
Investment Steering Committee (ISC)

Minutes of a meeting of the Investment Steering Committee held at 1.00 p.m. at County Hall, Chelmsford on 20 February 2013

Present

Cllr R L Bass (Chairman)	Essex CC
Cllr J Aldridge	Essex CC
Cllr Hume	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
Jonathan Roe	Hymans Robertson

The following officers were present in support of the meeting;

Kevin McDonald	Head of Essex Pension Fund
Jody Evans	Pensions Services Manager

1 Apologies for absence

Apologies were received from Cllr Finch, Margaret Lee & Nicole Wood.

It was also noted that Board members, Cllr Challis, Cllr Kelly & Charles Garbett were unable to attend the meeting.

2 Declarations of Interest

None

3 Minutes

The minutes of the meeting of the ISC which took place on 28 November 2012 were approved as a correct record.

4 Urgent Part 1 Business

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:

- Interim Review of Strategy & Structure
- Update on Managers Presenting – Hamilton Lane
- Investment Manager Presentation – Hamilton Lane
- Independent Investment Adviser
- Urgent exempt business

6 Interim Review of Strategy & Structure

(Press and public excluded)

The Committee received a report from Hymans Robertson in consultation with Keith Neale, Independent Investment Adviser and Kevin McDonald, the Head of Essex Pension Fund.

This proposed a number of alterations to the current structure of the equity portfolio.

After a presentation on the market background, and full discussion of the proposals, **it was agreed** that:

- a review be conducted of the mandate held by Fidelity;
- no change be made to the mandates held by Baillie Gifford & Marathon;
- the benchmark allocation to emerging market mandate held by First State be increased from 4% to 5% of the Fund;
- the allocations to active and passive equities should be broadly similar;
- that a new passive fundamental index (RAFI) equity mandate be established for 7% of the Fund;
- that the remaining passive equity global equity mandate be 20% of the Fund and
- some minor alterations be made to the regional passive equity split. This will include an allocation to small and mid cap UK equities (UK equities being split two-thirds All Share and one-third in the new mandate), with both active and passive approaches to be considered.

In relation to the remaining portfolios of the Fund **it was further agreed** that:

- alternative forms of UK property investment will be explored and brought to the next strategy meeting in July 2013;
- infrastructure will be considered at the next strategy meeting in July 2013 and
- a review be conducted of the active currency mandate held by Mellon;

7 Update on Managers Presenting – Hamilton Lane

(Press and public excluded)

The Committee received a verbal update from Hymans Robertson on Hamilton Lane.

8 Managers Presentation – Hamilton Lane

(Press and public excluded)

Ana Lei Ortiz and Jim Strang gave the Committee a presentation on the Fund's private equity portfolio.

Following discussion **it was agreed** that:

- The Fund would make a commitment of £50m in 2013/14 to the private equity portfolio.

Keith Neale left the meeting at this point.

9 Independent Investment Adviser

(Press and public excluded)

The Committee received a report from the Head of Essex Pension Fund. After discussion **it was agreed** that:

- that Keith Neale's contract for independent investment adviser be extended by two years until July 2015 and
- that the Head of Essex Pension Fund makes the necessary arrangements for the procurement of a new Independent Investment Adviser, to be appointed by the ISC, w.e.f. August 2015.

10 Urgent Exempt Business

(Press and public excluded)

There was none.

There being no further business, the meeting closed at 4:15pm.

Chairman
27 March 2013