

Investment Sub-Committee

PART I (PUBLIC) MINUTES OF THE INVESTMENT SUB-COMMITTEE MEETING HELD ON 2 SEPTEMBER 2021 AT ONLINE MEETING.

Present:

Cllr Richard Britton (Chairman), Cllr Gordon King and Cllr Elizabeth Threlfall
(Substitute - Part II)

Also Present:

Claire Anthony, Mike Pankiewicz, Cllr Jonathon Seed, Rod Lauder and Cllr Vijay
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17 **Apologies**

Apologies were received from Cllr Steve Heyes.

Cllr Elizabeth Threlfall substituted for the vacant position on the Sub-Committee.

18 **Minutes**

The public minutes of the meeting held on 10 June 2021 were presented for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

19 **Declarations of Interest**

There were no declarations.

20 **Chairman's Announcements**

It was noted that the full Committee would be considering proposals to stand down the Investment Sub-Committee.

Attention was also drawn to Brunel Investor days on 27 September and 6 October 2021.

21 **Public Participation**

There were no questions or statements submitted.

22 **Responsible Investment Update Report**

Jennifer Devine, Head of Pension Fund Investments, presented an update report on responsible investment. It was noted that Mercers would be redoing their climate change modelling training on 14 September 2021. Details were

provided of a reporting gap analysis by consultants to enable the Fund to sign up to the 2020 Stewardship Code, with a plan to follow at future meetings.

At the conclusion of discussion, it was,

Resolved:

The Committee is asked to:

- use the report as a basis for monitoring the progress that is being made towards implementing responsible investment related issues;
- note the progress made against the Responsible Investment Plan 2021/22 actions and discuss whether any additional actions are needed at the current time;
- approve that Pensions for Purpose be invited to deliver a follow-on session on impact investing, at a cost of £1,700 (not included in the budget);
- pending decision elsewhere on this agenda, approve that Brunel are invited to deliver a training session on the new Paris-aligned benchmark

23 **Urgent Items**

There were no urgent items.

24 **Exclusion of the Public**

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 9 onwards because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public

25 **Listed Infrastructure Update**

A presentation was received from Gerald Stack and Zarina Kalapesi from Magellan in respect of the Listed Infrastructure Fund.

26 **Investment Quarterly Progress Report**

Jennifer Devine, Head of Pension Fund Investments, presented the Investment Quarterly Progress Report.

At the conclusion of discussion, it was,

Resolved:

The Committee is asked to:

- i. use the investment reports and the update provided by officers and advisers at the meeting as a basis for monitoring the investment

- performance and implementation of the strategic asset allocation;
- ii. use the report as a basis to ask questions of Magellan;
- iii. approve that the Fund transfer the low carbon passive portfolio to the Paris-aligned passive portfolio on its inception in November 2021, in line with the net zero by 2050 ambition set out in the Investment Strategy Statement;
- iv. approve that the Fund publicise the decision to be an initial investor in the Paris aligned passive portfolio, and the collaboration work done with other Funds to develop this benchmark;
- v. approve the approach taken towards the property transition, and agree the milestones set before this can proceed

27 **Protections Assets Review**

Jennifer Devine, Head of Pension Fund Investments, presented a report in respect of a review of Protections Assets.

It was then,

Resolved:

The Committee is asked to:

- i. Approve that the Fund makes a 5% strategic long-term allocation to renewable infrastructure and a 5% strategic long-term allocation to impact affordable housing;
- ii. Approve that the strategic long-term allocation to secured income is reduced to 8% and the strategic long-term allocation to gilts is reduced to 7%;
- iii. Approve that the strategic interim allocation to bank loans is increased to 10.8%, and the strategic interim allocation to gilts is reduced to 21.7%, and that this is implemented by transferring £100m from the gilts portfolio to the bank loans portfolio;
- iv. Approve that officers begin work, in consultation with advisers, to bring a recommendation back to the Committee on how the new strategic allocations should be implemented

28 **Minutes**

The private minutes of the meeting held on 10 June 2021 were presented for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

(Duration of meeting: 10.00 am - 1.05 pm)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services, direct line 01225 718504, e-mail kieran.elliott@wiltshire.gov.uk

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