

TFL Pension Consultative Council (PCC)

Summary of minutes of meeting number 72 held on 17 May 2012

Report of Trustee Board Meeting held on 13 March 2012

It had been noted that within the last 3 years the Trustees Investment Strategy has diversified its investments and expanded its portfolio of Investment Managers from 6 to 16. It had also changed its investment adviser to Towers Watson. The Trustees are taking a more global perspective on its equity investments with a progressive shift away from equities to Alternative Asset classes. Concurrent with that progressing change there has been a greater emphasis on Emerging markets as distinct from Developed Markets. An incidental outcome for the Fund has been the reduction in exposure to European markets.

The Trustee Board agreed the updated version of the Statement of Investment Principals. This document of around 10 pages has been added to the TfL Pension Funds website.

It was reported that Governance was now a bigger feature of the Pensions Agenda with both greater expectations and legal requirements of transparency and accountability. The governance plan covers 3 areas: Mission and Goals: Reviewing and Monitoring Goals, risks and Performance and specific 2012/13 actions and year planner. This plan is a one year plan and is expected to be updated on an annual basis.

A Review of the Employer Covenant is also underway together with preparation for the next triennial valuation of the TfL Pension Fund.

It was noted that recent proposals to change State Pension Age have had a consequential effect on the Funds Variable Pension Option as the present Finance Act 2012 does not contain the necessary provisions to vary a pension once in payment, although indications and recent announcements from the Minister for Pensions pointed toward provisions being included in the Finance Act 2013.

2012 Election Process

A closing date for nominations of Friday 17 August 2012 was agreed.

AMM Planning

The Chair confirmed that the PCC will again attend the AMM.

Agenda of the PWG meeting held on 6 March 2012

The agenda was noted.

Minutes for Pensioners' Forum held on 23 February 2012

These were noted.