

**MEETING OF THE PENSIONS COMMITTEE
OF TORFAEN COUNTY BOROUGH COUNCIL
Held on Monday, 11 December 2017 at 10am
In the Council Chamber, Civic Centre, Hanbury Road, Pontypool, NP4 6YB**

MINUTES

Attendance: Members of the Committee

Councillors:

Glyn Caron (Chair)
Joanne Gauden
Peter Jones

Officers:

Paul Rowles, Pension Investments Manager (PIM)
Graeme Russell, Head of Pensions (HoP)
Geraint Thomas, Senior Business Support Officer (SBSO)

Also attending the meeting

Elizabeth Carey, Deputy Independent Investment Advisor (DIIA)
Aoifinn Devitt, Independent Investment Advisor (IIA)

Action

1 Attendance and Apologies

1.1 Apologies were received from Councillors Huw Bevan and Jon Horlor.

2 Declarations of Interest

2.1 Members confirmed the following declarations of personal interest as read by the Chair:

Councillor	In Receipt of Pension	Contributor
Glyn Caron	NONE	Self. Wife is a deferred member
Joanne Gauden	NONE	Self and daughter
Peter Jones	Wife	Self and wife

3 Minutes 25/9/17

3.1 The minutes of the meeting held on 25 September 2017 were confirmed as an accurate record.

3.2 The Head of Pensions (HoP) informed members of the committee that the Pensions Manager had given notice of her intention to retire at the end of March 2018. He added that the Fund was looking to recruit a replacement.

4 Minutes 16/11/17

- 4.1 The minutes of the meeting held on 16 November 2017 were confirmed as an accurate record.

5 For information: draft minutes of the Pension Board meeting of 18/10/17

- 5.1 The committee noted the minutes.
- 5.2 The HoP confirmed that the Pension Board now had indemnity insurance within the global TCBC policy, at no extra cost. Despite not being a decision-making body, national discussion had taken place around this issue and the Board had felt the need for cover.
- 5.3 The HoP explained that eight members of the Pension Board were approaching the end of their three-year term. Seven had confirmed that they were prepared to accept a three-year extension and one had confirmed that they were looking to stand down. This vacancy would need to be resolved within the next few months. He added that the Chair of the Pension Board had also extended his role for a further three years.

6 Quarterly Investment Performance Report to 30/9/17

- 6.1 The Pension Investment Manager (PIM) highlighted the following key headlines from the report:
- The last 12 months had been generally very positive overall for investment markets and this momentum had continued into the third quarter of 2017.
 - In addition to the positive market returns, the Fund's active managers had again combined to out-perform the Fund's benchmark, over both the quarter and the last year, in achieving absolute (sterling) returns of around +12.5% over the last 12 months, approaching +1.5% ahead of benchmark over that period.
 - The continued strong absolute performance meant that the overall Fund value had continued to advance, approaching £2,806 million as the quarter ended, with an increase of around £61 million from the previously reported June 2017 position.
 - As the Fund had previously been overweight in terms of investments in US equities, the table in paragraph 5.1 of the report showed how this had been reduced by 2%, in order to bring it more in line with the Fund's Strategy.
 - The US Equity reduction had been achieved by reallocation to two new alternative investment multi asset funds, managed by Fidelity and Invesco, following the Committee's decision to re-allocate investments in March 2017. The Fund was looking to further bring equities down to that set out in the Strategy, whilst being mindful of pooling of investments.
 - Global equity markets delivered another quarter of positive returns,

driven by the improving global economy and generally positive corporate earnings.

