



Buckinghamshire County Council

Minutes

PENSION FUND COMMITTEE

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON THURSDAY 20 SEPTEMBER 2007, IN NEW IRELAND ROOM, NEW COUNTY OFFICES, AYLESBURY, COMMENCING AT 9.35 AM AND CONCLUDING AT 12.03 PM.

MEMBERS PRESENT

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

OFFICERS PRESENT

Harriet Anthony, Mercer Investment Consulting
Julie Edwards, Treasury Manager (Finance)
Keith Neale, Independent Adviser
Anwen Owens, Mercer Investment Consulting
Jacqueline Yates, Head of Finance

AGENDA ITEM

1. APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies were received from Don Phillips, Julia Wassell and Philip Gerrella.

2. DECLARATIONS OF INTEREST

There were no declarations of Interest.

3. MINUTES

The minutes of the meeting held on 26 July 2007 were confirmed.

4. UPDATE FROM THE LGC INVESTMENT SUMMIT

Members received a verbal report from the Chairman, who considered the Summit to be a good networking opportunity. With regard to those Funds who are in the upper percentile, it was difficult to see what they were doing which was different to the work by BCC.

The Chairman also reported on a presentation from the Corporation of London on restructuring of their fund.

5. 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.

Dates of Future Meetings:

21 February 2008
17 April 2008
29 May 2008
11 September 2008

23 October 2008
20 November 2008
5 March 2009
2 April 2009

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. CONFIDENTIAL MINUTES

The confidential minutes of the meeting held on 26 July 2007 were confirmed.

8. FUND MANAGERS' PERFORMANCE

Members received the report of the Treasury Manager, the purpose of which was to present the performance of the Pension Fund's Managers for the second quarter of 2007 and ask for the Committee's comments on the report.

The market value of the Fund had increased from £1,201m to £1,242m during the three months ending 30 June 2007.

During the quarter ending 31 March 2006, the Pension Fund was ranked in the 48th percentile in the WM local authority universe. In the year to 31 March 2007, it was ranked 55 and over an average of three years to 31 March 2007 it was ranked at 51. The Fund's five year average is the 81st percentile. The three and five year percentiles demonstrate the improving trend in the Fund's performance.

Discussion took place regarding the timing of Committee meetings and production of quarter end figures. It normally takes at least four weeks to provide data on the returns. However, information could be sourced from the Managers themselves but the independent total return would not be available. All data was needed in order to make comparisons.

It was also noted that with regard to performance over the year to 30 June 2007, the fund had achieved 13.7% against its benchmark of 13.6% and the WM Local Authority Universe benchmark of 14%.

The WM Report to the end of March 2007, noted that the Fund achieved 6.8% against 7.1% over 12 months to the end of March. The local authority average was 7%.

Members discussed the performance of those local authorities who consistently performed well. However, it was noted that even though those authorities may perform well overall, it was difficult for them to do this consistently. Investment strategy was obviously a key factor, as well as choosing consistently good fund managers. It was suggested that the investment managers involved with the top Local Authorities should be looked at, but it was noted that many local authorities

have different objectives with regard to equities and bonds.

A member stated that many investment managers had reported that there were factors in the market which had distorted the true valuation of stocks and considered whether there would be a re-adjustment of prices.

It was suggested that the different strategies used by other local authorities should be looked at.

9. PENSION FUND INVESTMENT STRATEGY

Members received the Report of the Assistant Head of Finance the purpose of which was to ask members to discuss preferences to investments over coming years in order to be in a position to agree a new strategy towards the end of 2007. Members were asked to discuss their preferences for the pension fund investment strategy, reaching agreement on key principles in order for officers and advisers to begin developing an outline strategy in advance of the next Pension Fund Committee meeting.

10. FOREIGN INCOME DIVIDENDS AND MANNINEN TAX CLAIMS

Members received the report of the Treasury Manager, the purpose of which was to ask members to agree to the Fund joining the Foreign Income Dividends and Manninen tax claims. This is in connection with repayment of tax claims on overseas dividends.

RESOLVED

Members AGREED to the Fund joining the Foreign Income Dividends and Manninen tax claims.

CHAIRMAN