GREATER MANCHESTER PENSION FUND ADVISORY PANEL

11 December 2015

Commenced: 10.00am **Terminated: 12.40pm**

Present:	**Councillor K Quinn (Chair)**
	Councillors: Akbar (Manchester), Brett (Rochdale), Dean (Oldham), Francis (Bolton), Grimshaw (Bury), Halliwell (Wigan), Pantall (Stockport) and Ms Herbert (MoJ)
	Employee Representatives:
	Mr Allsop (UNISON), Mr Drury (UNITE), Mr Flatley (GMB), Mr Llewellyn (UNITE), Mr Thompson (UCATT)
	Advisors:
	Mr Bowie, Mr Moizer and Mr Powers
Apologies for Absence:	**Councillors Dennett (Salford) and Mitchell (Trafford) and Ms Baines**

43. DECLARATIONS OF INTEREST

There were no declarations of interest submitted by Members.

44. REPORTS OF THE MANAGERS

(a) Capital International

Stephen Gosztony, President, Darcy Kopcho, Equity Portfolio Manager, and Martyn Hole, Equity Investments Specialist, attended before Members to present their quarterly report.

Ms Kopcho began by detailing the 12 month results by asset class for the portfolio and explained that the biggest detractor was emerging market returns. She explained that the negative results in this area were taken very seriously and further explained that the approach to emerging markets was being reassessed.

Ms Kopcho made reference to changing objectives going forward with an increased focus on small and medium sized companies, which, it was believed, would deliver growth.

She also gave an overview of Capital's integrated resources around the world and the evolution of emerging markets research coverage and stressed Capital's determination to deliver superior returns in the future.

Ms Kopcho then detailed the asset allocation breakdown as at 30 September 2015 and commented on the superior performance of North American equities over the last 12 months.

She concluded by summarising the portfolio outlook as follows:

- Positive on the US economy and dollar but concerned about US equity valuation;
- Hopeful about Abenomics, however long term problems remained;
- Cautious in many emerging markets as earnings revisions continued to be negative and many countries were moving into deleveraging cycles;
- Belief that Europe was full of good value companies, despite the challenging geopolitical situation; and

- Looking to increase the allocation to equities as a result of shrinking fixed income yields outside the US after a fairly challenging year for equities in some regions.

The Advisors were asked to comment.

Mr Powers made reference to Capital's strong culture of long serving 'home grown' talent and the risks involved in changing a large number of personnel, i.e. the loss of experienced analysts. Mr Powers also sought clarification on how Capital would instil their culture into newly recruited staff.

Ms Kopcho explained that the personnel changes had taken place over a 3 year period. She added that the changes had been necessary and critical to Capital moving forward. She further explained the rigorous interview process, which was key to bringing the right people into the company.

Mr Moizer commented on Capital's philosophy with regard to stock picking and sought clarification in respect of a time frame for the market readjusting to Capital's view, and this then being reflected in performance.

Ms Kopcho explained that it was very difficult to give a time frame and the appointment of new personnel/analysts would take some time to influence results. She reiterated Capital's determination to improve emerging market results.

Mr Bowie made reference to Capital's positive 5 year performance, excluding emerging markets, and commented that, with hindsight, the Fund possibly should have adjusted Capital's remit in respect of emerging markets, and sought Capital's views on whether the fund should be taking away Capital's active investment management role in emerging markets.

Mr Gosztony made reference to the positive results in developed equities and added that, in his view, it was the wrong time to take away Capital's active investment management role in emerging markets, given the amount of work/time that had already been invested

(b) UBS Global Asset Management

Ian Barnes, Head of UK and Ireland, Jonathan Davies, Head of Currency, Global Investment Solutions and Steve Magill, Portfolio Manager, UK Value Equities attended before Members to present their quarterly report.

Mr Barnes began by commenting on a poor quarter for the portfolio and for equity markets in particular. He further made reference to the market background and negative returns from emerging markets, particularly China.

