

GREATER MANCHESTER PENSION FUND
POLICY AND DEVELOPMENT WORKING GROUP

6 March 2020

Commenced: 11.00am

Terminated: 1.30pm

IN ATTENDANCE:

Councillor Warrington(Chair)	
Councillor Cooney	
Councillor M Smith	
Mr Thompson	UNITE
Councillor Pantall	Fund Observer
Councillor Ryan	Fund Observer
Ronnie Bowie	Advisor to the Fund
Lynn Brown	Advisor to the Fund
Peter Moizer	Advisor to the Fund
Mark Powers	Advisor to the Fund
Sandra Stewart	Director of Pensions
Tom Harrington	Assistant Director of Pensions (Investments)
Euan Miller	Assistant Director of Pensions (Funding & Business Development)
Paddy Dowdall	Assistant Director of Pensions (Local Investments & Property)
Steven Taylor	Assistant Director of Pensions (Special Projects)
Neil Cooper	Head of Pension Investments (Private Markets)
Kevin Etchells	Investments Manager (Local Investments)
William Marshall	Hymans Robertson
Elaine Torry	Hymans Robertson

LaSalle Representatives: Julian Agnew, Karen Brennan, Rebecca Gates, Tom Lewis, Stuart Richmond-Watson, Alistair Seaton

28. CHAIR'S OPENING REMARKS

The Chair was very pleased to announce that the Fund had been nominated and shortlisted for a Cfi.co Responsible Investing award - Best ESG Responsible Pension Fund Governance UK 2020.

29. DECLARATIONS OF INTEREST

There were no declarations of interest.

30. MINUTES

The Minutes of the proceedings of the meeting of the Policy and Development Working Group held on 19 December 2019, having been circulated, were agreed as a correct record.

31. MANAGER MONITORING REGIME INCLUDING MONITORING ESCALATION

The Assistant Director of Pensions Investments, submitted a report detailing the Fund's approach to manager monitoring and summarised the results from the Monitoring Escalation Protocol as at 31 December 2019.

The overall status levels and courses of action taken (or to be taken) in relation to the results from the most recent Monitoring Escalation Protocol were summarised within the report.

It was explained that the Manager Escalation Protocol included performance as the sole metric by which the Securities Managers were initially assessed. There were a number of less quantitative, softer dimensions which could be used to form a view on the manager's prospects of outperforming going forward. These would include the quality of the staff and turnover of key personnel, a coherent and robust approach to linking the underlying philosophy of investing to the actual purchases and sales made, and the underlying investment philosophy itself.

A detailed discussion ensued in respect of individual managers' performance and it was:

RECOMMENDED

That the content of the report be noted.

32. GOOD GOVERNANCE

Consideration was given to a report of the Assistant Director, Funding and Business Development, providing an update on the Scheme Advisory Board Good Governance project and related initiatives designed to strengthen LGPS governance. An update was also provided on GMPF's ongoing actions to ensure continued compliance with the expectations of the Pensions Regulator (TPR) following its 'deep dive' engagement with the LGPS and an overview of the forthcoming relationship supervision arrangement with TPR.

Discussion ensued in respect of the content of the report and Members gave consideration to GMPF's possible participation in the National Knowledge Assessment, which was being launched by Hymans Robertson.

RECOMMENDED

- (i) That the content of the report be noted; and**
- (ii) That GMPF participate in the National Knowledge Assessment being launched by Hymans Robertson.**

33. PROPERTY STRATEGY

The Assistant Director of Pensions, Local Investments and Property submitted a report summarising the progress of the strategic review into GMPF's property investment allocation. Julian Agnew, UK CIO, Karen Brennan, CEO Europe, Rebecca Gates, Head of Asset Management, Tom Lewis, Assistant Fund Manager, Stuart Richmond-Watson, Fund Manager and Alistair Seaton, Strategic Initiatives Director, LaSalle, then attended before Members and presented an update on LaSalle's 2019 performance.

Ms Brennan began by stating that GMPF was an important client and that resourcing the account to deliver on the short term asset management objectives was a top priority for LaSalle. There was desire to finish the transitional journey to deliver the performance and portfolio as agreed at the start of the relationship.

LaSalle representatives then gave details of:

- the repositioning strategy as set out at take on;
- Overview of the portfolio if it was being taken on today;
- LaSalle's convictions going forward;
- Human capital metrics;
- Repositioning of the portfolio to benefit from future long term outperformance; and
- Conviction in the existing portfolio to deliver outperformance.

Members and Advisors thanked LaSalle for an informative presentation and discussion ensued with regard to LaSalle's performance and whilst concern was expressed over past performance it was agreed to give time for measures being undertaken by La Salle to have an impact and that these would be monitored closely by the internal team.

RECOMMENDED

That the content of the presentation be noted.

CHAIR