

PENSION BOARD			
REPORT TITLE	Pensions Investment Committee Update		
KEY DECISION	No	Item No:	6
WARD	N/A		
CONTRIBUTORS	Head of Corporate Resources		
CLASS	Part 1	Date:	23 October 2018

1. PURPOSE

- 1.1. The purpose of this report is to summarise to Board members the actions approved at the most recently held meetings of the Pension Investment Committee (PIC).

2. RECOMMENDATIONS

- 2.1. The Board is asked to review and note the contents of these papers.

3. PENSION INVESTMENT COMMITTEE – JUNE 2018

- 3.1. The first PIC meeting of the financial year was held on 28 June 2018, in which a new Committee convened for the first time. The Committee has four new Members, although the Chair remains unchanged from the previous administration.
- 3.2. The minutes from the meeting are attached at Appendix 1, whilst the agenda and public papers are available on the Council website at the below link. For access to private papers, please contact the Board's Governance Support Officer:
<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=181&MId=5192&Ver=4>

In addition to noting reports on investment performance, the draft pension fund accounts, and the 2018/19 risk register, the Committee resolved the following key actions:

3.3. Carbon Footprinting

The Chair of Hackney's Pensions Committee and the Council's Director of Finance gave a presentation on the path they have taken to identify their Fund's carbon footprint, and the actions they plan to take to reduce it. Lewisham's Committee resolved that officers should procure a similar service to identify the Fund's carbon footprint, to be undertaken later in the year.

3.4. Investment Beliefs

Members agreed to complete a survey supplied by advisors Hymans Robertson which will be used to measure and report back on the Committee's overall investment beliefs, leading to the creation of a formal Investment Beliefs Statement.

3.5. **Tender for Advisory and Actuarial Services**

Officers were tasked with investigating and reporting back to Committee the procurement options for the Fund's advisory and actuarial services, given the existing providers Hymans Robertson have been contracted on a rolling basis without any competitive retender for a number of years.

3.6. **JP Morgan Infrastructure Fund**

Following advice received from officers and advisors, Members resolved to fund the commitment to the new infrastructure fund via the sale of equities from the Fund's passive manager UBS.

4. PENSION INVESTMENT COMMITTEE – SEPTEMBER 2018

- 4.1. The second PIC meeting of the financial year was held on 11 September 2018. The draft minutes from the meeting are attached at Appendix 2, whilst the agenda and public papers are available on the Council website at the below link. For access to private papers, please contact the Board's Governance Support Officer:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=181&MId=5194&Ver=4>

In addition to noting reports on investment performance and investment beliefs, and receiving two fund manager presentations, the Committee resolved the following key actions:

4.2. **Private Equity Allocation**

In order to maintain the Fund's target allocation to private equity, the Committee resolved to continue with its current investment approach by committing to two new funds with its existing private equity manager HarbourVest. Members agreed to commit \$25m to a US focussed fund by the end of 2018, and \$25m to a global (non-US) fund in mid-2019.

4.3. **Property Allocation**

The Committee resolved to maintain the current underweight allocation to property, whilst monitoring developments at its existing property manager Schroders and the London CIV.

4.4. **Tender for Advisory and Actuarial Services**

The Committee agreed to defer the planned retender until later in 2019, in order to allow next year's triennial valuation to take place without interruption. Members agreed that the Fund should register with the National LGPS Frameworks in advance of any retendering to access the existing frameworks for advisory and actuarial services.

5. FINANCIAL IMPLICATIONS

- 5.1. This report and its appendices address the overall finances of the Pension Fund. There are no other direct financial implications to this report.

6. LEGAL IMPLICATIONS

- 6.1. There are no legal implications directly arising from this report.

7. CRIME AND DISORDER IMPLICATIONS

7.1. There are no crime and disorder implications directly arising from this report.

8. EQUALITIES IMPLICATIONS

8.1. There are no equalities implications directly arising from this report.

9. ENVIRONMENTAL IMPLICATIONS

9.1. There are no environmental implications directly arising from this report.

APPENDICES

Appendix 1 – Approved minutes from the meeting of PIC held on 28 June 2018.

Appendix 2 – Draft minutes from the meeting of PIC held on 11 September 2018.

FURTHER INFORMATION

If there are any queries on this report or you require further information, please contact:

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