

GREATER MANCHESTER PENSION FUND ADVISORY PANEL

23 March 2018

Commenced: 10.00am

Terminated: 12.30pm

Present: Councillor Warrington (Chair)

Councillors: Barnes (Salford), Brett (Rochdale), Grimshaw (Bury), Halliwell (Wigan), Jabbar (Oldham), Mitchell (Trafford), Pantall (Stockport)

Employee Representatives:

Mr Drury (UNITE), Mr Flatley (GMB), Mr Llewellyn (UNITE) and Mr Thompson (UNITE)

Local Pensions Board Members (in attendance as observers):

Councillor Fairfoull

Advisors:

Mr Bowie, Mr Moizer, Mr Powers and Ms Brown

Apologies for absence: Councillors J Fitzpatrick and J Lane

63. CHAIR'S OPENING REMARKS

The Chair welcomed everyone to the meeting and stated that it was an honour to Chair her first meeting of the GMPF Management/Advisory Panel. This was, however, tinged with sadness at the very sad and untimely death of the former Chair of the Greater Manchester Pension Fund, Councillor Kieran Quinn. The Chair added that Kieran would be sadly missed by the Fund and the wider pensions' world.

The Chair further explained that Councillor Gerald Cooney had agreed to take up the position of Vice Deputy Chair on the Fund and also as a representative on LAPFF along with Councillor Pantall.

Following the recent circulation of a letter to Trustees highlighting the denial of basic rights to women in Saudi Arabia and also of the request to list shares of Saudi Aramco on the London Stock Exchange, the Chair explained that a motion had been put to the last meeting of Tameside Council, as follows:

'We call upon the Financial Conduct Authority not to adopt a proposed change in the rules that would enable Aramco shares to be listed on the London Stock Exchange in the first place for as long as this denial of basic rights to women in Saudi Arabia persists'.

Members were informed that the Fund's value was currently £23 billion, an increase of £1 billion over the quarter since the last meeting of the Panel. It was noted that in the last 30 years, the Fund had achieved £3.4 billion above what would have been achieved if it had operated at the level of performance of the average Local Government Fund.

The Chair outlined key issues on the agenda, as follows:

- An update on pooling including our infrastructure investments through GLIL;
- Two updated policy statements for adoption by the Panel – the Core Belief Statement and the Investment Strategy Statement;
- An update on the fund's Carbon Footprint, with a presentation from the Independent expert that undertook such an exercise for us;
- An update on investment management costs; and

- A presentation from UBS, Multi-Asset manager for the Fund.

63. DECLARATIONS OF INTEREST

There were no declarations of interest submitted by Members.

64. MINUTES

The Minutes of the proceedings of the meeting of the Pension Fund Advisory Panel held on 17 November 2017 were signed as a correct record.

The Minutes of the proceedings of the meeting of the Pension Fund Management Panel held on 17 November 2017 were signed as a correct record.

65. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

(a) Urgent Items

The Chair announced that there were no urgent items for consideration at this meeting.

(b) Exempt Items

RESOLVED

That under Section 100 (A) of the Local Government Act 1972 the public be excluded for the following items of business on the grounds that:

- (i) they involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the act specified below; and
- (ii) in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information for reasons specified below:

| <u>Items</u> | <u>Paragraphs</u> | <u>Justification</u> |
|-----------------------|------------------------------------|---|
| 8, 10, 12, 13, 14, 15 | 3&10, 3&10, 3&10, 3&10, 3&10, 3&10 | Disclosure would or would be likely to prejudice the commercial interests of the Fund and/or its agents, which could in turn affect the interests of the beneficiaries and/or tax payers. |

66. LOCAL PENSIONS BOARD

RECOMMENDED

That the Minutes of the proceedings of the Local Pensions Board held on 14 December 2017 be noted.

67. INVESTMENT MONITORING AND ESG WORKING GROUP

The Minutes of the proceedings of the meeting of the Investment Monitoring and ESG Working Group held on 19 January 2018 were considered.

