worcestershire countycouncil

**AGENDA ITEM 7**

# PENSIONS COMMITTEE
# 16 OCTOBER 2019

# PENSION INVESTMENT UPDATE

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## Recommendation

1. **The Chief Financial Officer recommends that:**

   a) **The Independent Financial Adviser's fund performance summary and market background be noted (Appendices 1 to 3);**

   b) **The update on the Investment Managers placed 'on watch' by the Pension Investment Advisory Panel be noted;**

   c) **The outcome of the transition of the active Emerging Market investments (Exempt Appendix 4 and 5 only available electronically) to the LGPS Central Global Emerging Markets Fund be noted;**

   d) **The update on the transition of the Active Corporate Bonds mandate into the LGPS 'Global active Investment Grade Corporate Bond Fund be noted;**

   e) **The funding position compared to the investment performance be noted;**

   f) **The update on the Equity Protection current static strategy extension be noted;**

   g) **The update on Responsible Investment activities and Stewardship investment pooling be noted;**

   h) **The update on the LGPS Central report on the voting to be undertaken on the Funds behalf be noted; and**

   i) **The update on the development of a Climate Risk Monitoring Platform be noted.**

## Background

2. The Committee will receive regular updates on Fund performance. The Fund's Independent Financial Adviser has provided a Fund performance summary and a brief market background update at Appendix 1 together with the following supporting information.

- Bar Chart of active investment managers' performance (Appendix 2)
- Portfolio Evaluation overall Fund Performance Report (Appendix 3)

The market background update is provided to add context to the relative performance and returns achieved by the Fund's investment managers.

3. The Committee will also receive regular updates regarding 'on watch' managers and will receive recommendations in relation to manager termination in the event of a loss of confidence in managers by the Pension Investment Advisory Panel (Appendix 1).

*JP Morgan Emerging Markets*

4. JP Morgan reported an overperformance of 0.7% (4.5% v. 3.8%) over the quarter. That has helped their performance against the benchmark over one year, now behind by -2.4% (5.9% v. 8.3%).

5. Their three-year performance against target is less negative than it was, now -1.4% annualised. Their performance since inception. against their performance requirement was an underperformance of -1.55%, which against the benchmark alone only gives an outperformance of 0.45%.

6. Our investment adviser commented that JP Morgan have struggled with their value bias over the life of this mandate. As mentioned in the last report, taking on a manager with a value-based style was a conscious decision at the time, but value stocks have underperformed growth over the last 8 years. In the circumstances they have at least made the Fund some money on a relative basis, just not enough to justify the fees that the performance target required. This has now been transitioned to LGPS Central Emerging Market portfolio for which further details are provided later in this report.

*JP Morgan Corporate Bond*

7. As we head towards the transition of this mandate to LGPS Central's appointed managers (Fidelity and Neuberger Berman), JP Morgan have shown an outperformance of 0.3% (3.7% v 3.4%) in Q2 2019 against their benchmark. Their performance against benchmark over the last 12 months has moved further into positive territory at 0.6% (8.2% v 7.6%), however that is still behind their performance

8. Relative to their performance target, they are behind by -0.4% over three years, and -0.24 % over ten years, which is a slight deterioration since the last report. Transition of this mandate is imminent, and an update is provided later in this report.

## Property and Infrastructure Commitments

9. The table below highlights the total commitments to the end of September 2019 being £602million and the amount that has been drawn, i.e. the capital invested being £422million (70%). These types of investments can take several years to be fully committed.

| Property & Infrastructure Commitments | | Commitment £'m | Amount Drawn Sept 19 | % |
|---|---|---|---|---|
| Total Commitment Property Investments | | 253 | 184 | 73% |
| Total Commitment Infrastructure Investments | | 349 | 238 | 68% |
| **Total** | | **602** | **422** | **70%** |

## Transition of Active Emerging Market Equities and Corporate Bonds to LGPS Central

***Active Emerging Markets***

10. Pensions Committee have been kept up to date with the process being conducted for the transition across of our active Emerging Markets equities to the LGPS Central Active Global Emerging markets mandate (AGEM). Worcestershire currently has active emerging market mandate with JP Morgan and Schroder's totalling £356.1m as at the end of March 2019.

11. The Pensions Committee in March agreed to the transition the existing active emerging market equities to the LGPS Central AGEM subject to due diligence taking place. At the June Committee it was reported that there were no issues from the due diligence and that we were working closely with LGPS Central to ensure a smooth a transition as possible.

