
Investment Steering Committee (ISC)

Minutes of a meeting of the Investment Steering Committee held at 2.30 p.m. at County Hall, Chelmsford on 20 June 2013

Present

Cllr R L Bass (Chairman)	Essex CC
Cllr Hume (Vice Chairman)	Essex CC
Cllr S Barker	Essex CC
Cllr Clempner	Essex CC
Cllr N Le Gresley	Essex CC
Cllr J Whitehouse	Essex CC
Cllr K Bobbin (substitute for Labour Group)	Essex CC
Cllr J Archer (Observer representing Employers)	Maldon DC
Keith Blackburn (Observer representing scheme members)	UNISON

The following Board members were present;

Cllr Challis	Essex Pension Board
Charles Garbett	Essex Pension Board

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;

Margaret Lee	Executive Director for Finance
Kevin McDonald	Head of Essex Pension Fund
Jody Evans	Pensions Services Manager
Helen Pennock	Pensions Officer

1 Membership

The Committee's membership, as agreed at the annual meeting of Essex County Council on 14 May 2013 was noted as follows:.

(3 Conservative* : 1 Labour : 1 Liberal Democrat : 1 UKIP)

* The Conservative Group has indicated it does not intend to take up its entitlement to a majority of seats on this Committee

Cllr Rodney Bass - Conservative
 Cllr Susan Barker - Conservative
 Cllr Karen Clempner - Labour
 Cllr Norman Hume - Conservative

Cllr Nigel Le Gresley - UKIP
Cllr Jon Whitehouse - Liberal Democrat

Conservative Group Substitute : Cllr John Spence
Labour Group Substitute : Cllr Keith Bobbin

2 Chairman

The appointment of Cllr Rodney Bass as Chairman of the Committee, as agreed at the annual meeting of Essex County Council on 14 May 2013, was noted.

3 Appointment of Vice Chairman

The appointment of Cllr Hume, nominated by Cllr Bass, seconded by Cllr Barker, was agreed.

4 Apologies for absence

It was noted that Cllr Spence, substitute for the Conservative Group was unable to attend the meeting.

5 Terms of Reference

The Committee's Terms of Reference were noted

6 Declarations of Interest

None were made.

7 Minutes

The minutes of the meeting of the Committee which took place on 27 March 2013, with one minor spelling correction, were approved as a correct record.

8 Meeting dates for the 2013/14 municipal year

The following dates for the Committee's meeting over the remainder of the municipal year were noted:

Wednesday	24 July 2013	11.30am (for remainder of day)
Wednesday	16 Oct 2013	2.00pm (reserve date)
Wednesday	27 November 2013	2.00pm
Wednesday	26 February 2014	(all day Strategy meeting)

Wednesday

26 March 2014

2.00pm

The Committee also noted the Baillie Gifford Investment Training & Seminar in Edinburgh 1-3 October. This event takes place every three years. Attendance will be finalised at the Pension Board on 10 July 2013.

9 Q1 2013 Market Commentary

John Dickson introduced a report by Hymans Robertson on the markets as at 31 March 2013. Following discussions the report was noted.

10 Urgent Part 1 Business

There was none.

11 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:

- Q1 2013 Investment Tables
- Investment Manager Monitoring
- Investment Structure Considerations
- Update on Managers Presenting – First State & Aviva
- Investment Manager Presentation – First State
- Investment Manager Presentation – Aviva

12 Q1 2013 Investment Tables

(Press & public excluded)

The Committee received a report from the Head of Essex Pension Fund in consultation with Keith Neale Independent Investment Adviser, which gave details of the Fund's investment performance for the quarter ending 31 March 2013.

The value of the Fund rose from £3.627bn as at 31 December 2012 to a provisional value of £3.934bn as at 31 March 2013.

The report was noted.

13 Investment Manager Monitoring

(Press & public excluded)

The Committee received a Hymans Robertson traffic light ratings report along with a report on the Officer & Adviser meeting with Fidelity that took place on 25 April 2013. This followed the decision of the Committee at its meeting on 20 February 2013, that the mandate held by Fidelity be reviewed. The view of Officers & Advisers was that although performance has been marginally positive compared to benchmark, this appointment no longer fits with the changing circumstances in which the Fund now finds itself.

It was therefore agreed that the mandate held by Fidelity be terminated.

14 Investment Structure Considerations

(Press & public excluded)

The Committee received a report from Hymans Robertson providing an update on a number of developments within the Fund's investment structure.

The Committee noted:

- the decision taken by Members in late April 2013 to terminate the active currency mandate held by Mellon Currency Management;
- the commencement of the Research Affiliates Fundamental Index (RAFI) passive mandate, managed by Legal & General; and
- proposals for agenda items for the next Strategy meeting of the Committee on 24 July.

Following discussion **it was agreed**:

- that at its next meeting interviews will be held for the mandate formally held by Alliance Bernstein, and also for the mandate currently held by Fidelity pending termination.
- that, pending some clarification by Officers in consultation with Advisers, agreement be given to the proposed extension until 2019 of the M&G Infracapital infrastructure fund.

15 Update on Presenting – First State & Aviva

(Press and public excluded)

The Committee received a report from Hymans Robertson on First State and Aviva. Following discussions the report was noted.

16 Managers Presentation – First State

(Press and public excluded)

Alan Nesbitt and Hugh Trancid gave the Committee a presentation on the Fund's emerging market portfolio with First State. Following questions, the presentation was noted.

10 Managers Presentation – Aviva

(Press and public excluded)

Anna Rule, Alistair Dryer and Sarah Emberson from Aviva Investors gave the Committee a presentation on the Fund's property portfolio.

11 Urgent Exempt Business

(Press and public excluded)

There was none.

There being no further business, the meeting closed at 5:00pm.

Chairman
24 July 2013