Mr Davies detailed asset allocation positions, and commented on an underweighting in equities in North America with Europe (ex UK) equities expected to outperform North American equities. With regard to bond strategy, he expressed a preference for US bonds over UK, and inflation linked bonds over nominals.

Mr Magill gave details of a short term, disappointing underperformance for UK equities which was attributed to an overweight position in the energy and mining sectors and UBS's value style investing.

Sector positions were highlighted with an overweighting in cheap cyclical stocks and underweighting in high valuation consumer staples stocks.

The Advisors were then asked to comment.

Mr Moizer made reference to UBS’s value style investing, and that UBS’s best opportunities came when value was out of favour, enabling the purchase of the next generation of outperformers, and sought clarification with regard to the timing of investments.

Mr Magill, in his response, explained that UBS were constantly seeking to be better value investors, however, he agreed that they would always be ‘early’ in exiting stocks which appeared expensive.

Mr Powers further commented on the timing of investments, and made reference to ‘disruptive’ technology within the Service Industry, and sought clarification as to what extent this would feed into UBS’s future investment plans given the impact such ‘disruptive’ technology had on inflation and on the valuation of inflation linked securities.

Mr Davies explained that inflation was predicted to increase, and although ‘disruptive’ technology would still continue to have an impact, it would be to a lesser degree going forward.

45. MINUTES

The Minutes of the proceedings of the meeting of the Pension Fund Advisory Panel held on 2 October 2015 were signed as a correct record.

The Minutes of the proceedings of the meeting of the Pension Fund Management Panel held on 2 October 2015 were signed as a correct record.

The Minutes of the meeting of the Annual General Meeting held on 2 October 2015 were signed as a correct record.

46. 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:

Items	Paragraphs	Justification
7, 8, 10, 12, 13	**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.**

47. INVESTMENT MONITORING AND ESG WORKING GROUP

The Minutes of the proceedings of the meeting of the Investment Monitoring and ESG Working Group held on 16 October 2015 were considered.

The Chair of the Working Group, Councillor Taylor, explained that a Climate Risk Pamphlet had been considered which summarised the debate on Climate Risk that the Working Group held at the 16 July meeting. He reported that the pamphlet had now been published on the Fund's website.

Capital had given a presentation to the Working Group regarding their corporate governance activity over the last 12 months. The presentation included a case study of nominating directors to the Boards of US companies, alongside a detailed analysis of the automotive industry.

RECOMMENDED
(i) That the Minutes be received as a correct record; and
(ii) With regard to the Statement of Investment Principles, that the adoption of the revised Statement of Investment Principles be supported.

48. PENSIONS ADMINISTRATION WORKING GROUP

The Minutes of the proceedings of the meeting of the Pensions Administration Working Group held on 16 October 2015 were considered.

RECOMMENDED
(i) That the Minutes be received as a correct record; and
(ii) In respect of the Pensions Administration update and the service provided to members that were affected by the revisions to the tax regime for pension saving, that the three stage approach as detailed in the report, be supported for those with larger pension savings.

49. ALTERNATIVE INVESTMENTS WORKING GROUP

The Minutes of the proceedings of the meeting of the Alternative Investments Working Group held on 23 October 2015 were considered.

RECOMMENDED
That the Minutes be received as a correct record.

50. PROPERTY WORKING GROUP

The Minutes of the proceedings of the meeting of the Property Working Group held on 6 November 2015 were considered.

The Chair of the Working Group, Councillor S Quinn, explained that La Salle had delivered their quarterly report and, although progress was mostly satisfactory, there was a problem with lettings for the Fund's newly purchased student accommodation at Bethnal Green meaning that it was only 69% let. The Working Group had expressed disappointment, but La Salle were confident that they had taken action including dismissing the managers of the building, and were confident of improvement going forward.

GVA had presented on their portfolio and focused on development opportunities at the Island site in central Manchester and a loan made to build apartments at Pamona Island.