The Chair of the Working Group, Councillor Taylor, was pleased to report that Legal & General gave an interesting update on their corporate governance activity over the last 12 months. As well as outlining long term ESG topics including, remuneration, diversity and climate change, L&G confirmed their commitment in encouraging the transition to a low carbon economy for the long term benefit of all companies and their investors.

Members also endorsed an updated draft Investment Strategy Statement, which was on today's agenda for adoption by the Panel.

RECOMMENDED

- (i) That the Minutes be received as a correct record;**
- (ii) In respect of the Investment Strategy Statement, that the updated draft Investment Strategy Statement be endorsed and its adoption by the Panel be supported; and**
- (iii) In respect of the CDP (formerly the Carbon Disclosure Project), that the invitation to become a signatory subject to an annual administration fee of £745 plus VAT to the four Carbon Disclosure Project information requests outlined in the report, be accepted.**

68. PENSIONS ADMINISTRATION WORKING GROUP

The Minutes of the proceedings of the meeting of the Pensions Administration Working Group held on 19 January 2018 were considered.

The Chair of the Working Group, Councillor J Lane, was pleased to report that the CIPFA benchmarking exercise results showed that the Funds administration cost per member of £16.83 was below the average cost of £20.14. It was highlighted that the number of funds participating in the exercise continued to reduce with just 32 funds now taking part, making it increasingly difficult to assess the Funds position relative to other funds. Officers would therefore be working with colleagues from other Metropolitan funds to investigate other options for benchmarking going forward.

The Working Group heard that a project group had been established with a view to conducting an annual review of compliance with the Pensions Regulators Code of Practice and to take into account new guidance which was issued by the Pensions Regulator in September 2017.

The Working Group received a detailed update on the new General Data Protection Regulations which would come into force in May 2018. The Group heard how Officers have set up a project team to facilitate the review of all processes and data held within Pensions Administration to ensure compliance with the new Regulations. The LGA were facilitating guidance on some related matters in conjunction with the Legal firm Squire Patton Boggs which the project team were incorporating.

RECOMMENDED

- (i) That the Minutes be received as a correct record; and**
- (ii) In respect of CIPFA benchmarking, that GMPF work with colleagues from other metropolitan funds to investigate other options for benchmarking going forward.**

69. ALTERNATIVE INVESTMENTS WORKING GROUP

The Minutes of the proceedings of the meeting of the Alternative Investments Working Group held on 2 February 2018 were considered.

The Chair of the Working Group, Councillor Cooney, reported that GMPF had supported globally-focussed Infrastructure manager InfraRed and made commitments to a series of funds it has raised since 2001. InfraRed's representative attended the Working Group to present information

on the firm's strategy and processes, examples of investments and how it delivered capital returns to investors.

In addition, representatives of Standard Life addressed the Working Group on the firm's Global Absolute Return Strategies Fund (GARS), which was held within the Special Opportunities Portfolio. The presentation focussed on the firm's differentiated strategy and the reasons for its underperformance since GMPF invested.

RECOMMENDED

That the Minutes be received as a correct record.

70. EMPLOYER FUNDING VIABILITY WORKING GROUP

The Minutes of the proceedings of the meeting of the Employer Funding Viability Working Group held on 2 February 2018 were considered.

The Chair of the Working Group, Councillor J Fitzpatrick, reported on the work ongoing to analyse the most effective way to deliver bespoke employer investment strategies. This was a significant project for the Fund and would be discussed further at future meetings, with the intention of implementing these strategies this time next year.

He further commented on a report seeking approval for the 2018/19 expenditure budget, which is incorporated into the Medium term Financial Plan being presented to this Panel. The vast majority of the changes from the prior year related to the implementation of policies approved by the Panel, such as changes to the investment management arrangements.

A response to a consultation on the insolvency regime for Further Education Colleges, was also reviewed. GMPF had several Further Education Colleges participating in the Fund.