- Continuing generally impressive economic data meant that talk turned to the prospect of central banks reducing monetary policy and interest rate hikes.
- Such an environment of less accommodating monetary policy prospects led to a difficult quarter for government bonds.
- Emerging markets had performed the strongest, with Europe, Asia and the UK performing well too. US Equities had lagged compared to the other markets and fixed income investments had also suffered with UK government bonds seeing negative returns in the quarter.
- In Quarter 3 of 2017, the Fund saw an overall positive benchmark (market) return of +1.81%, with a figure of +11.20% for the last 12 months. The longer term benchmark (market) return for the Fund had moved up slightly from that last reported at +6.73% per annum over the last 10 years.
- Quarter 3 had seen the Fund out-perform this positive +1.81% benchmark by +0.54% in the quarter, resulting in an overall positive (absolute) return of +2.35% for the Fund in Quarter 3.
- The 12 month overall Fund return remained a strong +12.56% and thus a strong +1.36% above the 12 month benchmark figure of +11.20%.
- The figures for the last 3, 5 and 10 years had improved since the last report to the Committee. The relative performance figure for the last 10 years was marginally negative but improving.
- The period had been pleasant in regards to active investment managers, followed by positive meetings with those managers in November 2017.
- Lazard had struggled in Quarter 2 but performed strongly in Quarter 3, out-performing the mandate's benchmark by +1.42%.
- Although Standard Life GARS had not enjoyed a great quarter, they were confident regarding their long term success.
- BlackRock had been very consistent across all of their mandates, with two quarters of out-performance.
- Fidelity had continued its 2017 recovery, with strong out-performance of +1.5% above benchmark in Quarter 3.
- Invesco had seen a fairly flat quarter compared to the benchmark but were performing very well in the long-term.
- UK Commercial Property investments had returned +9% in the last year.
- The continued generally positive market environment in October saw the Fund value increase further to a market value at the end of October 2017 of over £2,864 million, a rise of over £58 million on the 30 September value. He added that a shiver in the markets had resulted in the value of the Fund dropping by £12 million to £2,852 million at the end of November 2017

6.2 The Independent Investment Advisor (IIA) provided the following headlines from appendix 2 of the report:

- After a high speed summer for risk, markets finally put the brakes on in November but only briefly. With no particular trigger there was a unified sell-off in equities and bonds that started on 9 November 2017.

- This year had seen the lowest number of countries in recession ever. Good growth was seen in Europe and the quarterly GDP growth rate in the US was 3% in Quarter 3.
- November 2017 saw the 13th consecutive month of positive performance in the US regarding the equities market, which had not been seen for 90 years.
- The UK saw the first rate rise in 10 years and this was attributed to growing inflationary pressures and the need to lean against them. Rising interest rates would impact on fixed income allocation and therefore it would be hard to expect much return.
- China had leapfrogged Japan regarding the technology markets.
- Regarding central banks, the markets generally shrugged off the announcement of the end of quantitative easing in the US; however it was a significant event due to the sheer volume of assets owned by the Federal Reserve.
- Volatility was on the horizon, as it had been low and was unlikely to last forever.
- Now may be the time to trim the Fund's high allocation in equities.
- The Department for Communities and Local Government wanted funds to invest in infrastructure and this could be attractive given the potential long-term yield.
- It was important to have some investments in real estate; however Brexit uncertainty and interest rate rises would have an impact on this.
- The economy and markets were likely to remain resilient until the end of the year; however unclear patterns existed in North Korea and Venezuela.

6.3 The Deputy Independent Investment Advisor (DIIA) added that a rise could be seen regarding investments in bitcoins; however uncertainty existed regarding the after effects of a large monetary pay-out. This could add a small amount of volatility to the markets.

6.4 Following questions from the committee, the HoP, IIA and DIIA made the following points:

- The IIA stated that a lack of impact studies around Brexit was very alarming and that it was too early to reverse the overall uncertainty created by the Brexit decision. The DIIA added that major banks had started to realise the huge costs attributed to moving from London and suggested that many would stay.
- The IIA acknowledged that the value of Sterling had seen a 'pop' initially after the Brexit decision; however she did not anticipate a further devaluation.
- The HoP confirmed that the Committee would consider a report at a future meeting around whether the Fund should continue with its Strategy to invest 70% in equities, 20% in fixed interest and 10% in alternatives. He added that pooling of investments would offer a larger 'menu' of investment opportunities, with quicker access to them.
- The HoP confirmed that the Fund still had agreement from the Committee to invest up to a further 3% in alternatives and in a strategic context, up to 8% could be taken from equities but subject to further

decision from the Committee.

