

**MEETING OF THE PENSIONS COMMITTEE  
OF TORFAEN COUNTY BOROUGH COUNCIL  
Held on Monday, 19 September 2016 at 10am  
In the Council Chamber, Civic Centre, Hanbury Road, Pontypool, NP4 6YB**

**MINUTES**

**Attendance: Members of the Committee**

**Councillors:**

Mary Barnett (Chair)  
Pamela Cameron  
Nigel Davies

**Officers:**

Delyth Harries, Assistant Chief Legal Officer and Deputy Monitoring Officer (ACLO&DMO)  
Mary Rollin, Pensions Manager (PM)  
Paul Rowles, Pension Investments Manager (PIM)  
Graeme Russell, Head of HR and Pensions (HoHR&P)  
Geraint Thomas, Democratic & Member Support Officer (D&MSO)

**Also Attending the Meeting**

Elizabeth Carey, Independent Investment Advisor

**Observing from the public gallery**

2 Pension Board Members

**Action**

**1 Attendance and Apologies**

- 1.1 The Chair welcomed all to the meeting, including Mr Ian Coleman (Chair of the Pension Board) and Mr Steve Harford (Member of the Pension Board).
- 1.2 Apologies were received from Councillors' Huw Bevan, Stephen Brooks and Stuart Evans. Apologies were also received from Nigel Aurelius, Assistant Chief Executive Resources (ACER).
- 1.3 The Chair explained that the Pension Board Members would be required to leave the Chamber for agenda items 9, 10 and 11 under the exclusion of press and public rules.

**2 Declarations of Interest**

- 2.1 Members confirmed the following declarations of personal interest as read by the Assistant Chief Legal Officer and Deputy Monitoring Officer (ACLO&DMO):

Councillor	In Receipt of Pension	Contributor
Mary Barnett	Husband	Self
Pamela Cameron	Husband	Self, daughter and 2 son-in-laws.
Nigel Davies	NONE	Self

2.2 Councillor Barnett also declared a personal interest as she was the Welsh Representative on the LGPS Ministerial Scheme Advisory Board and a member of the Deficit Working Party, had been appointed onto the Executive of LAPFF (Local Authorities Pension Funds Forum), member of LGPC and a Member of UCU Welsh Retired members.

2.3 The ACLO&DMO left the meeting.

### **3 Minutes 04/07/16**

3.1 The minutes of the meeting held on 4<sup>th</sup> July 2016 were confirmed as an accurate record.

### **4 For information: draft minutes of the Pension Board meeting of 20th July 2016**

4.1 The committee noted the minutes.

### **5 Quarterly Investment Performance Report to 30th June 2016**

5.1 The Independent Investment Advisor (IIA) entered the meeting.

5.2 The Pension Investments Manager (PIM) introduced the report and provided the following headlines:

- Quarter 2 had been eventful, particularly due to the 'Brexit' vote.
- The market value of the Fund at 30 June 2016 was just below £2,318 million, which was a very positive increase of around £108million from the last report to Committee in March. He added that a breakdown by asset class and manager was available on page 26 of the agenda.
- Quarter 2 had followed on from much of the previous quarter in terms of market volatility.
- A brief update was provided in terms of the Market Performance Summary outlined throughout page 27 of the agenda.
- There was an overall positive benchmark (market) return for the Fund of +5.45% for Quarter 2, which was up from the previous quarter and helped the longer term benchmark performance.
- Active Manager Performance in Quarter 2 had unfortunately followed the trend set in Quarter 1, with difficulties being seen across the majority of the Fund's investment managers. Underperformance of -0.52% had been seen against the positive +5.45% benchmark, resulting in an overall positive (absolute) return of +4.93% for the Fund in Quarter 2. Absolute performance over 1 Year was now +5.83%, which was 1.05% below the 12 month benchmark. As a result, the 3, 5 and 10 year figures were not as positive as officers would like to see relative to benchmark,

but have improved in an absolute sense.

- Video conferences had been held during the summer with most investment managers. Updates regarding all were provided, as per pages 31-32 of the agenda.
- A brief update was supplied regarding the current quarter (Quarter 3), explaining that July and August had been positive and that asset allocation to equities and also the fixed income approach had helped the Fund. September had however been mixed so far.
- The Fund value rose to an unaudited market value at the end of August 2016 of just over £2,475 million. This was a rise of £157 million since 30 June 2016 and was a new milestone for the Fund.

5.3 The IIA tabled a supplementary paper regarding Quarter 2 Economics and Market Summary and provided the following headlines:

- Following the 'Brexit' vote, only two days 'in the red' occurred in terms of the FTSE 100, those being the 24<sup>th</sup> and 27<sup>th</sup> June.
- A lot of quantitative easing and support from the banks had occurred.
- Index returns were positive at the end of the month.
- The FTSE 250 had been hit worse, due to its exposure to smaller companies.
- Over \$11 Trillion of bonds were trading at negative yields.
- Sterling fell 8% compared to the Dollar in June and 15% over the course of the year.
- The US economy was recovering.
- UK manufacturing had recorded a 5-month high in Quarter 2 and had seen a strengthened economy. The UK remained one of the most business friendly countries in the world.
- The Eurozone had strengthened by the end of Quarter 2; however it was not consistent across the whole area, e.g. France, Germany and Spain had performed well but Greece and Poland had not.
- Updates were provided in terms of the emerging markets, such as Latin America, where Brazil had performed the strongest due to their new government, which was market friendly.
- China had performed positively but was down 7% compared to the previous year, due to issues around the housing sector and over-capacity in many industries.
- A lot of long-term questions existed regarding the oil industry; with French oil major Total re-evaluating their involvement with oil.

