

Bath & North East Somerset Council

MEETING:	AVON PENSION FUND COMMITTEE	
MEETING DATE:	13 DECEMBER 2013	AGENDA ITEM NUMBER
TITLE:	INVESTMENT PANEL ACTIVITY	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Minutes from Investment Panel meeting held 15 th November 2013 EXEMPT Appendix 2 – EXEMPT Minutes from Investment Panel meeting held 15 th November 2013 EXEMPT Appendix 3 – Summaries of Investment Panel meetings with Investment Managers EXEMPT Appendix 4 – Diversified growth fund mandate: Appointment decision		

1 THE ISSUE

- 1.1 The Investment Panel is responsible for addressing investment issues including the investment management arrangements and the performance of the investment managers. The Panel has delegated responsibilities from the Committee and may also make recommendations to Committee. This report informs Committee of decisions made by the Panel and any recommendations.
- 1.2 The Panel has held one formal Investment Panel meeting since the September 2013 committee meeting, on 15 November 2013. The draft minutes of the Investment Panel meeting provides a record of the Panel's debate before reaching any decisions or recommendations. These draft minutes can be found in the Appendices. The Panel also held a Selection Panel meeting and a Meet the Managers Workshop during the quarter.
- 1.3 The recommendations and decisions arising from these meetings are set out in paragraph 4.1.

2 RECOMMENDATION

That the Committee notes:

- 2.1 the draft minutes of the Investment Panel meetings held on 15th November 2013
- 2.2 the recommendations and decisions made by the Panel this quarter as set out in 4.1

3 FINANCIAL IMPLICATIONS

- 3.1 In general the financial impact of decisions made by the Panel will have been provided for in the budget or separately approved by the Committee when authorising the Panel to make the decision.
- 3.2 There are transactional costs involved in appointing and terminating managers. Where these arise from a strategic review allowance will be made in the budget. Unplanned changes in the investment manager structure may give rise to transition costs which will not be allowed for in the budget.

4 RECOMMENDATIONS AND DECISIONS

- 4.1 The following recommendations and decisions were made by the Panel this quarter:
- (1) Investment Panel Meeting 15 November 2013: The Panel agreed the policy framework for infrastructure to be recommended to Committee (see agenda item 12).
 - (2) Meet the Manager Workshop, Schroder Global Equity, 15 November 2013: Following changes to the team and a period of under-performance the Panel will continue to closely monitor performance to evaluate the impact of the recent changes made by the manager. A summary of the meeting is provided at Exempt Appendix 3.
 - (3) Selection Panel meeting 3 October 2013: The Panel appointed Barings and Pymford to manage the Fund's diversified growth allocation. Exempt Appendix 4 provides a brief summary of the decision.

5 RISK MANAGEMENT

- 5.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. An Investment Panel has been established to consider in greater detail investment performance and related matters, and to carry out responsibilities delegated by the Committee.
- 5.2 A key risk to the Fund is that the investments fail to generate the returns required to meet the Fund's future liabilities. This risk is managed via the Asset Liability Study which determines the appropriate risk adjusted return profile (or strategic benchmark) for the Fund.

6 EQUALITIES

- 6.1 An equalities impact assessment is not necessary as the report is primarily for information only.

7 CONSULTATION

- 7.1 This report is primarily for information and therefore consultation is not necessary.

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 The issues to consider are contained in the report.

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Divisional Director – Legal & Democratic Services) and Section 151 Officer (Divisional Director – Business Support) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	