6.5 The Pensions Committee agreed to:

- (i) Note the investment performance that has taken place during the third quarter of 2017 and provide comment and consider matters arising; and**
- (ii) Note recent investment activity and consider any further appropriate course of action required.**

7 Update on the Implementation of Markets in Financial Instruments Directive (MiFID II)

7.1 The HoP highlighted the following key headlines from the report:

- The Committee had agreed to apply to opt back up to professional status, which would allow the Fund to retain access to a range of products and investment managers.
- All opt up requests had now been submitted as required to the investment managers and other bodies with which the Fund had a current contractual / client relationship.
- The table on page 73 of the agenda provided a list, dated 5 December 2017, of the 15 opt up submissions that the Fund had submitted. Since publication of the agenda, Invesco had also given their formal approval, which meant that the five main investment managers used by the Fund had agreed and given their approval regarding the Fund retaining professional status.
- Discussions were also taking place with investment managers around the impact of MiFID II on their policies and procedures, particularly regarding their reporting formats and their approach to research.
- He expected investment managers to absorb any extra costs caused by MiFID II; however this had yet to be confirmed.
- He did not envisage any problems with this ongoing area of work and would update members further in due course.

7.2 The PIM explained that research costs, transparency and other issues would require discussion and monitoring over the coming months; however the most important issue initially had been to gain agreement regarding opting up.

7.3 The Pensions Committee agreed to:

- (i) Note this update in respect of Fund progress related to the requirements of the forthcoming Markets in Financial Instrument Directive 2014/65 (“MiFID II”) prior to its implementation on 3rd January 2018.**

8 Elected Members - Continuing Professional Development Update

8.1 The HoP highlighted the following key headlines from the report:

- The Fundamentals courses were in progress and he hoped that members found them useful and positive.
- The Local Authority Pension Fund Forum Annual Conference 2017 had

taken place in early December.

- Members had previously indicated training priorities around pooling and environmental, social and governance (ESG) issues; however this meeting had highlighted a desire to undertake some training around investment strategies.

8.2 The Pensions Committee agreed to:

- (i) Note the training update provided within this report for information, comment and views on developing a programme of training and education that meets members' requirements.**

9 Date of Next Meeting 12/3/18

9.1 The next meeting was scheduled to take place on 12 March 2018.

10 Exclusion of Press and Public

10.1 The committee agreed to the exclusion of the press and public from the meeting as presentations and meeting papers were not for publication because in accordance with paragraphs 12 and 14 of part 4 of Schedule 12a of the Local Government Act 1972 (as amended by the Access to Information Variation Order Wales 2007), it contained information about a particular individual and information relating to the financial and business affairs of particular persons including the Council and in all the circumstances of the case the public interest in maintaining the exemptions outweighs the public interest in disclosing the information.

11 Exempt Minutes 16/11/17

11.1 The exempt minutes of the meeting held on 16 November 2017 were confirmed as an accurate record.

11.2 The HoP provided an update for members regarding the current situation in terms of appointing an operator for the All Wales Investment Pool.

11.3 The meeting closed at 11.25am.

**CYFARFOD PWYLLGOR PENSIYNAU
CYNGOR BWRDEISTREF SIROL TORFAEN**
A gynhaliwyd ar Ddydd Llun, 11 Rhagfyr 2017 am 10am
Yn Siambr y Cyngor, Y Ganolfan Ddinesig, Heol Hanbury, Pont-y-pŵl, NP4 6YB

COFNODION

Yn Bresennol: Aelodau'r Pwyllgor

Cynghorwyr:

Glyn Caron (Cadeirydd)
Joanne Gauden
Peter Jones

Swyddogion:

Paul Rowles, Rheolwr Buddsoddiadau Pensiynau
Graeme Russell, Pennaeth Pensiynau
Geraint Thomas, Uwch Swyddog Cefnogi Busnes

Hefyd yn bresennol yn y cyfarfod

Elizabeth Carey, Dirprwy Gynghorydd Buddsoddiadau Annibynnol (DIIA)
Aoifinn Devitt, Cynghorydd Buddsoddiadau Annibynnol (IIA)