5.4 The Chair confirmed that all Welsh members of LAPFF had been focussing on carbon reduction, by looking at possible investment alternatives.

5.5 The IIA responded to Members' questions regarding the key differences between short-term and long-term investments by stating that continuing long-term interest rates was a corporate concept and did not apply much in terms of the Fund. A lot of the Fund's liabilities are linked to a CPI base, requiring an investment return above the rate of inflation. Regarding the short-term, she explained that market reactions can often

be over-reactions and therefore they recover quickly. The PIM added that in the short-term also, diversification in terms of regions and manager type was very important.

5.6 The Chair and the PIM agreed that the recent LGC Investment Summit conference had seen an upbeat attitude following the 'Brexit' vote, that concerns existed regarding the US and North Korea and that the general atmosphere to collaboration, via pooling of investments, had been very positive.

5.7 The Head of HR and Pensions (HoHR&P) made the following wider and general comments:

- Although Quarter 2 had not been particularly good in terms of investment return, the fact that the Fund had seen an absolute return of almost 5% should be seen as a positive.
- Due to the high equity component, the hurdle that the Fund was setting itself was high.
- The investment return of approximately 6% each year stands well.
- The Fund was achieving the longer-term goals that it had set itself.
- It should be remembered that one quarter does not drive everything and that action had been taken regarding some performance issues.
- The Fund had an evolving strategy, due to 'Brexit', the oil industry, collaboration and government policy. He stressed that the pensions industry was changing complexion and that all of the above resulted in a lot to steer through.

5.8 The Chair added that investment managers realised that they were now under more scrutiny than ever before, due to such things as government involvement and local pension boards.

**5.9 The Pensions Committee agreed to:**

- (i) note the investment performance that had taken place during the second quarter of 2016 and provided comment and considered issues arising; and**
- (ii) note recent investment activity and considered any further appropriate course of action required.**

## **6 LGPS in Wales "Working Together" Collaboration Update**

6.1 The HoHR&P introduced the report and provided the following headlines:

- He reminded the committee in terms of the background, outlining appointments that had been made, previous updates including December 2015 and the Government's timetable regarding submissions.
- Since the last update to the committee in July 2016, extensive work had been undertaken across the Welsh Pool, highlighted in paragraphs 5.2 and 5.3 of the report.
- No specific decisions were being asked of the committee but it was worth looking at what progress had occurred.

- Since the publication of an OJEU Prior Indication Notice (PIN) on 15<sup>th</sup> August 2016 stating the intention to seek a Regulated third party operator for the Wales Pool, over 20 expressions of interest had been received. It was anticipated that the third party operator would be appointed by January or February 2017.
- Officers across the Wales Pool were drafting a Memorandum of Understanding in order to allow for 'shadow arrangements', before the formal legal document is finalised in order to create the Joint Governance Committee for an All Wales LGPS Pension Fund Investment Pooling arrangement. The formal document would need to be dove-tailed with TCBC's Constitution and may therefore require a Council decision, rather than a Pensions Committee decision.
- Given the uncertainty in timing of a response from DCLG and the wider prescriptive timescales in place, a Special Meeting of the Pensions Committee may be required to take place in advance of its December meeting to consider the matters contained in the report.
- DCLG had received an update from the Wales Pool since the final submission on 15 July 2016 regarding the level of industry interest, governance arrangements and potential operator arrangements. No response had been received from DCLG since the final submission and the HoHR&P was unsure of the date of formal feedback but he could confirm that DCLG officers would be engaging with Ministers during September.
- The impact that the pooling arrangements would have on reporting across all 8 funds would need to be discussed, as Members would need to be comfortable with the level of feedback and reporting. He acknowledged that this was an evolving piece of work.
- The timetable outlined in paragraph 6.1 of the report was discussed. The HoHR&P explained that although the government deadline for setting up pools was April 2018, the Wales Pool was aiming to be set up by the second half of 2017.

6.2 The Chair confirmed that Bob Holloway was retiring from DCLG and that he had agreed to join the LGA as a specialist advisor.

6.3 The Chair offered the following points:

- All officers had larger workloads on top of their normal work due to pooling.
- Local government elections in 2017 would have an effect on the collaboration work being carried out.
- Welsh officers had an advantage as they were already used to serving two 'masters' in the form of Welsh Government and Central Government.
- The delay seen in terms of a response from DCLG was understandable due to budgetary issues; however they do need to act soon in order for further progress to occur.
- It was very promising that the new Minister was listening to stakeholders and that his presence was visible.

