



Minutes

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| Name of meeting | ISLE OF WIGHT PENSION FUND COMMITTEE |
| Date and time | FRIDAY, 19 FEBRUARY 2016 COMMENCING AT 10.30 AM |
| Venue | COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT |
| Present | Cllrs Ivor Warlow (Chairman), Reg Barry, Bob Blezzard, Stuart Hutchinson, Gordon Kendall |
| Representatives | Steve Milford, Unison Representative |
| Employer Representatives | Christine Shaw, Island Roads |
| Independent Advisor | Jo Holden – Mercers |
| Actuary | Craig Alexander - Hymans Robertson Peter Summers – Hymans Robertson |
| Fund Manages | Martina Jersakova – Baillie Gifford Chris Murphy – Baillie Gifford |
| Officers | Marie Bartlett, Democratic Services Officer Jo Cooke, Pension Fund & Treasury Management Accountant Matthew Collier, Pension/Payroll lead officer Jo Thistlewood, Technical Finance-Manager |
| Apologies | Cllr David Eccles |

15. Minutes

RESOLVED :

THAT the Minutes of the meeting held on 20 November 2015 be confirmed.

16. Declarations of Interest

Councillors Reg Barry, Bob Blezzard, Gordon Kendall and Ivor Warlow declared an interest as they were contributing members of the Isle of Wight Pension Fund or in receipt of a pension from the fund.

17. **Fund Manager Presentation – Baillie Gifford**

An update on the performance of the portfolio held by Baillie Gifford was provided. The portfolio was valued at £71,106 million at the end of December 2015.

The Committee raised concerns that with the pooling of investments the reaction of fund managers may not be as swift as they had been in the past, they were advised that for this to be successful governance arrangements would be important.

The Committee were advised that since investment they had delivered 3.4% below what had been hoped for the fund, this was due to some asset classes being high over the last few years and therefore they had received lower returns slightly lower periods of performance was a fair reflection of the market. It was considered that it was still early days for the fund as they had only been investing for a few years.

Members noted that while there had been an underperformance against targets, Baillie Gifford's performance was strong in comparison to diversified growth funds despite taking significantly less risk.

A mixed set of results had been received from the active Currency which had worked well and received a high return, although emerging market bonds had fallen which had been offset by the active currency return.

Changes to the portfolio had included adding equities repositioned to regional markets, increased high yield credit in response to opportunities created by weakness in the credit market. Hedges such as active currency continued to offer protection. The fund was believed to be maintaining a good balance, and they were confident that the fund would deliver on their objectives.

RESOLVED:

THAT the presentation be noted

18. **Reports of the Technical Finance Manager**

(a) Pooling of Investments Update – Approval of February Submission

The Committee was advised that a draft submission had been drawn up along with a Memorandum of Understanding which had been circulated to members prior to the meeting. The submission of these documents would be made to government that day, a couple of minor changes had been made, and it was explained that the Isle of Wight was included within a footnote of the document as the Pension Fund Committee had not formally agreed to join A Collaboration of Central, Eastern and southern Shires referred to as ACCESS.

It was noted that the Committee could decide not to join the group although central government would intervene and place the Isle of Wight into a group. There may be some movement between groups.

It was understood that as the smallest authority the Isle of Wight would be given an equal vote within the pool. The Technical Finance Manager had agreed to join a project reviewing at governance of ACCESS the group.

A proposal was made to join the ACCESS group and a named vote was taken, the result of which was as follows:

For (5)

Cllrs Reg Barry, Bob Blezzard, Stuart Hutchinson, Gordon Kendall, Ivor Warlow

RESOLVED:

THAT the Isle of Wight Pension Fund agreed to join the ACCESS group

(b) Review of Investment Strategy

The review of the Investment Strategy had commenced, the draft would be considered by Hyman Robertson for comments and amendments before being reported to the Committee.

RESOLVED:

THAT the report be noted

(c) Funding – Triennial Valuation Progress

A timetable was expected to be put in place in May and the resolutions would be made to the Committee in November 2016 for discussion.

RESOLVED:

THAT the report be noted

(d) Administration update

The Committee was introduced to two new members of staff Jo Cooke, Pension Fund and Treasury Management Accountant and Matthew Collier, Pension/Payroll lead officer who would be responsible for pension administration. Along with everyday work there were a number of projects in the pipeline which would keep the team busy. Support had been identified regarding the Heywoods software system. Governance Support would be provided by Hymans. The Members acknowledged the requirement for administrative support for the Committee.

A proposal was made that the committee considered if additional staff were required then they would support the funding a named vote was taken, the result of which was as follows:

For (5)

Cllrs Reg Barry, Bob Blezzard, Stuart Hutchinson, Gordon Kendall,
Ivor Warlow

RESOLVED:

- (i) THAT the report be accepted
- (ii) THAT the Committee agreed that if additional staff were required then they would support an appropriate level of funding.

19. **Briefings**

Since the last meeting the following briefing notes have been circulated to committee members:

- (a) Quarterly Investment Performance Overview
- (b) Pooling of Investments updates (in support of item 5(a))

It was agreed that no further scrutiny of these subjects would be undertaken by the committee at this time.

RESOLVED

THAT the briefings be noted.

CHAIRMAN