

**To: All Members of the
Investment Committee**

**From: COUNTY SECRETARY'S
DEPARTMENT**

Ask for: Adrian Service

Ext: 25564

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**INVESTMENT COMMITTEE
20 JUNE 2002**

MINUTES

ATTENDANCE

MEMBERS OF THE COMMITTEE

H G S Banks, N Brook, D Clayton, P V Goggins, B N W Hammond, M Janes (Chairman),
I H Laidlaw-Dickson, N Payne, S Quilty (substitute for F Escott), E Singam.

Officers in Attendance

C Sweeney - Finance Director
A Service - Committee Administrator

Upon consideration of the Agenda for the Investment Committee meeting on 20 June 2002 as circulated, copy annexed, action was taken or decisions were reached on individual items as recorded below:-

APOLOGIES

Apologies for absence were submitted on behalf of F Escott, R J Smith, S Taylor and G F Wenham.

MEMBERSHIP

It was noted that E Singam had replaced R J Smith as a member of this Committee for this meeting only.

1. MINUTES

The Minutes of the meeting of the Investment Committee held on 6 March 2002 were confirmed as an accurate record.

2. STATEMENT OF INVESTMENT PRINCIPLES

The Committee considered a revised Statement of Investment Principles which had been updated to take account of benchmark and asset allocation changes and recommendations contained in the Myners' report on "Institutional Investment in the UK" which HM Government had adopted.

A copy of the CIPFA Pensions Panel guidance note on Principles for Investment Decision Making in the Local Government Pension Scheme in the UK was circulated at the meeting.

It was noted that the current position of Principle 1 (Effective Decision Making) of Appendix A needed to be amended to take account of the new arrangements for payments to elected members who serve on the Investment Committee.

RESOLVED

That subject to Principle 1 being amended to take account of the new arrangements for payments to elected members, the revised Statement of Investment Principles as set out in Appendix 'A' to the submitted report be approved.

3. PENSIONS DISCRETIONS - POLICY REVIEW

The Committee reviewed the Council's policy for exercising discretions in respect of pensions.

RESOLVED

That the policy for exercising discretions in respect of pensions of its employees and other authorities staff within the Hertfordshire scheme as set out in Appendices A and B to the submitted report be approved.

4. EQUITABLE LIFE UPDATE

The Finance Director advised on recent developments with Equitable Life concerning additional voluntary contributions pensions. He stated that Equitable Life policy values had reduced further and Equitable Life had increased the penalty fees for pension holders withdrawing their contributions.

RESOLVED

That affected AVC policy holders be kept informed of any developments concerning Equitable Life.

EXCLUSION OF PRESS AND PUBLIC

That under Section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 7 of Part I of Schedule 12 to the said Act.

5. PENSION FUND - THE WM PENSION FUND SERVICE 2001

Jim Herron from WM Company gave a presentation analysing the performance of the Council's Investment Fund Managers during 2001.

The Committee were advised that only Baillie Gifford and Capital International in 2001 had outperformed the benchmark set out by the Council and over the last three year period only Schroders had in consecutive years not met the benchmark target set.

The Committee expressed their satisfaction to the new format used for presenting the data on the performance of the Council's Investment managers.

RESOLVED

That the report of WM Company's Pension Fund Service for 2001 be noted.

6. PENSION FUND - SUMMARY STATEMENT AS AT 31 MARCH 2002**RESOLVED**

That the report of the Finance Director summarising the investments held at 31 March 2002, which detailed the performance of the Investment Managers during the last financial quarter, year and three year period be noted.

7. PENSION FUND - INVESTMENT MANAGER'S REPORT (JUPITER ASSET MANAGEMENT) - PORTFOLIO FOR THE QUARTER ENDING 31 MARCH 2002

Ken Cliff and Edward Bland from Jupiter Asset Management attended the meeting and advised of the activities undertaken on behalf of the Pension Fund during the past quarter and informed of the Manager's expectations together with their anticipated policy for the future.

RESOLVED

That the report of Jupiter Asset Management be noted.

8. PENSION FUND - INVESTMENT MANAGER'S REPORT (SCHRODER INVESTMENT MANAGEMENT) FOR THE QUARTER ENDING 31 MARCH 2002

Lyndon Bolton and Jill Thompson from Schroder Investment Management attended the meeting, and advised of the activities undertaken on behalf of the Pension Fund during the past quarter and informed of the manager's expectations together with their anticipated policy for the future.

A summary report of the performance of Schroder Investment Management during the last quarter was circulated at the meeting.

RESOLVED

That the report of Schroder Investment Management be noted.

9. PENSION FUND - INVESTMENT MANAGER'S REPORT (BAILLIE GIFFORD) FOR THE QUARTER ENDING 31 MARCH 2002

Katrina Jack from Baillie Gifford attended the meeting but made no formal submission.

RESOLVED

That the report of Baillie Gifford be noted.

10. PENSION FUND - INVESTMENT MANAGER'S REPORT (CAPITAL INTERNATIONAL) FOR THE QUARTER ENDING 31 MARCH 2002

RESOLVED

That the report of Capital International be noted.

11. PENSION FUND - INVESTMENT MANAGER'S REPORT (MERRILL LYNCH) FOR THE QUARTER ENDING 31 MARCH 2002

RESOLVED

That the report of Merrill Lynch be noted.

12. PENSION FUND - INVESTMENT MANAGER'S REPORT (JUPITER ASSET MANAGEMENT) (UK SPECIALIST PORTFOLIO) FOR THE QUARTER ENDING 31 MARCH 2002

RESOLVED

That the report of Jupiter Asset Management on the UK Specialist Portfolio be noted.

13. ANY OTHER BUSINESS

Content of Investment Managers' Reports

The Chairman commented on the content and quantity of the Investment Managers' reports and asked Committee Members on their needs for information on Investment Managers' activities during each quarter.

It was considered that only the Finance Director and the Investment Committee Chairman should receive detailed comprehensive reports with Executive Summary style shorter reports being prepared each quarter by Investment Managers and supplied to all Investment Committee members.

Andrew Laycock
County Secretary