

SCOTTISH PARLIAMENTARY PENSION SCHEME

MINUTES OF THE FUND TRUSTEE MEETING HELD ON WEDNESDAY 22nd JANUARY 2020 AT 17:15, IN ROOM Q1.04, HOLYROOD

Attendees:

Alison Harris MSP (Trustee and Chair)
Gil Paterson MSP (Trustee)
Mark Ruskell MSP (Trustee)
Pauline McNeill MSP (Trustee)
Derek Stein (Secretariat, SPCB Human Resources Office)
Dawn Gibbons (SPCB Human Resources Office)
Neil Ross (Office of the Solicitor to the Scottish Parliament)
Andy Jinks (Government Actuary's Department)
Sandra Bell (Government Actuary's Department)

Item 1: Attendance/apologies

1. There were no apologies to note.

Item 2: Minutes of the meeting held on 24th September 2019

2. The minutes of the meeting held on 24th September 2019 were formally agreed.

Item 3: Previous matters arising

Draft 2018/19 scheme annual report and accounts

3. Alison confirmed that the 2018/19 scheme annual accounts and report were laid before parliament on Wednesday 30 October 2019.

Investment Strategy

4. The trustees met on 4 December to further discuss the investment strategy. Not all the trustees were able to attend that meeting therefore it was agreed to continue the discussion at the next trustee meeting so that the views of all the trustees could be considered before making any decision on the matter.
5. Andy presented 2 papers setting out the options and estimated costs for adding a new fund(s) to the investment portfolio that had a higher emphasis on environment, social and governance (ESG) matters. The trustees discussed various options in terms of the proposed funds and the allocation of assets within them.
6. Having put two options to the vote and having regard to the trustees fiduciary duty and appetite for risk the trustees voted three to one in favour of the option to invest all future cashflow in the Global Stewardship Select fund and to transfer 10% of the assets held in the Managed Pension fund to the

Global Stewardship Select fund, subject to the fees and costs to make such a switch being reasonable.

7. The trustees would continue to review investment performance on a regular basis and also at the point the value of the investment in the Global Stewardship Select fund reached 15% of the total assets of the scheme.

8. The trustees noted the revised Statement of Investment Principles (SIP), which included a revised section covering ESG considerations. It was agreed that the trustees would review the SIP further at the next meeting.

AP: GAD to obtain a quote from Baillie Gifford setting out the fees and costs for making the proposed switch in fund.

Scheme Valuation

9. Sandra presented an update on the scheme valuation as at 31 March 2019. The trustees confirmed that they were content with the initial findings and recommendation on the future funding rate for the scheme. It was agreed that Sandra would present a draft valuation report at the next trustee meeting

AP: Sandra to present the draft valuation report at the next trustee meeting.

Item 4: Audit services contract

10. The trustees noted that the current audit services contract with BDO, which had been awarded on a 1 year rolling basis, was due to expire in June 2020. The trustees confirmed that they were content to renew the contract for another year.

AP: Secretariat to arrange for contract extension documentation to be issued to BDO.

Item 5: Any other business

11. There was no other business raised for discussion.

Item 6: Date of next meeting

12. The next meeting was scheduled to take place on Tuesday 10th March 2020 in Room Q1.04, Holyrood from 17:15.