



Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and Time	WEDNESDAY 27 JANUARY 2021 COMMENCING AT 10.30 AM
Venue	VIRTUAL (MS TEAMS)
Present	Cllrs A Axford (Chairman), B Abraham, D Andre, P Brading, V Churchman, A Garratt, and G Perks
	Steve Milford (Employee Representative) (Non voting)
Also Present	Cllr R Barry, Barbara Milton (Board Members)
	Jo Cooke, Jo Thistlewood, Megan Tuckwell
	Emma Garrett (Hymans Robertson), Antonia Benfield, Rodrigo Dupleich Rachel Perini, Marina Sariyiannis (UBS)

47. **Minutes**

RESOLVED:

THAT the Minutes of the meeting held on 25 November 2020 be confirmed.

48. **Declarations of Interest**

No new declarations were received at this stage.

49. **Public Question Time - 15 Minutes Maximum**

No public questions were received.

50. **Infrastructure Investment Solution Selection**

The Technical Finance Manager presented the report which recorded the decision from the Infrastructure Investment Solution selection panel on 4 December 2020. It was confirmed that discussions had begun with Partners Group in advance of the Committee's ratification of the decision, and the Fund had been accepted as a professional investor under MiFID II. The relevant paperwork had been circulated for completion and initial indications anticipated that the first investment would be required in mid-March 2021. Discussion took place regarding the move from non-professional to professional investor status and confirmation was sought that this move was justified for the Fund. Members were reassured that this was a standard procedure for a pension scheme.

Following discussion, a vote was taken and it was:

RESOLVED:

THAT the selection of the Partners Group Direct Infrastructure 2020 fund for the delivery of the fund's infrastructure allocation be approved.

51. Private Debt Investment Solution Progress

The Technical Finance Manager presented the report which advised on the progress made in implementing the fund's private debt investment allocation. Members were advised that the first investment was made to GSAM on 25 January 2021 which equated to 25 per cent of the fund's commitment to this asset class. This was funded by a disinvestment from Majedie the amount of which allowed sufficient flexibility to cover movement in exchange rate (with added uncertainty given the timing linked to the US presidential inauguration). It was confirmed that the remaining disinvested balance would be used to support the ongoing day-to-day operations of the fund. Discussion took place regarding the foreign exchange rate and questions were raised with regards to deadlines and sufficient time to notify disinvesting managers. It was confirmed that future reports would be presented to the committee with regards to infrastructure and private debt investment.

RESOLVED:

THAT the progress towards the fulfilment of the private debt investment allocation be noted.

52. CMA Order: Annual Compliance Statement

The Technical Finance Manager presented the report which asked the Committee to note the submission of the annual compliance statement for the period 10 December 2019 to 9 December 2020, in accordance with the Investment Consultancy and Fiduciary Management Market Investigation Order 2019 issued by the Competition and Markets Authority (CMA). Members were advised that the order included the setting of strategic objectives for investment consultants and required a compliance statement to be submitted annually confirming that the fund had complied with the relevant parts of the order. Members were advised that the compliance statement had been submitted in line with the appropriate timetable, and that the Committee's workplan included consideration of the objectives for investment consultants and a performance review at the meeting to be held in March 2021. Members wished to formally thank the Technical Finance Manager for the efforts on this.

RESOLVED:

THAT the completion and submission of the compliance statement, in accordance with the required deadlines, be noted.

53. Future Meeting Dates and Development Sessions

The Technical Finance Manager presented the report which reminded members to note the 2021-22 meeting dates of the Committee and sought agreement for the timing of future development sessions. Members were advised that the workplan

was in development and would be supplemented by discussions at the meeting of the Pension Board 24 March 2021, where the Board would consider the Funds policies and other strategic documents to determine an appropriate review schedule. Discussion took place regarding the preferred methods of receiving future development sessions, both virtually and face-to-face. It was agreed that the Technical Finance Manager would contact members of the Committee and Board; to identify a date and time for the rescheduled ESG/RI workshop, and to provide feedback on the timings of future development workshops.

RESOLVED:

THAT the agreed schedule of meeting dates for the council year 2021-22, and the draft work plan for those meetings, be noted.

54. Items circulated for Members Attention

The committee noted the items circulated for information since papers were published for the last meeting. Attention was drawn to the fortnightly Hymans Robertson 'keeping LGPS connected' webinars. No questions or comments were raised at this stage.

RESOLVED:

THAT the items circulated for member's attention be noted.

55. Members' Question Time

No members' questions were received.

56. Exclusion of the Public and Press

RESOLVED:

THAT the public and press be excluded.

At the conclusion of the discussion, members adjourned for a 10-minute comfort break.

57. Equity Investment Rebalancing

Equity Investment Rebalancing and the UBS Presentation were considered together, per below:

58. UBS Presentation

The Investment Consultant at Hymans Robertson presented the report which outlined the progress with regards to equity investment rebalancing. The Committee was asked to receive a presentation from UBS and to reaffirm the decision taken at the meeting on 25 November 2020; to invest 18.75 per cent of the fund's total investments into the UBS passive equity climate aware fund. Members received and considered a confidential presentation from UBS on their Climate Aware Equity Strategy which included an overview of the investment process and the climate aware engagement strategy.

Following consideration, a vote was taken, and it was:

RESOLVED:

- i) THAT the confidential presentation from UBS on their Climate Aware fund be noted.
- ii) THAT the introduction of a new allocation of 18.75 per cent to the UBS Climate Aware fund (funded 5 per cent from Majedie and 13.75 per cent from Newton) be agreed.
- iii) THAT officers be authorised to begin the process necessary to fulfil this investment, working with Hymans Robertson to develop and implement the necessary transition plan.

59. **ACCESS Update**

The Technical Finance Manager presented the report from the ACCESS Joint Committee meeting held on 13 January 2021, and members were asked to note progress on the transition of the fund's investment assets into the ACCESS pool.

Following discussion, a vote was taken, and it was:

RESOLVED:

- i) THAT the ACCESS update be noted.
- ii) THAT, subject to the recommendation from the ACCESS Joint Committee, the committee adopts the ACCESS business plan and budget for 2021-22.

CHAIRMAN