

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

**From: COUNTY SECRETARY'S
DEPARTMENT**

Ask for: Adrian Service

Ext: 25564

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My Ref: AS/kp

Your Ref:

**INVESTMENT COMMITTEE
12 JUNE 2003**

MINUTES

ATTENDANCE

MEMBERS OF THE COMMITTEE

H G S Banks, N Brook, P V Goggins, B N W Hammond, M Janes (Chairman),
I H Laidlaw-Dickson, N Payne, S Quilty (substitute for D Clayton), R J Smith, S Taylor.

Officers in Attendance

C Sweeney - Finance Director
A Service - Committee Administrator
N Webb - Corporate Services

Also in Attendance as an Observer

S Thornley (Unison)

Upon consideration of the Agenda for the Investment Committee meeting on
12 June 2003 as circulated, copy annexed, action was taken or decisions were reached
on individual items as recorded below:-

DEATH OF GEORGE WENHAM

The Committee Chairman advised of the recent death of George Wenham and on behalf
of the Committee paid tribute to the work and contributions of George Wenham who had
served on the former Investment Panel and the Investment Committee since 1989.

APOLOGY

An apology for absence was submitted on behalf of D Clayton.

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 items of business in 1. to 9. below 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.

1. PENSION FUND – THE WM PENSION FUND SERVICE 2002

Graham Wood from WM Company gave a presentation analysing the performance of the Council's Investment Fund Managers during 2002.

He stated that he was surprised that the Investment Managers during 2002 had not taken a higher level of risk to endeavour to achieve the benchmark that they had been set.

RESOLVED

That WM Company's report on the performance of the Council's engaged Investment Managers during 2002 be noted.

2. PENSION FUND - INVESTMENT MANAGER'S REPORT (SCHRODER INVESTMENT MANAGEMENT) - PORTFOLIO FOR THE QUARTER ENDING 31 MARCH 2003

Charles Crole 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.

The Committee noted that Schroder's were using a quantitative approach to manage North American equities.

RESOLVED

That the report of Schroder Investment Management be noted.

3. PENSION FUND - INVESTMENT MANAGER'S REPORT (JUPITER ASSET MANAGEMENT) - PORTFOLIO FOR THE QUARTER ENDING 31 MARCH 2003

Edward Bland and Ken Cliff 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.

4. PENSION FUND - INVESTMENT MANAGER'S REPORT (MERRILL LYNCH) FOR THE QUARTER ENDING 31 MARCH 2003**RESOLVED**

That the report of Merrill Lynch be noted.

5. **PENSION FUND - INVESTMENT MANAGER'S REPORT (JUPITER ASSET MANAGEMENT) (UK SPECIALIST PORTFOLIO) FOR THE QUARTER ENDING 31 MARCH 2003**

RESOLVED

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

6. **PENSION FUND - INVESTMENT MANAGER'S REPORT (CAPITAL INTERNATIONAL) FOR THE QUARTER ENDING 31 MARCH 2003**

RESOLVED

That the report of Capital International be noted.

7. **PENSION FUND - INVESTMENT MANAGER'S REPORT (BAILLIE GIFFORD) FOR THE QUARTER ENDING 31 MARCH 2003**

RESOLVED

That the report of Baillie Gifford be noted.

8. **PENSION FUND - SUMMARY STATEMENT AS AT 31 MARCH 2003**

RESOLVED

That the report of the Finance Director summarising the investments held at 31 March 2003, which detailed the performance of the Investment Managers during the last financial quarter, year and three year period be noted.

9. PENSION FUND – INVESTMENT MANAGER STRUCTURE

Nick Sykes from Mercers attended the meeting and presented a report reviewing the Council's current investment manager structure together with possible revisions taking into account the assessed strengths and weaknesses of the existing managers.

RESOLVED

That having regard to the potential revisions contained in paragraph 4.3 of Mercers report : -

- (a) Schroder's portfolio be varied to exclude North American equities and their benchmark be amended accordingly,
- (b) Capital International's allocation be increased to include the North American equities sum withdrawn from Schroder's portfolio and their benchmark be amended accordingly, and
- (c) a Workshop be held to consider all the other potential revisions detailed.

10. MINUTES

The Minutes of the meeting of the Investment Committee held on 13 March 2003 were confirmed as an accurate record.

11. PENSION FUND – PRIVATE EQUITY

The Finance Director submitted a report giving details of the tenders received and the process leading to the appointment of two private equity fund managers. Standard Life had been appointed to invest £25 m into the European Fund of Funds of private equities and Harbour Vest to invest £30 m into the US Fund of Funds of private equities.

RESOLVED

That the appointment of Standard Life and Harbour Vest be noted.

Andrew Laycock
County Secretary