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1.	Presenoldeb ac Ymddiheuriadau													
1.1	Derbyniwyd ymddiheuriadau oddi wrth y Cynghorwyr Huw Bevan a Jon Horlor.													
2.	Datganiadau o Fudd													
2.1	Cadarnhaodd aelodau'r datganiadau canlynol o fudd fel y'i darllenwyd gan y Cadeirydd: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Cynghorydd</th> <th>Yn Derbyn Pensiwn</th> <th>Cyfrannwr</th> </tr> </thead> <tbody> <tr> <td>Glyn Caron</td> <td>DIM</td> <td>Ei hun. Ei wraig yn aelod gohiriedig</td> </tr> <tr> <td>Joanne Gauden</td> <td>DIM</td> <td>Ei hun a'i merch</td> </tr> <tr> <td>Peter Jones</td> <td>Gwraig</td> <td>Ei hun a'i wraig</td> </tr> </tbody> </table>	Cynghorydd	Yn Derbyn Pensiwn	Cyfrannwr	Glyn Caron	DIM	Ei hun. Ei wraig yn aelod gohiriedig	Joanne Gauden	DIM	Ei hun a'i merch	Peter Jones	Gwraig	Ei hun a'i wraig	
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3.	Cofnodion 25/9/17													
3.1	Cadarnhawyd bod cofnodion y cyfarfod a gynhaliwyd ar 25 Medi 2017 yn gywir.													
3.2	Dywedodd y Pennaeth Pensiynau wrth Aelodau'r Pwyllgor bod y Rheolwr Pensiynau wedi hysbysu ynglŷn â'i bwriad i ymddeol ar ddiwedd Mawrth 2018. Ychwanegodd bod yn Gronfa'n edrych at recriwtio rhywun i gymryd ei													

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4.	Cofnodion 16/11/17	
4.1	Cadarnhawyd bod cofnodion y cyfarfod a gynhaliwyd ar 16 Tachwedd 2017 yn gywir.	
5.	Er gwybodaeth: cofnodion drafft o gyfarfod y Bwrdd Pensiynau ar 18/10/17	
5.1	Nododd y Pwyllgor y cofnodion.	
5.2	Cadarnhaodd y Pennaeth Pensiynau bod gan y Bwrdd Pensiynau yswiriant indemniad nawr y tu fewn i bolisi hollgynhwysol CBST, heb ddim cost yn ychwanegol. Er nad yw'n gorff sy'n gwneud penderfyniadau, roedd trafodaeth genedlaethol wedi digwydd ar y pwnc hwn ac roedd y Bwrdd yn teimlo bod angen yswiriant.	
5.3	Esboniodd y Pennaeth Pensiynau bod wyth aelod o'r Bwrdd Pensiynau yn dod at ddiwedd eu cyfnod o dair blynedd. Roedd saith wedi cadarnhau eu bod yn barod i dderbyn estyniad pellach o dair blynedd ac roedd un wedi cadarnhau eu bod am ildio'u lle. Byddai angen delio â'r mater o fewn y misoedd nesaf. Ychwanegodd bod Cadeirydd y Bwrdd Pensiynau hefyd wedi ymestyn ei dymor am dair blynedd bellach.	
6.	Adroddiad Perfformiad Buddsoddi Chwarterol hyd at 30/9/17	
6.1	<p>Pwysleisiodd y Rheolwr Buddsoddiadau Pensiynau'r penawdau allweddol canlynol o'r adroddiad:</p> <ul style="list-style-type: none"> • Roedd y 12 mis diwethaf wedi bod yn gadarnhaol yn gyffredinol ar gyfer y marchnadoedd buddsoddi ac roedd y momentwm yma wedi parhau at drydydd chwarter 2017. • Yn ogystal â'r elw cadarnhaol o'r farchnad, roedd rheolwyr gweithredol y Gronfa wedi cyfuno eto er mwyn perfformio'n well na meincnod y Gronfa, dros y chwarter ac yn ystod y flwyddyn ddiwethaf, gan lwyddo i gael elw (sterling) absoliwt o tua +12.5% dros y 12 mis diwethaf sy'n tynnu at +1.5% yn fwy na'r meincnod dros y cyfnod hwnnw. • Roedd y perfformiad absoliwt cryf parhaol yn golygu bod gwerth cyfan gwbl y Gronfa wedi parhau i gynyddu, gan nesáu at £2,806 miliwn wrth i'r chwarter ddod i ben, gyda chynnydd o £61 miliwn o'r sefyllfa ym Mehefin 2017. • Am fod y Gronfa wedi gorbwyso o ran buddsoddiadau mewn ecwitiau'r UD, roedd y tabl ym Mharagraff 5.1 yr adroddiad yn dangos sut yr oedd hyn wedi gostwng 2%, er mwyn dod a'r lefel yn gyson â Strategaeth y Gronfa. • Cyflawnwyd y gostyngiad yn Ecwitiau'r UD trwy symud i ddwy gronfa buddsoddiad amgen aml ased newydd, wedi eu rheoli gan Fidelity ac 	