Outcome of Transition

12. LGPS Central appointed Inalytics to provide transition oversight to look to provide as smooth a transition as possible within the target implementation shortfall. In trading terms, an implementation shortfall is the difference between the prevailing price or value when a buy or sell decision is made about a security and the final execution price or value after taking into consideration all commissions, fees and taxes. LGPS Central then asked Inalytics to procure a transition manager and on 7 May appointed Macquarie Capital (Europe) Limited as Transition Manager. It was felt that Worcestershire should have independent transition advice to ensure that the funds interests were protected, and we called on advice from our existing investment consultant contract with MJ Hudson.

13. The preparation period for the transition covered a two-month period during which Macquarie coordinated with all parties including the legacy (Schroders and JP Morgan) and target managers, Northern Trust (LGPS Custodian), BNY Melon (our custodian) the Partner Funds (Worcestershire and Leicestershire), Worcestershire transition advisor and LGPS Central. Project milestones included confirmation of the key dates for the movement of assets and initial contributions to the Authorised Contractual Scheme (ACS), the completion of all documentation, the presentation of expected costs to LGPS Central and the Partner Funds, and the opening of all required accounts. This process was completed efficiently with all parties being responsive and flexible which was a considerable factor in achieving what was a very tight timeframe.

14. The transition involved the restructuring of two mandates being Worcestershire and Leicestershire to three active global emerging markets equity mandates (BMO, UBS and Vontobel). Originally, further Partner Funds were identified as wanting to contribute to the funding however, it was agreed that due to the make-up of the legacy mandates only Worcestershire and Leicestershire would fund this launch. The driving factor behind this was the difference in liquidity profile and expected trading costs of the respective legacy portfolios

15. Transition trading commenced on 8 July 2019 and completed on 16 July 2019. After the first day 72% of all trading was complete rising to 93% by day three. Trading was accelerated by Macquarie thanks to some successful block trades meaning the target managers were able to be funded earlier than anticipated. The portfolios were funded to the new managers on 19th July 2019.

16. The transition overall was successful and close to the targeted implementation shortfall. There was good communication and project management provided by Macquarie. Several issues arose during the transition (see the Macquarie post trade report for more details at Exempt Appendix 4 - available electronically only) all of which were addressed in a timely manner with positive outcomes.

17. Attached also is a post transition review report (see Exempt Appendix 5 available electronically only) provided by our independent advisor MJ Hudson which highlights several areas that can be considered for future improvements in the transition process. This has been provided to LGPS Central and partner funds for consideration at a future meeting.

18. The overall Assets under management (AUM) that have been transferred including Leicestershire is just over £536million. It is anticipated that Derbyshire and Nottinghamshire will also invest into this fund increasing the AUM to an estimated £736million.

19. Performance Reports will be available from LGPS Central monthly with a more detailed performance report every quarter. Representatives from LGPS Central will be asked to attend the Pensions Investment Sub Committee in line with how we deal with our existing active equity managers. We may also seek one or more of the three appointed fund managers attend directly or with LGPS Central.

Overall costs of Transition

20. The overall cost or Implementation Shortfall (IS) is shown as a monetary value and expressed as a percentage cost (basis points) in terms of the fund value (total legacy asset value). The cost table below provides a summary of the realised implementation shortfall totalling £2.495million or 71.4 basis points. This includes the costs that had to be borne outside the transition and capital gains tax relating to our previous India investments. The value of the Mandate that was provided to a three-active global emerging markets equity mandates (BMO, UBS and Vontobel) was £349.461m on the 19 July 2019 and has been allocated equally to each fund manager.

21. Note also that the opportunity was taken to rebalance this mandate by £30million in line with our overall strategic investment targets and to fund future capital requirements relating to our Property and Infrastructure investments.