The Working Group also recommended investment guidelines, which clarified the rules for GVA when making investments for the Fund and gave them flexibility to make different types of investments.

RECOMMENDED
(i) That the Minutes be received as a correct record; and
(ii) That the Investment Guidelines for GVA be approved.

51. EMPLOYER FUNDING VIABILITY WORKING GROUP

The Minutes of the proceedings of the meeting of the Employer Funding Viability Working Group held on 30 October 2015 were considered.

The Chair of the Working Group, Councillor J Fitzpatrick, explained that the Working Group had discussed the Government proposals for pooling assets across the LGPS and in particular the potential implications for employer funding.

The group discussed the work that had been ongoing regarding the bespoke investment strategy for Transport for Greater Manchester's section of the Fund and how these bespoke strategies could be extended to other employers.

The Fund's actuaries attended the meeting to help start the planning for next year's actuarial valuation. He added that the valuation would be a key focus of the group over the next year and would likely be an agenda item at all of next year's meetings.

RECOMMENDED
(i) That the Minutes be received as a correct record;
(ii) In respect of the Transport for Greater Manchester strategy, that approval be given to officers to continue in their discussions with Transport for Greater Manchester; and
(iii) With regard to the Actuarial Valuation 2016, that the proposed timeline and work plan for undertaking the valuation process be agreed.

52. POLICY AND DEVELOPMENT WORKING GROUP

The Chair of the Working Group, Councillor K Quinn, explained that the Working Group had met at 8.00am that morning, prior to the Panel meeting and had received updated information and presentations in respect of:

- Developments relating to the proposals for pooling investments across the LGPS in England and Wales and the recent activities of GMPF in this area. A recommendation was also made to temporarily amend the investment guidelines of the Greater Manchester and London Infrastructure Limited Liability Partnership (GLIL) for a period of 12 months, in order to allow the team to consider investment opportunities in the £100m - £150m range; and
- Investment activity undertaken by GMPF in collaboration with other LGPS Funds, and in particular, on the collaboration with LPFA on infrastructure and the North West Impact portfolio.

The Working Group had also considered an urgent item with regard to Class Actions, which summarised potential litigation in which Greater Manchester Pension Fund (GMPF) and others would seek to recover losses in the value of their shareholdings in various companies as a result of actions taken by those companies, and recommended courses of action in respect of each potential case.

Consideration was also given to the possibility of pursuing a class action as lead plaintiff in the case of a large pharmaceutical company, as opposed to the passive role presently undertaken in ongoing actions. The two law firms currently engaged to provide a monitoring role to GMPF in respect of class actions had been interviewed at the meeting, with a view to appointing one law firm to take forward the class action with GMPF undertaking the lead plaintiff role.

RECOMMENDED

(i) That the progress and developments which had taken place during the year on the two collaboration projects detailed above, be noted;

(ii) That the change to the investment guidelines for GLIL in relation to concentration limits, as set out in the report be approved; and

(iii) With regard to Class Actions:

(a) That the officer recommendations, as set out in Table 1 of the report, in respect of outstanding class actions, be approved;

(b) That a pilot case be run with GMPF seeking to act as lead plaintiff in the class action against the large pharmaceutical company identified in the report;

(c) That RGRD be engaged to undertake a pilot case with RGRD identifying this first case and SRKW be engaged to act on GMPF's behalf in seeking to be lead plaintiff in the next suitable class action recommended by SRKW.

53. QUARTERLY REPORTS OF THE EXECUTIVE DIRECTOR OF PENSIONS

(a) Summary Valuation of the Pension Fund Investment Portfolio as at 30 June 2015 and 30 September 2015

A report of the Executive Director of Pensions was submitted, detailing and comparing the market value of the Fund's investment portfolio as at 30 June 2015 and 30 September 2015.

RECOMMENDED
That the report be noted.

