



Committee report

Committee	ISLE OF WIGHT PENSION FUND COMMITTEE
Date	24 JULY 2015
Title	INVESTMENT PERFORMANCE ANNUAL REVIEW 2014-15
Report of	TECHNICAL FINANCE OFFICER

EXECUTIVE SUMMARY

1. This report introduces the annual review of investment performance for the Isle of Wight Council Pension Fund for the year ended 31 March 2015, prepared by the fund's investment consultants, Mercer Limited.
2. The Mercer report, which will form part of the fund's annual report and accounts, is attached as Appendix 1 to this paper, and will form the basis of a presentation by a representative of Mercer at the committee meeting.
3. The report and presentation will provide contextual information to the committee in advance of the presentations from individual fund managers later on in this meeting.
4. The committee is asked to note the content of the report and receive the presentation.

BACKGROUND

5. At the May 2015 meeting, the committee received a report setting out the draft results for the fund for the year ended 31 March 2015, including the return on investment assets of 13.7 per cent for the year, compared to a combined benchmark increase of 12.5 per cent.
6. The above report also contained information about the relative performance of each of the fund managers.
7. This report provides more details about the specific performance of the fund and other investment management matters which have been considered by the committee in the year to 31 March 2015.

STRATEGIC CONTEXT

8. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits
9. Understanding the fund's investment performance will assist the committee in ensuring that the asset allocation and fund manager structure is adequate to ensure the overall objectives are met.

CONSULTATION

10. There has been no consultation on this report, as it is for noting, and summarises the performance of the fund's assets, which has been regularly reviewed by the committee throughout the year.

FINANCIAL / BUDGET IMPLICATIONS

11. There are no direct financial implications arising from the presentation of this report.
12. At 31 March 2015, the market value of investments held by the fund was £482.7 million, an increase of £55.1 million over the previous year.

LEGAL IMPLICATIONS

13. There are no legal implications arising from the presentation of the fund's investment performance.
14. Reviewing the performance of the fund's investments assists in demonstrating compliance with the Myners principles for good investment decision making and disclosure.

EQUALITY AND DIVERSITY

15. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity issues of this report.

RECOMMENDATION

16. That the committee receives this report and the presentation from Mercer Limited.

APPENDICES ATTACHED

17. [Appendix 1](#) – Investment performance annual report 2014-15 (Mercer Limited).

BACKGROUND PAPERS

18. Draft year end results 2014-15 (Pension Fund Committee 29 May 2015, Paper B)
<https://www.iwight.com/Meetings/committees/IW%20Pension%20Fund/29-5-15/Paper%20B.pdf>

Contact Point: Jo Thistlewood, Technical Finance Officer, ☎ 821000
e-mail jo.thistlewood@iow.gov.uk

DAVE BURBAGE
Managing Director

COUNCILLOR IVOR WARLOW
Chair of Pension Fund Committee