

PENSION FUND COMMITTEE (SPECIAL) MINUTES

16 JANUARY 2019

Chair:	* Councillor Nitin Parekh	
Councillors:	* Keith Ferry (1) * Norman Stevenson	* Bharat Thakker
Co-optee (Non-voting):	* Howard Bluston	
Trade Union Observers:	John Royle	Pamela Belgrave
Independent Advisers:	* Mr C Robertson * Honorary Alderman R Romain	Independent Adviser Independent Adviser

* Denotes Member present
(1) Denote category of Reserve Members

45. Attendance by Reserve Members

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Member:-

Ordinary Member

Reserve Member

Councillor Antonio Weiss

Councillor Keith Ferry

46. Declarations of Interest

All Agenda Items

Councillor Norman Stevenson, member of the Committee, declared a non-pecuniary interest in that he was a Director of Cathedral Independent Financial Planning Ltd, and that he had clients who were past and present members of the Harrow Pension Scheme. His wife was a member of Harrow Council's Pension Scheme. He would remain in the room whilst the matters were considered and voted upon.

Howard Bluston, non-voting co-optee, declared non-pecuniary interests in that he had previously worked with AON Hewitt and that he knew a number of Fund Managers, including BlackRock. He added that he had clients who had invested in GARS (Global Absolute Return Strategies Fund). He would remain in the room whilst all matters were considered and make contributions.

Colin Cartwright, Aon Hewitt, declared that his wife had a small investment in GARS (Global Absolute Return Strategies Fund). He would remain in the room whilst all matters were considered and advise the Committee.

Colin Robertson, Independent Adviser, declared that he and his mother had personal investments in GARS (Global Absolute Return Strategies Fund). He would remain in the room whilst the matters were considered and make contributions.

47. Deputations

RESOLVED: To note that no deputations were received at the meeting.

48. Exclusion of the Press Public

RESOLVED: That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item) for the reasons set out below:

<u>Items</u>	<u>Title</u>	<u>Reason</u>
5/6	Investment Strategy Manager Review/Information Report - Investment Manager Performance Monitoring for period ending 30 September 2018	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

RESOLVED ITEMS

49. Investment Strategy Manager Review

The Committee received a confidential report of the Director of Finance setting out a summary of the 'Meet the Manager' day held on 5 November 2018 and, further to the Pension Fund Committee meeting on 27 November 2018, to consider the next steps required to manage the Fund Investment Strategy and to meet the requirement to invest through the London Collective Investment Vehicle.

The Committee also received a tabled document from Aon Hewitt, Advisers to the Fund, on the potential options available for replacing GARS (Global Absolute Return Strategies) following their revised 'sell' rating for Aberdeen Standard Investments. Consideration of the tabled document would depend on the decision of the Committee that evening. It was noted that the tabled document had not been available at the time the agenda was despatched due to the need to provide the most up to date information to allow the Committee to make an informed decision.

Representatives of Aon Hewitt explained why they had advised on this course of action in relation to the Investment Manager, Aberdeen Standard Investments and outlined the options available to the Committee. They added that the Committee needed to consider if it had confidence in the Investment Manager and whether to or not to replace them. They outlined the monetary value under consideration, which was £92m, representing 11% of the total Fund.

Members of the Committee referred to the presentation they had received from the Investment Manager, Aberdeen Standard Investments, at the meeting on 27 November 2018 and the responses given following robust questioning. Representatives of Aon Hewitt referred to the workings of the organisation, including how it operated, its direction of travel and its ability to navigate volatile markets. A Member of the Committee pointed out that the performance of the Fund had changed. Members also received advice from the Independent Advisers and the Co-optee serving on the Committee.

Following a lengthy discussion and upon receipt of further advice from the Independent Advisers, representatives of Aon Hewitt and an officer, Members of the Committee expressed their own views and reached a consensus view.

The Committee also discussed how best to take their decision forward and discussed possible suitable investments, such as equities, returns on cash holdings, infrastructure and 'other' suitable liquid assets. An officer advised that robust arguments would be required if the Committee was minded to invest elsewhere other than the London CIV.

Members also referred to the proposed training session on infrastructure with presentations from other managers to be held on 28 January 2019 and agreed that it would commence at 1.00pm.

RESOLVED: That

- (1) the Pension Fund Committee seek to disinvest from Aberdeen Standard Investments, GARS (Global Absolute Return Strategies) as and when suitable acceptable alternative investments become available to the Committee;
- (2) a further report setting out available options based on investments in infrastructure, LCIV (London Collective Investment Vehicle) and 'other' liquid assets be submitted to the March 2019 meeting of the Committee to allow Members to delegate to officers the execution of resolution (1) above.

50. Information Report - Investment Manager Performance Monitoring for period ending 30 September 2018

The Committee received the confidential report of the Director of Finance, which included Aon Hewitt's quarterly report on Harrow's investment managers. Members noted that this information report which had been considered at the last meeting of the Committee had been included on the agenda to support any discussions at agenda item 6 (minute 49 refers).

RESOLVED: That the preamble be noted.

(Note: The meeting, having commenced at 6.33 pm, closed at 7.44 pm).

(Signed) COUNCILLOR NITIN PAREKH
Chair