

WIRRAL COUNCIL

PENSIONS COMMITTEE

19 JANUARY 2015

SUBJECT:	ELECTED MEMBER EDUCATIONAL EVENT
WARD/S AFFECTED:	NONE
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION & RESOURCES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 This report recommends that the Committee considers attendance by Members at the third 330 Consulting Elected Member Educational Event (EMEE) in the Palace of Westminster in London on Wednesday 18 February 2015.

2.0 BACKGROUND AND KEY ISSUES

2.1 The previous 330 Consulting EMEE was attended by party spokespersons. The event is designed for those members of Pensions Committees who are relatively new to their roles, but it is also open to other, more experienced, Committee members who would like a refresher on some key investment concepts and issues.

The intention is that attendees can benefit from presentations on investment topics that do not assume a detailed understanding of the investment world, and yet which provide a good grounding on each topic to help attendees in their duties back in the real world.

2.2 To help keep the day interesting, and not make it too focussed in investment topics, the EMEE will again be a mixture of educational investment sessions and politically-themed presentations. The agenda is set out at appendix 1.

3.0 RELEVANT RISKS

3.1 There are none arising from this report.

4.0 OTHER OPTIONS CONSIDERED

4.1 No other options have been considered.

5.0 CONSULTATION

5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 N/A.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are none arising from this report

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 Attendance is free. There will be travel costs to London and overnight accommodation will be required for the night of 17 February.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising from this report.

13.0 RECOMMENDATION/S

13.1 That Committee considers if it wishes to send a delegation to attend this event and, if so, to determine the number and allocation of places.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 Attendance at this conference will assist Members in fulfilling the Committee’s Knowledge and Skills objectives as set out by CIPFA.

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APPENDICES

Appendix 1

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

Appendix 1

Agenda

08:45 - 09:30 **Registration and Coffee** - Members Dining Room

09:30 - 09:40 **Welcome**

David Crum, Owner, 330 Consulting

I will take a few moments to welcome everyone to the event, set out the plan for the day, and deal with any pertinent housekeeping issues.

09:40 - 10:15 **Tomorrowland - An Investment Future For The LGPS**

John Harrison, Independent Advisor to an LGPS Fund

The structure and effectiveness of the LGPS is under greater scrutiny than ever before. The objectives for the sector are becoming clearer - greater liability management, better cost effectiveness and reduced deficits. But what will the new world look like and how will we get there? In this session John will consider some of the approaches proposed, including the use of CIVs, fund mergers, unitisation and the role of active management.

10:15 - 10:50 **Key Investments & Their Outlook – 2015 And Beyond**

Atul Shinh, Investment Specialist, Multi-Asset team

There are a number of different options for LGPS Funds when it comes to deciding how to structure their

investment strategies. Most have the majority of their assets invested in equities, with bonds and real estate following in second and third place. However, many Funds also have exposure to investments such as private equity and infrastructure, and some Funds are now combining a number of different assets into single investment vehicles such as Diversified Growth Funds. But what are the key characteristics of each type of investment?

In this session, Atul will cover the basics of the investment option listed above, before going on to share Investec's views on the outlook for each for the coming months and years. He'll explain which assets Investec believe will do well, and which may well face some headwinds, in the short and medium term.

10:50 - 11:25

Emerging Markets & Fixed Interest Opportunities

George Varino, Client Portfolio Manager, Emerging Market Debt team

Many LGPS Funds already invest in Emerging Markets, with investments being held almost entirely in equities. Emerging Market (EM) debt is now considered a mainstream asset class, and as a result a significant number of institutional investors in the UK have already made, or are considering making, an allocation.

But what do we mean when we talk about EM debt? How big is the investible universe? How are factors such as credit and political risk assessed and managed? And in which countries should investors be most interested? In this session, George will answer these questions on Emerging Market debt, and will also provide an outlook for the asset class.

11:25 - 11:50

Coffee Break - Strangers Dining Room

11:50 - 12:25

The Federalisation Of The UK

Iain Martin, political commentator, journalist, author

Iain is a political commentator, a former editor of The Scotsman and former deputy editor of both the Sunday Telegraph and the Wall Street Journal Europe. He contributes a weekly column to the Sunday Telegraph and blogs on the inner-workings of the coalition and the UK political scene.

Starting his career in his native Scotland as a reporter

with the Sunday Times Scotland he then became political editor of Scotland on Sunday before taking on the deputy editor and then editor roles at the title. He then moved south of the border as deputy editor of the Sunday Telegraph and then head of comment for all Telegraph titles and outlets. He also served as Deputy Editor of the Wall Street Journal Europe and wrote a political column for the Daily Mail.

