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**Essex Pension Fund**  
**Investment Steering Committee (ISC)**

**Minutes of a meeting of the Essex Pension Fund Investment Steering Committee held at 1:00pm at County Hall, Chelmsford on 20 February 2017**

**Present**

Cllr R Bass (Chairman)	Essex CC
Cllr S Barker	Essex CC
Cllr S Canning	Essex CC
Cllr K Clempner	Essex CC
Cllr N Hume	Essex CC
Cllr J Whitehouse	Essex CC

Cllr K Bobbin (Labour substitute)	Essex CC
Cllr J Spence (Conservative substitute)	Essex CC

Sandra Child (Observer representing scheme members)	UNISON
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The following Advisers were present in support of the meeting;

Mark Stevens	Independent Adviser
John Dickson	Hymans Robertson
Matt Woodman	Hymans Robertson

The following Officers were present in support of the meeting;

Kevin McDonald	Director for Essex Pension Fund
Jody Evans	Head of Essex Pension Fund
Samantha Andrews	Investment Manager

The following Essex Pension Fund Advisory Board (PAB) members were present as observers of the meeting:

Paul Hewitt	Deferred Member
Mark Paget	Active Member

**1 Apologies for absence**

Apologies were received from Cllr N Le Gresley (Essex CC) and Cllr Riley (Observer representing scheme employers).

**2 Declaration of Interest**

There were none

**3 Minutes**

The minutes of the meeting of the Committee which took place on 23 November 2016 were approved as a correct record.

**4 Urgent Part 1 Business**

There were none.

**5 Exclusion of the Public**

Resolved:

That the Public (including the press) be excluded from the meeting during consideration of the following items on the grounds that they involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972:

- Structural Reform of the Local Government Pension Scheme (LGPS) – Investment Pooling
- O&A Briefing Note – Aviva Investors;
- Infrastructure Mandate RfP Analysis Report;
- Infrastructure Manager Interviews; and
- Institutional Investment Consultant – contractual arrangements.

**6 Structural Reform of the Local Government Pension Scheme (LGPS) – Investment Pooling**

(Press & public excluded)

Kevin McDonald, Director for Essex Pension Fund, gave an update outlining the latest developments in respect of the structural reform of the LGPS.

It was noted that following the meeting on 29 November 2016 with Local Minister Marcus Jones of which Cllr Bass was one of a number of Chairmen from ACCESS to attend a letter was received on 27 January 2017 in response to ACCESS's July submission and the subsequent 'twin track' dialogue.

A meeting of the ACCESS Chairmen was held on 15 February, where further clarification was sought from Eversheds as to the fiduciary role of the participating ACCESS administering authorities.

It was agreed that a letter in response to the Minister's letter of 27 January be sent from the ACCESS Chairmen setting out the ACCESS pool's position.

The presentation was noted.

**7 O&A Briefing Note – Aviva Investors**

(Press & public excluded)

Matt Woodman highlighted that at its meeting of 20 November 2016 the Committee agreed that a review be undertaken at its February meeting of the property mandate managed by Aviva Investors. Matt confirmed that a follow up meeting took place on 27 January 2017 with Aviva where Advisers met again with Anna Rules replacement, David Diemer.

Following discussions the Committee **agreed** that:

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- no action be taken;
  - a further review of the property mandate be undertaken in 12 months; and
  - the report be noted.

## **8 Infrastructure Mandate RfP Analysis Report**

(Press & public excluded)

The Committee received a presentation from Matt Woodman from Hymans Robertson outlining the Infrastructure mandate selection process to date.

It was explained that of the 32 managers that had applied for the Request for a Proposals (RfP), 22 were completed and returned. Each submission was evaluated against the qualifying criteria. Of which 4 managers; Hermes Fund Managers Limited, Infracapital, IFM Investors, and JPMorgan Asset UK Management met the required qualifying score and were then invited to interview.

Following discussions the report was noted.

## **9 Infrastructure Mandate Interviews**

### **9a Manager Presentation – IFM Investors**

(Press & public excluded)

The Committee received a presentation from Duncan Symonds and Annabel Wiscarson of IFM Investors.

Mark Paget, (Essex Pension Fund Advisory Board Member) left the room  
Cllr J Spence (Conservative Substitute) joined the meeting.

### **9b Manager Presentation – Infracapital**

(Press & public excluded)

The Committee received a presentation from Andy Matthews, Martin Lennon and Carolyn Pearce of Infracapital.

Mark Paget, (Essex Pension Fund Advisory Board Member) returned to the room

### **9c Investment Manager Presentation – Hermes Fund Managers Limited**

(Press & public excluded)

The Committee received a presentation from Peter Hofbauer, Robert Wall, James Lucas from Hermes Fund Managers Limited.

### **9d Investment Manager Presentation – JPMorgan Asset UK Management**

(Press & public excluded)

The Committee received a presentation from Richard Bannister and Paul Ryan from JPMorgan Asset UK Management.

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Following consideration of the presentations and discussion **it was agreed:**

- IFM Investors and JPMorgan Asset UK Management be appointed to manage the 2% infrastructure allocation that will be vacated by Infracapital each managing c1.3% of Fund assets (£75m commitment);
- that officers, in conjunction with fund advisers, be authorised to finalise the arrangements; and
- that the outcome be reflected within the review of the Investment Strategy Statement.

At 2:45pm Matt Woodman, John Dickson and John Wright from Hymans Robertson left the room.

## **10 Institutional Investment Consultant –contractual arrangements**

(Press & public excluded)

Kevin McDonald provided an update of the progress to date of the Institutional Investment Consultant re-tender carried out via the National LGPS Framework.

It was explained that all 6 investment consultancy firms on the National LGPS Framework were invited to participate to tender, of which 4 responses were received back.

On 2 February 2017 the Director for Essex Pension Fund, the Head of Essex Pension Fund, the Investment Manager and the Independent Investment Adviser conducted interviews with each of the four candidates. Subsequently an evaluation of each submission and interview was undertaken with the three highest ranked candidates invited to present to the ISC Appointment Sub-Committee consisting of Cllr Bass (Chairman), Cllr Barker (Vice Chairman) and Cllr Clempner on 24 February 2017.

Following discussions the report was noted.

## **11 Urgent Exempt Business**

(Press & public excluded)

There was none.

There being no further business, the meeting closed at 4:45pm.

**Chairman  
April 2017**