

# **Warwickshire Local Pension Board**

## **Investments Update**

**21 July 2020**

### **1.0 Recommendation(s)**

1.1 That the Board notes and comments on the report.

### **2.0 Executive Summary**

2.1 This report provides an update on investment activity for note and comment.

2.2 The following is covered in the report:

- Funds Development: Border to Coast Pension Partnership (BCPP) Capability Launch Calendar
- UK and Global Equities Alpha Funds Update
- Alternative Funds Update
- Fixed Income Update
- Fund's Voting Record
- ESG Policy
- Cashflow

### **3.0 Funds Development – Timetable**

3.1 The latest BCPP Capability Launch Calendar is given in Appendix 1.

3.2 The timetable is subject to review.

### **4.0 UK and Global Equities Alpha Fund Update**

4.1 The Fund has contributed to the BCPP UK and Global Equities Alpha Funds.

4.2 These funds have been impacted by the recent coronavirus induced fall in markets but are being monitored by BCPP.

### **5.0 Alternative Funds Update**

5.1 The Warwickshire Pension Fund has subscribed to the following BCPP alternatives sub-funds:

- Private Equity
- Infrastructure
- Private Credit/Debt

5.2 At its meeting in March the Pension Fund Investment Sub-committee resolved to make further contributions to the BCPP private equity and infrastructure sub-funds.

5.3 The Fund has been able to meet all capital calls made to date.

## **6.0 Fixed Income Update**

6.1 The Warwickshire Pension Fund has subscribed to the BCPP Investment Grade Credit sub-fund at launch.

6.2 The transition of assets over to the BCPP Investment Grade sub-fund has now taken place.

6.3 A review of the transition process has been reported to the Pension Fund Investment Sub Committee.

## **7.0 Fund's Voting Record**

7.1 Reports to the investment sub-committee now include updates on the fund's voting record. All listed equities where the fund has voting rights are now managed via Border to Coast who provide voting activity to the fund.

## **8.0 ESG Policy**

8.1 The fund has approved its own environmental, social and governance policy, incorporating a specific climate change policy.

8.2 The proposed policy was put to the Pension Fund Investment Sub-committee at its meeting in March 2020 and was accepted.

8.3 A draft of the proposed policy was supplied to the Local Pension Board at its last meeting.

## **9.0 Cashflow**

9.1 A cashflow strategy has been reported to the Pension Fund Investment Sub Committee. To date all cash flow requirements have been met and there has been no need to sell volatile assets to service cashflow needs.

## **10.0 Financial Implications**

10.1 None for this Board.

## 11.0 Supporting Information

11.1 None

## 12.0 Environmental Implications

The report includes an Environmental, Social and Governance policy for the Warwickshire Pension Fund

## 13.0 Timescales associated with the decision and next steps

None

## Appendices

1. Appendix 1 - [BCPP Capability Launch](#)

## Background Papers

None

	Name	Contact Information
Report Author	Chris Norton	01926 412035 <a href="mailto:chrisnorton@warwickshire.gov.uk">chrisnorton@warwickshire.gov.uk</a>
Assistant Director	Andrew Felton	01926 412441 <a href="mailto:Andrewfelton@warwickshire.gov.uk">Andrewfelton@warwickshire.gov.uk</a>
Lead Director	Rob Powell	01926 412564 <a href="mailto:robpowell@warwickshire.gov.uk">robpowell@warwickshire.gov.uk</a>
Lead Member	Cllr. Peter Butlin	01788 816488 <a href="mailto:cllrbutlin@warwickshire.gov.uk">cllrbutlin@warwickshire.gov.uk</a>

The report was circulated to the following members prior to publication:

Local Member(s):

Other members: