

MINUTES OF THE PENSIONS INVESTMENT COMMITTEE

Thursday, 20 February 2014 at 7.00 pm

PRESENT: Councillors Dan Whittle (Chair), Paul Maslin (Vice-Chair), Chris Best, Julia Fletcher, John Muldoon, and Susan Wise.

ALSO PRESENT: Helen Glass, David Austin, Scott Donaldson, Selwyn Thompson and Shola Ojo.

Apologies for absence were received from Councillor Stamirowski.

1. Minutes

Feedback and discussion on training at UBS on Alternative Beta investments. UBS to provide slides from the presentation with graphs updated to show net of fees. Paper proposing possible investment in this area to be put forward as part of rebalancing due in 2014.

RESOLVED that the Minutes of the Pensions Investment Committee held on 14 November 2013 be confirmed and signed.

2. Declarations of Interest

Councillor Muldoon declared a personal interest in Item 6 as a friend of Sir Paul Judge, the Chair of Schroder Income Growth Fund plc.

3 Presentation from Schroders

A presentation was made by Schroders. There was discussion on opportunities to invest in infrastructure, in particular social housing. The view was that while possible, social housing is not generally an investment for pension funds as private sector housing out performs social housing investments.

RESOLVED that the report be noted.

4 Presentation for M & G

A presentation was made by M&G. Discussion on experience with social housing debt fund which had closed. Overall there was low take up from registered social landlords. Now shifted to look at long leased property fund.

RESOLVED that the report be noted.

5 Quarterly Investment Performance Report – Hymans

A presentation was made by Hymans. Proportion of Lewisham fund (>80%) invested in equities noted in the context of possible interest in Alternative Beta investment to mitigate herd risk of tracking indices. Would be interesting to have one graph that presented three lines for cumulative performance, inflation and liabilities.

RESOLVED that the report be noted.

6. Update on Pension Fund Reforms

Officers presented a paper on developments to date on the Community Investment Vehicle (CIV) proposal for a jointly owned model for London Boroughs. This is being coordinated by London Councils. For Lewisham, the initial shareholding would be £1, with initial set up costs estimated at £25,000. Clarity on the governance around decision making (whether Lewisham participates) and what part of its Pension portfolio Lewisham chooses to invest are being assessed. A further update with recommendations will be brought back in due course.

RESOLVED that the report be noted.

The meeting ended at 9.15 pm.

Chair