**Table: Overall cost of the Emerging Market transition to LGPS Central**

| | **Worcestershire** £'000 | |
|---|---|---|
| Initial Mandate overview pre-transition | 374,300 | June 19 |
| Less asset allocation rebalancing | -30,000 | |
| Total Initial Mandate overview pre-transition | **344,300** | |
| | | |
| **Total Portable Value after Transition** | **349,461** | |
| | | |

| Overall Costs of Transition | Worcestershire £'000 | |
|---|---|---|
| **Estimated costs borne individually, pre-transition outside ACS** | **268** | |
| **Costs incurred within ACS Sub Fund** | | |
| Taxes | 212 | |
| Commissions | 160 | |
| Transfer Taxes | 103 | |
| Implicit | 1,369 | |
| **Total Costs incurred within ACS Sub Fund** | **1,844** | **0.528%** |
| Target Costs incurred within ACS Sub Fund | **1,779** | 0.509% |
| **Variance** | **65** | |
| **Capital Gain Tax** | **383** | |
| | | |
| **Overall cost of Transition** | **2,495** | **0.714%** |

Overall Management Fees

22. The Management fees are in the region of 37bps compared to the 65 to 69bps we pay now, so an estimated saving based on the existing Assets under management of approximately £1.1m per annum. However, the transitions costs will need to be considered before any real ongoing savings are achieved.

***Corporate Bonds***

23. Pensions Committee in March were informed that the next potential transition will be the existing active corporate bonds mandate currently with JP Morgan with an existing value as at June 2019 of £151.1m. The mandate proposed by LGPS Central is a 'Global active Investment Grade Corporate Bond Fund. A rigorous process like that of the AGEMS above was detailed in a report to the Pensions Investment Sub Committee on the 11 June 2019 to appoint 2 fund managers being Fidelity IL Pension Management and Neuberger Berman (Europe) Limited.

Due Diligence

24. As part of the necessary due diligence all partner funds had the opportunity to meet and interview the 2 fund managers at a Partner Fund Investment Working Group on the 16 May 2019. Our Independent Investment Advisor also attended.

25. It was agreed by Pension Committee on the 21 June to the transition the existing Active Bonds mandate with JP Morgan to LGPSC Active Bond mandate.

Transition of assets to LGPS Central

26. LGPS Central have again appointed Inalytics to provide transition oversight to look to provide as smooth a transition as possible within the target implementation shortfall. LGPS Central then asked Inalytics to procure a transition manager and on 22 August appointed Blackrock as Transition Manager. A transition kick off meeting was undertaken on the 10 September 2019 and funds are likely to transfer early 2020. The

Investment Sub Committee and Pension Committee will be kept informed as to progress.

Overall Management Fees

27. The Management fees are in the region of 8.3bps compared to the 17bps we pay now, so an estimated saving based on the existing Assets under management of approximately £0.1m per annum. However, the transitions costs will need to be considered before any real ongoing savings are achieved.

**Estimated Funding Levels**

28. Table 2 shows the overall Funding level of the Fund. It should be noted that this is a weighted average across all the employers that are part of the Fund The range of funding levels across the employers was circa 20% to 120% (based on 2016 valuation)

29. The last actuarial valuation undertaken as at the 31 March 2016 showed that the fund was 75% funded with a £654m deficit at this point. The Actuary provided a preliminary valuation in September 2019 and further detail is provided in the 2019 Actuarial Valuation Funding Strategy Statement report on this agenda. This has been updated for discount rate assumptions, life expectancy trends, covenant, data quality etc. The estimated funding levels in March 2019 were to 91% with a deficit of £265m. The Asset valuation as at the end of August 2019 was £2.914m.

***Table 2: Estimated Pension Fund Funding levels based on a like for like comparison to the 2016 actuarial valuation.***

| | Mar-16 | Mar-18 | Oct-18 | Dec-18 | Mar-19 |
|---|---|---|---|---|---|
| Assets £'M | 1,952 | 2,701 | 2,708 | 2,650 | 2,795 |
| Liabilities £'M | 2,606 | 2,794 | 2,861 | 2,871 | 3,065* |
| **Surplus (-) / Deficit** | **654** | **93** | **153** | **221** | **265** |
| **Estimated Funding Level** | **75%** | **97%** | **95%** | **92%** | **91%** |

** Note this is based on the Actuary preliminary valuation what the next triennial review is based. The other Liability figures before this were based on a like for like comparison to the assumptions used in the 2016 valuation.*

30. Note the valuation takes on board the extension of the Equity protection.

Equity Protection update

31. Pension Committee will recall a number of Equity Protection options / considerations were discussed and provided at the last Committee. A caveat to the discussions was that the Actuary believed that the Fund could benefit from using an equity protection strategy in terms of providing increased certainty and affordability of contributions if markets were to deteriorate. Note this only covers our passive portfolio of approximately £1.1bn (including the Equity Protection valuation)