- 6.4 The HoHR&P responded to Members' concerns around the size of the Wales Pool by explaining that the pool had scored strongly on 3 out of 4 of the criteria set by DCLG and that the Wales Pool was not the only pool under £25 billion, with similar sized pools being allowed to continue. He also explained that he had faith in the submission because of the different political context and legal environment in Wales, citing the Welsh Government, Well-being of Future Generations (Wales) Act and the Welsh Language Act.
- 6.5 The HoHR&P confirmed that governance arrangements would need to be understood, agreed and established by March 2017, due to local government elections in May 2017. Current Members have been part of a long journey and it makes sense to achieve this aim in order to allow officers to get then enable implementation, without delay in order to meet Central Government timescales.
- 6.6 The HoHR&P responded to Members' questions regarding investments in infrastructure by explaining that the government hoped that pooling investments would result in a greater capability to invest in infrastructure, as currently less than 1% of investments in Wales were in infrastructure. He explained that a cross-pooling sub group had been set up to discuss investments in infrastructure at pool and/or national level, as more expertise lay in some of the other pools. He stated that meaningful progress could be several years away.
- 6.7 The Pensions Committee agreed to:**
- (i) note the current position in respect of progress in respect of the establishment of an All Wales Collective Investment Vehicle for LGPS Investments;**
  - (ii) provide comment and direction as appropriate; and**
  - (iii) note the potential requirement for a Special meeting of the Pensions Committee to consider the Inter Authority Agreement and Terms of Reference for the Joint Governance Committee, together with any other matters as required.**

## **7 Elected Members - Continuing Professional Development Update**

- 7.1 The Chair confirmed that colleagues had done their best to attend as many available training opportunities as possible and that increased regional opportunities would soon be on offer due to the pooling of investments.
- 7.2 Councillor Cameron confirmed that she was conscious that she had missed some training due to ill-health and that she was willing to catch up.
- 7.3 The Pensions Committee agreed to:**
- (i) note the training update provided within this report for information, comment and offer views on developing a programme of training and education that meets Members' requirements.**

7.4 The Chair thanked Mr Ian Coleman and Mr Steve Harford for attending the meeting and they both left the meeting.

## **8 Exclusion of Press and Public**

8.1 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.

## **9 Exempt Minutes 04/07/16**

9.1 The committee noted the exempt minutes.

## **10 For information: draft minutes of the Pension Board meeting of 20th July 2016 - Exempt**

10.1 The exempt minutes of the meeting held on 4<sup>th</sup> July 2016 were confirmed as an accurate record.

## **11 To note any Exempt Decisions of the Assistant Chief Executive Resources**

11.1 The HoHR&P explained that:

- The decisions made in agenda item 9 had led to the decisions made by the Assistant Chief Executive Resources in this report.
- All transitions from previous investment managers to the new arrangements were taking place in Quarter 3 in order to limit disruptions.
- The HoHR&P confirmed that the previous investment managers were disappointed but not totally surprised with the decisions.

**11.2 The Pensions Committee agreed to:**

**(i) note the Exempt Decisions of the Assistant Chief Executive Resources.**

## **12 Date of Next Meeting 12/12/16**

12.1 The next meeting is scheduled to take place on 12<sup>th</sup> December 2016.

**Signed .....** **Chair** **Date.....**

Minutes produced by Geraint Thomas, Democratic & Member Support Officer.

**CYFARFOD PWYLLGOR PENSIYNAU CYNGOR  
BWRDEISTREF SIROL TORFAEN**

**A Gynhaliwyd ar ddydd Llun, 19 Medi 2016 at 10am**

**Yn Siambr y Cyngor, Y Ganolfan Ddinesig, Heol Hanbury, Pont-y-pŵl, NP4 6YB**

**COFNODION**

**Yn bresennol: Aelodau'r Pwyllgor**

**Cynghorwyr:**

Mary Barnett (Cadeirydd)

Pamela Cameron

Nigel Davies

**Swyddogion:**

Delyth Harries, Prif Swyddog Cyfreithiol Cynorthwyol a Dirprwy Swyddog Monitro.

Mary Rollin, Rheolwr Pensiynau

Paul Rowles, Rheolwr Buddsoddiadau Pensiynau

Graeme Russell, Pennaeth AD a Phensiynau

Geraint Thomas, Swyddog Cymorth Democratiaeth a Chefnogaeth Aelodau

**Hefyd yn bresennol**

Elizabeth Carey, Ymgynghorydd Buddsoddi Annibynnol

**Yn gwyllo o'r galeri cyhoeddus**

2 Aelod o'r Bwrdd Pensiynau

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<b>1.</b>	<b>Yn Bresennol ac Ymddiheuriadau</b>	
1.1	Croesawodd y Cadeirydd pawb i'r cyfarfod, gan gynnwys Mr Ian Coleman (Cadeirydd y Bwrdd Pensiynau) a Mr Steve Harford (Aelod o'r Bwrdd Pensiynau).	
1.2	Derbyniwyd ymddiheuriadau oddi wrth y Cynghorwyr Huw Bevan, Stephen Brooks a Stuart Evans. Derbyniwyd ymddiheuriadau hefyd oddi wrth Nigel Aurelius, Prif Weithredwr Cynorthwyol Adnoddau.	
1.3	Esboniodd y Cadeirydd y byddai rhaid i Aelodau'r Bwrdd Pensiwn adael y Siambr ar gyfer eitemau 9, 10 ac 11 o dan reolau gwahardd y wasg a'r cyhoedd.	
<b>2.</b>	<b>Datganiadau o ddiddordeb</b>	
2.1	Cadarnhaodd Aelodau'r datganiadau o ddiddordeb canlynol fel y'u darllenwyd gan Y Prif Swyddog Cyfreithiol Cynorthwyol a Dirprwy Swyddog Monitro:	



