

Investment Sub-Committee

MINUTES OF THE INVESTMENT SUB-COMMITTEE MEETING HELD ON 25 FEBRUARY 2021 AT ONLINE MEETING.

Present:

Cllr Pauline Church (Vice-Chairman), Cllr Tony Deane (Chairman), Cllr Brian Ford (Substitute) and Cllr Gordon King

Also Present:

Courtney Bensen, Matt Betts, Sarah Brewer, Marlene Corbey, Chris Crozier, Joshua Caughey, Jennifer Devine, Anthony Fletcher, Kieran Harkin, Shruti Moraes and Susan Tompkins

64 **Membership**

There were no impending changes to the membership of the Sub-Committee.

65 **Apologies**

Apologies were received from:

- Cllr Robert Jandy

Cllr Jandy was substituted by Cllr Brian Ford.

66 **Minutes**

The Part I (public) minutes of the previous meeting held on 2 December 2020 were considered, and it was:

Resolved

The Sub-Committee approved and signed the Part I (public) minutes of the previous meeting held on 2 December 2020 as a true and correct record.

67 **Declarations of Interest**

There were no declarations of interest.

68 **Chairman's Announcements**

There were no Chairman's announcements.

69 **Public Participation and Councillor Questions**

There were no statements or questions from the public or Councillors.

70 **Investment Strategy Statement Review**

Jennifer Devine, Head of Pension Fund Investments, introduced the report which outlined the process in place to update the Investment Strategy Statement (ISS).

The track changes to the ISS were briefly highlighted. Officers noted that all Committee and Board members had been invited to an additional training session outside of the ordinary meeting structure on the afternoon of 10 March 2021. This session would provide members with further insight and would aid in the discussions surrounding the Wiltshire Pension Fund's (WPF) approach towards tackling climate change related issues and risk.

Officers clarified that the ISS would be brought to the next ordinary meeting of the Committee on 30 March 2021 for approval. It was also highlighted that some members of the Committee had suggested that employers should be consulted on the changes which officers confirmed could be done in advance of the Committee meeting and would take the form of providing the draft ISS, and asking employers to respond to a brief four question survey.

In response to a question, officers confirmed that the only changes to the ISS were related to the climate change modelling, however it was noted that these may lead to further changes in the future.

Resolved

The Sub-Committee recommended to the Pension Fund Committee that:

- a) The revised ISS be approved;**
- b) The membership engagement plan be added to the ISS.**

71 **Responsible Investment Quarterly Update**

Jennifer Devine, Head of Pension Fund Investments, presented a report updating members on responsible investment issues.

The extraordinary meeting of the Committee on 14 January 2021 was raised and it was explained that during the meeting, members were encouraged to email in their opinions on the matters raised to Jennifer Devine. Officers explained that the feedback received was summarised in the report alongside how officers were intending on taking the feedback forward, with impact investing given as an example. Recommendation 2 was highlighted, and it was noted that Committee member Mike Pankiewicz, had attended a conference in which he had heard Karen Shackleton speak and had raised the possibility that she be invited to present to members.

It was highlighted that Unison had published a new report on responsible investment in the LGPS, comparing the 10 Funds in the Brunel Pension Partnership. Officers noted that the data used was not current and as such the WPF's score was not as high as it could have been, however it showed the progress made to date and highlighted further areas of improvement.

Officers additionally noted that The Department of Work and Pensions consultation was live. It was clarified that it did not apply to the WPF, but it would be looking at how pension schemes handle climate change risk. A very similar MHCLG consultation, which was expected to apply to the LGPS, was expected shortly. Officers confirmed that if the changes being consulted on came into law, then the WPF were in a good place as they were already implementing a lot of the recommendations, such as climate change modelling.

Officers then raised the topic of scheme membership engagement and explained that the report sets out a plan and ideas with regard to broadening the Fund's approach, such as the circulation of a survey to gain a further understanding of members' views.

In response to a question, Anthony Fletcher, MJ Hudson, explained that Karen Shackleton was previously an asset manager who moved into working as an independent advisor for different London Fund's and County LGPS schemes. It was clarified that she was interested in impact investing, sustainability and ESG issues and therefore set up a forum with other likeminded people to discuss these issues and to inform people as to what they consider to be best practice and what they have seen other schemes put in place.

Resolved

- 1) The Sub-Committee noted the report and the progress that is being made towards implementing responsible investment related issues.**
- 2) The Sub-Committee instructed officers to approach Karen Shackleton to arrange for further training on impact investing.**
- 3) The Sub-Committee endorsed the proposed approach to membership engagement and instructed officers to include this within the amended draft ISS.**
- 4) The Sub-Committee endorsed the proposed approach to publishing voting records.**

72 **Date of Next Meeting**

The next ordinary meeting of the Investment Sub-Committee would be held on 10 June 2021.

73 **Urgent Items**

There were no urgent items.

74 **Exclusion of the Public**

The Sub-Committee considered the recommendation to exclude the public. After which, 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 paragraph 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.

75 **Presentation from Partners Group**

Sarah Brewer and Courtney Bensen delivered a presentation on Partners Group's Infrastructure portfolio.

76 **Presentation from Brunel**

Chris Crozier and Matt Betts delivered a presentation on Brunel's Global High Alpha portfolio.

77 **Investment Quarterly Progress Report**

Jennifer Devine, Head of Pension Fund Investments, introduced a report in relation to the Fund's investment performance to 31 December 2020.

Resolved

- 1) The Sub-Committee noted the investments report and the update provided by officers and advisers at the meeting.**
- 2) The Sub-Committee resolved to delay rebalancing the index linked gilts and global high alpha portfolios until further advice from officers and advisers had been received on the possibility of widening both portfolios ranges.**

78 **Sustainable Equities**

Jennifer Devine, Head of Pension Fund Investments, introduced the report providing members with information regarding Brunel's Sustainable Equities portfolio.

Resolved

The Sub-Committee noted the report and resolved to invite a representative from Brunel to present on the Sustainable Equities portfolio at the ISC meeting on 10 June 2021.

79 **Minutes**

The Part II (private) minutes of the previous meeting held on 2 December 2020 were considered, and it was:

Resolved

The Sub-Committee approved and signed the Part II (private) minutes of the previous meeting held on 2 December 2020 as a true and correct record.

(Duration of meeting: 10.00 am - 12.55 pm)

The Officer who has produced these minutes is Ellen Ghey of Democratic Services, direct line 01225 718259, e-mail ellen.ghey@wiltshire.gov.uk

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