RECOMMENDED

- (i) That the Minutes be received as a correct record;**
- (ii) In respect of the GMPF Expenditure Budget 2018/2019, that the 2018/2019 expenditure budget be approved;**
- (iii) That the medium term financial plan to presented at the Management Panel; and**
- (iv) With regard to Insolvency Regime for Further Education and Sixth-Form Colleges, that a response to the consultation be submitted.**

71. PROPERTY WORKING GROUP

The Minutes of the proceedings of the Property Working Group held on 2 February 2018 were considered.

Councillor J Lane, who chaired the Working Group in Councillor Quinn's absence, reported that the Working Group considered a review of investment pacing across all of the property portfolios. The draft, four year pacing strategy report recommended redemption of the indirect balanced funds over the medium term and an increase to LaSalle's rate of deployment over the same period. It was proposed that the pacing strategy form part of the Asset Allocation report to be considered by Panel in June 2018.

La Salle presented to the meeting, expressing cautious optimism about market conditions. Updates were provided on two recent acquisitions in the retail sector, contributing to significant growth in the value of the portfolio, which now stood at over £970m. LaSalle also confirmed that all fire and safety assessments were up to date.

Updates were also received on the local investments, focusing on fire safety across the portfolio and specific investments including the Island Site, Circle Square, Chorlton and First Street.

RECOMMENDED

That the Minutes be received as a correct record.

72. POLICY AND DEVELOPMENT WORKING GROUP

The Minutes of the proceedings of the Policy and Development Working Group held on 22 March 2018, as circulated at the meeting, were considered.

The Chair of the Working Group, Councillor Warrington, explained that most of the items were covered separately on the agenda today and it was:

RECOMMENDED

- (i) That the Minutes be received as a correct record;**
- (ii) That the progress of the Northern Pool and the response received from the Minister to the Autumn progress update, be noted and that the presentation attached to the report setting out the intended operation of the Northern Pool and how it met the Government's Criteria and Guidance be noted, including the need to strengthen the Fund's legal position going forward;**
- (iii) In respect of Investment Initiatives, that the content of the report be noted, including the actions proposed on additional investment initiatives to be taken by officers in consultation with the Chair of the Fund;**
- (iv) In respect of GLIL 2.0, that approval be given for GMPF to commit up to £1bn to GLIL 2.0, with phasing of commitments above £500m to be at the discretion of the Director of Pensions.**
- (v) With regard to the GMPF Core Belief Statement, that the updated Statement be adopted; and**
- (vi) With regard to the Northern Private Equity Pool, that the changes to the implementation of GMPF's private equity strategy and the consequential changes in diversification targets detailed in the report, be endorsed for adoption; and that appropriately sized commitments to the Northern Private Equity Pool LP be made on an annual basis, subject to the approval of GMPF's Director of Pensions, under delegated authority.**

73. PENSIONS ADMINISTRATION UPDATE

Consideration was given to a report and presentation of the Pensions Policy Manager and the Pensions Operations Manager providing a summary of the work of the administration section over the last twelve months and the key tasks planned for the next year, in particular:

- Achievements and key initiatives;
- Analysis and statistics; and
- Future objectives.

It was further reported that GMPF would be working towards obtaining Pensions Administration Standards Association (PASA) accreditation over the coming months in order to gain independent recognition for its high standards of administration.

It was concluded that, overall, administration performance continued to improve and this was reflected in the analysis against 28 key performance indicators.

Business Planning objectives had been set for the next twelve months with the aim of further improving and transforming GMPF's administration services.

The Chair thanked officers for a very informative presentation.

RECOMMENDED

That the content of the report and presentation be noted.

74. NORTHERN POOL UPDATE

The Assistant Director of Pensions, Funding and Business Development, provided an update on recent activity of the Northern Pool and other relevant developments related to pooling assets across the LGPS in England and Wales.

