

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

### **Minutes of a meeting of the Investment Steering Committee held at 2 p.m. at Maynetrees, Chelmsford on 13 June 2012.**

#### **Present**

Cllr D Finch (Vice Chairman)	Essex CC
Cllr J Aldridge	Essex CC
Cllr N Hume	Essex CC
Cllr Mrs S Barker (Conservative substitute)	Essex CC
Cllr J Archer (Observer representing Employers)	Maldon DC
Keith Blackburn (Observer representing scheme members)	UNISON
Cllr Mrs P A Challis (Essex Pension Board)	Castle Point DC

The following Advisers were present in support of the meeting;

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

The following officers were present in support of the meeting;

Peter Lewis	Interim Assistant Director – Financial Strategy
Nicole Wood	Assistant Director – Financial Strategy
Kevin McDonald	Group Manager Investments
Joanna Thompson	Contributions Officer

#### **1a Membership**

It was noted that at the annual meeting of Essex County Council on 8 May 2012 it had been agreed that the following Councillors be Members of the Investment Steering Committee (ISC):

Members	J Aldridge R L Bass D Finch N Hume M Lager M Mackrory Mrs S Barker (Conservative substitute)
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#### **1b Election of Chairman and Appointment of Vice Chairman**

Cllr Bass, proposed by Cllr Finch and seconded by Cllr Aldridge, was elected as Chairman.

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Cllr Finch, proposed by Cllr Aldridge and seconded by Cllr Hume, was appointed as Vice Chairman.

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

Cllr Bass, Cllr Lager, Cllr Mackrory & Martin Quinn.

### **1d Terms of Reference**

The report was noted with one change as outlined below in red:

3. To assess the quality and performance of each Investment Manager annually in conjunction with investment advisers and the ~~Chief Financial Officer~~ **Executive Director for Finance**.

### **2 Declarations of Interest**

None were made.

### **3 Minutes**

The minutes of the meeting of the ISC which took place on 22 February 2012 were approved as a correct record.

### **4 Market Commentary**

John Dickson introduced a report by Hymans Robertson on the markets as at 31 March 2012. He highlighted the issues surrounding the Eurozone and the elections in Greece.

Following discussion of these issues the report was noted.

### **5 Statement of Investment Principles (SIP)**

Peter Lewis introduced a report on the outcomes of the consultation on the draft SIP. The only substantive comments came from Uttlesford District Council. These were principally observations about potential parallels with Treasury Management. These comments were referred to Hymans Robertson who supplied a detailed response which was forwarded to, and discussed with Uttlesford's Assistant Chief Executive – Finance.

Following discussion the draft SIP **was approved**.

### **6 Urgent Part 1 Business**

The Chairman highlighted that at the end of May, the Local Government Association and trade unions announced the outcome of their negotiations on new proposals for the LGPS to take effect from 1 April 2014. These include a shift from final salary to a career average scheme, and will now be subject of consultation with employers, scheme members, funds and others. This is a matter that falls under the remit of the

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Pension Board and will be on the agenda for the next meeting of the Pension Board on 11 July 2012.

## **7 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:

- Global Custodian Market Testing;
- Q1 2012 Investment Tables
- Investment Manager update
- Investment Manager Presentation
- Urgent exempt business

## **8 Global Custodian Services Tender**

(Press and public excluded)

Kevin McDonald introduced a report on the Global Custodian Services Tender with Roger Fischwick from Thomas Murray.

Following discussion the recommendations in the report **were agreed**.

## **9 Q1 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 31 March 2012.

The value of the Fund had risen from £3.229bn as at 31 December 2011 to a provisional level of £3.482bn as at 31 March 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)

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The ISC received a report on Officer & Adviser meetings with Marathon and M&G Alpha Opportunities. The report was noted.

**11 Update on Manager Presenting – M&G Alpha Opportunities Fund and Goldman Sachs**

(Press and public excluded)

The ISC received a report from Hymans Robertson on M&G Alpha Opportunities Fund and Goldman Sachs.

The report was noted.

**12 Investment Manager Presentation – M&G Alpha Opportunities Fund**

(Press and public excluded)

The Committee received a presentation from Richard Ryan and Mike Thomas.

**13 Investment Manager Presentation – Goldman Sachs**

(Press and public excluded)

The Committee received a presentation from Blair Reid and Emma Burnett-Rae.

**14 Urgent Exempt Business**

(Press and public excluded)

There was none.

There being no further business, the meeting closed at 3.45pm.

Chairman  
25 July 2012