

Merton Pensions Committee

Minutes of the meeting held on

Part 1

12 October 2023

Attendance:

Cllr Laxmi Attawar (Chair)
Cllr John Braithwaite (Vice Chair)
Cllr Billy Christie
Roger Kershaw (LBM)
Nemashe Sivayogan (LBM)

Apologies

Emma Price (Pensioner Rep)
Staff Rep (GMB)

External attendees:

External Auditors (Ernst & Young) – Elizabeth Jackson
Investment Consultant - Hymans Robertson

1.0 MEETING (Part 1)

- 1.1 Introduction made by Chair.
- 1.2 Members Declaration of Interest – None.
- 1.3 There is currently no GMB Union rep.

2. Minutes of Last Meeting Held (Part 1) – 29 June 2023

- 2.1 Agreed as a true record.

3. Audit planning 202-2023 – Ernst & Young

- 3.1 EJ stated there is a very large audit backlog from 21/22 and radical measures are needed.
- 3.2 The council audit has been put on hold and the pensions audit will commence in November 2023.
- 3.3 EJ gave a brief run through of the audit plan.

4. Quarterly Fund Performance Review (Apr-June 2023)

- 4.1 RK presented the Q2 2023 Fund performance report and informed the Committee that over the 3 months to 30 June 2023, total Fund assets returned 1.1% compared to the benchmark of 2.5%. This equates to an underperformance of 1.4%.

- 4.2 The Fund's total market value decreased by £6.3m over the quarter, from £870.5m to £864.2m.
- 4.3 Over the last 12 months, the Fund performance was 4.6%, and 3-year annualised performance was 4.5%. The annual Actuarial performance target is 4.2%.
- 4.4 From an asset class perspective: - Most of the equity mandates showed a positive return as did all private credit funds. The diversified growth funds detracted from overall performance.
- 4.5 The Allspring RMF contributed positively as GBP strengthened relative to currencies hedged (USD, EUR and YEN), increasing the value of the contracts held.

4. AOB

None.