32. A recap of the aspects considered were

a) **The Governance angle** to protect from the risk of increased employer contributions. This would mean extending the current static strategy to around mid-2020 slightly past the formal sign off date for the 2019 actuarial valuation (31 March 2020). As part of this consideration it would be investigated as to whether

more upside participation can be implemented over this period without giving up too much downside protection. This would also provide the Actuary certainty that the Equity Protection is in place when the actuary's rates and adjustments certificate has to be signed off;

b) **The Risk profile** as technically the Equity Protection strategy does help provide diversification in the portfolio and reduces the risk profile as part of the valuation (admittedly at a cost like paying an insurance premium); and

c) **A longer term dynamic strategy.** This needs to be considered as part of the Asset Allocation review that will be conducted from June through to around November 2019 to ascertain whether the Equity Protection Strategy should become an integral part of the Funds future investment strategy.

33. It was agreed that:

a) The Equity Protection current static strategy be extended to mid-2020 to protect employer contributions and provide certainty to the Actuary that the Equity Protection is in place when the actuary certificate must be signed off.

***Progress – This has been completed and included in the 2019 valuation***

b) Those options be explored as to whether more upside participation can be implemented over this period without giving up too much downside protection be delegated to the Chief Financial Officer in consultation with the Chair of Pensions Committee; and.

***Progress – This has been actioned and a summary is provided in the table below***

**Revised Equity Protection levels implemented**

| Mandate & Market | Initial Market Level | 87% when protection kicks in | 70% when protection ends | Level at which cap is achieved | % Level at which cap is achieved | Dividend yield | Total Return including Dividend yield |
|---|---|---|---|---|---|---|---|
| EDOS 5 - S&P | 2,895.90 | 2,519.40 | 2,027.10 | 3,162.60 | 9.21% | 1.54% | 10.75% |
| EDOS 6 - ESTOXX | 3,282.80 | 2,856.00 | 2,297.90 | 3,453.50 | 5.20% | 3.24% | 8.44% |
| EDOS 7 - FTSE | 7,270.90 | 6,325.70 | 5,089.60 | 7,612.50 | 4.70% | 4.07% | 8.77% |
| EDOS 8 - FTSE | 7,157.30 | 6,226.90 | 5,010.10 | 7,530.60 | 5.21% | 4.13% | 9.34% |

*Notes an example: Should the S&P go above the 3,162.6-market value cap then WPF will not benefit from total returns above this level being 10.75%. Likewise, the S&P market value is protected from market falls between the market value of 2895.9 (87%) and 2,519.40 (70%)*

c) The Equity Protection Strategy be considered as part of the Asset Allocation review that will be conducted from June through to around November 2019 to ascertain as to whether this should become an integral part of the Funds future investment strategy

***Progress – Initial discussions and analysis have started.***

**Strategic Asset Allocation**

34. Table 3 below shows the existing asset allocations against the Strategic Asset Allocation targets. This highlights that our overall investment in equities is still high being over 81.2% (83.1% in June 2019) (including the equity protection) compared to the target of 75%. This is mainly due to the committed Property and Infrastructure investments not being fully drawn down at this stage. As the drawdowns occur then this will bring in the actual asset allocations within the target parameters set as part of the investment strategy.

**Table 3 Strategic Asset Allocation targets**

| **Fund as at the 30th June 2019** | | | **Strategic Asset Allocation targets** | |
|---|---|---|---|---|
| Asset Class | Portfolio Weight | | Asset Class | Portfolio Weight |
| **Actively Managed Equities** | **27.1%** | | **Actively Managed Equities** | **20.0%** |
| Far East Developed | 14.1% | | Far East Developed | 10.0% |
| Emerging Markets | 13.0% | | Emerging Markets | 10.0% |
| **Passively Managed Equities – Market Capitalisation Indices** | **30.9%** | | **Passively Managed Equities – Market Capitalisation Indices** | **40.0%** |
| United Kingdom | 13.2% | | United Kingdom | 23.5% |
| North America | 11.2% | | North America | 9.0% |
| Europe ex UK | 6.5% | | Europe ex UK | 7.5% |
| **Passively Managed Equities – Alternative Indices** | **15.1%** | | **Passively Managed Equities – Alternative Indices** | **15.0%** |
| Global | 15.1% | | Global | 15.0% |
| **Equity Protection** | **8.1%** | | | |
| **Fixed Interest** | **5.7%** | | **Fixed Interest** | **10.0%** |
| Actively Managed Bonds & Corporate Private Debt | 5.7% | | Actively Managed Bonds & Corporate Private Debt | 10.0% |
| **Actively managed Alternative Assets** | **13.1%** | | **Actively managed Alternative Assets** | **15.0%** |
| Property | 6.2% | | Property & Infrastructure | 15.0% |
| Infrastructure | 6.9% | | | |
| **TOTAL** | **100.0%** | | **TOTAL** | **100%** |

