

Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and time	FRIDAY 14 FEBRUARY 2020, COMMENCING AT 10.00 AM
Venue	COUNCIL CHAMBER, COUNTY HALL, ISLE OF WIGHT
Present	Cllrs Adrian Axford (Chairman), Paul Brading, Vanessa Churchman, Andrew Garratt Steve Milford (Employee Rep), Christine Shaw (Employer Rep)
Also Present	Cllr Reg Barry, Barbara Milton, Trevor Ould (Board Members), Emma Garrett (Hymans Robertson), James Mowat, Imran Sattar (Majedie Asset Management), Jo Thistlewood, Megan Tuckwell
Apologies	Cllrs Barry Abraham, Clare Mosdell

61. [Minutes](#)

The chairman drew member's attention to the change of day for meetings to be held, from Friday to Wednesday, with effect from 27 May 2020.

RESOLVED:

THAT the Minutes of the meeting held on 19 December 2019 be confirmed.

62. [Declarations of Interest](#)

No new declarations were received at this stage.

63. [Triennial Valuation Progress Report](#)

The Technical Finance Manager presented the report which provided an update on the progress towards the completion of the formal valuation of the fund at 31 March 2019 and outlined the process by which the valuation would be completed. It was advised that the final report, along with funding strategy statement, would be presented at the next meeting. Questions were raised regarding the steps taken to address those disadvantaged by the McCloud ruling and discussion took place regarding the funding strategy statement consultation. It was advised that no responses had been received.

RESOLVED:

- i) THAT the progress made towards the completion of the formal valuation of the fund at 31 March 2019 be noted.
- ii) THAT the final Valuation Report and Funding Strategy Statement be presented to the Committee for approval at its meeting on 13 March 2020.

64. Investment Strategy Modelling

The Investment Consultant of Hymans Robertson presented the initial results of the high-level investment strategy modelling linking to the triennial valuation ([HERE](#)). It was advised that the fund was in good position in terms of funding and the existing strategy could deliver a successful outcomes, but in light of the additional opportunities available (by being in the ACCESS pool) and to align with previously agreed responsible investment beliefs, it was considered a good opportunity to review the strategy to seek even better results. The first stage would be to review and agree high level strategic asset allocation.

Discussion took place regarding responsible investment, climate change, and investments in infrastructure and private debt, the committee were asked to adopt the preferred strategic asset allocation as recommended, being a change in the strategic asset allocation with a 10% reallocation from growth to income assets. To maximise results, members explored the option of reallocating 20%, but were advised that this would introduce higher levels of risk.

RESOLVED:

- i) THAT the presentation from the fund's investment consultants, and the results of the asset liability modelling exercise, be noted.
- ii) THAT the committee agree to a change in the strategic asset allocation with a 10% switch from growth to income assets.

65. Investment Performance Overview

The Investment Consultant of Hymans Robertson presented the value of the fund's investments as at 31 December 2019. Members received an update on the wider economic context, both domestically (in light of political certainty) and globally, which had been better than expected due to progress with a US-China trade deal. Movements in the quarter included the rebalancing of portfolios in line with strategic asset allocation, effectively cashing in previous gains. £55 million of global equities had been reallocated; with £30 million into UK equity and £25 million into diversified growth. Additionally, during the quarter, there had been a transition of diversified growth investments into the ACCESS pool.

RESOLVED:

THAT the value of the fund's investments as at 31 December 2019, and the update provided by Hymans Robertson on the wider economic context, be noted.

66. Fund Manager Presentation

The Fund Managers of Majedie Asset Management Limited presented the quarterly investment performance report and expressed disappointed with rate of returns attributing this to poor stock selection, small cap exposure, and bias towards British domestic assets. Discussion took place regarding ethical manufacturing and responsible capitalism, noting that the largest holdings and purchases are in BP/Shell who aim to achieve net zero carbon emissions by 2050.

RESOLVED:

THAT the fund managers presentation be noted.

67. Items Circulated for Members Attention

The committee noted the items circulated for information since papers were published for last committee meeting on 11 December 2019. The Technical Finance Manager confirmed that there were no holdings of UKOG in the Isle of Wight Council Pension Fund's portfolio. Members noted that the Hymans Robertson LGPS National Knowledge Assessment would be issued in March 2020.

RESOLVED:

THAT the items circulated for members attention be noted.

68. Members' Question Time

Due to the temperature and acoustics of the Council Chamber, members requested that future meetings of the Committee be moved to an alternative venue. It was agreed that Democratic Services would look into the logistics of this.

CHAIRMAN