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	<b>Cynghorydd</b>	<b>Yn derbyn Pensiwn</b>	<b>Cyfrannwr</b>	
	Mary Barnett	Gŵr	Ei hun	
	Pamela Cameron	Gŵr	Ei hun, merch a 2 fab yng nghyfraith.	
	Nigel Davies	Dim	Ei hun	
2.2	Datganodd y Cynghorydd Barnett ddiddordeb personol gan ei bod yn Gynrychiolydd Cymreig ar Fwrdd Cynghori Cynllun Gweinidogaethol y Cynllun Pensiwn Llywodraeth Leol ac yn aelod o Weithgor y Diffyg Ariannol, wedi ei hapwyntio i Bwyllgor Gwaith Fforwm Cronfeydd Pensiwn Awdurdodau Lleol, yn aelod o Bwyllgor Pensiwn Llywodraeth Leol ac yn aelod o Aelodau Undeb Prifysgol a Choleg Cymreig wedi ymddeol			
2.3	Gadawodd y Prif Swyddog Cyfreithiol a Dirprwy Swyddog Monitro'r cyfarfod.			
<b>3.</b>	<b>Cofnodion 04/07/16</b>			
3.1	Cadarnhawyd bod cofnodion y cyfarfod a gynhaliwyd ar 4 <sup>ydd</sup> Gorffennaf 2016 yn gywir.			
<b>4.</b>	<b>Er Gwybodaeth: cofnodion drafft cyfarfod y Bwrdd Pensiynau ar 20<sup>fed</sup> Gorffennaf 2016</b>			
4.1	Nododd y Pwyllgor y Cofnodion.			
<b>5.</b>	<b>Adroddiad Chwarterol ar Berfformiad Buddsoddiadau hyd 30<sup>ain</sup> Mehefin 2016</b>			
5.1	Daeth yr Ymgynghorydd Buddsoddi Annibynnol i'r Cyfarfod.			
5.2	<p>Cyflwynodd y Rheolwr Buddsoddiadau Pensiwn (PIM) yr adroddiad a rhoddodd y penawdau canlynol:</p> <ul style="list-style-type: none"> <li>• Roedd Chwarter 2 wedi bod yn gynhyrfus, yn arbennig o achos pleidlais 'Brexit'.</li> <li>• Gwerth y Gronfa ar 30 Mehefin 2016 oedd tipyn o dan £2,318 miliwn, a oedd yn gynnydd cadarnhaol o tua £108miliwn o'r adroddiad diwethaf i'r Pwyllgor ym Mawrth. Ychwanegodd bod dosraniad yn ôl dosbarth asedau ac yn ôl rheolwyr ar gael ar dudalen 26 yr agenda.</li> <li>• Roedd Chwarter 2 wedi dilyn dipyn ar y chwarter blaenorol yn nhermau cyfnewidioldeb y farchnad.</li> <li>• Rhoddwyd diweddariad byr yn nhermau'r Crynodeb ar Berfformiad y Farchnad a amlinellwyd ar dudalen 27 yr agenda.</li> <li>• Roedd derbyniadau meincnod cadarnhaol ar y cyfan ar gyfer y Gronfa o +5.45% ar gyfer Chwarter 2, codiad ar y chwarter blaenorol a oedd yn cynorthwyo'r perfformiad meincnod hirdymor.</li> <li>• Roedd Perfformiad Gweithredol Rheolwr yng Nghwarter 2 yn anffodus wedi dilyn y tueddiad yn Chwarter 1, gydag anawsterau i'w gweld ar</li> </ul>			

