

MINUTES OF THE PENSIONS INVESTMENT COMMITTEE

Tuesday 6 September 2022 at 7.13 pm

Members Present:

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

Virtually: Councillor Best

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)), Jacqueline Jackson (London CIV (LCIV)), Harry Lamprinopoulos (London CIV (LCIV)), David Austin (Director of Finance (DF)), Kathy Freeman (Executive Director Corporate Resources (EDCR)), Katharine Nidd (Head of Financial Strategy, Planning and Commercial (HFSPC)), Chris Flower (Treasury and Investments Manager), Claudette Minott (Clerk)

Apologies: N/A

1. Minutes

Councillor Ingleby noted that the track changed version of the Fund's investment strategy, had not been circulated to Members, as requested at the meeting. The HFSPC acknowledged the Councillors' comment and advised the document would be circulated to Members.

RESOLVED that the minutes of the meeting of the Pensions Investment Committee held on 14 June 2022 be agreed.

2. Declarations of Interest

None

3. 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:-

4. Quarterly investment monitoring report
5. Meet the Manager - LCIV presentation
6. Draft Pension Accounts for 2021/22
7. General Update Report

8. Forward Plan of Documents for PIC Approval

The Committee were asked to review and agree to the Exclusion of the Press and Public Notice, in order for the meeting to move into the Part 2, closed session.

RESOLVED that the Exclusion of the Press and Public Notice be agreed by the Committee and the meeting then moved into the Part 2, closed session.

4. Quarterly investment monitoring report

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

The Hymans Robertson quarterly performance report covered:

- The value of the Fund's assets and movements over the quarter to 30 June 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 by Hymans and the HFSPC. Some of these questions included:

- If there were any financial losses incurred, during the asset transition between funds?
- What is the outlook for any underweighted bonds?
- Is there a reason Hymans did not discuss fund manager ratings in their report?

Hymans answered the Members questions.

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

RESOLVED that the report be noted.

5. Meet the Manager - LCIV presentation

Jacqueline Jackson and Harry Lamprinopoulos (London CIV (LCIV)) gave an illustrative presentation. The guests discussed their operations, analysis, fund manager ratings, market data, benchmarking, sustainability, risks and specific investment products.

Following the presentation Members asked questions that were answered by LCIV.

Recommendation:

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

RESOLVED that the presentation be noted.

6. Draft Pension Accounts for 2021/22

The HFSPC presented the report.

The report presented the draft Pension Fund accounts for the financial year ending 31 March 2022.

Members were advised that the draft Pension Fund accounts, was presented to the external auditors, Grant Thornton, on 24 August 2022 and that the accounts comprised two main statements with supporting notes:

- The Fund Account detailed dealings with members, employers and others directly involved in the scheme as well as returns on investments, and essentially represented the Fund's revenue account.
- The Net Assets Statement detailed the Fund's asset holdings and liabilities, and essentially represented the Fund's balance sheet.

The Committee were advised that within the Fund Account, the section "Dealings with members, employers, and others directly involved in the scheme" set out the movement in the net worth of the Fund in year by analysing the receipt of contributions from employers and active members, and the payment of pensions.

Members asked a number of questions on a variety of the risks contained with the report (e.g. stock of membership, overfunding and transfer values) which were addressed by Officers.

Recommendation:

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

RESOLVED that the report be noted.

7. General Update Report

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;
- agree the extension of the HarbourVest Partners VIII-Buyout Fund L.P by a further two years to 30 September 2024;
- agree the extension of the HarbourVest Partners VIII-Venture Fund L.P by a further two years to 30 September 2024;

Members were advised that since publication of the General Update Report HarbourVest had sent through a further request for general amendments to the funds structure and a response was required by the 22 September 2022. The due diligence for the matter was ongoing with Hymans Robertson and the amendments would therefore be presented at the next committee meeting but the approval be delegated to the Chair to enable submission by the 22 September deadline.

Members asked questions regarding potential investment avenues and future meeting agenda setting that were answered by the HFSPC.

The Committee were asked to:

- review and note the contents of the report;
- agree the extension of the HarbourVest Partners VIII-Buyout Fund L.P by a further

- two years to 30 September 2024;
- agree the extension of the HarbourVest Partners VIII-Venture Fund L.P by a further two years to 30 September 2024;

RESOLVED that:

- the extension of the HarbourVest Partners VIII-Buyout Fund L.P by a further two years to 30 September 2024 be agreed;
- the extension of the HarbourVest Partners VIII-Venture Fund L.P by a further two years to 30 September 2024 be agreed;
- the further amendments to the HarbourVest fund structure be delegated to the Chair to agree;
- the report be noted.

8. Forward Plan of Documents for PIC Approval

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.

The report outlined the documentation (including policies, strategies and reports) that the Pension Investment Committee would be legally required to approve, together with the current position and proposed timings for approvals and reviews.

Members asked questions that were answered by the HFSPC.

Recommendation:

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

RESOLVED that the report be noted.

The meeting ended at 9.24pm