**Responsible Investment (RI) Activities**

35. The term' responsible investment' refers to the integration of financially material environmental, social and corporate governance ("ESG") factors into investment processes. It has relevance before and after the investment decision and it is a core part

of our fiduciary duty. It is distinct from 'ethical investment' which is an approach in which moral persuasions of an organisation take primacy over its investment considerations

36. The Fund adopts a policy of risk monitoring and engagement with companies with sub-optimal governance of financially material Responsible Investment (RI) issues, in order to positively influence company behaviour and enhance shareholder value; influence that would be lost through a divestment approach. The Fund extends this principle of “engagement for positive change” to the due diligence, appointment and monitoring of external fund managers.

Local Authority Pension Fund Forum (LAPFF)

37. LAPFF exists to promote the long-term investment interests of member funds and beneficiaries, and to maximise their influence as shareholders whilst promoting the highest standards of corporate governance and corporate responsibility at investee companies. Formed in 1990, LAPFF brings together a diverse range of 79 public sector pension funds and five pools in the UK with combined assets of over £230 billion.

38. Some key highlights from their quarterly engagement report (Apr to June 19) were: -

- The Investor Mining & Tailings Safety Initiative was created following the failure of a tailings dam at the Córrego do Feijão mining facility in Brumadinho, Brazil. The collapse occurred on January 25 and led to the loss of around 300 lives. The initiative, led by a group of investors with combined assets under management of around $12.5 trillion, is governed through a steering committee chaired by the **Church of England Pensions Board** and the **Swedish Council of Ethics** of the AP Funds. LAPFF has played a significant role in supporting and liaising with the affected communities through this initiative, ensuring that the community voice forms part of ongoing narrative

- LAPFF’s engagement with the largest global steel company, ArcelorMittal, continued with attendance at the AGM in Luxembourg. Addressing the company chair, Mr Mittal, Cllr Rob Chapman welcomed progress made by the company during the year towards development of a strategy consistent with the goals of the Paris Agreement. This has included exploring industrial-scale use of hydrogen at their Hamburg plant and testing circular and low carbon technologies across a number of sites.

- In his last engagement as LAPFF chair, Cllr Paul Doughty attended the Persimmon AGM. The company chair, Roger Devlin, apologised for the previous chief executive’s pay award. Presentations from the chief executive and chair focused on how the company was seeking to change, including committing to paying the Living Wage and undertaking a review of customer care.

- LAPFF issued voting alerts ahead of the **Facebook, Twitter** and **Alphabet** general meetings. The alerts recommended that members support shareholder proposals that the companies produce reports into the governance and management of inappropriate and illegal user-generated content. The Forum also supported a resolution for the appointment of an employee director at Alphabet (the parent company of Google) following several workforce-related problems

- LAPFF has been engaging with General Motors and Ford about their approach to climate change and emissions standards following proposed weakening of

regulations by the US administration. In June, GM and Ford co-signed a letter to the President urging the US government to negotiate a solution on emissions

39. Through LAPFF, the Fund engaged with 62 companies during the quarter on issues ranging from human rights climate change, environmental issues, governance and board composition. Most engagements concerned climate change. Four engagements led to a substantial improvement and ten engagements led to a change in process /small improvement. Most engagements were conducted by meetings with specialist staff or the company Chair. The issues are set out in the Quarterly Engagement Report which is attached at Appendix 6 and is also available on LAPFF's website together with the previous quarterly engagement reports. : lapff qrtly-engagement-reports.

Stewardship Code

40. The Financial Reporting Council (FRC) undertook at consultation on a new stewardship code in January 2019 with a closing date in April 2019. This sets substantially higher expectations for investor stewardship policy and practice. The Code will focus on how effective stewardship delivers sustainable value for beneficiaries, the economy and society.

41. The new Code aims to increase demand for more effective stewardship and investment decision-making which is better aligned to the needs of institutional investors' clients and beneficiaries.

