

PUBLIC

MINUTES of a meeting of **PENSIONS AND INVESTMENTS COMMITTEE** held on Wednesday, 7 June 2023 in the Council Chamber, County Hall, Matlock.

PRESENT

Councillor D Wilson (in the Chair)

Councillors P Smith, N Atkin, B Bingham, L Care (Derby City Council), M Foster, G Musson and M Yates.

Also in attendance was S Ambler (Derbyshire Pension Board), A Fletcher (Independent Investment Advisor) and N Read (Trade Union representative).

32/23 CHAIRMAN'S ANNOUNCEMENT

The Chairman reported with sadness that Ronald Graham, the Chairman of the Derbyshire Pension Board had died suddenly whilst on holiday. He had been the Chairman of the Board since it was established in 2015 and had recently been appointed for a further term. The Chairman wished to place on record his thanks and gratitude to Mr Graham for his commitment and assistance, not only to this committee and the Pension Board but also his contribution to the governance of Derbyshire Pension Fund.

Mr Graham was very well respected amongst his peers and tributes had been received from other members of the investment pool.

33/23 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)

There were no declarations of interest.

34/23 MINUTES

The minutes of the meeting held on 26 April 2023 were confirmed as a correct record.

35/23 INVESTMENTS REPORT

The Pension Fund's independent investment advisor, Anthony Fletcher, took the Committee through a presentation on the market background, the Fund's performance, the economic and market outlook, and on his asset allocation recommendations.

The Investment Report was then presented by the Fund's Investments Manager who explained the rationale for the recommendations for each asset class set out in the report.

The IIMT was currently reviewing the options to manage around 25% of the Fund's Japanese Equity allocation through a low carbon vehicle to reduce the portfolio's carbon footprint relative to the FTSE Japan Index. It was proposed that any allocation to a low carbon vehicle should be benchmarked against the product specific benchmark.

RESOLVED:

That the Committee:

- a) Notes the report of the independent external advisor, Mr Fletcher;
- b) Notes the asset allocations, total assets and long-term performance analysis set out in the report;
- c) Approves the IIMT recommendations outlined in the report; and
- d) Notes the proposal to benchmark any allocation to UK and Japanese low carbon vehicles to the relevant specific benchmark.

36/23 STEWARDSHIP REPORT

The Committee was provided with an overview of the stewardship activity that had been carried out by the Pension Fund's external investment managers. The following report was presented and would ensure that the Committee was aware of the engagement activity that had been carried out by Legal & General Investment Management (LGIM):

- Q1 2023 LGIM ESG Impact Report

The 2022-23 LGPSC Annual Stewardship Report had not yet been received and would be circulated to Members in due course.

Following Committee approval in April 2023, it was reported that the Fund's application to become a signatory to the UK Stewardship Code 2020 had been submitted to the Financial Reporting Council in May 2023. Members of the Committee would be informed of the outcome in due course.

RESOLVED that the Committee:

- a) Notes the stewardship activity of LGIM; and
- b) Notes the submission of the Fund's application to become a signatory to the UK Stewardship Code 2020.

37/23 EXCLUSION OF THE PUBLIC

RESOLVED that under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt

information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

38/23 LOCAL GOVERNMENT PENSION SCHEME INVESTMENT POOLING

RESOLVED that the Committee notes the recommendation in the not for publication report.