



Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and Time	WEDNESDAY 16 FEBRUARY 2022 COMMENCING AT 10.00 AM
Venue	COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Present	Cllrs C Jarman (Chairman), C Critchison (Vice-Chairman), D Andre, P Brading, V Churchman and M Oliver
Co-opted (Non-Voting)	Steve Milford (Scheme Member Representative)
Also Present	Jo Thistlewood, Matthew Collier, Jo Cooke, Sarah Philipsborn and Megan Tuckwell David Walker (Hymans Robertson), James Mowat, Imran Sattar (Majedie Asset Management), Cllr Michael Lilley, Trevor Ould (Local Pension Board)
Apologies	Cllrs R Quigley

46. Minutes

An update was sought with regards to the question asked by Cllr Quigley relating to the Fund's investment in fossil fuels, and whether the draft response had been finalised by the Chief Executive. It was advised that the matter would be addressed within the response to the written public question.

RESOLVED:

THAT the minutes of the meeting held on 24 November 2021 be confirmed, subject to the inclusion of the attendance of Local Pension Board members Cllr Michael Lilley and Trevor Ould.

47. Declarations of Interest

Cllr Paul Brading declared an interest as his wife was a member of the local government pension scheme.

48. Public Question Time - 15 Minutes Maximum

Ms Sylvia May of Totland submitted a written question in relation to the Fund's investments. A written response was provided (PQ 03/22).

49. **Investment Performance and Funding Level**

49a **To note the valuation of the fund's investment assets at 31 December 2021**

49b **To receive a report on the investment performance for the quarter ended 31 December 2021, and the indicative funding level at that date**

The Investment Consultant of Hymans Robertson presented the investment performance report for the quarter ended 31 December 2021, which included a summary of market returns, capital market outlook, asset allocation, fund performance, and fund manager analysis. Consideration was given to the valuation of the fund's investments as at 31 December 2021 and discussion took place regarding emerging markets, CPI inflation, and pooling. It was reported that at 15 February 2022, the fund's funding level (ratio of assets to liabilities) was 103%, compared to 95% at the 2019 triennial valuation; which equates to a whole fund surplus of £22.9 million.

RESOLVED:

THAT the investment performance and funding level be noted.

50. **Fund Manager Presentation**

The committee received a presentation from Majedie Asset Management on the UK Equity portfolio. This included an overview of Majedie's acquisition by Liontrust, the funds' performance and performance attribution, embedding the ESG approach relating to renewable energy and fossil fuels, working with flexible investors, future performance drivers, stocks enabled by technologies, stocks with pricing power, international revenues, and portfolio positioning.

Questions were raised regarding portfolio oversight following the acquisition by Liontrust and any operational or logistical changes. Comments were made in relation to proactive disinvestments, indirect investments, and the balance between fossil fuels and renewable energies. Discussion took place regarding Shell and it was agreed that Majedie would provide the committee with information detailing the steps being taken to become more sustainable.

RESOLVED:

THAT the fund manager's presentation be noted.

51. **Pension Board Update**

The Technical Finance Manager presented the report which provided an update on the recruitment, selection and appointment of Local Pension Board members. No questions were raised at this stage. Discussion took place regarding the Fund's budgeting processes and it was requested that resources be allocated to ensure that future reports to the Committee including a breakdown of the costs to the Fund.

RESOLVED:

THAT the update be noted.

52. ESG/RI Working Group Update

The Technical Finance Manager presented the report which provided an update on the activities the fund had undertaken since the last meeting in its considerations of environmental, social and governance (ESG) factors and responsible investment (RI) activities. No questions were raised at this stage, and the update was noted.

RESOLVED:

THAT the update be noted.

53. Knowledge and Understanding Update

The committee received the record of training and development activities undertaken by committee members since the last meeting, and the Technical Finance Manager provided a verbal update on committee members' completion of the Pension Regulator's online toolkit. No questions were raised at this stage, and the update was noted.

RESOLVED:

THAT the update be noted.

54. Items circulated for Members Attention

The committee noted the items circulated for information since the last meeting. No questions were raised at this stage.

RESOLVED:

THAT the items circulated for attention be noted.

55. Members' Question Time

No member's questions were received.

56. Exclusion of the Public and Press

RESOLVED:

THAT the public and press be excluded.

57. Equity Rebalancing Completion

The committee considered a confidential report from the fund's investment consultants on the completion of the equity investment rebalancing.

RESOLVED:

THAT the report be noted.

58. ACCESS Update

The committee considered a confidential report on recent ACCESS pool activities and set out proposals for future engagement with matters to be discussed at future Joint Committee meetings.

RESOLVED:

- i. THAT the report be noted.
- ii. THAT the ACCESS business plan for 2022-23, and the associated budget as recommended by the Joint Committee, be adopted.
- iii. THAT the provision of feedback on the ACCESS ESG/RI guidelines be delegated to the Technical Finance Manager, in consultation with the vice-chairman of the committee.
- iv. THAT the appointment of MJ Hudson as implementation adviser for the Pool's illiquid asset solutions be noted.
- v. THAT the committee's response to the proposed solution for the representation of scheme members on the ACCESS Joint Committee be confirmed.

59. Risk Register

Consideration was given to the development of a risk register for the Fund, and the process by which risks will be monitored, updated, and reported at future meetings. It was advised that the draft risk register would be available for the Local Pension Board at its meeting on 23 March 2022.

RESOLVED:

THAT the update be noted.

60. Governance Compliance Statement

The committee considered a confidential verbal update on the completion of the draft governance compliance statement for the year ended 31 March 2022. It was advised that the draft would be presented to the Committee at the meeting in May 2022, ahead of its final submission for adoption in July 2022.

RESOLVED:

THAT the update be noted.

61. Contract Management

The committee considered a confidential report which summarised the activities undertaken in the review of the existing contracts of the Fund and future planned procurement activity.

RESOLVED:

THAT the report be noted.

CHAIRMAN