

Investment Steering Committee (ISC)

Minutes of a meeting of the Investment Steering Committee held at 2 p.m. at County Hall, Chelmsford on 17 November 2011

Membership / attendance

Investment Steering Committee & Essex Pension Fund Board Members

* Cllr R L Bass (Chairman)	Essex County Council
* Cllr D Finch (Vice Chairman)	Essex County Council
* Cllr J Aldridge	Essex County Council
* Cllr M Lager	Essex County Council
* Cllr N Hume	Essex County Council
* Cllr T C Smith-Hughes	Essex County Council
Cllr Mrs S Barker (Conservative substitute)	Essex County Council
* Cllr J Archer (Observer representing Employers)	Maldon District Council
* Keith Blackburn (Observer representing scheme members)	UNISON

* present

Matt Woodman, Karen McWilliam, Keith Neale and Tony Hardy (advisers to the Committee), Peter Lewis, Martin Quinn and Kevin McDonald (Essex County Council officers) were also present.

1. Apologies for absence

None were notified.

2. Minutes

The minutes of the meeting of the ISC which took place on 11 October 2011 were approved as a correct record.

3. Market Commentary

Matt Woodman introduced a report by Hymans Robertson updating the Committee on the financial markets up to 30 September 2011. The report was noted.

4. Governance Review

A Review of the Effectiveness of both the Essex Pension Fund Board and the ISC took place earlier in 2011 and the findings relevant to the ISC were reported to the June ISC meeting, at which it was agreed that detailed consideration would take place at a subsequent meeting.

Following detailed discussion of the findings it was agreed that:

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- no changes should be made to the existing membership of the ISC or the voting rights of ISC Members and Observers;
 - the ISC would set aside a whole day for both of the Strategy meetings held each year (the previous arrangement had been one full day and one half day); and
 - the communication arrangements regarding publication of ISC minutes, consultation on the Statement of Investment Principles (SIP) and Employer Forums were considered to be adequate.

In addition the questionnaire responses around educational aids to reports, the Member handbook, encouragement of participation and questioning in meetings, the Chairman's pre meeting and the avoidance of changing agreed meeting dates were noted.

5. Urgent Part 1 Business

No urgent Part I Business was identified.

6. 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:

- Q3 2011 Investment Tables;
- Investment Manager Update:
 - Traffic Light Report; and
 - Aviva Proposals
- Update on Managers presenting – Fidelity & First State
- Investment Manager Presentation – Fidelity
- Investment Manager Presentation – First State
- Procurement Update
 - Global Custody Market Testing; and
 - Independent Investment Adviser Market Testing

7. Q3 2011 Investment Tables

(Press and public excluded)

The Committee received a report from the Group Manager Investments in consultation with Keith Neale, Independent Adviser, which gave details of the Fund's investment performance for the quarter ending 30 September 2011.

The value of the Fund had fallen to £3.092bn as at 30 September 2011 from £3.420bn as at 30 June 2011.

8. Investment Manager Update**8a Traffic Light Report**

(Press and public excluded)

The Committee received a report which summarised the current views of Hymans Robertson on each of the Fund's managers.

It was agreed that future traffic light reports include a measure covering market assessment.

The report was noted.

8b. Aviva Proposals

(Press and public excluded)

The Committee received a verbal update on Aviva's proposals. It was noted that a further report will be brought to the ISC next year.

9. Update on Managers Presenting – Fidelity & First State

(Press and public excluded)

Prior to the presentations the Committee received a report from Hymans Robertson on both Fidelity and First State.

The report was noted.

10. Investment Manager Presentation – Fidelity

(Press and public excluded)

The Committee received a presentation by Tom Jeffrey & Lance McNerney from Fidelity.

11. Investment Manager Presentation – First State

(Press and public excluded)

The Committee received a presentation by Alan Nesbitt & Fraser Wood from First State.

12. Procurement Update**12a Global Custodian Market testing**

(Press and public excluded)

The Committee received a report from the Group Manager Investments on progress with the tender for Global Custodian. The report was noted.

12b Independent Investment Adviser Market Testing

(Press and public excluded)

The Committee received a report from the Head of Investments. **It was agreed** that with effect from 1 August 2012 the number of Independent Investment Advisers to the Committee would be reduced from two to one.

There being no further business, the meeting closed at 4.35pm.

Chairman
22 February 2012