

MINUTES OF THE PENSIONS INVESTMENT COMMITTEE

Thursday 24 J 2021 at 7.12 pm

Members Present:

In Person: Councillor Ingleby (Chair), Councillor Krupski (Vice-Chair), Councillor Royston

Remotely: Councillor Best, Councillor Penfold, Councillor Muldoon

Also present: Ross MacLeod (Hymans Robertson), David Austin (Director of Corporate Resources), Georgina Nunney (Principal Lawyer), Claudette Minott (Clerk)

Apologies: Councillor Cod, Councillor Kalu

1. Election of Chair and Vice Chair

Nomination of Chair and Vice Chair for next municipal year

2. Declarations of Interest

Councillor Ingleby (Chair), declared a personal interest as a Councillor elected Director of Lewisham Homes not in receipt of pension.

3. Minutes

The minutes of the last meeting were amended, to include the wording below:

'We delegate the authority to complete an Elective Professional Client- Status Assessment form and supporting documentation to David Austin, Senior Pension Officer to enable London CIV to complete their MiFID II opt up processes for private markets and infrastructure'

RESOLVED that the minutes of the meeting of the Pensions Investment Committee held on 28 April 2021 be confirmed and signed as a true record.

4. Exclusion of the Press and Public

RESOLVED that under that under Section 100(A) (4) of the Local Government Act 1972, the public be excluded from the meeting during discussion of this item because it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act as set out below and the public interest in maintaining the exemption outweighs the public interest in disclosing the information:-

5. Fund performance report
6. Low Carbon Equity Mandate
7. General update

The Committee are asked to review and note the contents of the report.

RESOLVED that the report be noted.

5. Fund performance report

The Hymans Robertson presented the quarterly performance report to the Committee. The report:

- Discussed the value of the Fund's assets and movements over the quarter to 31 March 2021
- Provided performance summaries for each manager over the quarter; and
- Gave an assessment of the fund managers and any recommendations for the forthcoming quarter.

It was advised that the Fund assets were valued at £1,601.9m at the end of the period with growth of 0.9% for the quarter.

Members asked questions that were answered by Hymans Robertson.

The Committee were asked to note the contents of the report.

RESOLVED that the report be noted.

6. Low Carbon Equity Mandate

Hymans Robertson presented the report to the Committee. The report summarised the work that was in progress, to deliver the low carbon equity strategy agreed at the April 2021 meeting, for circa £850m of assets currently held in this class across the two passive mandates – Blackrock and UBS.

The fund advisor informed members the strategy planned was to:

- 1) Continue to support the London Collective Investment Vehicle seed investor group option,
- 2) In addition, undertake a direct procurement exercise for a mandate to further support the Committee's climate change objectives.

The report focused on the work to deliver the second of these procurements and included the details for the approach to be taken.

The Committee were asked to:

- review the report and note the progress of the London Collective Investment Vehicle seed investor group selection of an index and manager.
- agree the procurement approach, the managers identified, and timetable to run the request for proposal, selection and appointment steps as set out in the Hymans report.

Members asked questions that were answered by Hymans; some of these were as follows:

- How many holdings does each strategy have?
- Does including such a large number of holdings generate engagement challenges?
- Can you explain some of the differences in costs between the strategies?
- What transition risks and costs should be considering?

The Committee noted the information provided and agreed with the suggested next steps. It was also agreed that Members would discuss and confirm availability for dates in late August/early September for the beauty parade to take place.

RESOLVED that the report be noted.

7. General update

The report was presented by the Director of Corporate Resources. The Committee was given an update on several general pension related matters from the last quarterly period. Hymans also provided Members with an update on a number of general pension related issues, from the previous quarter of relevance to the Fund, including updates on the London CIV (LCIV), implementation progress of the investment strategy, and training opportunities.

Members asked questions that were answered by the Director of Corporate Resources.

RESOLVED that the report be noted.

The meeting ended at 8.48 pm