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5.3	<p>draws y mwyafrif o reolwyr buddsoddiadau'r Gronfa. Roedd tanberfformiad o -0.52% i'w weld wrth ymyl y meincnod cadarnhaol o +5.45%, gan arwain at dderbyniad cadarnhaol (absoliwt) at ei gilydd o +4.93% ar gyfer y Gronfa yn Chwarter 2. Roedd perfformiad dros 1 flwyddyn nawr yn +5.83%, ffigwr a oedd 1.05% o dan y meincnod 12 mis. O ganlyniad doedd y ffigyrau 3, 5 a 10 mlynedd ddim mor gadarnhaol ag y byddai'r swyddogion yn dymuno gweld mewn perthynas â'r meincnod, ond maen nhw wedi gwella mewn ystyr absoliwt.</p> <ul style="list-style-type: none"> <li>• Cynhaliwyd cynadleddau trwy fideo gyda'r rhan fwyaf o reolwyr buddsoddiad yn ystod yr haf. Rhoddwyd diweddariad mewn perthynas â'r rhain i gyd, yn unol â thudalennau 31-32 yr agenda.</li> <li>• Rhoddwyd diweddariad byr mewn perthynas â'r chwarter presennol (Chwarter 3), yn esbonio bod Gorffennaf ac Awst wedi bod yn gadarnhaol a bod dosbarthu asedau yn erbyn soddgyfrannau a'r dull incwm sefydlog wedi cynorthwyo'r Gronfa. Roedd Medi wedi bod yn gymysg hyd yn hyn serch hynny</li> <li>• Cododd y Gronfa at werth ar y farchnad, heb ymchwiliad, ar ddiwedd Awst o ychydig dros £2,475 miliwn. Cynnydd o £157 miliwn ers 30 Mehefin 2016 ac yn garreg filltir newydd i'r Gronfa.</li> </ul> <p>Cyflwynodd y Cynghorydd Buddsoddi Annibynnol bapur ychwanegol mewn perthynas ag Economeg a Chrynodeb y Farchnad ar gyfer Chwarter 2 a rhoddodd y penawdau canlynol:</p> <ul style="list-style-type: none"> <li>• Y dilyn pleidlais 'Brexit', dim ond dau ddiwrnod 'yn y coch' a gafwyd yn nhermau'r FTSE 100, sef 24<sup>ain</sup> a 27<sup>ain</sup> Mehefin.</li> <li>• Bu llawer o esmwytho meintiol a chefnogaeth gan y banciau.</li> <li>• Roedd derbyniadau'r Mynegai yn gadarnhaol ar ddiwedd y mis.</li> <li>• Cafodd y FTSE 250 ei daro'n waeth, oherwydd ei amlygiad i gwmnïau llai.</li> <li>• Roedd gwerth dros \$11 Triliwn of fondiau yn rhoi elwau negyddol.</li> <li>• Cwmpodd y Bunt 8% o'i chymharu â'r Ddoler ym Mehefin a 15% dros gwrs y flwyddyn.</li> <li>• Roedd economi UDA yn gwella.</li> <li>• Roedd cynhyrchu yn y DU wedi cyrraedd uchafbwynt 5 mis yn Chwarter 2 ac wedi gweld cryfhau ar yr economi. Roedd y DU yn parhau i fod yn un o'r gwledydd mwyaf cyfeillgar at fusnes yn y byd.</li> <li>• Roedd Ardal yr Ewro wedi cryfhau erbyn diwedd Chwarter 2. Serch hynny doedd hyn ddim yn gyson ar draws yr ardal e.e. roedd Ffrainc, yr Almaen a Sbaen wedi perfformio'n well ond doedd Groeg a Gwlad Pwyl ddim.</li> <li>• Rhoddwyd diweddariadau yn nhermau'r marchnadoedd sy'n datblygu, fel America Ladin, ble roedd Brasil wedi perfformio orau oherwydd ei llywodraeth newydd a oedd yn gyfeillgar tuag at y farchnad.</li> <li>• Roedd Tseina wedi perfformio'n gadarnhaol ond roedd i lawr 7% o gymharu â'r flwyddyn flaenorol, oherwydd materion yn y sector dai a gor-gynhyrchu mewn nifer o ddiwydiannau.</li> </ul>	

