

## **TFL Pension Consultative Council (PCC)**

### **Summary of minutes of meeting number 90 held on 16 July 2015**

#### **Report of Trustee Board Meetings held on 5 June 2015 and 10 July 2015**

Ms Hart and Mr Pollins left as Trustees and were replaced by Jill Collis and Rachel Kerry.

The switch of the passive investments previously managed by LGIM (Legal & General) to BlackRock was completed during the quarter. This switch continued the ALHC and Investment Committee work to implement the Fund's investment strategy to meet a number of the Fund's reward and risk criteria. As a result of these activities there have been five new investment manager appointments made during the year ended 31 March 2015, as well as a major re-organisation of the passive investment portfolio which comprises almost half of the Fund's assets. Also a further two investment manager mandates were terminated during the year.

The switching of AVC legacy policy holders was ongoing, whilst in the meantime further work is being undertaken by Towers Watson to identify suitable alternative AVC investments funds to the Standard Life Managed Fund.

The Board noted the Investment Adviser's Executive Summary for the Quarter ended 31 March 2015. It was noted that the Technical Provisions funding level had increased from 88.7% to 90.6% over the quarter.

At the Alternatives and Liability Hedging Committee the Board was advised of the detailed activities carried out by the Committee in reviewing the wide range of existing and potential investments under consideration. Over the quarter there has been a specific focus on reviewing hedge fund replication strategies.

The Actuarial Valuation Committee reported that the 2015 triennial valuation was progressing in line with the published programme. Penfida presented to the Committee so that they could consider their initial analysis on the strength of the employer covenant. This was considered to be stronger than the previous review due to the impact of Crossrail and TfL's revised credit ratings.

The Operations Committee continued their work to identify ways of increasing the number of Expression of Wish forms returned to the Fund Office. Improvements have been made to highlight this on the Annual Benefits Statement.

The Appeals Committee considered two cases for a claim to an ill health pension which were both declined.

The Appeals Committee agreed that Rule 19(1) would no longer be considered as relating to incapacity over a duration of 12 months but would with immediate effect be considered in respect of the period until the members Scheme Pension Age.

A number of relatively minor changes were agreed to the Funds participation by Cubic, Cap Gemini UK and Tribal due to the ending of contracts or the departure of last remaining members.

The Board approved the Annual Report & Accounts and the Trustee Company Accounts for the year ended 31 March 2015.

The KPMG highlights memorandum for the year ending 31 March 2015 was noted which reported that there were no significant issues with the audit. KPMG would be issuing an unqualified audit opinion on the Fund's financial statements and contributions.

### **TfL Pension Fund Administration Report for Quarter Ended 31 March 2015**

The PCC noted the service provider's report to the Trustees of the TfL Pension Fund.

### **2015 Election Process**

The PCC Secretary reported that the nomination process had been communicated through the TfL, LU and Tubelines internal communications channels for active members. Also an article was placed in the July Pensioners' edition of "on the move" and he had written to all (40) of the "PFI" community together with 13,684 deferred members of which 740 were overseas.

### **2015 Annual Members Meeting Planning**

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

### **Missing Membership Update**

An annual update on the developments in the past year was presented to the Council. It highlighted the changes over the year and explained the membership categories to the new Councillors.

It was confirmed that this exercise remained open.

### **Minutes of PWG Meeting held on 26 March 2015 and Agenda of PWG Meeting held on 4 June 2015**

The minutes and agenda were noted

### **Minutes of the Pensioners' Forum Meeting held on 13 May 2015 and Pensioner Liaison Manager's Report**

The minutes and report were noted.