

## **WILTSHIRE COUNCIL**

### **WILTSHIRE PENSION FUND INVESTMENT SUB COMMITTEE**

4 June 2015

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## **REMIT & FUTURE WORK PLANNING**

### **Purpose of the Report**

1. The purpose of this report is to outline the proposed areas of work for the Investment Sub-Committee (ISC).

### **Background**

2. The role of the ISC is to consider the investment of the assets within the strategic investment framework and performance of investment managers to achieve the Fund's investment objectives. The ISC is also responsible for considering and determining opportunistic investments for assets limited in cumulative value to 5% of the Fund's strategic allocation, using its delegated powers to agree whether to make an investment and to select an appropriate investment vehicle when necessary following a selection process.
3. The ISC may also be occasionally requested to by the Wiltshire Pension Fund Committee (WPFC) to undertake research and report back on a specific investment areas. All decision taken and recommendations will be reported back to the next available ordinary meeting of the WPFC in the form of the minutes of the ISC.
4. The ISC, will be responsible for:
  - Reviewing strategic and emerging opportunities outside the strategic asset allocation and make recommendations to the Committee.
  - Reporting regularly to Committee on the performance of investments and matters of strategic importance.
  - Monitor investment managers' investment performance and recommend decision to terminate mandates on performance grounds to Committee.
  - Researching and providing a report back to the WPFC on any specific investment areas requested.
5. The ISC has delegated authority to:
  - Approve and monitor tactical positions within strategic allocation ranges.
  - Implement investment management arrangements in line with strategic policy, including the setting of mandate parameters and the appointment of managers.
  - Approve amendments to investment mandates within existing return and risk parameters and delegate specific decisions to officers as appropriate.
  - Review proposals put forward by the Fund's adviser, officers or the WPFC in regards to potential opportunistic investments that can deliver more favourable returns than global passive equities, with a 3 to 7 year time horizon and be redeemable after 7 years as a maximum.
6. In order to achieve this ISC will:

- Receive reports and advice from the Investment Adviser, officers, Independent Governance Adviser or where applicable any other product specialist invited by the ISC to the meeting.
- Receive monitoring reports when appropriate on investments to inform decision making;
- Report to the WPFC as necessary on its activities and use of delegated powers and investigate other specific areas of investment when requested by the WPFC.

### **Main Consideration for Committee**

7. Mercer have outlined areas the ISC may want to consider over the next 12 months in the appendix. This includes:
  - a. The monitoring of performance of the investment managers (presentations to this Committee in June 2015 and November 2015);
  - b. Consider and make recommendations to WPFC following the annual asset allocation review of the Fund's assets, including risk management, illiquid assets and Barings review (September 2015);
  - c. Benchmarking exercise for investment managers fees (November 2015)
  - d. Consideration of asset allocation in light of valuation approach to be taken (February 2016)
8. The ISC will also consider proposals from officers and advisers for the use of the "opportunistic allocation" as they arise.

### **Financial Implications**

9. There are no additional costs arising from this report other than those already budgeted for.

### **Risk Assessment**

10. The work plan will ensure the regular monitoring and development of the WPFC investment strategy.

### **Legal Implications**

11. None have been identified as arising directly from this report.

### **Environmental Impact of the Proposals**

12. This is no environmental impact of these proposals.

### **Safeguarding Considerations / Public Health Implications / Equalities Impact**

13. None have been identified as arising directly from this report.

### **Proposals**

14. The Committee is asked to note the report.

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Unpublished documents relied upon in the production of this report:

NONE