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	<ul style="list-style-type: none"> <li>Roedd nifer o gwestiynau hirdymor ynghylch y diwydiant olew; gyda chwmni mawr Ffrengig Total yn ail-werthuso ymwneud ag olew.</li> </ul>	
5.4	Cadarnhaodd y Cadeirydd bod holl aelodau Cymreig Fforwm Cronfeydd Pensiwn Awdurdodau Lleol wedi bod yn canolbwyntio ar leihau carbon, gan edrych ar bosibiliadau amgen ar gyfer buddsoddi.	
5.5	Atebodd yr Ymgynghorydd Buddsoddi Annibynnol gwestiynau'r aelodau ynghylch y prif wahaniaethau rhwng buddsoddiadau tymor byr a rhai tymor hir gan ddweud bod cyfraddau llog hirdymor parhaus yn gysyniad corfforaethol ac nid oedd yn berthnasol iawn yn nhermau'r Gronfa. Roedd llawer o ddyledion y Gronfa wedi'u seilio ar Fynegai Prisiau Defnyddwyr, sy'n gofyn am elw uwchben cyfradd chwyddiant. Yng nghyd-destun y tymor byr esboniodd bod y marchnadoedd yn aml yn gor-ymateb ac felly yn adfer yn gyflym iawn. Ychwanegodd y Rheolwr Buddsoddiadau Pensiwn hefyd bod amrywiaeth o ranbarthau a math o reolwr yn bwysig iawn. .	
5.6	Cytunodd y Cadeirydd a'r Rheolwr Buddsoddi Pensiynau bod Uwch Gynhadledd Buddsoddi'r LGC yn ddiweddar wedi gweld agwedd cadarnhaol yn dilyn pleidlais Brexit., bod pryderon ynghylch UDA a Gogledd Corea a bod yr hinsawdd gyffredinol o gwmpas cydweithio, trwy gyfuno buddsoddiadau, wedi bod yn gadarnhaol iawn.	
5.7	Gwnaeth Pennaeth AD a Phensiynau'r sylwadau ehangach a chyffredinol canlynol: <ul style="list-style-type: none"> <li>Er nad oedd Chwarter 2 wedi bod yn arbennig o dda yn nhermau elw ar fuddsoddiad dylid edrych ar y ffaith bod y Gronfa wedi gweld elw absoliwt o bron 5% fel rhywbeth cadarnhaol.</li> <li>Oherwydd y gydran soddgyfrannau roedd y targed yr oedd y Gronfa yn gosod iddi hi'i hun yn uchel.</li> <li>Roedd elw o tua 6% y flwyddyn yn dda.</li> <li>Roedd y Gronfa yn llwyddo yn yr amcanion hirdymor yr oedd wedi gosod ei hun.</li> <li>Dylid cofio nad yw un chwarter yn gyrru popeth ac roedd camau wedi eu cymryd ynglŷn â rhag agweddau ar berfformiad.</li> <li>Roedd gan y Gronfa strategaeth ddatblygol, oherwydd Brexit, y diwydiant olew, cydweithio a pholisi'r llywodraeth. Pwysleisiodd bod y diwydiant pensiynau yn newid gwedd a bod hyn i gyd yn golygu bod tipyn i lywio.</li> </ul>	
5.8	Ychwanegodd y Cadeirydd bod rheolwyr buddsoddiadau wedi sylweddoli bod mwy o lygaid arnyn nhw nawr, oherwydd ffactorau fel mewnbwn y llywodraeth a byrddau pensiwn lleol.	
5.9	<b>Cytunodd y Pwyllgor Pensiynau i:</b> <b>(iii)Nodi'r perfformiad buddsoddi a ddigwyddodd yn ystod chwarter olaf 2016 a gwneud sylwadau pellach ac ystyried materion yn</b>	

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	<b>codi; a</b> <b>(iv) Nodi gweithgaredd buddsoddi diweddar a rhoi ystyriaeth i unrhyw gamau priodol arall yr oedd yn angenrheidiol.</b>	
<b>6.</b>	<b>Diweddariad ar Gydweithio “Working Together” Cronfa Pensiwn Llywodraeth Leol yng Nghymru</b>	
6.1	<p>Cyflwynodd Pennaeth AD a Phensiynau yr adroddiad a rhoddodd y penawdau canlynol:</p> <ul style="list-style-type: none"> <li>• Atgoffodd y Pwyllgor am y cefndir, gan amlinellu'r apwyntiadau a wnaed, diweddariadau blaenorol gan gynnwys Rhagfyr 2015 ac amserlen y llywodraeth ar gyfer argymhellion.</li> <li>• Ers y diweddariad diwethaf i'r Pwyllgor yng Ngorffennaf 2016, roedd gwaith sylweddol wedi ei wneud ar draws y Gronfa Gymreig, fel a amlygwyd ym mharagraffau 5.2 a 5.3 yr adroddiad.</li> <li>• Nid oedd gofyn i'r pwyllgor wneud penderfyniadau penodol ond roedd yn werth edrych ar yr hyn oedd ar droed.</li> <li>• Ers cyhoeddi Rhybudd Dangosol o Flaen Llaw gan Gofnod Swyddogol yr Undeb Ewropeaidd ar 15<sup>fed</sup> Awst 2016 yn datgan y bwriad i geisio Gweithredwr Trydydd Parti Rheoleiddiedig ar gyfer Cronfa Cymru, derbyniwyd dros 20 mynegiant o ddi-ddordeb. Roedd disgwyl y byddai Gweithredwr yn cael ei apwyntio erbyn Ionawr neu Chwefror 2017.</li> <li>• Roedd swyddogion ar draws Cronfa Cymru yn drafftio Memorandwm Cyd-ddealltwriaeth er mwyn caniatáu “trefniadau cysgodol” cyn cwblhau'r ddogfen gyfreithiol ffurfiol er mwyn creu Cydbwyllgor Llywodraethol ar gyfer trefniant Cydrannu Buddsoddiad Cronfa Pensiwn Cynllun Pensiwn Llywodraeth Leol. Byddai angen plethu'r ddogfen ffurfiol gyda chyfansoddiad Cyngor Bwrdeistref Sirol Torfaen ac efallai bydd angen penderfyniad gan y Cyngor yn hytrach na'r Pwyllgor Pensiynau.</li> <li>• Oherwydd yr ansicrwydd wrth amseru ateb gan yr Adran Cymunedau a Llywodraeth Leol a'r amserlenni cyfarwyddol ehangach sydd mewn grym, efallai bydd angen Cyfarfod Arbennig o'r Pwyllgor Pensiynau cyn cyfarfod y Pwyllgor yn Rhagfyr er mwyn ystyried y materion yn yr adroddiad.</li> <li>• Roedd yr Adran Cymunedau a Llywodraeth Leol wedi derbyn diweddariad gan Gronfa Cymru ers y cyflwyniad olaf ar 15 Gorffennaf 2016 ynglŷn â lefel y diddordeb o fewn y diwydiant, trefniadau llywodraethol a threfniadau posibl ar Weithredwyr. Nid oedd ymateb wedi dod gan yr Adran Gymunedau a Llywodraeth Leol ers y cyflwyniad olaf ac roedd y Pennaeth AD a Phensiynau yn ansicr o ddyddiad yr adborth ffurfiol a chadarnhaodd bod swyddogion yr Adran Cymunedau a Llywodraeth Leol yn trafod gyda Gweinidogion ym Medi.</li> <li>• Byddai angen trafod yr effaith y byddai cydrannu yn cael ar adrodd ar 8 cronfa wahanol, gan fydd angen i Aelodau fod yn gyfforddus gyda'r lefel o adborth ac adrodd yn ôl. Cydnabyddodd bod hyn yn waith a oedd yn datblygu wrth fynd ymlaen.</li> </ul>	