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	<p>Invesco, yn dilyn penderfyniad y Pwyllgor i ail-ddosbarthu buddsoddiadau ym Mawrth 2017. Roedd y Gronfa yn edrych at ostwng ecwitiau ymhellach tuag at hynny a oedd yn y Strategaeth, ond wrth gadw mewn cof cydrannu buddsoddiadau.</p> <ul style="list-style-type: none"> • Roedd marchnadoedd ecwitiau byd eang wedi dod â chwarter arall o elw cadarnhaol, wedi ei yrru gan yr economi byd eang sy'n gwella ac enillion corfforaethol sydd ar y cyfan yn gadarnhaol. • Roedd data economaidd a oedd yn parhau i fod yn drawiadol ar y cyfan yn golygu bod y sgwrs yn symud at y posibilrwydd y bydd banciau canolog yn gostwng polisi ariannol a chodiadau mewn cyfraddau llog. • Roedd awyrgylch o'r fath o ddisgwyliadau polisi ariannol llai ffatriol wedi arwain at chwarter anodd i fondiau llywodraethol. • Roedd egin farchnadoedd wedi perfformio cryfaf, gydag Ewrop, Asia a'r DU yn perfformio'n dda hefyd. Roedd Ecwitiau'r UD ar ei hôl hi o gymharu â'r marchnadoedd eraill ac roedd buddsoddiadau incwm sefydlog hefyd wedi dioddef gyda bondiau llywodraeth DU yn profi colledion yn ystod y chwarter. • Yn Chwarter 3 2017, gwelodd y Gronfa elw meincnod (marchnad) cadarnhaol ar y cyfan o +1.81%, gyd ffigwr o +11.20% ar gyfer y 12 mis diwethaf. Roedd yr elw meincnod (marchnad) tymor hirach ar gyfer y Gronfa wedi symud ychydig o'r hyn a adroddwyd y tro diwethaf o +6.73% y flwyddyn dros y 10 mlynedd diwethaf. • Roedd Chwarter 3 wedi gweld y Gronfa'n perfformio'n well na meincnod +1.81% gan +0.54% yn ystod y chwarter, gan arwain at elw cadarnhaol (absoliwt) dros y cyfan o +2.35% ar gyfer y Gronfa yn Chwarter 3. • Roedd elw 12 mis y Gronfa wedi aros yn gryf ar +12.56% ac felly +1.36% uwchben y ffigwr meincnod dros 12 mis o +11.20%. • Roedd y ffigyrau ar gyfer y 3, 5 a 10 mlynedd diwethaf wedi gwella ers yr adroddiad diwethaf i'r Pwyllgor. Roedd y ffigwr perfformiad cymharol ar gyfer y 10 mlynedd diwethaf ychydig yn negyddol ond roedd yn gwella. • Roedd y cyfnod wedi bod yn braf o ran rheolwyr buddsoddiadau gweithredol, ac yna cyfarfodydd cadarnhaol gyda'r rheolwyr yna yn Nhachwedd 2017. • Roedd Lazard wedi cael trafferth yn Chwarter 2 ond roedd wedi perfformio'n gryf yn Chwarter 3, gan berfformio'n well na'r meincnod gan +1.42%. • Er nad oedd Standard Life GARS wedi cael chwarter gwych, roedden nhw'n hyderus o'u llwyddiant yn yr hir dymor. • Roedd BlackRock wedi bod yn gyson, gyda dau chwarter o berfformio'n well na'r gofyn. • Roedd Fidelity wedi parhau gyda'u cynnydd yn 2017, gan berfformio'n well o +1.5% uwchben y meincnod yn Chwarter 3. • Roedd Invesco wedi profi chwarter weddol wastad o gymharu â'r meincnod ond roedden nhw'n perfformio'n dda dros y tymor hir. 	