(b) External Managers' Performance

The Executive Director of Pensions submitted a report, which advised Members of the recent performance of the external Fund Managers.

It was noted that in the quarter to 30 September 2015, Capital had underperformed by 0.4% against their benchmark index of -5.6%. UBS had also underperformed by 1.9% against their benchmark index of -4.6% and Legal and General had succeeded in tracking their benchmark for the Main Fund and for MoJ.

Performance figures for the twelve months to 30 September 2015 were detailed which showed that Capital had underperformed their benchmark by 0.2% and UBS had also underperformed their benchmark by 1.5%. Legal and General had broadly succeeded in tracking their benchmark for the Main Fund and for MoJ.

RECOMMENDED
That the content of the reports be noted.

54. POOLING OF ASSETS

Consideration was given to a report of the Executive Director of Pensions and a presentation of the Assistant Executive Director, Funding and Business Development, which provided an update on recent developments relating to the proposals for pooling investments across the LGPS in England and Wales and the recent activities of GMPF in this area.

It was explained that the LGPS across England and Wales, consisted of 89 regional Funds with total assets of almost £200bn. The average size of a regional Fund was around £2bn, but there was wide variation between the largest Fund, GMPF, at £17.6bn and the smaller Funds, such as those operated by each of the 32 London Borough, many of which had assets of less than £1bn. DCLG/HMT had been looking at options to reduce investment management costs and improve investment returns across the LGPS as a whole for a number of years.

The Chancellor announced in the summer budget that he would be seeking proposals for pooling of assets by Funds and following the budget announcement key messages emerged in discussions with DCLG/HMT officials.

Members were further informed that, at the Conservative Party Conference on 5 October 2015, the Chancellor provided a further statement as follows:

"At the moment, we have 89 different Local Government Pension Funds with 89 sets of fees and costs. It's expensive and they invest little or nothing in infrastructure. So I can tell you today we're going to work with councils to create instead half a dozen British Wealth Funds spread across the country. It will save hundreds of millions in costs, and crucially they'll invest billions in the infrastructure of their regions."

Further reference to these British Wealth Funds was also made within the Government's four-point infrastructure plan.

DCLG subsequently issued a letter to all LGPS Funds providing reassurance that the Chancellor's latest comments were not a departure from the original proposals. However there was a strong suggestion that Government saw the outcome as groups of Funds working together across all asset classes and that the ability to invest in large scale infrastructure was now one of the criteria upon which proposals would be assessed.

Following the Chancellor's spending review and Autumn Statement, the Government had published a number of documents relating to LGPS investments in England and Wales and an initial analysis of each of the documents was provided for discussion.

The criteria for evaluating pooling options was outlined, and it was explained that there were two ways in which assets could be pooled:

(i) By Funds working together and pooling their collective assets; and
(ii) By creating individual asset class pools, e.g. a UK equity pool.

An initial evaluation of these options had been presented at the October meeting of the Management Panel (Meeting of 2 October 2015, Minute 34 refers) and following discussions, views on criteria were expressed in a letter to DCLG, a copy of which was appended to the report. The criteria by which Funds proposals will be evaluated by Government were set out in the recently published – "Local Government Pension Scheme – Investment Reform Criteria and Guidance." These were as expected with the aim to reduce costs and at least maintain returns. The specific criteria were:

- Asset pools should achieve the benefits of scale;
- Strong governance and decision making;
- Reduce costs and provide excellent value for money; and
- Improve capacity to invest in infrastructure.

It was reported that a group of 25 Funds, including GMPF, had formed a joint working group to work together on a project to deliver a joined-up response to Government on options for LGPS investment pooling. The aim of the project was to deliver an authoritative and objective based assessment of options for pooling LGPS investments. All of the options for pooling would be assessed against the likely Government criteria for pooling. The Working Group aimed to deliver its report to Government in January 2016 and to share it with all administering authorities, the LGA and other interested parties.