Iain is the author of the acclaimed book 'Making It Happen: Fred Goodwin, RBS and the men who blew up the British economy'. He offers a revealing look in to how Westminster works, the hype, the ceremony and the mundane. Iain also looks at the wider pictures of Europe and the relationship between Scotland and the rest of the UK.

12:25 - 13:00

Hedge Funds: Separating Fact From Fiction

Neil Loden, Chief Risk Officer

A number of LGPS Funds already invest in Hedge Funds, whether via a 'fund of funds' route, or by investing in single strategy funds. Whilst the major investment consulting firms may well suggest to their LGPS clients that a well-constructed and customised portfolio of hedge funds could provide significant portfolio diversification and risk adjusted return benefits, the majority of LGPS Funds have not made an allocation to this kind of investment approach. Why is that?

In this session, Neil Loden from Man Group will explain what the term 'hedge fund' actually means, what kinds of investments can be found in such vehicles, the different investment strategies associated with hedge funds and the optimal way for an LGPS Fund to implement such a strategy. Neil will also dispel some of the myths and jargon associated with hedge funds to help EMEE attendees form their own views on the risks and returns available from this important investment option.

13:00 - 13:50

Lunch - Strangers Dining Room

13:50 - 14:25

Pre-General Election 'Special'

James Morris, Director, European Office, Greenberg Quinlan Rosner Research

James is a campaign pollster and strategist. A former

speech writer to Labour leader Ed Miliband and advisor at the Number 10 Strategy Unit, Morris runs Greenberg Quinlan Rosner's London office. Since joining the firm in 2010, James has advised corporate, NGO and political clients around the world. He ran strategy for Ed Miliband's against-the-odds victory in the Labour party leadership campaign and continues to advise the Labour leader.

14:25 - 15:00

Getting to Grips With Foreign Exchange

Scott Dickinson, Head of Asset Owners, Institutional Investors, UK, MESA and Nordics

LGPS Funds, and their investment managers, have to buy and sell foreign currencies on a daily basis to buy/sell securities, to repatriate foreign dividend income, or to 'hedge' the risk associated with holding overseas investments. This kind of foreign exchange (FX) activity is normally undertaken in the background, but issues with the transparency and fairness of pricing in the FX market have made headlines in the financial press in recent years. How should LGPS Funds view their FX transactions - as a risk, or as an opportunity?

In this session, Scott will help demystify the world of FX and look at how Funds can use FX as both an investment and risk management tool. He'll consider FX best practice, and will also cover what Funds should be asking for, and expecting from, their current service providers.

15:00 - 15:25

Coffee - Strangers Dining Room

15:25 - 16:00

The Ins and Outs of Transition Management

Chris Adolph, Head of Transition Management, EMEA

LGPS Funds occasionally replace investment managers, with assets having to pass from the legacy to the new manager as part of the changeover process. At first glance, it might be expected that such a 'transition' is a relatively straightforward process - however, there are many different issues and risks to deal with in making such a transfer.

In this session, Chris will provide EMEE attendees with an overview of transition management as a concept, covering the basics of transitions and the terminology used, how transitions are managed, where value can be added (and destroyed) during the transfer process, and which transition management aspects Funds might wish to focus on when appointing a transition manager.

16:00 - 16:45

The Politics of Climate Change

Dr Gabrielle Walker

Gabrielle is an expert on climate change and the energy industry. She has been a Professor at Princeton University and is author of four books including co-authoring the bestselling book about climate and energy 'The Hot Topic', which was described by Al Gore as "a beacon of clarity" and by The Times as "a material gain for the axis of good".

Gabrielle is currently Chief Scientist of Strategic Advisory firm Xynteo where she works at C-level with a wide range of global companies on creating solutions for low-carbon, resource-efficient and innovative growth. She has also worked with Tesco, Unilever, Royal Dutch Shell, British Energy, KPMG, several UK government departments and the Asia Development Bank.

She is an accomplished speaker and moderator in both the corporate and literary worlds and has presented many radio and TV programmes. She has been Climate Change Editor at Nature and Features Editor at New Scientist and has written very extensively for many international newspapers and magazines, including Nature, The Economist, Prospect The Wall Street Journal and The New York Times.

A self-confessed "ice addict" Gabrielle has made more than a dozen trips to both poles. She has also climbed trees in the Amazon rainforest, swum with piranhas, been sneezed on by a humpback whale, hooked lava out of a live volcano, and flown in zero gravity. She has a PhD in Natural Sciences from Cambridge University.

16:45

Close

David Crum

16:45 - 18:30

Drinks reception - Strangers Dining Room
& tour of Houses of Parliament