
Investment Steering Committee (ISC)

Minutes of a meeting of the Investment Steering Committee held at 2.00 p.m. at County Hall, Chelmsford on 28 November 2012

Present

Cllr R L Bass (Chairman)	Essex CC
Cllr D Finch (Vice Chairman)	Essex CC
Cllr J Aldridge	Essex CC
Cllr M Lager	Essex CC
Cllr M Mackrory	Essex CC
Cllr S Barker (Substitute)	Essex CC
Cllr J Archer (Observer representing Employers)	Maldon DC
Keith Blackburn (Observer representing scheme members)	UNISON

The following Advisers were present in support of the meeting;

Keith Neale	Independent Adviser
John Dickson	Hymans Robertson
Matt Woodman	Hymans Robertson

The following officers were present in support of the meeting;

Nicole Wood	Assistant Director – Financial Strategy
Martin Quinn	Head of Investments
Kevin McDonald	Group Manager Investments
Samantha Andrews	Senior Investment Analyst

1 Apologies for absence

Apologies were received from Cllr Hume.

2 Declarations of Interest

None

3 Minutes

The minutes of the meeting of the ISC which took place on 10 October 2012 were approved as a correct record.

4 Market Commentary

John Dickson provided a verbal update on the markets as at 28 November 2012. The verbal briefing was noted.

5 LGPS – Investments in Partnerships – a consultation

The Committee received a report from the Head of Investments in consultation with advisers proposing a response to a consultation by the Department for Communities and Local Government on whether changes to the limits in the LGPS (Management & Investments of Funds) Regulations 2009 (the Investment Regulations) are necessary to remove specific barriers preventing LGPS funds from being invested in infrastructure investment vehicles.

Following discussions the draft response set out in the report was approved.

6 Arrangements for future meetings

The following schedule of meeting dates for the Municipal Year 2013/14 was **provisionally** agreed:

Wednesdays (2.00 p.m. start unless otherwise stated)
19 June 2013
24 July 2013 (all day Strategy meeting)
23 October 2013 (reserve date)
27 November 2013
26 February 2014 (all day Strategy meeting)
26 March 2014

The above dates to be **confirmed** at the first meeting of the ISC in the new Municipal year.

7 Urgent Part 1 Business

The Chairman informed the Committee of Martin Quinn's retirement in December. On behalf of the Committee, the Chairman thanked Martin for the substantial contribution he has made over many years of service to the ISC and requested that as a token of their appreciation Martin be presented with a framed map of Essex at the next meeting of the Pension Board.

8 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 2012 Investment Tables
- Traffic Light Report
- Officer & Adviser Meeting Reports
- Update on Managers Presenting – Baillie Gifford
- Investment Manager Presentation – Baillie Gifford
- Review of equity management arrangements
- Urgent exempt business

9 Q3 2012 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 2012.

The value of the Fund rose from £3.394bn as at 30 June 2012 to £3.512bn as at 30 September 2012. The report was noted.

10a 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.

Following discussions the report was noted.

10b Report of Officer & Adviser meetings with Managers

(Press and public excluded)

The ISC received a report on the Officer & Adviser meetings held with Baillie Gifford and Alliance Bernstein.

The reports were noted. Furthermore the unanimous recommendation by officers and advisers that the Alliance Bernstein mandate should be terminated with immediate effect **was agreed**.

11 Update on Manager Presenting – Baillie Gifford

(Press and public excluded)

The ISC received a report from Hymans Robertson on Baillie Gifford

The report was noted.

12 Investment Manager Presentation – Baillie Gifford

(Press and public excluded)

The Committee received a presentation from Tom Wright and Tim Garrett of Baillie Gifford.

Following the presentation Tom Wright extended an invitation from Baillie Gifford for the ISC to attend a seminar at their offices in Edinburgh on 2 and 3 October 2013. This could possibly be combined with an investment meeting on the eve of the seminar. The invitation and the dates of the seminar were noted.

13 Review of equity management arrangement

(Press and public excluded)

The Committee received a report from Hymans Robertson in consultation with Keith Neale, independent adviser and officers.

After discussion of the proposals **it was agreed** that:

1. Further research should be carried out on the basis for a new target allocation for the equity portfolio and brought back to the ISC at its February meeting
2. The following actions be delegated to officers:
 - a. the implementation of the termination of the Alliance Bernstein mandate with immediate effect and the transfer of assets to Legal & General Investment management; and
 - b. the commencement of a global equity procurement process.

14 Urgent Exempt Business

(Press and public excluded)

There was none.

There being no further business, the meeting closed at 3:45pm.

Chairman
20 February 2013