



Buckinghamshire County Council

Agenda

PENSION FUND COMMITTEE

Date Thursday 20 September 2007
Time 9.30 am
Venue New Ireland Room, New County Offices, Aylesbury

Agenda Item	Page No
1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP	
2 DECLARATIONS OF INTEREST To declare any personal and prejudicial interests	
3 MINUTES of the meeting held on 26 July 2007, to be confirmed	1 - 4
4 UPDATE FROM THE LGC INVESTMENT SUMMIT Verbal update from Mr F Downes, Cabinet Member for Resources	
5 EXCLUSION OF THE PRESS AND PUBLIC To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)	
6 DATE OF NEXT MEETING The next meeting of the Committee will be held on Thursday 29 November 2007 at 1.00pm in the Large Dining Room, Judges Lodgings, Aylesbury.	
7 CONFIDENTIAL MINUTES of the meeting held on 26 July 2007 to be confirmed.	5 - 8
8 FUND MANAGERS' PERFORMANCE	9 - 18
9 PENSION FUND INVESTMENT STRATEGY	19 - 24
10 FOREIGN INCOME DIVIDENDS AND MANNINEN TAX CLAIMS Subsequent to the meeting, it was agreed that this item contained confidential information and it was moved to the exempt part of the agenda.	25 - 30

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Members

Mr F Downes (C)
Mr P Hardy (VC)
Mr Q Ings-Chambers

Mr C Jones
Mr D Meacock
J Wassell



Buckinghamshire County Council

Minutes

PENSION FUND COMMITTEE

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON THURSDAY 26 JULY 2007, IN MEZZANINE ROOM 3, COUNTY HALL, AYLESBURY, COMMENCING AT 9.32 AM AND CONCLUDING AT 1.06 PM.

MEMBERS PRESENT

Mr S Crooks, Mr F Downes (Chairman), Mr P Gerrella, Mr P Hardy (Vice-Chairman), Mr C Jones and Mr D Phillips

OFFICERS PRESENT

Harriet Anthony, Mercer Investment Consulting
Louis-Paul Hill, WM Performance Services (for Item 4)
Maureen Keyworth, Democratic Services Officer
Keith Neale, Independent Adviser
Anwen Owens, Mercer Investment Consulting
Clive Palfreyman, Assistant Head of Finance (Corporate Financial Services)
Jacqueline Yates, Interim Head of Finance

AGENDA ITEM

1. APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

There were no apologies.

The Chairman welcomed to the meeting Mr Phil Gerrella who is representing Milton Keynes Council on the Committee, in place of Cec Tallack.

2. DECLARATIONS OF INTEREST

There were none.

3. MINUTES

The minutes of the meeting held on 31 May 2007 were agreed as a true record.

4. PENSION FUND ANNUAL PERFORMANCE 2006/07

Members received the report of the Treasury Manager, the purpose of which was to outline the performance of the Pension Fund for the year 2006/07. Attached to the report was the Annual Performance Review by WM Performance Company. A copy of the Annual Review by WM was sent out under separate cover. The Chairman welcomed to the meeting Louis-Paul Hill from WM Performance Company.

Over the year, the Fund under performed its benchmark by -0.3%. In 2006/07 the Fund ranked in the 55th percentile compared to 22nd in 2005/06 and 86th in 2004/05. However, this the third best performance in 10 years and the trend is improving. There will be further opportunities to improve on this during the Investment Strategy Review.

The representative from WM suggested areas where there was more opportunity to add value to overseas equities would be Japan and the Pacific.

Over last two years the Fund has performed well and has over performed the last benchmark since changes in investment have been made.

The following was discussed:

- The performance of the fund managers and the need to look at the amount of investment placed with each of them.
- The fact that gross fees were included in the benchmarking figures. Since this was the way the market compared results there was little that could be done to make changes.
- What Funds in the top 10% were doing differently to achieve this level. It was noted that not many Funds consistently maintained this level and higher returns mean higher risks in the main.
- Internal management of Pension Funds. It was noted that specialist managers have set targets in which to prove themselves, whereas internal managers are able to take a longer term view of investment. The negative impact of managing funds 'in house' is that a successful team is more likely to move on.

The Chairman thanked Louis-Paul Hill for his report.

5. DATE OF NEXT MEETING

The next meeting of the Committee will be held on Thursday 20 September 2007 at 9.30am in the New Ireland Room.

Members also agreed the following dates for training sessions:

11 October 2007 from 9.30am to 1.00pm

30 October 2007 from 9.30am to 1.00pm

6. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

7. LA SALLE INVESTMENT MANAGEMENT - PRESENTATION

Members received a presentation from Robin Goodchild, International Director and Head of European Strategy, La Salle Investment Management, the purpose of which was to introduce members to global real estate properties.

LaSalle is involved in all global markets in the world and real estate in all forms. It has its own private funds and is also a major player in real estate securities and Real Estate Investment Trusts (REITs) which more recently has become a global phenomena. LaSalle is a leading manager around the world.

The Chairman thanked Mr Goodchild for his presentation.

Members discussed the contents of the presentation.

8. CONFIDENTIAL MINUTES

The confidential minutes of the meeting held on 31 May 2007 were confirmed as a true record.

9. INVESTMENT STRATEGY REVIEW AND CASH FLOW

Members received the report of Mercer Investment Consulting which gave an executive summary of considerations for investment Strategy. The main report was circulated to members at the meeting. The report was produced as a result of members wishing to be provided with background information prior to the Strategy Review which will take place in the Autumn.

Members discussed the contents of the main report and agreed that it needed to be looked at in greater detail before coming to any conclusions with regard to the Strategy Review.

Members also discussed options for the investment of the monthly cash flows.

CHAIRMAN

Agenda Item 7

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of the Local Government Act 1972.

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Agenda Item 8

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Agenda Item 9

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Agenda Item 10

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