

INVESTMENT SUB-COMMITTEE

DRAFT MINUTES OF THE INVESTMENT SUB-COMMITTEE MEETING HELD ON 5 SEPTEMBER 2019 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Tony Deane (Chairman), Cllr Brian Ford and Cllr Gordon King

Also Present:

Cllr Cllr Robert Jandy and Cllr Edward Kirk

31 Apologies

Apologies were received from Cllrs Roy While.

32 Minutes

Resolution:

The minutes of the meeting held on 5 June 2019 were approved.

33 Declarations of Interest

There were no declarations of interest.

34 Chairman's Announcements

The Chair announced the sad news that Cllr Roy While had retired due to ill health and reminded committee of the long standing contribution Cllr While had made to pensions and the wider local authority throughout his career.

The Chair expressed his concern at staff churn from Mercer and requested a meeting with Joanna Holden.

Kieran Harkin of Mercer was welcomed to the committee and was invited to outline his extensive experience working with numerous LGPS across England and Wales.

35 **Public Participation and Councillors Questions**

Jane Laurie, retired member of the Wiltshire Pension Fund, had submitted three written questions and had received written responses. At the invitation of the chair the following supplementary questions were asked:

1. What is the timetable for action?
2. How is threat of divestment deployed in your investment strategy of engagement with fund managers?
3. What steps are being taken to consult active and retired members on responsible investment?

The Chair emphasised there was no end-point for action, rather there was a rate of acceleration and that ESG was a key aspect of due diligence prior to investment.

The following additional points were made; the priority is to balance assets with liabilities through returns, in the long-term good governance delivers sustained returns and the committee is open to engagement from the public on this issue.

Dave Willers gave examples on engagement with firms from pension funds that had fostered change of policy and priorities. Anthony Fletcher advised that divestment was central to influencing firms and fund managers but reminded the meeting that once you divest, you have no influence at all whilst others step in who may or may not be seeking engagement on ESG.

36 **Date of next meeting**

The date of the next meeting was to be 28 November 2019.

37 **Urgent items**

There were no urgent items.

38 **Exclusion of the public**

It was,

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 12 – 16 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.

39 Presentation from Magellan

The committee received a confidential presentation on Magellan's procedures.

40 Investment Quarterly Progress Report

The committee received a confidential report on 40 Investment Quarterly Progress and it was;

RESOLVED

To recommend to Wiltshire Pension Committee to:

- **To note the two investment reports and the update provided by officers and advisers at the meeting;• to approve increasing the allocation to Magellan up to 8% of the total value of the Fund, less the value of the Partners Group portfolios, to be funded from the disinvestment from the Loomis Sayles Absolute Return bond fund;**
- **To increase the allocation to global property to 35% of the total property portfolio;**
- **To implement the disinvestment from Barings diversified growth fund by making a series of 5-6 equal sized monthly redemptions, and invest the proceeds in index inked gilts;**
- **To approve that the increase in protection assets is actioned by creating a new allocation to secured income of 10% of the total fund value, and that this is held in index linked gilts (from the proceeds of the Barings disinvestment) in the interim until this can be deployed.**

41 Investment Manager's Database

The committee received a confidential report on the fund's investment performance data and it was;

RESOLVED

The committee noted the report.

42 Accounting Update Report

The committee received a confidential accounting update and it was;

RESOLVED

The committee noted the report.

43 Responsible Investing

The committee received a confidential report on responsible investing and it was;

RESOLVED

To recommend to Wiltshire Pension committee that:

- **The spending of £13,000 on the research into carbon footprint be approved;**
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- **The Wiltshire Pension Fund sign up to support the Transition Pathway Initiative.**

44 Mercer's Report

The committee received a confidential report on Mercer's performance and it was;

RESOLVED

The committee noted the report.

45 Presentation from Brunel

The committee received a confidential presentation on x' Brunel's investment decisions.

46 Property Transition

The committee discussion on property transition and it was:

RESOLVED

To recommend to Wiltshire Pension committee that:

- **To begin the process of data sharing information on the property portfolios with Brunel, and to seek more assurance on the documentation and ability of Brunel to manage the first transitions before reassessing whether to go ahead with transitioning Wiltshire's property funds to Brunel;**
- **To instruct CBRE to notify Wiltshire officers before making any commitments to closed-ended funds.**

47 **Minutes**

RESOLVED

To recommend to Wiltshire Pension committee that:

The part 2 minutes of the meeting held on 5 June 2019 were approved.

(Duration of meeting: 10.30 am - 3.05 pm)

The Officer who has produced these minutes is Jim Brewster, of Democratic Services, direct line 01225 718262, e-mail jessica.croman@wiltshire.gov.uk

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