

MINUTES OF THE PENSIONS INVESTMENT COMMITTEE

Tuesday 14 June 2022 at 7.05 pm

Members Present:

In Person: Councillor Eiles (Chair), Councillor Ingleby (Vice-Chair),
Councillor Anifowose, Councillor Best, Councillor Jackson, Councillor Krupski,
Councillor Muldoon

Virtually: Councillor Royston

NB: Those Councillors listed as joining virtually were not in attendance for the purposes of the meeting being quorate, any decisions taken, or to satisfy the requirements of s85 Local Government Act 1972.

Also present: Nick Jellema (Hymans Robertson (Hymans)), Ross MacLeod (Hymans Robertson), David Austin (Director of Finance (DF)), Katharine Nidd (Head of Financial Strategy, Planning and Commercial (HFSPC)), Chris Flower (Treasury and Investments Manager), Claudette Minott (Clerk)

Apologies: N/A

1. Election of Chair and Vice-Chair

Councillor Sian Eiles was: nominated, elected and confirmed as Chair of the Pensions Investment Committee for the 2022-2023 municipal year.

Council Mark Ingleby was: nominated, elected and confirmed as Vice-Chair of the Pensions Investment Committee for the 2022-2023 municipal year.

2. Declarations of Interest

None

3. Minutes

RESOLVED that the minutes of the meeting of the Pensions Investment Committee held on 10 February 2022 be agreed.

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. Quarterly investment performance report
6. Investment Strategy Statement
7. Risk Register

8. Quarterly Update

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

RESOLVED that the report be noted.

1.1. 5. Quarterly investment performance report

The HFSPC provided Members with an introduction to the report. Hymans then gave a presentation of the report to the Committee.

The report detailed the quarterly performance of the Pension Fund investment portfolio. The report provided:

- The value of the Fund's assets and movements over the quarter to 31 March 2022;
- A performance summary of each manager over the quarter; and
- An assessment of the fund managers and any recommendations for the next quarter.

Members asked questions that were answered primarily by Hymans. Some of these questions included:

- A fund managers performance against their own benchmark;
- Currency exposure changes in relation to the investment in LCIV PEPPA and Storebrand Global ESG Plus funds (it was noted this had resulted in an increase in US dollar exposure, given the weighting of these funds to US equities)

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

RESOLVED that the report be noted.

6. Investment Strategy Statement

The report was presented by HFSPC. Members were advised that no background or statutory changes were made to the strategy.

The report set out the changes to the Fund's investment strategy as agreed in February 2018, and updated in 2020 following the triennial valuation in 2019, and the issues to be considered as part of its implementation. Members requested that a track change version of the document was made available such that changes could be easily identified from the currently in-force version.

Recommendation:

The Committee were asked to:

1. Approve the Investment Strategy Statement ("ISS") for the London Borough of Lewisham Pension Fund ("the Fund").

Questions were asked by Members that were answered by Hymans.

Members agreed the recommendations.

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

RESOLVED that the report be noted.

7. Risk Register

The HFSPC presented the report.

The report formed part of the regular review and monitoring of risks of the Pension Fund and considered the changes to the Fund's risk register for the financial year 2022/23.

Members asked a number of questions on a variety of the risks contained with the report (e.g. funding risk, concentration risk) which were addressed via Officers and Hymans Robertson.

Recommendation:

1. Members were asked to review and note the risk register and suggest any amendments as necessary.

Members asked questions that were answered by Hymans and the HFSPC.

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

RESOLVED that the report be noted.

8. Quarterly Update

The paper was presented by the HFSPC and provided the Committee with an update on several general pension related matters, from the last quarterly period.

Recommendation:

The Committee were asked to:

- review and note the contents of the report;
- note the agreement of the extension of the HarbourVest International Private Equity Partners V-Partnership Fund L.P by a further year to 30 June 2023; and
- agree the appointment of the Chair as the LCIV Shareholder Representative and the Vice Chair as the alternative.

Members asked questions that were answered by the HFSPC.

Members agreed the recommendations, noting that the appointment of the LCIV Shareholder Representative is a Council appointment and that this will be formally agreed at the next meeting of full Council.

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

RESOLVED that the report be noted.

The meeting ended at 9.31 pm