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## **Investment Steering Committee (ISC)**

### **Minutes of a meeting of the Investment Steering Committee held at 1:30 p.m. at County Hall, Chelmsford on 25 July 2012**

#### **Present**

Cllr R L Bass (Chairman)	Essex CC
Cllr J Aldridge	Essex CC
Cllr N Hume	Essex CC
Cllr M Lager	Essex CC
Cllr M Mackrory	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;

Tony Hardy	Independent Adviser
Keith Neale	Independent Adviser
John Dickson	Hymans Robertson
Jonathan Roe	Hymans Robertson
Matt Woodman	Hymans Robertson

The following officers were present in support of the meeting;

Nicole Wood	Assistant Director – Financial Strategy
Kevin McDonald	Group Manager Investments
Samantha Andrews	Senior Investment Analyst
Sara Maxey	Senior Contributions Analyst

#### **1 Apologies for absence**

Apologies were received from Cllr Finch, Cllr Mrs Barker & Martin Quinn.

It was also noted that Board Member Cllr Mrs Challis had advised she was unable to attend.

#### **2 Minutes**

The minutes of the meeting of the ISC which took place on 13 June 2012 were approved as a correct record.

#### **3 Urgent Part 1 Business**

No items of business were declared.

#### **4 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:

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- Review of Investment Performance to 31 March 2012;
  - Review of Manager Line Up;
  - Annual Review of Strategy & Structure; and
  - Urgent exempt business

## **5 Review of Investment Performance to 31 March 2012**

(Press and public excluded)

The Committee received a presentation from John Dickson summarising the investment performance to 31 March 2012 of the investment managers of the Fund along with a synopsis of market conditions during this time.

Following discussions the report was noted.

## **6 Review of Manager Line Up**

(Press and public excluded)

The Committee received a presentation from John Dickson which summarised the current views of Hymans Robertson on the capabilities of each of the Fund's managers relative to their individual peer group universe.

Following discussions the report was noted.

## **7 Annual Review of Strategy & Structure**

(Press and public excluded)

The ISC received a presentation from Matt Woodman and Jonathan Roe from Hymans Robertson on this report. Following detailed discussions **it was agreed that:**

- the assets of the pooled portfolio with Marathon (totalling around £66m as at 30 June 2012) be transferred to the segregated portfolio with Marathon (totalling around £211m prior to the transfer);
- the total amount of assets with Marathon be rebalanced from c. 8% of the total fund as at 30 June 2012, to its strategic benchmark allocation of 7%;
- this 1% of assets (expected to be between £30m-£35m) be transferred from Marathon to Legal & General, the Fund's passive manager;
- equity manager arrangements be reviewed in light of Marathon developments and the preferred style mix in prolonged volatile market conditions;
- the private equity portfolio unchanged;
- the currency mandate remain unchanged;
- consideration of global property would be ended at this time;
- officers, in conjunction with advisers, undertake work on the feasibility of ground rents and secured income property funds;
- officers, in conjunction with advisers, investigate NAPF / PPF infrastructure proposals;
- the ISC consider investment in Stafford Timberland VII fund when proposals for the launch are clarified;
- the residual allocation from M&G loans fund be allocated to the Alpha Opportunities fund;
- the cash flow model be noted and that further development continue;

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- after the Actuary has completed the 31 March 2012 Interim Review, officers in conjunction with advisers, undertake work on developing de-risking triggers;
  - the proposed target investment strategies be implemented on de-risking triggers; and
  - officers, in conjunction with advisers, investigate the appropriateness of overlay and discretionary macro approaches for Fund structure.

## **8 Urgent Exempt Business**

(Press and public excluded)

The Chairman made a presentation to Tony Hardy in recognition of his contribution as independent adviser to the ISC over the 12 years of his appointment.

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

Chairman  
10 October 2012