Members were informed that, since the October meeting of the Management Panel, discussion regarding collaboration had been ongoing on a regular basis with a number of other, predominantly northern based LGPS Funds. The Funds involved had shared information on their investment beliefs, investments management arrangements, their key strengths and the ‘red-lines’ which would prevent them being party to any agreement. GMPF’s ‘red-lines’ were broadly as set out in the Fund’s response to government on criteria which was appended to the report.

This sharing of information was designed to help Funds determine the ‘like-minded’ Funds with which they could form an asset pool. The long term vision which GMPF envisaged creating with other Funds was a pool which provided the following:

- Collective investing in alternatives and expanding capacity and skills;
- Becoming increasingly direct; and
- Increase scale and reduce risk in infrastructure.

It was reported that at this stage, GMPF was open minded to working with other pools or on a national basis for some alternative assets, for example infrastructure.

Discussion ensued with regard to implications of asset pooling and Members raised a number of issues, including; role of the Trustee, scope of investments going forward, division of assets and governance.

The Chair agreed to write to all Councillor’s in Greater Manchester setting out the Fund’s position in respect of pooling arrangements going forward.

RECOMMENDED

(i) That progress and developments, which have taken place since the October meeting of the Management Panel, be noted;

(ii) That the content of GMPF’s response to Government on criteria be noted, including details of ‘red lines’ that would prevent GMPF becoming party to an agreement with other Funds; and

(iii) That the Chair write to all Councillor’s in Greater Manchester setting out the Fund’s position in respect of pooling arrangements going forward.

55. MANAGEMENT SUMMARY

The Executive Director of Pensions submitted a report updating Members on issues and matters of interest arising during the last quarter, as follows:

Pooling of Assets

It was reported that the progression of the Government’s proposal for pooling of assets (as detailed at Minute 54) was a key area of work for the Panel, Chair of the Fund and officers. This item would feature on all panel agendas for the foreseeable future.

Local Pensions Board – New Members

The Council had approved a move to 5 employee and 5 employer members for the Local Board chaired by Cllr Middleton and the appointment of 2 of the additional employee and employer representatives.

Progress was being made on filling the remaining positions as follows:

(i) A non-local authority employer – nominations were sought on the Fund’s website and expressions of interest were received form 15 potential employer representatives. A shortlist had been drawn up and interviews were being programmed for December.

(ii) Similarly, 5 expressions of interest had been received from potential pensioner representatives and again interviews were planned for December.

Actuarial Valuation

Members were informed that the next Actuarial Valuation was due to be undertaken as at 31 March 2016 with revised employer contribution rates to take effect from 1 April 2017. This was a major task for all areas of the Pension Service and it was time critical for both employers and the administering authority. Progress would be monitored by the Employer Funding Viability Working Group with updates presented to Panel meetings throughout next year.

Discussions had been held with the Actuary regarding the timetable for the valuation process and this was appended to the report.

GMPVF – One St Peter's Square
It was reported that lease arrangements had been agreed with a large firm of solicitors.

Airport City
The President of China's visit to Manchester Airport and Airport City attracted considerable publicity for the planned developments, and this coincided with the resolution of a number of technical issues. The pace of development was now expected to accelerate.

Annual Benefit Statements 2015
The LGPS Regulations 2013 required that Annual Benefit Statements (ABSs) be sent to those who were active members and deferred members on 31 March, by 31 August 2015.

The statutory deadline for ABSs was met when complete, accurate and timely year-end returns (which contained the pay data required to calculate ABSs) were received from employers. Many were received late, leading to 29,870 ABSs being sent in November.
Some employers had difficulties in providing complete, accurate and timely year-end information for active members. An important factor for 2014/15 returns was that this was the first year when both final salary and career average information was required. These difficulties applied nationally, with the Local Government Association (the LGA) writing to the Pensions Regulator highlighting the problem, and the effect this was having on the production of ABSs on behalf of all English and Welsh LGPS Funds. The Regulator's response was appended to the report.