It was reported that, as discussed at a previous Panel meeting, the Northern Pool submitted a formal progress update to DCLG on 9 November 2017. Rishi Sunak MP had recently provided a response to the Northern Pool's autumn progress update, a copy of which was appended to the report. The Minister had expressed his desire to meet with members of the Northern Pool Shadow Joint Committee to discuss plans for implementation. It was also understood that the Minister wished to see increased investment in housing from the LGPS and had reiterated his desire to visit some of the Northern Pool's housing developments in his letter.

The main ongoing work streams for the Northern Pool were set out in the report.

As also discussed previously, the plans for the Northern Pool had evolved since the July 2016 submission was made to Government in order to more effectively meet the Pooling Criteria and Guidance and deliver better outcomes for the funds and their stakeholders.

In particular, the vast majority of the benefits of pooling for the funds in the Northern Pool were in respect of alternative assets where there was greatest scope to generate further economies of scale and to combine resources to make increasingly direct investments. Following detailed discussions with each of the Fund's advisors and the professional advisors to the pool, it was agreed in March 2017 that in order to best meet the Reduced Costs and Excellent Value for Money criteria set by Government, the Northern Pool should focus resource on making collective investments in alternative assets (which would commence and start generating material cost savings from April 2018) rather than establishing an Investment Management Company established under the Alternative Investment Fund Managers Directive ('AIFM') as a pool operator in the short term.

However, as could be seen from the letter recently received from the Minister, the current structure of the Northern Pool may not necessarily be in line with what Government was envisaging when the pooling agenda was formed.

The Northern Pool's understanding of the relevant Regulations was that it is up to administering authorities, rather than Government, to determine that they meet the pooling Criteria and Guidance. As such, the Northern Pool administering authorities were being asked to confirm that they believed the criteria and guidance had been met when formalising the governing documentation of the pool.

A presentation was attached to the report, setting out how the Northern Pool would meet the requirements of the LGPS Investment Regulations and the Pooling Criteria and Guidance issued by Government.

With regard to formally establishing the Northern Pool Joint Committee, a draft of the inter-authority agreement which set out the operation of the Northern Pool Joint Committee, was also appended to the report.

Minutes of the Northern Pool Shadow Joint Committee meetings which had taken place on 24 October and 5 December were also attached to the report for information. The Shadow Joint

Committee also met on 26 February and the 22 March 2018, both sets of minutes of would be provided at a future Panel meeting, once finalised.

LGPS National Pooling developments were detailed and discussed.

In response to a query from Members, the Director of Pensions explained that each administering authority would need to agree the details of the formal establishment of the Pool at their upcoming Annual Council meetings. She further explained that a training session would be arranged for each Authority's Members, including Local Boards and Pensions bodies, to take place before the Annual Meetings of each Authority, in order to outline the pooling journey so far, primarily for the members to agree that the correct approach had been adopted.

Discussion ensued with regard to meeting the Pooling Criteria and Guidance and the Advisors commented on the strength of the Fund's legal position and the sanctions for non-compliance. The Director of Pensions made further reference to the meeting of the Policy and Development Working Group (Meeting of the 22 March 2018, Minute 19 refers) and the suggestion that QCs opinion may need to be sought in order to strengthen the Fund's position going forward.

RECOMMENDED

- (i) That the progress of the Northern Pool and the response received from the Minister to the autumn progress update be noted; and**
- (ii) That the inter-authority operating agreement setting out the operation of the Northern Pool Joint Committee, be recommended for adoption by the Administering Authority.**

75. CORE BELIEF STATEMENT

Consideration was given to a report of the Assistant Director of Pensions, Investments, explaining that the Fund had its own Core Belief Statement, which was developed after extensive consultation, and was now approaching ten years old. At the time it was first drafted, there were relatively few other models, and the Fund was the first LGPS fund to adopt such a statement.

