

Meeting	NOTTINGHAMSHIRE PENSION FUND COMMITTEE
Date	Thursday 10 March 2022 at 10.30 am

membership

COUNCILLORS

Eric Kerry (Chairman)
André Camilleri (Vice Chairman)

Stephen Garner
Mike Introna
Sheila Place
Mike Pringle

Roger Upton
Lee Waters
Gordon Wheeler

NON-VOTING MEMBERS:**Nottingham City Council**

Councillor Graham Chapman
Councillor Anne Peach
Councillor Zafran Khan

District / Borough Council Representatives

Councillor David Lloyd, Newark and Sherwood District Council - Absent
Councillor Gordon Moore, Rushcliffe Borough Council

Trades Unions

Mr A Woodward - Apologies
Mr C King

Scheduled Bodies

Mrs Sue Reader – Apologies

Pensioners' Representatives

Vacancy x 2

Independent Adviser

William Bourne

Officers in Attendance

Nigel Stevenson (Chief Executive's Department)
Jon Clewes (Chief Executive's Department)
Tamsin Rabbitts (Chief Executive's Department)
Jo Toomey (Chief Executive's Department)

Before moving to the formal business of the meeting, the Chairman read out a statement that set out the Fund's position in response to the invasion of Ukraine by Russia.

1. MINUTES OF THE LAST MEETING HELD ON 2 FEBRUARY 2022

The minutes of the last meeting held on 2 February 2022 were confirmed as a correct record for signing by the Chair.

2. APOLOGIES FOR ABSENCE

- Sue Reader, Scheduled Bodies Representative

3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

No interests were disclosed.

4. LOCAL GOVERNMENT PENSION SCHEME CONFERENCE, JANUARY 2022

The report on the Local Government Pension Scheme Conference gave members an overview of the presentations that were given.

During discussion, Members:

- Asked what reference had been made to COP26 within conference sessions
- Noted that within the conference there was discussion around engagement and divestment

RESOLVED 2022/008

That the contents of the report be noted.

5. STRATEGIC ASSET ALLOCATION WORKING GROUP

The Strategic Asset Allocation working group met on 31 January 2022. The report summarised the discussions that took place and the recommendations that arose from the workshop.

During discussion, Members:

- Discussed the recommendation to proceed with the 5% allocation in the LGPS Central sustainable equity fund proposed in 2021
- Suggested that further allocations could potentially be made in the future.
- Sought guidance on the impact of Russia's invasion of Ukraine on future investments

RESOLVED 2022/009

- 1) To invest 5% of the Fund in the LGPS Central Global Sustainable Equity fund.
- 2) To change the equity benchmark used to monitor equity investments in the Specialist portfolio to a composite consisting 50% FT Japan, 50% FT Europe inc. UK in GBP.
- 3) To reallocate the Darwin investments to the Inflation category, specifically Darwin Leisure Property and Darwin Leisure Development Funds to real estate, and Darwin Bereavement Fund to infrastructure.
- 4) To reduce the Strategic Asset Allocation private equity allocation from 6.5% to 6.0% and raise listed Developed Market equity from 48.5% to 49% and to amend the final sentence of the Investment Strategy Statement paragraph 53 to allow commitments to exceed asset allocation.
- 5) To amend the Strategic Asset Allocation Inflation category subclass allocations as shown in Table 1 of the report.
- 6) To continue to monitor the exposure to the tobacco sector.

6. INDEPENDENT ADVISER'S REPORT

The Independent Adviser provided an update report to the Committee.

During discussions, Members:

- Considered the impact of the war in Ukraine and the impact on the price of commodities, together with potential consequences on inflation rates and the risk of stagflation
- Considered the fund's exposure in relation to any write-offs or stocks that have been written down as a response to the war
- Noted that Russian assets had been frozen and could not currently be sold
- Spoke about supply challenges within the energy and food sectors following the Russian invasion of Ukraine.

RESOLVED 2022/010

That the report of the Independent Advisor be noted.

7. WORK PROGRAMME

Committee members asked for reassurance that if it was necessary for Committee to take a decision outside the timeline of its scheduled meetings, it would be possible to call an additional meeting. A suggestion was made that it may be helpful to produce a fact sheet, which could be circulated to Committee members to inform them of ongoing developments outside Committee meetings.

Members asked about the item on the review of the Pension Fund Committee and were advised about the governance review that the Council was undertaking.

RESOLVED 2022/011

That the work programme be agreed.

11:36 – Councillor Garner left the meeting and did not return. Councillor Khan entered the meeting.

8. FUND VALUATION AND PERFORMANCE – QUARTER 3

The report informed the Committee of the value of the Pension Fund at the end of the latest quarter and provided information on its performance.

During discussion, Members:

- Noted the decreasing trend in investment in fossil fuels, with a view given that it would be positive to see that trend continue.

RESOLVED 2022/012

That no further actions were required in relation to the issues contained within the report.

9. EXCLUSION OF THE PUBLIC

RESOLVED 2022/013

That the public be excluded for the remainder of the meeting on the grounds that the discussions were likely to involve disclosure of exempt information described in schedule 12A of the Local Government Act 1972 and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

10. FUND VALUATION AND PERFORMANCE – QUARTER 3 – EXEMPT APPENDIX

Members considered the contents of the exempt appendix to the fund valuation and performance report.

RESOLVED 2022/014

That the contents of the exempt appendix be noted.

11. FUND MANAGER PRESENTATIONS

a) Abrdn

Jon Holguin and Craig Thomson provided a report to the Committee on the activities of Abrdn.

12:10pm - Councillor Peach left the meeting and did not return

b) Schroders

Gavin Marriott, Paul Miles, Andy Simpson and Alex Tedder provided a report to the Committee on the activities of Schroders.

12.44pm – Councillor Pringle left the meeting and did not return

The meeting concluded at 13.05pm

CHAIR