As part of the preparations for the 2015/16 year-end returns, a questionnaire had been sent to all employers to gauge what would help improve matters, such as more training or changes to the year-end specification. Where employers had particular problems, or had many queries outstanding, direct contact would be made.

2016 Pensions Increase and Revaluation
Pensions in payment and deferred pensions were increased in line with Pension Increase (Review) Orders. These were made when there was an increase in the September value of the Consumer Prices Index (CPI) as compared to the previous September's CPI. This year the change to September 2015 was a negative 0.1%, meaning that no Pensions Increase (Review) Order would be made. Pensions and deferred pensions would therefore not change in value.

Career average pensions being built up by active members were revalued to take account of changes in prices, by Treasury Orders. As yet, nothing had been confirmed concerning the likelihood, or otherwise, of a negative revaluation percentage being passed in law. It therefore remained to be seen for active members whether career average pensions built up thus far would reduce in value or remain the same.

Scottish Parliament Report on Pension Fund Investment in Infrastructure
It was reported that the Local Government and Regeneration Committee of the Scottish Parliament published its report on Pension Fund Investment in infrastructure and city deal spend on 30 November 2015.

A submission was made to the Committee by the Fund and members of the Committee subsequently visited Manchester to look in more detail at GMPF's approach to local investment and infrastructure. An extract from the report re: GMPF's contribution was set out in the report.

RECOMMENDED
That the report be noted.

56. SCENARIO PLANNING

A report was submitted and presentation delivered by the Executive Director of Pensions and the Senior Investments Manager explaining that, during the Investment Strategy review in May 2015, Mark Powers, Advisor to the Fund, suggested that the Fund should undertake a 'Scenario Planning' exercise to be better placed to capitalise on opportunities as they arose. The aim was to build on the Fund's current 'ad hoc' approach.

The Advisors and the Securities Managers were invited to a meeting with Officers, which took place on 22 October 2015, with a view to generating proposals for a way forward for consideration by Members at a Workshop, which was held on 17 November 2015 and the information discussed was appended to the report.

Four broad types of scenario were discussed. One of these types was already adequately considered as part of the annual Investment Strategy review, and two of these types were considered informally as part of the annual Investment Strategy review. These informal approaches would be formalised at coming reviews. The fourth type related to the implementation of trigger based tactical asset switches into, or out of, the Fund's tactical cash allocation. A number of key principles developed at the 22 October meeting in relation to the governance and implementation vis-à-vis 'Tactical Cash Scenarios' were supported at the Workshop.

The following work programme, prioritising 'Tactical Cash Scenarios', received the support of Members, Advisors and officers at the Workshop:

- Officers to develop the Fund's approach to implementation, likely by way of a segregated account with one of the Fund's existing Securities Managers;
- Hymans be commissioned to propose a 'handful' of suggested ideas/triggers (a maximum of 4 or 5), along with respective 'simple in/out' (e g price based) trigger levels, derived from analysis of fundamentals; and
- Officers to develop proposed governance arrangements around tactical asset switching, the use of triggers, and how to veto might be incorporated to block the action triggered if circumstances had changed significantly.

RECOMMENDED
(i) The approach taken and the proposed work programme as set out in the report, be approved; and
(ii) That concrete proposals be brought to the March meeting of the Management Panel.

57. COLLABORATION WITH OTHER LGPS FUNDS ON INVESTMENTS

The Executive Director of Pensions submitted a report and the Assistant Executive Director, Local Investments and Property, delivered a presentation providing an update on investment activity undertaken by GMPF in collaboration with other LGPS Funds, and in particular, on the collaboration with LPFA on infrastructure and the North West Impact portfolio.
It was reported that a significant amount of work had been undertaken in setting up the joint venture, now known as GLIL (Greater Manchester and London Infrastructure Limited Liability Partnership). The vehicle had a formal governance structure with two key Committees for decision making; the Investment Committee and the Management Committee, which meet on a regular basis. A copy of the investment guidelines were appended to the report.
Investments through infrastructure through Funds, was attracting significant commitments. It was a very competitive environment to source deals. There had been considerable investment activity with the key investments completed, or being in final due diligence.

