

IMWP Minutes

Date: 19th November 2024

Name	Initials	Organisation
Councillor Brenda Hall (Chair)	BH	WBC
Councillor Ann Ainsworth	AA	WBC
Councillor Christine Howard	HC	WBC
Councillor Chris Carubia	CC	WBC
Councillor George Davies	PC	WBC
Councillor Helen Cameron	GD	WBC
Councillor Jayne Lonergan	RM	WBC
Councillor Jeff Green	JG	WBC
Councillor Pat Cleary	RM	WBC
Councillor Ruth Molyneux	JL	KBC
Councillor Sue Powell-Wilde	SPW	WBC
Roger Bannister	RB	UNISON
Tom Pilcher	TP	Redington
Jill Davys	JD	Redington
Charlie Sheridan	CS	Redington
Paul Lee	PL	Redington
Rohan Worrall	RW	Independent Advisor
Paul Watson	PWa	Independent Advisor
Peter Wallach	PW	MPF
Owen Thorne	OT	MPF
Alex Abela-Stevenson	AAS	MPF
Emma Littler	EL	MPF
Ciaran Sharp	CS	MPF
Dragos Serbanica	DS	MPF
Dan Proudfoot	DP	MPF
Donna Smith	DS	MPF
Gregory Campbell	GC	MPF
Grace Onomerike	GO	MPF
Allister Goulding	AG	MPF
Neil Gill	NG	MPF

1. Apologies

None.

2. Minutes of Previous Meeting (18th September 2024)

- Helen Cameron (HC): Requested a minor edit to comments on Japan's macroeconomic position.
- Christine Howard (CH): Highlighted incorrect organisation classification in the attendee register.

3. MPF Quarterly Investment Review (Presenter: Rohan Worrall, RW)

RW presented to committee the quarterly investment review

Key Updates included:

- Economic indicators on global equities, bonds, commodities, alternatives, and currencies.
- Discussed cooling inflation and monetary policy easing in developed markets, US employment, China's stimulus, and Germany's economic position.
- Detail was provided on a broader asset outlook relative to benchmark
- Energy prices over the previous 12 months were shown
- US tech stocks dominance in the index as well as their continued growth was highlighted
- Continued market volatility within equities was underlined

Committee Queries:

- Bond market control: RW explained risks, but assured MPF is well-positioned long-term.
- Germany's economy: RW discussed trade protectionism, NATO changes, and economic projections.

4. Monitoring Report (Presenter: Peter Wallach, PW)

Key Updates:

- Fund Performance (Q3 2024) of public and private market asset overview.
- PW highlighted a number of internal and external portfolios which are red rated
- PW updated members regarding two funds which have been terminated since the previous IMWP meeting
- PW reiterated the longer-term plan of reducing weighting to equities and increasing exposure to fixed income.

Committee Queries:

- UK domestic investment policy: PW explained domestic investments are more heavily weighted in private markets, compared to fixed income.

- Fixed income mandates: International weighting likely to increase relative to UK

5. Fixed Income, Strategy Update & Engagement Framework (Presenter: Redington)

Key Updates:

Fixed Income

TP outlined a liquid fixed income recommendation to committee as part of the funds change programme. TP presented the following topics:

- Recap on the overall objectives for the fixed income portfolio, incorporating considerations from the investment strategy survey.
- Recap on Redington's approach to constructing fixed income portfolios, within the four liquid fixed income asset classes within the Fund's SAA.
- Liquid fixed income portfolio recommendation for approval incorporating MPF-specific considerations and varying across complexity and sustainability.
- Appendix – further information on the four liquid fixed income asset classes in the Fund's SAA, which was covered at the September IMWP

Committee Queries:

- Asset allocation between fixed income and equities.
- Costs of active management in new strategies.
- Benchmarks for fixed income allocation.
- Integration of ESG and net-zero goals.

Strategy Update

- Charlie Sheridan (CS) provided a recap on strategic asset allocation.
- Specific detail was given on how key metrics have changed over the quarter looking at returns, risk and liquidity
- MPF's Pensions Risk Management Framework was highlighted with emphasis on targets, risk budgets, cashflow, local investment and ESG
- Committee members were shown MPF's current asset allocation against the planned strategic asset allocation with weightings.
- Implementation considerations were given

Engagement Framework

- Paul Lee (PL) presented Redington's framework, focusing on stewardship and exclusions.
- Focus was given to the topic of divestment versus engagement
- Challenges to ESG exclusion
- Fiduciary duties and how this relates to Redington's ESG framework

- Political implications
- Appropriate methods of exclusion decision making
- Examples of relevant exclusion lists

Committee Queries:

- Sensitivity of exclusions during global conflicts.
- Legal issues with high-risk ESG assets.
- Importance of clear engagement reporting.

6. Responsible Investment Update (Presenter: Owen Thorne, OT)

Key Updates:

- Updates on stewardship, COP29, and UK sustainability outcomes (e.g., TCFD reporting).
- Transition climate planning was considered
- OT discussed recent announcements around ESG ratings
- Private finance in emerging economies
- Emissions reductions and transition risks were discussed
- OT highlighted MPF's submission to the financial reporting council under the stewardship code.

[LAPFF_QER_Q2_2024.pdf](#)

[stewardq3_2024.pdf](#)

Committee Queries:

- CEO remuneration and alignment with sustainability goals.
- MPF's sustainable climate solutions targets.

Meeting End.