Whilst it was recognised that the Statement had not been formally reviewed for some time, this reflected the nature of the content, which was not expected to change radically. In that context, there was consensus that the Statement had stood the test of time, and helped to guide and permeate the investment decisions that the Fund had taken.

Going forward, it was proposed that the Statement be reviewed at least every three years, in parallel with the Fund's legal requirement to review the separate Investment Strategy Statement, to ensure that it remained fit for purpose and appropriate.

Members were informed that the current Statement had been recently circulated to the Fund Managers, Investment Consultant and Advisors for feedback. This feedback had been incorporated into an updated draft Statement which was attached as an appendix to the report. The amendments proposed were relatively limited, and accorded with an overarching ambition to maintain a concise and highly focussed set of beliefs.

RECOMMENDED

That the updated Core Belief Statement, as appended to the report, be adopted.

76. UPDATE ON GMPF'S CARBON FOOTPRINTING ASSESSMENT

The Assistant Director of Pensions, Investments, submitted a report updating on the Fund's Carbon Footprinting Assessment of its active equity holdings.

Matyas Horak of Trucost then delivered a presentation and explained that Trucost had been commissioned by GMPF to conduct a carbon footprint analysis of three equity portfolios (with holding data as of 31 March 2017). The results were detailed and it was reported that all mandates were more carbon efficient than their benchmarks.

Conclusions drawn from the analysis were then outlined as follows:

- GMPF's portfolios were more carbon efficient than their respective benchmarks, indicating relatively lower carbon risk;
- The relative performance originated from the most carbon intensive industries: Utilities, Materials, Energy;
- Relatively higher risk due to stranded asset exposure than the benchmark at an aggregate level;
- Utility companies' energy mix was slightly positioned better than the benchmark when it was compared to a 2 degree World scenario;
- Key companies for direct or indirect engagement: challenge on strategy, capital investments in low carbon processes/products.

Discussion ensued with regard to the issue of the Fund's Carbon Footprint and the need to protect the Fund whilst also continuing to enhance its approach to responsible investment. Members further commented on the Green Summit recently launched by the Mayor of Greater Manchester, Andy Burnham, and the wider issue of climate change.

RECOMMENDED

- (i) **That the content of the report be noted;**
- (ii) **That the Fund publicly discloses the result of its carbon footprint on an annual basis;**
- (iii) **That the Fund engages with the highest risk companies identified by the carbon footprint, by way of its Fund Managers and membership of the Local Authority Pension Fund Forum; and**
- (iv) **That the carbon footprint be repeated by the Fund on an annual basis in order to track progress towards being carbon neutral by 2050 in line with the Paris Agreement, if not sooner.**

77. INVESTMENT STRATEGY STATEMENT

The Assistant Director of Pensions, Investments, informed Members that the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 came into force on 1 November 2016. The Regulations required that the Fund publish an Investment Strategy Statement by 1 April 2017.

An 'interim' Investment Strategy Statement was agreed and adopted following consideration by the Panel at their meeting of 10 March 2017. Following a detailed review, a draft Investment Strategy Statement was considered by the Investment Monitoring and ESG Working Group at their meetings in October 2017 and January 2018.

At its meeting on the 19 January 2018, the Working Group considered comments received on the draft Investment Strategy Statement following a public consultation period and subsequent changes proposed to the draft Investment Strategy Statement and endorsed the draft Investment Strategy Statement.

It was explained that a small number of additional minor amendments had subsequently been made to the draft Investment Strategy Statement to reflect recent changes in management arrangements. A copy of the draft Investment Strategy Statement was appended to the report.

RECOMMENDED

That the content of the report be noted, and the updated draft Investment Strategy Statement as appended to the report, be adopted.

78. UPDATE ON INVESTMENT MANAGEMENT COST BENCHMARKING

Consideration was given to a report of the Assistant Director of Pensions, Investments, providing Members with an update on investment management costs.

