

Suffolk Pension Fund, 28 February 2017

A committee of Suffolk County Council

Information Bulletin

The Information Bulletin is a document that is made available to the public with the published agenda papers. It can include update information requested by the Committee as well as information that a service considers should be made known to the Committee.

This Information Bulletin covers the following items:

- 1. Actuarial Update**
- 2. Voting activity**
- 3. M&G Commitments**
- 4. Audit Report**

1. Actuarial Update

The Fund's Actuary, Hymans Robertson LLP produces a Navigator Report to monitor the actuarial position of the Fund on a quarterly basis. The latest report is attached as **Appendix 1**.

The report shows a snapshot of the funding level and indicates whether the current financial position is in line with the actuarial projections at the last actuarial valuation.

The current estimated position for December 2016 shows a funding level of 90.6%, a decrease of 0.4% since the last formal valuation exercise in March 2016 (91.1%).

The decrease in the funding level from March 2016 is attributable to falling yields which has resulted in a lower funding level and higher deficit amount.

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2. Voting Activity

The Pension Fund Committee uses the services of Pension Investments Research Consultants (PIRC) to advise it on matters relating to resolutions at annual general meetings in the companies where the Fund has shareholdings and to implement the Committee's policy in relation to voting on its shareholdings.

During the December quarter, the Suffolk Pension Fund voted at 11 company meetings, on 198 resolutions of which 50 were votes opposed to the resolution.

The report produced by PIRC on the voting activity on behalf of the Pension Fund is attached as **Appendix 2**.

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3. M&G Commitments

The Pension Fund Committee made a decision at the 28 November 2016 meeting to make further investments in M&G to increase the holdings in the alternative mandates of illiquid debt and infrastructure.

The Commitments made were as follows:

£60m Greenfields infrastructure

£25m Illiquid Credit Opportunities Fund II (ICOF II)

£25m Debt Solutions

All the necessary investment applications have been submitted and Suffolk's commitments have been included in the first closing of each fund.

The ICOF II commitment was fully paid in January 2017. The other funds will be funded through capital calls as investment opportunities are sourced.

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4. Audit Report

The annual audit on the controls in place for the Pension Fund's investments has been completed. Internal Audit has reported that the Pension Committee is able to take assurance on the governance and other key controls in place for Pension Fund Investments. In the areas reviewed, sound systems of control could be demonstrated which has resulted in an overall opinion of Substantial Assurance.

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