

Scottish Parliamentary Pension Scheme

Minutes of the Fund Trustee meeting held on 5th December 2023 at 17:30 via Microsoft Teams

Attendees:

Pauline McNeill MSP (Trustee and Chair)
Murdo Fraser MSP (Trustee)
Gordon MacDonald MSP (Trustee)
Mark Ballard (Trustee)
Dawn Gibbons (Secretariat, SPCB Pay and Pensions Office)
Chris Ward (GAD)
Memet Pekacar (GAD)
Catriona McCallum (Legal Services)

Ross Campbell (Abrdn)
Paul Burns (Abrdn)

Item 1: Attendance/apologies

1. No apologies were noted

Item 2: Minutes of the meeting held on 26th September 2023

2. The minutes of the meeting held on 26th September 2023 were formally agreed

Item 3: Investment Strategy Training

3. Ross and Paul from Abrdn presented an overview and training session for Trustees on asset management and investment strategy; index tracking funds and property funds, to assist Trustees with their asset allocation strategy. Three index tracking fund options were presented, passive investing, sustainable indexation, and systematic investing. ESG approaches and consideration were also presented. An overview was provided on institutional property funds with a focus then on long lease funds.

Item 4: Investment Strategy Review

4. Chris presented two options for the investment strategy review. Option 1 provides diversification of the current asset allocation through 5% property and 15% index tracking equities. Option 2 provides diversification of the current asset allocation with 5% property, 5% index tracking gilts and 15% index tracking equities. Index tracking funds are considered low governance as managers can consistently perform in line with benchmarks, property will however exhibit more variation in relative performance but does add diversification. Due to recent volatility with property, at this

time, Trustees were agreed that they did not want to take on the governance and risks of a property investment at this time, but were minded to include index tracking funds to diversify their exposure to Baillie Gifford's investment management style.

AP: Chris to provide a third option for investment strategy review which includes diversification through index tracking funds only

Item 5: Any other business

5. Memet provided Trustees with an update on Government Actuary changes following the retirement of the previous Government Actuary on 30 October 2023. GAD propose that Keith Gourlay, a GAD Senior Actuary based in Scotland, would take over Scheme Actuary signatory responsibilities where required e.g. for legal documentation and valuations. Trustees were content with this approach and advised that GAD could draft the relevant agreement letter to appoint Keith.

AP: Memet to draft agreement letter for Trustees

6. Dawn advised Trustees of the upcoming contract renewal for the SPPA administration contract. Trustees were content to agree a further one-year extension to the contract.

AP: Dawn to progress one year extension to SPPA contract

Item 6: Date of next meeting

7. Date for next meeting set as Tuesday 5th March 2024