

Essex Pension Fund Board	EPB/22/10
date: 15 December 2010	

Investment Steering Committee (ISC) Quarterly Report

Report by the Head of Investments

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1. Purpose of the Report

1.1 To provide a report on ISC activity since the last Board meeting.

2. Recommendations

2.1 That the Board should note the report.

3. Background

- 3.1 In accordance with the constitution of the Essex Pension Fund the Investment Steering Committee is required to submit quarterly reports on its activities to the Essex Pension Fund Board. There have been two meetings of Since the Board's last meeting the ISC has met once, on 13 October 2010. However there was also a meeting of the Appointments Sub Committee of the ISC on 14 September 2010.

4. Report of meeting of Appointments Sub Committee on 14 September 2010

- 4.1 This was a special meeting to interview 5 candidates, shortlisted following a statutory tendering process, for the post of institutional investment consultant. The Sub Committee, consisting of Councillors Finch, Jackson and Lager, received presentations from the candidates and questioned them. The scores awarded by the Sub Committee were added to the scores which had previously been awarded to the candidates for their commercial and technical submissions. The applicant with the highest overall score was Hymans Robertson LLP whom the Sub Committee agreed to formally appoint to the position of Investment Consultant to the Essex Pension Fund.

5. Report of meeting of ISC on 13 October 2010

- 5.1 This was a regular quarterly meeting of the ISC, at which it was presented with reports on Fund and manager performance. However rather than conduct routine interviews of its investment managers, it instead interviewed shortlisted candidates for the infrastructure mandate that it had agreed to award at an earlier meeting. 2 infrastructure managers had been shortlisted, Pantheon and Partners Group. The Committee received presentations from both candidates and questioned them on their proposals. Following consideration of the presentations the Committee unanimously agreed that Partners Group should be appointed to manage the new Infrastructure Mandate for 1.5% of Fund assets (approximately £50m). Officers, in conjunction with fund advisers, were authorised to undertake the negotiations required to finalise the arrangements, including investigating the possibility of Fund representation on their Advisory Board, the result of which was to be reported back to the next meeting of the Committee for any necessary decision.

6. Link to Essex Pension Fund Objectives

- 6.1 Investments
- 6.1.1 To maximise the returns from investments within reasonable risk parameters.
- 6.1.2 To ensure the Fund is properly managed.

7. Risk Implications

- 7.1 None other than those already identified as part of the Fund's investment strategy.

8. Communication Implications

8.1 None

9. Finance and Resources Implications

9.1 None other than those already identified as part of the Fund's investment strategy.

10. Background Papers

10.1 Appointments Sub Committee meeting 14 September 2010 – Agenda and minutes.

10.2 ISC meeting 13 October 2010– Agenda and minutes.