RECOMMENDED

- (i) That the content of the report and favourable cost position be noted; and**
- (ii) That the lack of uptake by other LGPS Funds in CEM cost benchmarking evaluation means that it doesn't give a complete LGPS picture and that this should be raised with the Government to ensure that their agenda on reduced investment costs and increased transparency is achieved.**

79. PERFORMANCE DASHBOARD

Consideration was given to a report of the Assistant Director of Pensions, Investments, providing high level, investment performance information, including the value of the Pension Fund Investment Portfolio, the performance of the Main Fund, and the over/under performance of the external Fund Managers against benchmark.

The key information from the Quarter 4 Performance Dashboard was summarised. Global Equities ended the year with another rally and every region posted positive returns over the quarter, in dollar terms. Performance was bolstered by a continued positive global economic outlook and US corporate tax reforms. There was mixed performance from global bond markets. Yields on UK gilts fell back, having risen sharply towards the end of Q3 in anticipation of a BoE rate hike, whilst US Treasury yield rose on the back of anticipated fiscal stimulus from the proposed US tax reforms. Emerging market debt performed strongly over 2017. Total Main Fund assets had increased and continued to maintain an overweight position to equities and an underweight position to property.

On a cumulative basis, over the period since September 1987, the Main Fund had outperformed the average LGPS resulting in an additional £3.4 billion in assets and had outperformed its benchmark over the quarter and all periods (1, 3, 5 and 10 years) mainly due to stock selection. The active risk of the Main Fund was consistent at around 1% but risk in absolute terms (for both portfolio and benchmark) was lower than that observed historically. At the end of Quarter 4, each of the active managers had achieved positive performance on an absolute and relative basis over 1 year.

RECOMMENDED

That the content of the report be noted.

80. REPORT OF THE MANAGER

The Chair introduced Steve Magill, Malcolm Gordon, William Kennedy and Jonathan Davies from UBS, who would be presenting before Panel today.

Mr Kennedy began by paying tribute to Councillor Kieran Quinn and expressed his condolences to family, friends and colleagues.

Jonathan Davies then gave details of portfolio performance over the last quarter. He reported that during Quarter 4 2017, the portfolio returned +3.4%, 0.5% behind the benchmark. At a stock market sector level, the underperformance during the quarter was largely driven by the Fund's overweight positions in the retailing and outsourcing sectors. Elsewhere, the Fund had benefitted from the sector overweight position in the mining and transportation sectors. The Global ex UK equity portfolio performed broadly in line with the benchmark during the quarter. Asset allocation detracted from performance during the quarter with the underweight position in North America

relative to the overweight in European equities, contributing negatively to performance. Over the longer term, Fund performance continued to be ahead of the benchmark, as relative performance over 1, 3, 5 years and since inception, continued to remain strong.

Steve Magill then commented on the value based investment philosophy and explained that it was based on simple, enduring principles and that UBS had had a consistent disciplined value approach for over 30 years.

Mr Magill detailed UK Equity performance and UK Equity stock attribution for GMPF. European Equity stock attribution was also detailed and discussed.

He further outlined changes in the structure of the European ex UK equity portfolio since he had taken over as lead Portfolio Manager and added that the portfolio had outperformed the benchmark by +1.6% to the end of February 2018, since the new team took over.

In summary, Mr Magill reported that the value style of investing had been out of favour in the UK and Europe and it was believed a recovery had now started. There was a strong upside in the portfolio with a wide range of opportunities.

The Advisors were then asked to comment.

Mr Powers made reference to the relatively moderate level of risk in the Portfolio at present and encouraged UBS to use the full width of opportunities.

Mr Moizer commented on UBS investment philosophy and the timing of purchases including the skill in recognising when the market had changed.

Mr Bowie congratulated UBS on a wider base of outperformance.

The Chair made reference to exposure to the British High Street and asked how 'winners' and 'losers' were identified, as consumer spend was squeezed or transferred online.

Mr Magill, in his response, explained that share price, performance and valuation would be considered and also the detail of balance sheets etc. He further explained that there had been a long term trend away from the High Street and a number of retailers were transitioning to more popular shopping centres out of town and also on-line trade.