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6.2	<p>Rhoddodd y Cyngorydd Buddsoddiadau Annibynnol y penawdau canlynol o atodiad 2 yr adroddiad:</p> <ul style="list-style-type: none"> • Roedd buddsoddiadau UK Commercial Property wedi dod ag elw o +9% yn ystod y flwyddyn ddiwethaf. • Roedd y farchnad wedi parhau'n gadarnhaol ar y cyfan ym mis Hydref ac wedi gweld gwerth y Gronfa'n cynyddu ymhellach at werth yn y farchnad ar ddiwedd Hydref 2017 o dros £2,864 miliwn, cynnydd o dros £58 miliwn ar werth 30 Medi. Ychwanegodd bod cryndod yn y marchnadoedd wedi arwain at gwmp yng ngwerth y Gronfa o £12 miliwn i £2,852 miliwn ar ddiwedd Tachwedd 2017 <p>Ar ôl haf llawn risg posibl, arafodd y marchnadoedd o'r diwedd yn Nhachwedd ond dim ond dros dro. Heb achos arbennig roedd gwerthiant eang o ecwitiau a bondiau a ddechreuodd ar 9 Tachwedd 2017.</p> <ul style="list-style-type: none"> • Eleni gwelwyd y nifer lleiaf o wledydd erioed mewn dirwasgiad. Cafwyd twf da yn Ewrop ac roedd y twf mewn cynnyrch domestig gros yn yr UD yn 3% yn Chwarter 3. • Tachwedd 2017 oedd y 13^{eg} mis yn olynol o berfformiad cadarnhaol yn y UD mewn perthynas â'r farchnad ecwitiau, ni welwyd hyn ers 90 mlynedd. • Gwelodd y DU y cynnydd cyntaf mewn cyfraddau ers 10 mlynedd a phriodolwyd hyn i'r pwysau chwyddiant cynyddol a'r angen i bwysu yn eu herbyn. Byddai codiad mewn cyfraddau llog yn cael effaith ar ddyraniad incwm sefydlog ac felly byddai'n anodd disgwyl llawer o elw. • Roedd Tsieina wedi symud o flaen Japan yn y marchnadoedd technoleg marchnadoedd. • O ran y banciau canolog, anwybyddodd y marchnadoedd ar y cyfan y cyhoeddiad am ddiwedd lleddf fu meintiol yn yr UD; serch hynny roedd yn ddigwyddiad arwyddocaol oherwydd maint yr asedau sy'n eiddo i'r Gronfa Ffederal. • Roedd cyfnewidioldeb ar y gweill, gan ei fod wedi bod yn isel ac ni fyddai hyn yn parhau am byth. • Efallai mai nawr yw'r amser i dorri'n ôl ar ddyraniad uchel y Gronfa mewn ecwitiau. • Roedd yr Adran Gymunedau a Llywodraeth Leol eisiau arian i fuddsoddi mewn seilwaith a gallai hyn fod yn ddeniadol oherwydd yr elw hir dymor posibl. • Roedd yn bwysig cael rhai buddsoddiadau mewn tir; serch hynny byddai ansicrwydd Brexit a chodiadau mewn cyfraddau llog yn siŵr o gael effaith ar hyn. • Roedd yr economi a'r marchnadoedd yn debygol o barhau'n wydn tan ddiwedd y flwyddyn; serch hynny roedd patrymau aneglur yng Ngogledd Corea a Venezuela. 	
6.3	<p>Ychwanegodd y Dirprwy Gyngorydd Buddsoddiadau Annibynnol bod cynnydd i weld yn y buddsoddiadau mewn bitcoins; serch hynny roedd</p>	

