES FOR ABSENCE

1. Apologies for absence were received from Cllr Bews, Cllr Coull, Cllr Leadbitter and Mr Scott.

THURSDAY 28TH AUGUST 2014

DECLARATIONS OF INTEREST

2. There were no declarations of interest made.

MINUTE OF PREVIOUS MEETING – 30TH MAY 2014

3. The minute of the previous meeting held on 30th May 2014 was approved as a correct record.

The Committee Resolved:

To approve the minute.

MINUTES OF THE PENSIONS PANEL MEETINGS DATED 10TH MARCH 2014

4. The Committee noted for information the minutes of the Pension Panel meeting held on 10th March 2014.

The Committee Resolved

To note the minutes.

CORPORATE GOVERNANCE REPORT

5. The Committee had before it a report from the Chief Accountant which reviewed the Pensions Fund Corporate Governance and Social Responsible Investment activity for the three month period ending 30th June 2014.

The Pensions Officer (Investments) introduced the report and summarised the contents of it. The report provided an overview of voting over the past quarter where the fund has participated in votes at 148 meetings. The most contentious areas voted on included remuneration reports, annual reports and auditor appointments. The report further gave an overview of the current business of the Local Authority Pension Fund Forum (LAPFF). Finally the report provided detail on investment statement to which the Fund has added its name during the quarter to June 2014, including a statement on Investment in Bangladesh and a letter to the US Securities and Exchange Commission from the Forum for Sustainable and Responsible Investment.

The Committee Resolved:

To note the report.

EXEMPT INFORMATION

Prior to considering the remaining items of business the Board resolved that in terms of Section 50A (4) of the Local Government (Scotland) Act 1973 that the public be excluded from the meeting during the consideration on the items on the grounds that it was likely in view of the nature of proceedings that if members of the public were present during the consideration of these items that there would be a disclosure to them of exempt information as defined in paragraph 6 of part 1 of Schedule 7A of the said Act.

FUND PERFORMANCE REPORT

6. The Committee had before it a report which provided a review of the investment activity of both the North East Scotland Pension and Transport funds for the three month period ending 30th June 2014.

The Pensions Manager introduced the report and provided an overview of the contents of it. There followed an opportunity for discussion on the contents by Committee members.

The Committee Resolved:

To note the report.

INVESTMENT STRATEGY UPDATE

7. The Committee had before is a report from the Chief Accountant which provided an update on the Fund's Investment Strategy and proposed actions to secure the funds benchmark allocation.

The Pensions Manager introduced the report and provided an overview on the contents of it. There followed an opportunity for discussion on the contents by Committee members.

The Committee Resolved:

- To approve an additional commitment of £20m to SL Capital.
- To defer consideration of the disposal and write down of the In-house fund to the next Committee meeting but to meantime delegate authority to the Head of Finance and Pensions Manager, following consultation with the Convener, to approve any disposals on the in-house fund which are deemed to be beneficial to the Fund.
- To approve an allocation to the Diversified Growth Fund to achieve full benchmark allocation for alternative investments.
- To approve the continued due diligence for Foreign Exchange solutions
- To agree to tender for a Global Custodian.

BAILLIE GIFFORD

8. Ms L Dewar and Mr A Tait from Baillie Gifford were present at the meeting for this item and provided an overview to the Committee on the mandate they hold on behalf of the Fund.

The Committee Resolved:

To note the presentation.

BARINGS

9. Mr A Wilde and Mr B Corris from Barings were present at the meeting for this item and provided an overview to the Committee on the mandate they hold on behalf of the Fund.

The Committee Resolved:

To note the presentation.

ABERDEEN PROPERTY INVESTORS

12. Mr A Rogers and Mr M Dinsdale, Aberdeen Property Investors were present at the meeting of this item and provided an overview to the Committee on the mandate they hold on behalf of the Fund.

The Committee Resolved:

To note the presentation.

ABERDEEN ASSET MANAGERS (GLOBAL EX UK)

16. Mr M Dinsdale, Mr S Methven, and Mr M Gordon James from Aberdeen Asset Managers were present at the meeting for this item and provided an overview to the Committee on the Global ex UK mandate they hold on behalf of the Fund

The Committee Resolved:

To note the presentation.

FRIDAY 29TH AUGUST 2014

COMMITTEE REPORTING

12. The Committee received a presentation from officers in respect to the introduction of electronic distribution of meeting papers. It was noted that Officers are currently exploring options for ensuring the security of information and, as yet, do not have a firm date for introduction.

Following discussion, the Committee agreed in principle the introduction of electronic papers and noted that officers will revert in due course with further details of this initiative.

The Committee Resolved:

- To agree, in principle, the introduction of electronic distribution of Committee papers.
- To note that officers will revert in due course with further details of this initiative.

TRAINING

13. The Pensions Adviser delivered a training session to Members on the North East Scotland Pension Fund Investment Strategy.

The Committee Resolved:

To note the training provided.

MAVERN – SCOTTISH LOAN FUND

14. Mr A Craig from Mavern was present at the meeting for this item and provided an overview to the Committee on the Scottish Loan Fund.

The Committee Resolved:

To note the presentation.

BLACKROCK

15. Mr J Edwards and Mr I Sattar from Blackrock was present at the meeting for this item and provided an overview to the Committee on the mandate they hold on behalf of the Fund. .

The Committee Resolved:

To note the presentation.

COUNCILLOR B CROCKETT - Convenor