		<u>Cam</u>
	<ul style="list-style-type: none"> <li>Trafodwyd yr amserlen ym mharagraff 6.1 yr adroddiad. Esboniodd y Pennaeth AD a Phensiynau mai Ebrill 2018 oedd dyddiad cau'r llywodraeth ar gyfer sefydlu Cronfeydd ar y cyd, roedd disgwyl sefydlu Cronfa Cymru erbyn ail hanner 2017.</li> </ul>	
6.2	<p>Cadarnhaodd y Cadeirydd bob Bob Holloway yn ymddeol o'r Adran Cymunedau a Llywodraeth Leol ac roedd wedi cytuno'r Gymdeithas Llywodraeth Leol fel ymgynghorydd arbenigol.</p>	
6.3	<p>Cynigiodd y Cadeirydd y pwyntiau canlynol:</p> <ul style="list-style-type: none"> <li>Roedd gan y swyddogion i gyd llwyth o waith ar ben eu gwaith arferol oherwydd Cydrannu.</li> <li>Byddai etholiadau llywodraeth leol yn 2017 yn cael effaith ar y cydweithio oedd yn digwydd.</li> <li>Roedd gan swyddogion Cymreig fantais gan eu bod wedi arfer gwasanaethu dau 'feistr' sef Llywodraeth Cymru a Llywodraeth Ganolog.</li> <li>Roedd yr oedi wrth ddisgwyl ateb gan yr Adran Cymunedau a Llywodraeth Leol yn ddealladwy oherwydd materion cyllidebol; ond mae angen iddyn nhw weithredu yn fuan er mwyn i ddatblygiadau pellach i ddigwydd.</li> <li>Roedd yn addawol bod y Gweinidog newydd yn gwrando ar rhanddeiliaid a bod ei bresenoldeb yn weladwy.</li> </ul>	
6.4	<p>Ymatebodd y Pennaeth AD a Phensiynau i bryderon aelodau ynghylch maint Cronfa Cymru trwy esbonio bod y Gronfa wedi sgorio'n gryf ar 3 allan o 4 o'r meini prawf a osodwyd gan yr Adran Cymunedau a Llywodraeth Leol ac mae nid Cronfa Cymru oedd yr unig un o dan £25biliwn, gyda chronfeydd tebyg yn cael parhau. Esboniodd hefyd bod ganddo ffydd yn y cais oherwydd y cyddestun gwleidyddol a hinsawdd cyfreithiol gwahanol yng Nghymru, gan gyfeirio at Ddeddf Llesiant Cenedlaethau'r Dyfodol (Cymru) a Deddf yr Iaith Gymraeg</p>	
6.5	<p>Cadarnhaodd y Pennaeth AD a Phensiynau y byddai angen deall, cytuno a sefydlu'r trefniadau llywodraethol erbyn Mawrth 2017, oherwydd etholiadau llywodraeth leol ym Mai 2017. Mae aelodau presennol wedi bod ar daith hir ac mae'n gwneud synnwyr i gyrraedd y nod er mwyn caniatáu i swyddogion gael ac yna galluogi gweithredu heb oedi er mwyn cwrdd ag amserlen Llywodraeth Ganolog.</p>	
6.6	<p>Atebodd y Pennaeth AD a Phensiynau gwestiynau'r aelodau ynglŷn â buddsoddi mewn isadeiledd trwy esbonio bod y llywodraeth yn gobeithio bydd cydrannu yn caniatáu gallu gwell i fuddsoddi mewn isadeiledd, gan fod llai na 1% o fuddsoddiadau yng Nghymru ar hyn o bryd mewn isadeiledd. Esboniodd bod is-bwyllgor rhwng y cronfeydd wedi ei sefydlu i drafod buddsoddiadau mewn isadeiledd ar lefel Cronfa neu lefel Genedlaethol, gan fod mwy o arbenigedd yn rhai o'r cronfeydd eraill neu ar lefel cenedlaethol. Dywedodd y gall ddatblygiad ystyrlon gymryd rhai blynyddoedd</p>	

