

# Agenda

## Pension Investment Sub-Committee

**Wednesday, 14 June 2023, 10.00 am**  
**County Hall, Worcester**

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## DISCLOSING INTERESTS

There are now 2 types of interests:  
**'Disclosable pecuniary interests'** and **'other disclosable interests'**

### WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3<sup>rd</sup> party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

**NB Your DPIs include the interests of your spouse/partner as well as you**

### WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
  - you must **not participate** and you **must withdraw**.

**NB It is a criminal offence to participate in matters in which you have a DPI**

### WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:  
You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

### WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

### DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

### DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
  - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

**Pension Investment Sub-Committee**  
**Wednesday, 14 June 2023, 10.00 am, Worcester Board Room,**  
**County Hall, Worcester**

**Membership:** Cllr Adrian Hardman (Chairman), Cllr Elizabeth Eyre, Cllr Karen Hanks

**Co-opted Members**

Vacancy (voting) Herefordshire Council

Vacancy (non-voting) Employee Representative

**Agenda**

<b>Item No</b>	<b>Subject</b>	<b>Page No</b>
1	<b>Apologies/Named Substitutes</b>	
2	<b>Declaration of Interests</b>	
3	<b>Public Participation</b> Members of the public wishing to take part should notify the Assistant Director for Legal and Governance in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case 13 June 2023). Enquiries about this can be made through the telephone number/e-mail address listed in this agenda and on the website.	
4	<b>Portfolio Evaluation Limited Quarterly Update</b>	1 - 16
5	<b>LGPS Central Global Active Emerging Markets, Global Active Investment Grade Bond &amp; All World Equity Climate Multi Factor fund performance to the end of March 2023</b>	17 - 76
6	<b>Private Equity Update</b>	77 - 78

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To obtain further information or a copy of this agenda contact Simon Lewis, Committee Officer on 01905 846621, [slewis@worcestershire.gov.uk](mailto:slewis@worcestershire.gov.uk)

All the above reports and supporting information can be accessed via the Council's website

Date of Issue: Friday, 2 June 2023

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## **PENSION INVESTMENT SUB COMMITTEE**

### **14 JUNE 2023**

## **PORTFOLIO EVALUATION LIMITED QUARTERLY UPDATE**

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### **Recommendation**

1. **The Chief Financial Officer recommends that the Pension Investment Sub Committee note and comment on the investment performance information attached as an Appendix.**
2. The Portfolio Evaluation Limited quarterly update provides:
  - Market Review
  - Evaluation of the Funds performance results for 2022-23
3. The Pension Investment Sub-Committee is asked to comment on the Portfolio Evaluation Limited update and associated appendices.
4. **Please note that the Appendix contains exempt information (on salmon pages) and should members wish to discuss the information included in this Appendix they would need to consider passing the appropriate resolution and moving into exempt session**

### **Supporting Information**

Appendix - details Portfolio Evaluation Ltd quarterly and annual investment performance update for Worcestershire Pension Fund (**Exempt information – Salmon pages**)

### Specific Contact Points for this report

Sherief Loutfy

Head of Pension Investments, Treasury & Banking

Tel: 01905 843103

Email: [sloutfy@worcestershire.gov.uk](mailto:sloutfy@worcestershire.gov.uk)

### **Background Papers**

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## **PENSION INVESTMENT SUB COMMITTEE**

### **14 JUNE 2023**

# **LGPS CENTRAL (LGPSC) GLOBAL ACTIVE EMERGING MARKETS, GLOBAL ACTIVE INVESTMENT GRADE BOND AND ALL WORLD EQUITY CLIMATE MULTI FACTOR FUND PERFORMANCE TO THE END OF MARCH 2023**

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### **Recommendation**

- 1. The Chief Financial Officer recommends that the LGPS Central Global Active Emerging Market, Global Active Investment Grade Bond and Global Sustainable Equity Funds Performance Investments Performance to March 2023 be noted.**

### **Background**

#### **Active Global Emerging Markets (AGEM)**

2. The Funds active Emerging Markets equities were transitioned to the LGPS Central Active Global Emerging markets mandate (AGEM) in July 2019. The Fund will reach its fourth year of investment in July 2023 and the Fund has requested that the Fund is part of the review that is currently being undertaken by LGPSC.
3. The AGEM quarter's Performance Report as at the end of March 2022 is attached as an Appendix and covers the following areas which includes a progress update on the Global Sustainable Equity Active Fund:
  - a. Fund information and objective
  - b. Commentary, Performance overview & Performance against Peers
  - c. March 2023 Attribution & Fund construction
  - d. Emerging Markets Equity Active Multi Manager Fund Risk
  - e. Key areas of discussion with Fund Managers over Q1 2023
  - f. Responsible Investment and Stewardship
  - g. Multi Manager search update
  - h. Fund outlook
4. The Fund invested in the Global Sustainable Equity (Targeted & Thematic) Active Fund (GSEAF) investments in May 2022.
5. The GSEAF quarter's Performance Report as at the end of March 2023 is attached as an Appendix and covers the following areas:
  - a. Fund information and objective
  - b. Commentary, Performance overview & Performance against Peers
  - c. March 2023 Attribution & Fund construction
  - d. Fund Risk
  - e. Key areas of discussion with Fund Managers over Q1 2023
  - f. Fund outlook

6. The Funds active Corporate Bonds investments were transitioned to the LGPS LGPSC Global Active Investment Grade Bond (GAIGB) in March 2020.

7. The GAIGB quarter's Performance Report as at the end of March 2023 is attached as an Appendix and covers the following areas: -

- a. Fund information and objective
- b. Q1 2023 Commentary
- c. Performance Update
- d. Fund Risk
- e. Key areas of discussion with Fund Managers over Q1 2023

**8. Please note that the Appendix contains exempt information (on salmon pages) and should members wish to discuss the information included in this Appendix they would need to consider passing the appropriate resolution and moving into exempt session**

### **Contact Points**

Specific Contact Points for this report

Sherief Loutfy

Head of Pensions Investments, Treasury & Banking

Tel: 01905 843103

Email: sloutfy@worcestershire.gov.uk

### **Supporting Information**

- LGPS Central Active Global Emerging Markets performance update March 2022, Global Active Investment Grade Bond Performance update March 2022 and Global Sustainable Equity (Targeted & Thematic) Active Funds Performance update March 2023 (Appendix) **(Exempt Information – Salmon pages)**

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## **PENSION INVESTMENT SUB COMMITTEE**

### **14 JUNE 2023**

## **PRIVATE EQUITY UPDATE**

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### **Recommendation**

- 1. The Chief Financial Officer recommends that the Pension Investment Sub Committee note and comment on the verbal Private Equity update.**
2. At the Pension Committee on 22 March 2023, the Strategic Asset Allocation Review 2022 was reviewed and discussed. At that meeting, the Committee agreed that the Fund should make an allocation of up to 5% of the Fund's asset allocation to Private Equity (PE). The allocation will be made steadily, and initial investigation will focus on offerings from LGPS Central and Gresham House.
3. A discussion with the PE team at Gresham House was held on 24 April 2023 where next steps were discussed.
4. The Pensions Investment Sub is asked to comment on the verbal update delivered by the Head of Pension Investments Treasury and Banking and the Pensions Independent Investment Advisor.
- 5. Please note that the verbal update may include exempt and it may be necessary for members to consider passing the appropriate resolution and moving into exempt session**

### Specific Contact Points for this report

Sherief Loutfy

Head of Pension Investments Treasury & Banking

Tel: 01905 843103

Email: [sloutfy@worcestershire.gov.uk](mailto:sloutfy@worcestershire.gov.uk)

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