

## **Scottish Parliamentary Pension Scheme**

# **Minutes of the Fund Trustee meeting held on 3 March 2026 at 17:30 via Microsoft Teams**

### **Present:**

Pauline McNeill MSP (Trustee and Chair)  
Murdo Fraser MSP (Trustee)  
Gordon MacDonald MSP (Trustee)  
Mark Ballard (Trustee)  
Kirsten Knox (Secretariat, SPCB Pay and Pensions Office)

### **In Attendance:**

Keith Gourley (GAD)  
Chris Ward (GAD)  
Laura Brunton (GAD)  
Lindsey Knight (Baillie Gifford)  
Eleanor McKee (Baillie Gifford)  
Neil Mackie (SPCB Pay and Pensions Office)  
James Vinestock (SPCB Procurement Office)  
Nicholas Fraser (SPCB Legal Services Office)

### **Item 1: Attendance/apologies**

1. No apologies were received.

### **Item 2: Minutes of the meeting held on 2 December 2025**

2. The minutes of the meeting held on 2 December 2025 were formally agreed and the Chair noted the importance of recording key decisions correctly for the benefit of future Trustee Board members.

### **Item 3: Pension Administration Update**

3. James Vinestock provided an update on Scheme administration, confirming that the formal documentation had been signed off, and costs had been agreed with SPPA for the period April-September 2025. Trustees confirmed they were content with the update and the arrangements as set out in the update.

**AP: SPPS Secretariat to provide a further update to the Trustees at a future meeting.**

## **Item 4: Fund Development Update**

5. Baillie Gifford presented two key fund changes: the Diversified Growth Fund (DGF) will merge into the Multi-Asset Income Fund in April, and the Sustainable Growth Fund (SGF) will close in June, with assets proposed to move into the Global Alpha Paris-Aligned (GAPA) Fund. GAD has reviewed both proposals and considered them reasonable, noting that the DGF merger is sound in terms of the replacement fund being expected to fulfil a similar role to the DGF in the Trustee's investment strategy. The GAPA transition maintains responsible investment alignment, albeit with a stronger focus on climate change. However, GAD suggested that using the Baillie Gifford proposed options should also trigger a wider review of investment strategy, including use of diversifying asset classes and how responsible investing is implemented.

6. After discussion, Trustees expressed a preference to transfer SGF assets into the L&G Future World Global Equity Index Fund rather than defaulting to GAPA, subject to receiving a short paper from GAD providing further information about the transition. A staggered move commencing in mid to late April was agreed, ensuring completion before the June closure. A wider investment strategy review remains desirable but is not feasible before the SGF deadline.

**AP: GAD to prepare a paper to provide further information about the transition.**  
**AP: GAD and the SPPS Secretariat to work collaboratively to support the transition.**

## **Item 5: Quarterly Investment Monitoring Report**

7. Chris reported that gilt yields remained broadly stable over quarter four of 2025, with a small fall in inflation expectations. Overall market conditions were muted, and fund performance was generally positive. L&G delivered the strongest returns in Q4, while Baillie Gifford lagged slightly due to broader challenges faced by growth-focused strategies. Recent market volatility has centred on technology and AI-related stocks; although a short-term correction is possible, this is not expected to trigger a prolonged global downturn.

8. The Scheme's funding position remains strong, providing a buffer to afford resilience during periods of volatility. Considering current market dynamics, Trustees re-committed to their existing level of investment risk but would explore diversifying asset classes if they could add to the overall efficiency of the Trustees' investment portfolio.

## **Item 6: L&G Policy Changes**

9. Chris reported that Legal & General wrote to the Trustees and GAD recently to notify the Scheme of upcoming changes to the terms and conditions governing the L&G investments. The investment aspects of these changes have been reviewed by GAD and by Nick from a legal perspective. The amendments are relatively minor and relate mainly to how L&G handles operational errors.

## **Restricted – Financial Management**

10. It was noted that if further changes are introduced in future, the cumulative impact may raise the operational risk of using L&G, and Trustees may need to consider whether that remains acceptable.

### **Item 7: Review of Scheme Factors**

12. Laura and Keith presented a paper providing recommendations for updating the Scheme Factors, noting that they were last reviewed following the 2022 valuation and should be reviewed at least every 3 years.

13. The Trustees discussed the advice and recommendation presented. Cash communication factors, transfer value factors (in and out), added-years factors, and annual allowance scheme pays factors are all to be updated. In addition, Trustees also agreed to review the policy for transfers in at a future meeting. The implementation date for the changes would be around 3 months after the valuation is signed off to allow for time in calculating the new factors and preparing the updated guidance, it was estimated this would be around September 2026 at the earliest.

14. GAD will finalise the 2025 valuation documentation and work with the SPPS Secretariat to update the Factors including a plan for communicating the update to Scheme members.

**AP: Trustees to review the transfer in policy at a future meeting.**

**AP: GAD and the SPPS Secretariat to work collaboratively to update the Factors and communicate updates to Scheme members.**

### **Item 8: Any Other Business**

15. Nick provided an update on the Dual Mandate Regulations, explaining that the although the 2009 Scottish Parliamentary Pension Act already included provisions for MSPs who also serve as MPs, councillors or members of the House of Lords, a technical inconsistency arose between that legislation and subsequent amendments to the Scotland Act 1999 relating to dual mandates. He reported that the matter is now resolved with no further action needed from Trustees.

16. Pauline thanked everyone for their wonderful service and easy guide through what is a complicated issue.

### **Item 9: Date of next meeting**

17. Date for next meeting set for Tuesday 2 June 2026