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6.4	<p>ansicrwydd yn bodoli ynglŷn â sgil effeithiau taliad ariannol mawr. Gallai hyn ychwanegu rhywfaint o ansicrwydd i'r marchnadoedd.</p> <p>Ar ôl cwestiynau gan y Pwyllgor, gwnaeth y Pennaeth Pensiynau, y Cynghorydd Buddsoddiadau Annibynnol a'r Dirprwy Gynghorydd Buddsoddiadau Annibynnol y pwyntiau canlynol:</p> <ul style="list-style-type: none"> • Dywedodd y Cynghorydd Buddsoddiadau Annibynnol bod diffyg astudiaeth ar effaith Brexit yn frawychus iawn ac roedd yn rhy gynnar i wrthdroi'r ansicrwydd a grëwyd gan benderfyniad Brexit. Ychwanegodd y Dirprwy Gynghorydd Buddsoddiadau Annibynnol bod y banciau mawr wedi dechrau sylweddoli'r costau anferth sydd ynghlwm wrth symud o Lundain ac awgrymodd y byddai nifer yn aros. • Cydnabyddodd y Cynghorydd Buddsoddiadau Annibynnol bod gwerth y Bunt wedi gostwng ar ôl penderfyniad Brexit; serch hynny doedd hi ddim yn disgwyl dibrisio pellach. • Cadarnhaodd y Pennaeth Pensiynau y byddai'r Pwyllgor yn ystyried adroddiad mewn cyfarfod yn y dyfodol ynglŷn ag a ddylai'r Gronfa barhau gyda'i Strategaeth i fuddsoddi 70% mewn ecwitiâu, 20% mewn llog sefydlog a 10% mewn buddsoddiadau amgen. Ychwanegodd y byddai cydrannu buddsoddiadau yn cynnig arlwy ehangach o gyfleoedd i fuddsoddi, gyda mynediad cyflymach iddyn nhw. • Cadarnhaodd y Pennaeth Pensiynau bod gan y Gronfa o hyd gytundeb gan y Pwyllgor i fuddsoddi 3% pellach mewn buddsoddiadau amgen ac, mewn cyd-destun strategol, gellid tynnu hyd at 8% allan o ecwitiâu ond roedd hynny'n amodol ar benderfyniad pellach gan y Pwyllgor. <p>6.5 Cytunodd y Pwyllgor Pensiynau i: (i) Nodi perfformiad y buddsoddiadau yn ystod trydydd chwarter 2017 a gwneud sylwadau ac ystyried materion yn codi; a (ii) Nodi'r gweithgaredd buddsoddi diweddar ac ystyried unrhyw gamau priodol eraill sydd angen.</p>	
7.	Diweddariad ar weithredu Cyfarwyddeb y Marchnadoedd mewn Offerynnau Ariannol (MiFID II)	
7.1	<p>Pwysleisiodd Pennaeth Pensiynau'r prif benawdau canlynol o'r adroddiad:</p> <ul style="list-style-type: none"> • Roedd y Pwyllgor wedi cytuno i optio'n ôl i statws proffesiynol, a fyddai'n caniatáu i'r Gronfa i gadw mynediad at amrywiaeth eang o gynnyrch a rheolwyr buddsoddi. • Roedd pob cais i optio i fyny wedi cael eu cyflwyno nawr yn ôl y gofyn i'r rheolwyr buddsoddi a chyrrff eraill yr oedd gan y Gronfa berthynas cytundeb / client presennol â nhw. • Roedd y tabl ar dudalen 73 yr agenda yn rhoi rhestr, dyddiedig 5 Rhagfyr 2017, o'r 15 o geisiadau optio i fyny yr oedd y Gronfa wedi cyflwyno. Ers cyhoeddi'r agenda, roedd Invesco hefyd wedi rhoi cymeradwyaeth ffurfiol, ac roedd hyn yn golygu bod y pum prif reolwr buddsoddiadau a ddefnyddiwyd gan y Gronfa wedi cytuno ac wedi rhoi 	

