

## **DURHAM COUNTY COUNCIL**

### **PENSION FUND COMMITTEE**

At a Meeting of **Pension Fund Committee** held in Council Chamber, County Hall, Durham on **Wednesday 6 July 2016 at 10.00 am**

#### **Present:**

**Councillor W Stelling (Chairman)**

#### **Members of the Committee:**

Councillors J Alvey, C Carr, M Davinson, B Kellett, J Lethbridge, J Lindsay, N Martin and J Shuttleworth

#### **Also Present:**

P Darby – Interim Corporate Director Resources  
N Orton – Pensions Manager  
B White – Finance Manager – Pensions and Technical  
B Smith – Legal Manager - Litigation

#### **Independent Adviser**

J Holden – Mercer

#### **1 Apologies for Absence**

Apologies for absence were received from Councillors A Turner and J Maitland, Darlington Borough Councillor S Harker, Admitted Bodies Representative John Norton and Pensioner Representative David Ford.

#### **2 Declarations of interest**

There were no declarations of interest.

#### **3 EU Referendum**

Joanne Holden, Independent Adviser briefed Members on the impact of Brexit on the Pension Fund's investments in each asset class.

Members were informed that volatility could be expected over the next few months, however equity markets had recovered and reasonable returns were therefore anticipated in the next quarter. Sterling had fallen in value which may influence inflation, and this could potentially impact upon the Fund's liabilities. Yields on gilts and government bonds had also fallen. With regard to property, there had been a lot of commentary around the effect on property valuations but it was not possible at

present to estimate the long-term impact of this. In the short-term the Fund's manager may decide it was prudent to value properties more regularly, however it should be noted that the Manager's approach was to hold properties long-term and therefore there was no need for immediate action.

In conclusion Joanne Holden advised that a 'knee jerk' reaction was not necessary but the current situation in the markets would inform the review of the investment strategy.

Following discussion it was **Resolved:**

That the information be received.