## WARWICKSHIRE

# pension fund

<u>www.Slido.com</u> event code: #6474



### WPFinvestments@Warwickshire.gov.uk



**Topics - Funding** 

1) Commitment to full funding

2) Value of smooth contributions

4) Preferred funding method



### Objectives

Ensure that pensions are paid accurately and on time when they are due Ensure that funds are available to pay member pensions when they are due

## What is your favoured probability of the Fund having sufficient monies to pay members' benefits?



### Ways of meeting our objectives

### Two levers:

### Employer contributions

### **Investment returns**

# To what extent do you value smooth contributions? (range of increases or decreases is limited to this value at each triennial review)

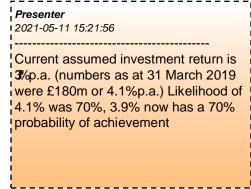


### Funding level and contribution rate

Small downside Higher contribution rate Small chance of increase

Medium downside Medium contribution rate Medium chance of increase

Large downside Lower contribution rate Large chance of increase



## What is your preferred method of repairing any future emerging funding deficits?



## Relationship between volatility, expected asset return and downside funding level

## Risk is measured by an asset's volatility

Volatility measures the dispersion of returns

Higher volatility assets sometimes offer higher expected returns Higher volatility across the portfolio would increase the level of downside risk

# What worst case scenario is acceptable? (as measured by the likelihood of a fall in the funding level of more than x% in the next 3 years)

### Any questions or comments? (open text)



### **Topics - Investments**

5) Management style beliefs

### 6) Responsible investment beliefs

7) Location beliefs

8) Liquidity beliefs

WARWICKSHIRE pension fund

Management style

### Fees:

### Active (higher absolute fee)

Presenter

2021-05-11 15:21:57

Index – size of capital

Passive (lower absolute fee)

## Under what circumstances would you be willing to pay active management fees?" (multiple choices allowed)



### Responsible investment beliefs

### Environmental



Governance



## Rank the following in order of importance for you when considering investments



## Where would you like the Pension Fund to sit in relation to Responsible Investments



### Location beliefs

### Local - Warwickshire

### National - UK

Proportionate-Global

### Should the Fund have any preferences for regional investments, in addition to targeting investment returns? (multiple choices allowed)



### Liquidity beliefs

### **Alternatives**

### Deployment

### Cash

### **Benefit payments**

### What reasons for holding cash seem reasonable to you?



### Any questions or comments?

Presenter

2021-05-11 15:21:58

Index – size of capital

### WPFinvestments@Warwickshire.gov.uk

### Any questions or comments? (open text)

## WARWICKSHIRE

# pension fund

Website: www.warwickshirepensionfund.org.uk

Administration Team Email: pensions@warwickshire.gov.uk

Investments and Accounting Team Email: wpfinvestments@warwickshire.gov.uk