

## **REPORT FOR: Pension Fund Committee**

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**Date of Meeting:** 6 September 2016

**Subject:** Quarterly Trigger Monitoring Q2 2016

**Responsible Officer:** Dawn Calvert, Director of Finance

**Exempt:** No

**Wards affected:** All

**Enclosures:** Quarterly Trigger Monitoring Q2 2016  
(Aon Hewitt)

### **Section 1 – Summary and Recommendation**

#### **Summary**

The Committee is requested to receive and consider a report from the Fund's investment advisers Aon Hewitt on Quarterly Trigger Monitoring in line with its function to administer all matters concerning the Council's Pension investments in accordance with law and Council policy as conferred by Part 3A, Terms of Reference of the Council's Constitution.

#### **Recommendation**

That no de-risking actions are taken at this stage.

## **Section 2 – Report**

1. At their meeting on 8 September 2015 the Committee considered a report entitled “Options for Liability Driven Investments (LDI) Strategy. After discussion they resolved:

*That the status quo, a 13% Bond allocation invested in a combination of corporate bonds and index-linked gilts, be retained in relation to the Fund’s Bond portfolio and that Aon Hewitt be requested to provide guidance on the catalysts that would trigger a move to an LDI Strategy with Option 2 being the preferred Option.*

2. On 25 November 2015 the Committee considered a further report from Aon Hewitt which set out options for taking forward the consideration of an LDI Strategy. They resolved:

*That they should receive a short report on funding levels at the next meeting of the Committee and thereafter on a quarterly basis.*

3. At their meeting on 9 March 2016 the Committee reiterated their request for quarterly reports and attached is the second of these for the period up to 30 June 2016. The Committee are invited to receive this report and presentation from Aon Hewitt and to accept the conclusion that “No de-risking actions are recommended at the current time.”

### **Financial Implications**

4. The consideration of strategy changes is an important part of the management of the Pension Fund investments and the performance of the Fund’s investments plays an extremely important part in the financial standing of the Fund. The only financial implications arising from this report are those associated with not making any strategic changes and continuing to accept the current levels of risk.

### **Risk Management Implications**

5. The risks arising from investment performance are included in the Pension Fund risk register.

### **Equalities implications**

6. There are no direct equalities implications arising from this report.

### **Council Priorities**

7. Investment performance has a direct impact on the financial health of the Pension Fund which directly affects the level of employer contribution which then, in turn, affects the resources available for the Council’s priorities

### **Section 3 - Statutory Officer Clearance**

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Director of Finance
Date: 18 August 2016		
Name: Noopur Talwar	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 23 August 2016		

<b>Ward Councillors notified:</b>	<b>NO</b>
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### **Section 4 - Contact Details**

**Contact:** Ian Talbot, Treasury and Pension Fund Manager  
0208 424 1450

**Background Papers – None**