<table>
<thead>
<tr>
<th>Item No</th>
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<tbody>
<tr>
<td>1</td>
<td>Apologies: Cllr Paul Fleming, Chris O’Brien</td>
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<td>2</td>
<td>Disclosures of Interest &amp; Dispensations: None</td>
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<td>3</td>
<td>The minutes of the 22nd September 2015 meeting were agreed as accurate.</td>
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<td>4</td>
<td>Matters Arising:</td>
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<td>• Pension Fund Survey – The winner has been presented with the iPad.</td>
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<td>5</td>
<td>Scheme Member briefings</td>
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<td>• The two dates arranged for the briefings are 9th &amp; 17th December at Tooley St and Queens Rd, respectively.</td>
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<td>• They will be delivered by Cllr Colley, Duncan Whitfield and Malcolm Laird.</td>
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<td>• Advertising was done via the Source. Information leaflets are being produced.</td>
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<td>6</td>
<td>Investment Update</td>
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<td>Jo Holden (Mercer)</td>
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<td>• A number of changes were made to the investments during the quarter and as a result estimates have been used in the quarterly investment report where necessary.</td>
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<td>• Newton and Absolute Return Bonds performed well during the quarter and the property allocation helped. The fund held up well given the market background. Returns in global and UK equities were poor but bonds held up well. Since the end of the quarter, the markets have come back up and the funding level is expected to have tracked back in the right direction.</td>
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<td>• Newton’s one year outperformance is well above target. Their defensive position has held out and they are almost on target over 3 years. They benefitted from having no exposure to the health sector during the quarter.</td>
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<td>• TH Real Estate’s returns are higher than expected. Predicting capital values will start to come down and therefore income will become more important.</td>
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David Cullinan (State Street)

- The Fund return of -2.4% was 0.8% behind the benchmark, although well ahead of the local authority average of -3.3%
- Ranking LBS in the 22nd percentile.
- Newton’s return of -2.3% was 3.7% ahead of the FTSE All World benchmark. The commitment to overseas bonds and the below benchmark weighting in emerging markets was beneficial. Stock Selection in Europe, emerging markets and UK equities also added to the relative return.

Strategy Update (Mercer)

- Conversations with the actuaries will take place over the next 6 months in light of the upcoming actuarial valuation and against the backdrop of asset pooling.
- It is important that the investment strategy is fit for purpose. It is not believed that there are any fundamental issues with the existing strategy and therefore comfortable that no immediate change is required.
- It has been suggested that a ‘health check’ is considered following the initial valuation results in order to ensure this remains the case.
- Assumptions are likely to be similar to past valuations.
- It is recommended that the actuaries are asked to consider issues such as risk management and LDI as part of the 2016 valuation when assessing the funding level and contribution rate strategy.
- PAP also should note the update in respect of MiFID II, but would not advise any action at the current time.
- Training on risk management and LDI should be considered in order for the panel to become more informed on how these types of strategy could work in practice.

TH Real Estate Presentation

Jamie Johnson and Richard Northcott

- A strategy update was tabled and TH Real Estate presented to PAP on key points from the document, explaining how they intend to place the portfolio going forward; explanation of how they will manage the move to an absolute return benchmark and the impact of market considerations.
- TH Real Estate to provide an attribution analysis as requested by JH.

London CIV Update

- The CIV has received FCA approval.
- Prospectus has been signed off by the FCA and includes appendices relating to each of the 4 mandates.
- Starting due diligence - main areas: ESG; fees; timetables; and transition costs.
- Report to November Council Assembly to empower the pension fund to invest regulatory capital in the CIV and become a shareholder.
Pension Fund Audit Report 2014/15

- Unqualified opinion on the Pension Fund financial statements signed off 25/09/15.
- Key issues and recommendations made were highlighted to PAP.
- FH: Action point – to report to next meeting with an action plan to address issues identified in audit report.
- PAP noted the audit report and agreed to recommendations.

Key highlights
- Altair system update – there is a backlog in processing information in the Altair system. Membership data needs to be reviewed.
- Income to the fund is not currently received directly into the pension fund bank account but transferred from the Council’s main bank account twice monthly. This is due to the complexities of the current banking system and will need to continue to explore opportunities to address the issue.
- A small number of errors have been identified in the information within the system. These are being reviewed by officers and extended testing is being carried out.

Local Pensions Board (LPB) Update

Update provided by Mike Ellsmore:

- Mercer has provided LPB with investment training.
- LPB has commissioned a review of governance.
- FC: ME to follow up with LPB members re format of future shared training and briefings with PAP.
- LPB minutes to be included in the PAP meeting packs.
- PAP minutes to be approved by Chair and distributed to LPB before their next meeting.
- DW asked ME to help with the consultation document on asset pooling and review our response.

Standing items

Actuaries Funding Update

- Not tabled this quarter as a result of fund return data not being available following investment transition.

Training schedule

- Noted

Pension Service Team update (ML)

- Report noted

Voting Monitor

- FH presented the first quarterly monitor to be tabled at PAP. This sets out
activity within the fund’s active equity holdings.
- The Fund has signed up to 3 pledges re climate change.
- Obtained information from Newton on their fossil fuel holding.

LAPFF Quarterly Engagement report
- Noted

13 AOB: None