

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COUNTY HALL, LLANDRINDOD WELLS
ON THURSDAY 6TH DECEMBER 2012**

PRESENT: County Councillor A.G. Thomas (Chairman)

County Councillors E.A. Jones, G.P. Vaughan

In attendance: Sion Cole and Rachel Hammonds of AON Hewitts.

1.	APOLOGIES	PIC38 – 2012
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Apologies for absence were received from Councillor Paul Ashton who had suffered a family bereavement and Councillor Tom Turner who was attending another meeting, Gareth Jones and John Steadman who had been appointed as the employer representative.

2.	DECLARATIONS OF INTEREST	PIC39 – 2012
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County Councillors A.G. Thomas, E.A. Jones and G.P. Vaughan declared interests as members of the Local Government Pension Scheme.

3.	MINUTES	PIC40 – 2012
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The Chairman was authorised to sign the minutes of the meeting held on 28 September 2012 as a correct record.

Goldman Sachs Currency Fund

The Committee was advised that Goldman Sachs had been happy for a nil amount to be kept in the currency fund so the entire amount had been transferred to the Goldman Sachs Global Opportunities Hedge Fund.

4.	CONFIDENTIAL MATTERS	PIC41 – 2012
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RESOLVED to exclude the public for the following items on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

5.	AUTHORISED SIGNATORIES	PIC42 – 2012
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RESOLVED that the revised list of authorised signatories for bank and financial transactions in respect of the Powys County Council Pension Fund be approved.

6.	QUARTERLY INVESTMENT REPORT	PIC43 – 2012
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The Committee received the Aon Hewitt report for the quarter to 30 September 2012. There had been strong performance with rallies in the equities and corporate bond markets. The fund gained £9.5m in the quarter, an increase of 2.4% against the

benchmark return of 2.2%. Over 12 months the return was 11.7% against the benchmark of 12.4%. Aviva Investors had gone from a buy to a hold but Aon Hewitt were not recommending any action.

7.	MEDIUM TERM ASSET ALLOCATION UPDATE	PIC44 – 2012
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The Committee was advised that the Fund's performance since the inception of the Medium Term Asset Allocation project on 1 March 2011 to the end of September 2012 was 8.2% compared to the benchmark of 8.4%. This meant that no performance fee was due to Aon Hewitt. The MTAA had increased the value of the Fund by £3.5m.

ANY OTHER BUSINESS

Members were advised that the Careers Guidance Service in Wales was forming a company wholly owned by Welsh Government. It was not yet clear what would happen to those staff within local authority pension schemes. The Strategic Director would keep the Chair and Vice Chair informed.

Members were advised that the Welsh Treasurers group had commissioned work on pension fund collaboration, examining whether a large fund would be able to achieve better returns and negotiate lower fees. The work would conclude in February/March 2013.

8.	DIVERSIFIED GROWTH FUND TRAINING	PIC45 – 2012
	BLACKROCK DIVERSIFIED GROWTH FUND	PIC46 – 2012

The Committee received training on diversified growth funds (DFGs) from Aon Hewitt and York Deavers and Matthew Bullock from Blackrock. Diversified growth funds aimed to deliver passive "equity-like" returns over the medium term but with significantly lower volatility than equities. It was suggested that the performance of DFGs be tracked for a period.

A.G. THOMAS
CHAIR