42. The proposed main changes to the Code include:

- **Purpose, values and culture.** Investors must report how their purpose, values and culture enable them to meet their obligations to clients and beneficiaries. This aligns the Code with the UK Corporate Governance Code and encourages embedding behaviour conducive to effective stewardship in the investor community.
- **Recognising the importance of ESG factors.** The proposed Code now refers to environmental, social and governance (ESG) factors. Signatories are expected to take material ESG issues into account when fulfilling their stewardship responsibilities.
- **Stewardship beyond listed equity.** The proposed Code now expects investors to exercise stewardship across a wider range of assets where they have influence and rights, in the UK and globally.

43. The proposed 2019 Code sets out more rigorous requirements for reporting, focusing on how stewardship activities deliver outcomes against objectives. Reporting will be subject to increased oversight by the FRC to ensure the Code is effective in raising the quality of stewardship across the investor community.

44. We are still awaiting the outcome and application of the new Stewardship code and will report back on the implications as soon as this is known.

**Stewardship in Investment Pooling**

45. As part of LGPS Central we are actively exploring opportunities to enhance our stewardship activities. More information is on the LGPS website LGPSCentral – Responsible Investment. One of the principal benefits, achieved through scale and resources arising from pooling are the improved implementation of responsible investment and stewardship. Through its *Responsible Investment & Engagement Framework* and its Statement of Compliance with the UK Stewardship Code, LGPS

Central is able to help implement the Fund's own *Responsible Investment Framework*. LGPS Central issues Quarterly Stewardship Reports to demonstrate progress on matters of investment stewardship and can be found on the above link for which the quarter ending the 30 June 2018 is currently available.

*Stewardship Themes*
46. Each of the partner funds were invited to take part in a short survey, to gauge interest in a list of potential stewardship themes. The outcome was an agreed shortlist of four (proposed at a recent Responsible Investment Working Group RIWG), which comprised of climate change, single-use plastic, technology & disruptive industries, and tax transparency. Further details of these 4 themes and the progress to date will be provided at the next meeting.

**Voting Decisions**
47. At the last meeting it was agreed that it would be beneficial for LGPS Central would compile and vote the shares for Worcestershire Pension Fund voting records (via LGPS Central contract with Hermes EOS and executed in line with LGPS Central's Voting Principles).

48. All the relevant documentation has now been completed and 'Donut' charts for how votes have been cast in different markets and a Table of vote-by-vote disclosure for full transparency will be available at the next Committee and every quarter thereafter.

**Development of a Climate Risk Monitoring Platform**
49. As highlighted in the June report, the partner fund Responsible Investment Working Group and LGPS Central are developing a Climate Risk Monitoring Service. This would provide four optional deliverables

- Assistance drawing up a climate change framework and strategy
- Per fund an annual climate change risk report tailored to individual funds requirements comprising
    - Climate scenario analysis, fund wide, all asset classes
    - Carbon metrics scorecard (carbon footprint, stranded asset analysis, etc.
    - Annual climate stewardship plan
- Per fund annual training of Pensions Committee
- Task Force for Climate-related Financial Disclosures (TCFD) report for public disclosure with our annual report

*50.* All partner funds have now agreed to take this forward. A procurement exercise has been completed for Climate Scenario Analysis and Carbon Risk Metrics and providers appointed. Work is now ongoing to look to provide initial reports for each individual partner fund before financial year end.

*Responsible Investment Conference*
*51.* LGPS Central provided a Responsible Investment Conference on the 9 July 2019 in Birmingham and all members of the Committee, Investment Sub Committee and Board were invited. The event was well attended and informative. Feedback from the event is provided at Appendix 7

**52. Please note that Appendices 4 and 5, contain exempt information and are only available electronically (on salmon pages) and should members wish to discuss**

**the information included in these Appendices they would need to consider passing the appropriate resolution and moving into exempt session.**

## Contact Points

County Council Contact Points
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Specific Contact Points for this report
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## Supporting Information

- Independent Financial Adviser summary report (Appendix 1)
- Bar Chart of active investment managers' performance (Appendix 2)
- Portfolio Evaluation overall Fund Performance Report (Appendix 3)
- Macquarie post trade report (Appendix 4) **(Exempt Information – available electronically only)**
- MJ Hudson post transition review report (Appendix 5) **(Exempt Information – available electronically only)**
- LAPFF Quarterly Engagement Report April to June 2019 (Appendix 6)
- Responsible Investment Event Feedback (Appendix 7)

## Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

- Agenda papers and Minute of the Pensions Committee meeting held on 21 June 2019