

**Minutes of a meeting of the Investment Subcommittee held at County Hall,
Glenfield on Wednesday, 3 April 2019.**

PRESENT:

Leicestershire County Council

Mr. L. Breckon JP CC

Dr. S. Hill CC

District Council Representative

Cllr Malise Graham MBE

Staff Representative

Ms. J. Dean

22. Minutes.

The minutes of the meeting held on 10 October 2018 were taken as read, confirmed and signed.

23. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

24. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

25. Urgent Items.

There were no urgent items for consideration.

26. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

27. Update on the Launch of LGPS Central's Global Emerging Markets Product.

The Subcommittee received a report of the Director of Corporate Resources which provided an update on recent progress by LGPS Central in developing a Global Emerging Markets product. A copy of the report is filed with these minutes marked '6'.

Arising from the discussion the following points were noted:

- i) LGPS Central's Global Emerging Market Product would consist of three investment managers. BMO Global Asset Management, UBS Asset Management Limited and Vontobel Asset Management. The managers were all described as "stock-pickers" and don't have a distinct style. The overlap between managers is limited, so when combined should produce a balanced portfolio;
- ii) Whilst the three investment managers had been chosen on a long term basis, LGPS Central would be able to adjust the equal split of assets held by each of the managers by up to 7.5%, and replace them if necessary;
- iii) LGPS Central had an established governance policy which had been previously agreed with all the pool's partner authorities. Appointed investment managers were selected on the basis of their fit with the policy
- iv) Should the Subcommittee support the proposed investment, the commitment to invest £170m worth of assets currently under the management of Delaware, would only be made once information regarding the transitional arrangements was known. This would include confirmation of the cost associated with the transferral of assets and clarification that the new investment product had FCA approval.

RESOLVED

That the report be noted.

28. Date of Next Meeting.

It was noted that the next meeting would be held on 24th July 2019.

29. Emerging Market Equity Review.

The Subcommittee received a briefing note from Hymans Robertson concerning LGPS Central's Global Emerging Markets Product. A copy of the briefing note is filed with these minutes marked '9'. The briefing note was not for publication by virtue of Paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the briefing note be noted.

30. Global Emerging Markets Equity Active Multi Manager Fund Business Plan

The Subcommittee received a presentation from LGPS Central on its Global Emerging Market product which was followed by questions from members. A copy of the presentation is filed with these minutes marked '10'. The presentations were not for publication by virtue of Paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

Following the presentation the representative from LGPS Central answered questions from the Subcommittee regarding the sub-fund. The representative then withdrew from the meeting in order for a discussion concerning the potential investment to take place between members.

RESOLVED:

- a) That the progress in LGPS Central's development of an emerging markets sub-fund be noted;
- b) That subject to the development of the sub-fund proceeding satisfactorily, the Director of Corporate Resources, following consultation with the Chairman of the Local Pension Committee, use his delegated powers to progress the Fund's initial investment in LGPS Central's Emerging Market's Equity sub-fund, as detailed in Paragraph six of the report.
- c) That further progress updates concerning the investment be considered by the Local Pension Committee.

Wednesday, 3 April 2019

CHAIRMAN