		<u>Cam</u>
<b>6.7</b>	<p><b>Cytunodd y Pwyllgor Pensiynau i:</b></p> <p>(iv) Nodi'r sefyllfa bresennol ar ddatblygu sefydlu Cyfrwng Cyd-Fuddsoddi Cymru Gyfan ar gyfer Buddsoddiadau Cynllun Pensiwn Llywodraeth Leol;</p> <p>(v) Rhoi sylwadau a chyfarwyddyd pan yn briodol; a</p> <p>(vi) Nodi'r angen posibl am gyfarfod Arbennig o'r Pwyllgor Pensiynau er mwyn ystyried y Cytundeb Rhyng-Awdurdod ac unrhyw Gylch Gorchwyl ar gyfer y Cyd-Bwyllgor Llywodraethol, ynghyd ag unrhyw faterion eraill yn ôl y gofyn.</p>	
<b>7.</b>	<b>Aelodau Etholedig – Diweddariad ar Ddatblygu Proffesiynol Parhaus</b>	
7.1	Cadarnhaodd y Cadeirydd bod aelodau wedi gwneud eu gorau i fynychu gymaint o gyfleoedd a oedd ar gael ar gyfer hyfforddi ac y byddai mwy o gyfleoedd ar lefel rhanbarthol yn fuan oherwydd Cydrannu buddsoddiadau.	
7.2	Cadarnhaodd y Cynghorydd Cameron ei bod hi'n ymwybodol ei bod wedi colli peth hyfforddi oherwydd salwch ac roedd yn fodlon dal i fyny.	
<b>7.3</b>	<p><b>Cytunodd y Pwyllgor Pensiynau i:</b></p> <p>(ii) Nodi'r diweddariad ar hyfforddi o fewn yr adroddiad yma er gwybodaeth, gwneud sylwadau a mynegi barn ar ddatblygu rhaglen hyfforddiant ac addysg syn cwrdd ag anghenion yr Aelodau.</p>	
7.4	Diolchodd y Cadeirydd i Mr Ian Coleman a Mr Steve Harford am ddod i'r cyfarfod ac fe adawodd y ddau'r cyfarfod.	
<b>8.</b>	<b>Gwahardd y Wasg a'r Cyhoedd</b>	
8.1	Cytunodd y pwyllgor i wahardd y wasg a'r cyhoedd gan nad oedd y cyflwyniadau a'r papurau i gael eu gwneud yn gyhoeddus oherwydd yn unol â pharagraffau 12 a 14 adran 4 of Atodiad 12a Deddf Llywodraeth Leol 1972 (fel y'i diwygiwyd gan Orchymyn Amrywio Mynediad at Wybodaeth Cymru 2007), roedd yn cynnwys gwybodaeth am unigolyn penodol a gwybodaeth ynglŷn â materion ariannol a busnes unigolion penodol gan gynnwys y Cyngor ac yn holl amgylchiadau'r achos roedd y budd i'r cyhoedd o eithrio yn drech na'r budd i'r cyhoedd o ddatgelu'r wybodaeth.	
<b>9.</b>	<b>Er gwybodaeth: cofnodion drafft cyfarfod y Bwrdd Pensiynau ar 20<sup>fed</sup> Gorffennaf 2016 – wedi'u heithrio</b>	
9.1	Nododd y pwyllgor y cofnodion wedi'u heithrio.	
<b>10.</b>	<b>Cofnodion wedi'u heithrio 04/07/16</b>	

		<u>Cam</u>
10.1	Cadarnhawyd bod Cofnodion y cyfarfod ar 4 <sup>ydd</sup> Gorffennaf 2016 yn gywir.	
<b>11.</b>	<b>Nodi unrhyw Benderfyniadau wedi'u Heithrio gan y Prif Weithredwr Cynorthwyol Adnoddau</b>	
11.1	Esboniodd y Pennaeth AD a Phensiynau bod: <ul style="list-style-type: none"> <li>• Y penderfyniadau a wnaed yn eitem 9 ar yr agenda wedi arwain at y penderfyniadau a wnaed gan y Prif Weithredwr Cynorthwyol Adnoddau yn yr adroddiad yma.</li> <li>• Byddai'r holl drawsnewidiadau oddi wrth y rheolwyr buddsoddiadau blaenorol i'r trefniadau newydd yn digwydd yn ystod Chwarter 3 er mwyn cyfyngu ar amhariadau.</li> <li>• Cadarnhaodd y Pennaeth AD a Phensiynau bod y rheolwyr buddsoddiadau blaenorol yn siomedig gyda'r penderfyniadau ond nad oedden nhw wedi'u synnu'n llwyr.</li> </ul>	
<b>11.2</b>	<b>Cytunodd y Pwyllgor Pensiynau i:</b> <b>(i) Nodi'r Penderfyniadau wedi'u Heithrio gan y Prif Weithredwr Cynorthwyol Adnoddau.</b>	
<b>12.</b>	<b>Dyddiad y Cyfarfod nesaf 12/12/16</b>	
12.1	Bwriedir i'r Cyfarfod nesaf ddigwydd ar 12 <sup>fed</sup> Rhagfyr 2016.	

**Arwyddwyd..... Cadeirydd Dyddiad.....**

Cynhyrchwyd y Cofnodion gan Geraint Thomas, Uwch Swyddog Cefnogi Busnes (Gwasanaethau Democraidd).