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	<p>cymradwyaeth i'r Gronfa gadw statws proffesiynol.</p> <ul style="list-style-type: none"> • Roedd trafodaethau hefyd yn digwydd gyda rheolwyr buddsoddiadau ar effaith MiFID II ar eu polisiau a'u gweithdrefnau, yn arbennig mewn perthynas â ffurf eu hadroddiadau a'u hagweddau tuag at ymchwil. • Roedd yn disgwyl i reolwyr buddsoddiadau i dderbyn unrhyw gostau ychwanegol a achosir gan MiFID II; serch hynny doedd hyn ddim wedi ei gadarnhau eto. • Doedd e ddim yn rhagweld unrhyw broblemau yn y maes hwn a byddai'n rhoi diweddariad i'r Aelodau ymhen amser. 	
7.2	Esboniodd y Rheolwr Buddsoddiadau Pensiynau y byddai costau ymchwil, tryloywder a materion eraill angen trafodaeth a monitro dros y misoedd i ddod; serch hynny'r mater mwyaf pwysig i gychwyn oedd cael cytundeb ar optio i fyny.	
7.3	<p>Cytunodd y Pwyllgor Pensiynau i:</p> <p>(i) Nodi'r diweddariad yma ar gwrs y Gronfa mewn perthynas â gofynion Cyfarwyddeb y Marchnadoedd mewn Offerynnau Ariannol 2014/65 ("MiFID II") cyn iddi gael ei gweithredu ar 3^{ydd} Ionawr 2018.</p>	
8.	Diweddariad Parhau Datblygiad Proffesiynol - Aelodau Etholedig	
8.1	<p>Pwysleisiodd y Pennaeth Pensiynau'r penawdau allweddol canlynol o'r adroddiad:</p> <ul style="list-style-type: none"> • Roedd y cyrsiau ar Hanfodion yn mynd ymlaen ac roedd yn gobeithio bod Aelodau wedi cael eu bod yn ddefnyddiol ac yn gadarnhaol. • Digwyddodd Cynhadledd Flynyddol Fforwm Cronfeydd Pensiynau Awdurdodau Lleol 2017 ar ddechrau Rhagfyr. • Roedd Aelodau wedi dangos blaenoriaethau hyfforddiant o gylch cydrannu a materion amgylcheddol, cymdeithasol a llywodraethol; serch hynny roedd y cyfarfod yma wedi pwysleisio dymuniad i ymgymryd â rhywfaint o hyfforddiant ar strategaethau buddsoddi. 	
8.2	<p>Cytunodd y Pwyllgor Pensiynau i:</p> <p>(i) Nodi'r diweddariad ar hyfforddiant a oedd gyda'r adroddiad yma er gwybodaeth, sylwadau a barn ar ddatblygu rhaglen o hyfforddiant ac addysg sy'n cwrdd ag anghenion Aelodau.</p>	
9.	Dyddiad y Cyfarfod Nesaf 12/3/18	
9.1	Bydd y cyfarfod nesaf ar 12 Mawrth 2018.	
10.	Gwahardd y Wasg a'r Cyhoedd	
10.1	Cytunodd y Pwyllgor i wahardd y wasg a'r cyhoedd o'r cyfarfod gan nad oedd y cyflwyniadau a phapurau'r cyfarfod i gael eu cyhoeddi oherwydd, yn unol â	

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	pharagraffau 12 a 14 rhan 4 Atodiad 12a Deddf Llywodraeth Leol 1972 (fel y'i diwygiwyd gan Orchymyn Mynediad at Wybodaeth (Amrywio) Cymru 2007), roedd yn cynnwys gwybodaeth ynglŷn ag unigolyn penodol a gwybodaeth yn ymwneud â materion ariannol a busnes personau penodol gan gynnwys y Cyngor ac o dan yr amgylchiadau roedd y budd cyhoeddus o gynnal yr eithriadau yn fwy na'r budd cyhoeddus o ddatgelu'r wybodaeth.	
11.	Cofnodion wedi eu heithrio 16/11/17	
11.1	Cadarnhawyd y cofnodion wedi eu heithrio o'r cyfarfod ar 16 Tachwedd 2017 yn rhai cywir.	
11.2	Rhoddodd y Pennaeth Pensiynau ddiweddariad i aelodau ynglŷn â'r sefyllfa bresennol o ran penodi gweithredwr ar gyfer Cronfa Buddsoddi Cymru Gyfan.	
11.3	Caeodd y cyfarfod am 11.25am.	