

## **Minutes of the Pension Fund Investment Sub-Committee meeting held on 10 December 2018**

### **Present:**

#### **Members**

Councillors Bill Gifford (Vice-Chair), John Horner, Wallace Redford, Bob Stevens (Chair), and Alan Webb

#### **Officers**

Aneeta Dhoot – Senior Finance Officer  
Chris Norton – Strategic Finance Manager  
Helen Barnsley - Democratic Services Officer  
Jane Pollard – Legal Service Manager  
Michael Nicolaou – Interim Treasury Manager  
Sukhdev Singh – Senior Finance Manager

#### **Invitees**

Daniel Booth – Chief Investment Officer – Border to Coast Pensions Partnership  
Karen Shackleton – Independent Investment Adviser  
Mathew Dawson – Client Relationship Manager, Border to Coast Pensions Partnership  
Paul Potter – Hymans Robertson  
Peter Jones – Independent Investment Adviser  
Richard Warden – Hymans Robertson

### **1. General**

#### **(1) Apologies for absence**

None

#### **(2) Members Disclosures of Pecuniary and Non-Pecuniary Interests**

None

#### **(3) Minutes of the previous meeting held on 10 September 2018**

The minutes of the meeting held on 10 September 2018 were agreed as true and correct record and were signed by the Chair.

### **2. Forward Plan**

Chris Norton, Strategic Finance Manager presented an updated version of the report to the Committee. It was noted that the Committee can add additional items as required. Following a review of the work programme in early 2019, a decision will be taken regarding holding an extra meeting.

#### **Resolved**

That the Sub-Committee notes the forward plan

### **3. Investment Performance**

Chris Norton, Strategic Finance Manager presented the report regarding the fund value and investment performance for the second quarter of 2018/19. The Committee was asked to note that the report for Quarter Three will feature money moved across into the Global Equity Fund.

It was noted by the Committee that the fund manager report showed performance that was better than the benchmark, which itself is performing well. MFS Investment Management (MFS) also performed better in the second quarter (covered later in the agenda) and consideration was given to the Committee inviting them to a future meeting.

#### **Resolved**

That the Sub-Committee notes the fund value and investment performance for the second quarter of 2018-19 to 30 September 2018

### **4. Markets in Financial Instruments Directive 2 (MIFID) update**

Chris Norton, Strategic Finance Manager presented the report to the Committee which gave an update on the MIFID framework.

Successful training sessions had been held for members of the Committee which received positive feedback from attendees. It was agreed that there was no action required following the report but that Chris Norton would arrange for a further two training sessions in 2019.

#### **Resolved**

That the Sub-Committee notes and comment on the report

### **5. Border to Coast RI Policy**

Michael Nicolaou, Interim Treasury Manager presented the report highlighting Border to Coast responsible investment policies. The policies were approved by the Pensions Joint Committee on 21 November 2018.

The Committee was asked to note point 8.2 of Appendix A; the underlying principles of the policies need to be agreed rather than each individual investment. The Committee agreed to the principles of the policies and acknowledged that the policy could be reviewed at the request of the Committee at any future meeting.

#### **Resolved**

That the Sub-Committee:

- 1) Notes and comments on the Border to Coast Pension Partnership revised Responsible Investment policies; and
- 2) Resolves that the WCC Pension Fund adopts the principles of the Border to Coast Pension Partnership revised Responsible Investment policies.

## **6. Any other items**

Councillor John Horner asked for officer's views on pension funds investing in social and affordable housing. It was acknowledged that geographical considerations could not be taken into account – i.e. the fund could not invest only in Warwickshire based schemes. Karen Shackleton, Independent Investment Adviser confirmed that there are advantages of pension fund investment pools in social and affordable housing. There are diversified returns that would include returns on local investments. Paul Potter, Hymans Robertson advised that the Committee should tread carefully and ensure that the risk and return is balanced.

Peter Jones, Independent Investment Adviser requested that it be noted in the minutes that he is a Director of Halliwell Housing in East Anglia. This would not be recorded as a Declaration of Interest.

## **Reports Containing Confidential or Exempt Information**

### **Resolved:**

'That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972'.

## **7. Risk Register**

### **Resolved:**

That the Sub-Committee agree to the recommendations as set out within the exempt minutes.

## **8. Quarterly Funding and Performance Update**

### **Resolved:**

That the Sub-Committee agree to the recommendations as set out within the exempt minutes.

## **9. Actuarial Update**

### **Resolved:**

That the Sub-Committee agree to the recommendations as set out within the exempt minutes.

## **10. Border to Coast Chief Investment Officer Briefing**

### **Resolved:**

That the Sub-Committee agree to the recommendations as set out within the exempt minutes.

**11. Border to Coast Update**

**Resolved:**

That the Sub-Committee agreed to the recommendations as set out within the exempt minutes.

**12. Global Equities Fund Update**

**Resolved:**

That the Sub-Committee agreed to the recommendations as set out within the exempt minutes.

**13. Scheme of Delegation**

**Resolved:**

That the Sub-Committee agreed to the recommendations as set out within the exempt minutes.

**14. Property Debt**

**Resolved:**

That the Sub-Committee agreed to the recommendations as set out within the exempt minutes.

**15. Exempt minutes of the meeting held on 10 September 2018**

The exempt minutes of the meeting held on 10 September 2018 were agreed as true and correct record and were signed by the Chair.

The meeting rose at 12:52pm

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Chair