

Work plan and timeline 2018/2019

Addressee

This paper is addressed to the Officers of Isle of Wight Council as Administering Authority for the Isle of Wight Council Pension Fund (“the Fund”). This paper sets out the key priorities for the Fund for the next 18 – 24 months from both a funding and investment perspective.

Work plan and timeline

The below table sets out a proposed journey plan for the key decisions and work due to be undertaken by the Officers, Committee and Fund advisors over the next 18 – 24 months in order to reach the Fund’s funding and investment objectives.

Decision/work	Timeline
<p>Objective Setting</p> <ul style="list-style-type: none"> Workshop at September committee to establish funding objectives and investment beliefs Review and update Investment Strategy Statement Draft any new policies resulting from discussions on objectives and beliefs e.g. responsible investment policy and stock lending 	Q3 & Q4 2018
<p>Valuation planning</p> <ul style="list-style-type: none"> The actuarial team to work closely with Officers to establish data requirements, asset tracking approach, employer funding strategies and deadlines ahead of the 2019 valuation 	Q4 2018 & Q1 2019
<p>Initial funding and investment strategy review planning</p> <ul style="list-style-type: none"> Establish objectives and scope of modelling to frame investment review 	Q4 2018
<p>Contribution and investment strategy Asset Liability Modelling (ALM)</p> <ul style="list-style-type: none"> Analysis carried out at a whole fund level Project forward multiple scenarios of investment and contribution strategies to see impact on risk and objective Consider the probability distribution of outcomes Present modelling results to Committee Establish optimal level of investment risk and expected return based on long term funding objectives Agree split between Return-Seeking assets versus Low Risk assets Funding strategies for employers agreed in principle 	Q1 & Q2 2019

Valuation data submitted and whole fund calculations processed	July – October 2019
Review strategic asset allocation Detailed Asset Allocation	Q3 2019
<ul style="list-style-type: none"> • Focus on breakdown within Return Seeking and Low Risk components • Decide on specific allocations to asset classes and mandates • Awareness of potential implications from ACCESS pooling 	
Valuation – assumptions discussed and agreed	August 2019
Initial Whole Fund valuation results	October 2019
Individual employer results calculated	November 2019
Officer and Committee training - Asset Class and Manager Research	Q4 2019
<ul style="list-style-type: none"> • Consider outcome of investment strategy review • Review appropriateness of existing managers and mandates • Propose any strategic changes to improve outcomes - providing relevant asset class training where necessary 	
Employer forum and 1-to-1 employer meetings on valuation results	November/December 2019
End of employer consultation on FSS and results	February 2020
Final employer results and FSS signed off	
Final valuation report signed off by 31 March 2020	March 2020
Strategy implementation	2020
<ul style="list-style-type: none"> • Work with relevant parties, including Fund actuary, to implement any agreed strategic changes • Work to transition relevant assets into ACCESS pool 	
Ongoing Monitoring	2020 and beyond
<ul style="list-style-type: none"> • Regular funding updates • Track investment risk and opportunities • Monitoring manager performance 	

Prepared by:-

Emma Garrett, Investment Analyst

For and on behalf of Hymans Robertson LLP