The Chair also made reference to the Fund's carbon footprint and explained that the two main contributors to this were aggregate investments made on behalf of the Fund by UBS.

Mr Gordon explained that divesting risked the possibility of selling shares to less ethical investors, which was not addressing the problem. It was more beneficial to use voting rights to encourage/engage companies to behave in the most environmentally responsible way.

The Chair thanked UBS for a very interesting and informative presentation.

RECOMMENDED

That the content of the presentation be noted.

81. GMPF BUDGET 2018/2019 AND FUTURE MEDIUM TERM FINANCIAL PLANNING

Consideration was given to a report of the Assistant Executive Director of Pensions, Local Investments and Property, seeking approval of the Management Panel for the 2018/19 expenditure budget for GMPF with a medium term financial plan. (An updated version would be included in the Annual Report for 2017/18).

It was reported that the Fund, following approval on assumptions and process by the Management Panel, produced a medium term financial plan and medium term expenditure plan in its annual report and accounts for 2017/18, details of which were set out in the report.

Key observations were detailed as follows:

- Investment returns were the key determinant of the financial position;
- The Fund had a negative cash-flow from pensions paid, less contributions and the trend was for this to increase as the Fund matured; and
- The management costs were small relative to Fund size and annual cash flows and were assumed to remain constant in the medium term. (This was due to uncertainty over pooling arrangements and the fund's zero based budgeting approach).

The medium term financial plan was set out in the report and the key observations for consideration were:

- The maturity of the Fund continued and accelerated;
- Investment income was still higher than outflows to pensioners net of contributions; and
- Investment returns were key drivers of outcomes.

Budget changes 2018/19 from the 2017/18 budget were detailed with investment management arrangements making up the major part of the changes.

RECOMMENDED

- (i) That the expenditure budget for 2018/19 be approved;
- (ii) That the Medium Term Financial Plan be approved;
- (iii) That it be noted that the Medium Term Financial Plan be updated from information available including Fund value at 31 March 2018 and included in the Annual Report for 2017/2018; and
- (iv) That it be noted that the Director of Pensions intends to review all budgets annually undertake a zero based budget approach.

82. 2017/18 EXTERNAL AUDIT PLAN

Consideration was given to a report of the External Auditor, Grant Thornton, which set out their approach to the 2017/18 audit.

It was noted that the estimated audit fee for 2017/2018 was £56,341.

RECOMMENDED

That the content of the report be noted.

83. FUTURE TRAINING DATES

Trustee Training Opportunities were noted as follows:

| | |
|---|---------------------------|
| PIRC Spring Seminar London | 29 March 2018 |
| PLSA Local Authority Conference Cotswold Water Park Hotel, Gloucestershire | 21-23 May 2018 |
| CIPFA Barnett Waddingham Annual Event for Local Board Members London | 27 June 2018 |
| PLSA Annual Conference Liverpool | 17-19 October 2018 |

84. DATES OF FUTURE MEETINGS

The dates of future meetings of the Greater Manchester Pension Fund Management/Advisory Panel, Local Board and Working Groups were noted as follows:

| | |
|---|---------------|
| Local Pensions Board | 29 March 2018 |
| Pensions Administration Working Group | 6 April 2018 |
| Investment Monitoring & ESG Working Group | 6 April 2018 |
| Alternative Investments Working Group | 13 April 2018 |
| Property Working Group | 20 April 2018 |
| Employer Funding Viability Working Group | 20 April 2018 |

85. CHAIR'S CLOSING REMARKS

The Chair informed Members that this would be the last meeting of Councillor Brett, who was stepping down from his role as Trustee on the Fund, which had spanned a 30 year period. She thanked Councillor Brett for his hard work for the Fund over the years, and wished him well for the future.

Councillor Brett thanked the Chair and Members and responded in kind.

CHAIR