

AVON PENSION FUND COMMITTEE - INVESTMENT PANEL

Minutes of the Meeting held

Wednesday, 14th November, 2012, 9.30 am

Members: Councillor Charles Gerrish (Chair), Councillor Nicholas Coombes, Councillor Mary Blatchford and Ann Berresford, Roger Broughton

Advisors: Tony Earnshaw

Also in attendance: Tony Bartlett (Head of Business, Finance and Pensions) Liz Woodyard (Investments Manager), Matt Betts (Assistant Investments Manager), Jignesh Sheth (JLT), Matthew Clapton (Investments Officer)

20 EMERGENCY EVACUATION PROCEDURE

The Democratic Services Officer read out the procedure.

21 DECLARATIONS OF INTEREST

There were none.

22 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies were received from Councillor Gabriel Batt and Bill Marshall. Roger Broughton attended as substitute.

23 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

24 ITEMS FROM THE PUBLIC - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS

There were none.

25 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS

There were none.

26 MINUTES: 5TH SEPTEMBER 2012

The minutes of the meeting of the 5th September 2012 were approved as a correct record and signed by the Chair.

27 REVIEW OF INVESTMENT PERFORMANCE FOR PERIODS ENDING 30TH SEPTEMBER 2012

The Assistant Investments Manager introduced the report which updated the Panel on routine aspects of the Fund's investments. The report contained performance

statistics for the period ending 30th September 2012. He referred members to Section 4 (Page 9) of the JLT report (Appendix 2) and pointed out the effect on the 3 year risk and return figures of the good performance quarter dropping out at the start of the reporting period. He also highlighted that the aggregate manager relative performance was positive overall for the quarter, with several managers (Jupiter Genesis, RLAM and Invesco) showing a very positive 3 year overall performance outperforming their target over this period. TT had shown particular improvement, but MAN and Schroder Equity were being closely monitored.

The Investments Manager added that the indicative investment return performance for the overall fund for first quarter was 3.6%. The Chair commented that the 3 year property return was still not fully invested. The global property portfolio managed by Partners was still being vested, therefore the 3 year return does not adequately reflect underlying investment performance. However a number of underlying funds had achieved a level vesting where the performance is meaningful at the underlying fund level and these will be included in future reports.

The Assistant Investments Manager said returns data on individual Partner's funds only becomes meaningful once that fund reached 50% invested. Tony Earnshaw commented that 3 years seemed a reasonable term over which to measure performance, given the 10 year plus time horizon of the underlying funds. The Investments Manager pointed out that the initial costs of property investments are proportionally higher, so this affected early returns. The Head of Business, Finance and Pensions added that fund managers needed to be challenged about the spread of investments. A Member asked whether the fund was considering further tactical switches and was informed that JLT would continue to advise, but they had not highlighted any specific opportunities.

The Chair suggested that if these Panel meetings were happening at the wrong part of the reporting cycle, then the Members should be prepared to call a special meeting to discuss any urgent strategic or tactical issues – this was unanimously agreed. A Member commented on the use of dynamic allocation funds which can take advantage of tactical switches – this would obviate the need for extra meetings. She asked whether there were concerns with Schrodgers and was informed that they would be reviewed in February, along with MAN.

28 WORKPLAN

The Investment Manager introduced this item. She confirmed that the Panel were due to meet with Schrodgers and MAN at the February 22nd 2013 meeting.

The Panel unanimously agreed that the workplan be recommended to the Committee.

The meeting ended at 9.50 am

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services