

<b>Essex Pension Fund Board</b>	<b>EPB/21/11</b>
<b>date: 29 June 2011</b>	

## **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 ISC is required to submit quarterly reports on its activities to the Essex Pension Fund Board. Since the Board's last meeting the ISC has met twice, on 30 March 2011 and 9 June 2011.

### **4. Report of meeting of ISC on 30 March 2011**

- 4.1 At its meeting the ISC was presented with an update on the markets, and a performance report for the Fund and individual managers up to 31 December 2010. The Fund's performance over the quarter had been +6.0% and the value had risen from £3.101bn at 30 September 2010 to £3.304bn at 31 December 2010. Two global equity managers were interviewed.
- 4.2 Hymans Robertson, the Fund's institutional investment consultants, provided the ISC with a report on the implementation of changes to strategy agreed at the ISC meeting on 23 February 2011. This included an update on the status of the Timber search and agreement of the arrangements for switching the corporate bond portfolio to a LIBOR+ type mandate.
- 4.3 The ISC also agreed to proposals for the repurchase of global custody services.

### **5. Report of meeting of ISC on 9 June 2011**

- 5.1 The ISC noted its revised membership following the annual meeting of Essex County Council. The ISC elected Cllr Bass as Chairman and appointed Cllr Finch as Vice Chairman.
- 5.2 The ISC was presented with an update on the markets, and a performance report for the Fund and individual managers up to 31 March 2011. The Fund's performance over the quarter had been +2.2% and the value had risen from £3.304bn at 31 December 2010 to an all time high of £3.411bn. A global equity manager and the Fund's property manager were interviewed.
- 5.3 A report was received on those aspects of the "Review of the Effectiveness of the Board and ISC" that the Board had specifically referred to the ISC. Further consideration will be given to these matters at the ISC's annual strategy meeting on 27 July 2011. The Committee received a report on the results of the consultation on the draft revised SIP and a final version of the SIP was approved.
- 5.4 Further updates were also given on progress with the implementation of changes to strategy agreed at the 23 February 2011 and the repurchase of global custody services.

## **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 ISC meeting 30 March 2011– Agenda and minutes.
- 10.2 ISC meeting 9 June 2011– Agenda and minutes.