It was explained that the pooling agenda loomed large over the project and there were significant opportunities for the vehicle to grow its assets under management as part of any future arrangements. Pending the outcome of discussions the Panel may be asked to consider increasing GMPF's commitment.

An issue facing GLIL was the investment limit of £100m set out in the investment guidelines. This was based on the 20% of the current committed capital of £500m. The team were seeing a number of investment opportunities in the £100-150m range and currently had to seek specific panel approval to fund those investments, adding governance complexity and potential delays in processes that were often highly time-sensitive.

Members were informed that it would be helpful for GLIL to be able to bid for assets up to £150m without the need for recourse to the Panel. Approval was therefore sought to temporarily amend the investment guidelines for a period of 12 months, such that the concentration limit would be the higher of 20% of commitments and £150m. At the end of the 12 month period, the concentration limit would become 20% of capital committed to GLIL.

With regard to the North West Impact Portfolio, it was reported that the team for impact investments had been built out during the year, alongside compiling investment processes. There had been a significant amount of work on investments carried out during the year as detailed in the report.

Work on attracting other LGPS Funds to work with the Fund on the North West Impact Portfolio progressed during the year with several meetings but had been impacted by the pooling agenda. A North West fund retained an interest in working with the Fund and work on the final stage of due diligence on how this would operate was currently ongoing.

RECOMMENDED
(i) That the progress and developments which had taken place during the year on the two collaboration projects detailed above, be noted; and
(ii) That the change to the investment guidelines for GLIL in relation to concentration limits, as set out in the report and detailed above, be approved.

58. STATEMENT OF INVESTMENT PRINCIPLES

Consideration was given to a report of the Executive Director of Pensions advising Members of the proposed changes to the Statement of Investment Principles required as a result of an accumulation of various changes in the investment management arrangements of the Fund and a commitment made in response to a consultation exercise undertaken.

RECOMMENDED
That the draft Statement of Investment Principles, as appended to the report and amended as set out within the report, be approved and adopted by the Fund.

59. MEMBER TRAINING

A report was submitted by the Executive Director of Pensions, setting out the Panel's current approach to developing knowledge and understanding and a report of individual members' participation in training and development was provided in line with prescribed good practice.

RECOMMENDED
(i) That the content of the report be noted;

(ii) That improvements in the recording of training be undertaken to ensure the collection of all relevant data;,

(iii) That a report be submitted to a future meeting reviewing existing practice and, where appropriate, recommending improvements; and

(iv) That the training undertaken by members be reported in the Fund's Annual Report and Accounts.

60. FUTURE TRAINING DATES

Trustee Training opportunities were noted as follows:

330 Consulting Elected Member Educational Event The Members Dining Room, Palace of Westminster, London	27 February 2016
LGC Investment Summit Carden Park, Chester	3 – 4 March 2016
NAPF Investment Conference Edinburgh Conference Centre	9 – 11 March 2016
Legal and General Trustee Education Seminars	
Introductory Seminar (08.30 – 12.30)	21 April 2016
Advanced Seminar (12.30 – 17.00)	21 April 2016
Risk Management (08.30 – 12.30)	22 April 2016

61. 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:

Management/Advisory Panel	11 March 2016
Local Pensions Board	19 January 2016 30 March 2016
Pensions Administration Working Group	29 January 2016 8 April 2016
Investment Monitoring & ESG Working Group	29 January 2016 8 April 2016
Alternative Investments Working Group	5 February 2016 15 April 2016
Property Working Group	19 February 2016 1 April 2016
Policy and Development Working Group	4 February 2016 24 March 2016
Employer Funding Viability Working Group	12 February 2016 22 April 2016

CHAIR