

Bath & North East Somerset Council

MEETING:	AVON PENSION FUND COMMITTEE	
MEETING DATE:	26 JUNE 2015	AGENDA ITEM NUMBER
TITLE:	INVESTMENT PANEL ACTIVITY	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report: EXEMPT Appendix 1 – Fund of Hedge Fund Selection 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 not held any formal Investment Panel meetings since the March 2015 committee meeting because of the local elections in May. The Panel held a Clarification meeting on the Fund of Hedge Fund mandate tender on 25 March 2015. The recommendations and decisions arising from this meeting is set out in paragraph 4.1.

2 RECOMMENDATION

That the Committee notes:

- 2.1 the recommendations and decisions made by the Panel since the last quarterly activity report, 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 decisions and recommendations were made by the Panel since the last quarterly activity report:

(1) Fund of Hedge Fund Tender - Clarification meeting 25 March 2015:

The Panel appointed JP Morgan Asset Management for the Fund of Hedge Fund mandate. Exempt Appendix 1 provides a brief summary of the decision.

5 DELEGATION

- 5.1 The selection decision was taken under the delegation set out in the Fund's Terms of Reference with the relevant section as follows:

The Investment Panel....have delegated authority to:

6. Implement investment management arrangements in line with strategic policy, including the setting of mandate parameters and the appointment of managers.

6 RISK MANAGEMENT

- 6.1 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.
- 6.2 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.

7 EQUALITIES

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

8 CONSULTATION

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

9 ISSUES TO CONSIDER IN REACHING THE DECISION

- 9.1 The issues to consider are contained in the report.

10 ADVICE SOUGHT

10.1 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	