

Essex Pension Fund Board	EPB/21/12
date: 11 July 2012	

Investment Steering Committee (ISC) Quarterly Report

Report by the Group Manager Investments

Enquiries to Kevin McDonald on 01245 431301

1. Purpose of the Report

1.1 To provide a report on ISC activity since the last Board meeting.

2. Recommendations

2.1 That the Board should note the report.

3. Background

- 3.1 In accordance with the constitution of the Essex Pension Fund the ISC is required to submit quarterly reports on its activities to the Essex Pension Fund Board. Since the Board's last meeting the ISC has met once, on 13 June 2012.

4. Report of meeting of ISC on 13 June 2012

- 4.1 The ISC noted its revised membership and Terms of Reference following the annual meeting of Essex County Council. The ISC elected Cllr Bass as Chairman and appointed Cllr Finch as Vice Chairman.
- 4.2 At its meeting the ISC was presented with an update on the financial markets and performance report for the Fund and individual managers up to 30 June 2011. The Fund's value had risen from £3.229bn as at 31 December 2011 to a provisional level of £3.482bn as at 31 March 2012.
- 4.3 The ISC considered responses to the draft Statement of Investment Principles (SIP). The only substantive comments came from Uttlesford District Council. These were principally observations about potential parallels with Treasury Management. These comments were referred to Hymans Robertson who supplied a detailed response which was forwarded to, and discussed with Uttlesford's Assistant Chief Executive – Finance. Following discussion it was the draft SIP was approved.
- 4.4 The Committee considered a report on the final stages of the Global Custody procurement. Following discussion the reports recommendations, including that of the preferred bidder, were agreed.
- 4.5 Consideration was given to the traffic light reports on each of the Fund's investment managers, and the ISC were updated on recent meetings that officers and advisers had held with two managers.
- 4.6 The meeting concluded with presentations by the Fund's two Bond managers: Prudential M&G and Goldman Sachs Asset management.

5. Link to Essex Pension Fund Objectives

- 5.1 Investments
- To maximise the returns from investments within reasonable risk parameters.
 - To ensure the Fund is properly managed.

6. Risk Implications

- 6.1 None other than those already identified as part of the Fund's investment strategy.

7. Communication Implications

7.1 None

8. Finance and Resources Implications

8.1 None other than those already identified as part of the Fund's investment strategy.

9. Background Papers

9.1 ISC meeting 13 June 2012 – Agenda and draft minutes.