

**Minutes of a meeting of the Pension Fund Management Board held at County Hall, Glenfield on Friday, 18 September 2009.**

**PRESENT:**

Leicestershire County Council

Mr. J. G. Coxon CC  
Mr. M. Griffiths CC  
Mr. K. W. P. Lynch CC

Mr. J. T. Orson JP CC  
Mr. M. B. Page CC

District Council Representative

Councillor A. Swatridge

University Representative

Mr. J. Cunningham

Staff Representatives

Miss L. Bateman  
M.r R. Bone

Mr. M. Boonham  
Mr. B. Bunn

Independent Advisers and Managers

Mr. G. Henshilwood	Hymans Robertson
Mr. S. Jamieson	Independent Investment Adviser
Mr. F. Macnair	Standard Life
Mr. E. Stirling	Standard Life

**1. Election of Chairman.**

RESOLVED:

That Mr M B Page CC be appointed Chairman of the Pension Fund Management Board for the period ending with the date of the Annual Council meeting in 2010.

Mr M B Page – In the Chair

**2. Appointment of Deputy Chairman.**

RESOLVED:

That Mr J T Orson JP CC be appointed Deputy Chairman of the Pension Fund Management Board for the period ending with the date of the Annual Council meeting 2010.

**3. Minutes.**

The minutes of the meeting held on 15 May 2009 were taken as read, confirmed and signed.

**4. Question Time.**

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

**5. Questions asked by members under Standing Order 7(3) and 7(5).**

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

**6. Urgent Items.**

There were no urgent items for consideration.

**7. 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.

**8. Summary Valuation of Pension Fund Investments.**

The Board considered a report of the Director of Corporate Resources concerning a summary valuation of the Fund's investments at 30 June 2009. A copy of the report marked 'B' is filed with these minutes.

RESOLVED:

That the report be noted.

**9. "Navigator".**

The Board considered a report by the Actuarial Adviser, illustrating the development of the funding position of the Pension Fund at 30 June 2009. A copy of the report marked 'C' is filed with these minutes.

RESOLVED:

That the report be noted.

#### **10. Pension Fund Annual Report and Accounts 2008/09.**

The Board considered a report of the Director of Corporate Resources on the draft Annual Report and Accounts for 2008/09. A copy of the report marked 'D' is filed with these minutes.

RESOLVED:

That the report be noted and that any detailed comments by members on the Annual Report and Accounts be made to the Director of Corporate Resources (for the attention of Mr C Pratt) by 31 October 2009.

#### **11. BNY Mellon Asset Management - Active Currency Portfolio.**

The Board considered a report of the Director of Corporate Resources concerning the notional active currency portfolio that is managed for the Pension Fund by BNY Mellon Asset Management. A copy of the report marked 'E' is filed with these minutes.

RESOLVED:

That the size of BNY Mellon Asset Managements active currency portfolio to a notional £170m, with effect from 1 October 2009.

#### **12. Required Searches for New Investment Managers.**

The Board considered a report by the Director of Corporate Resources concerning the appointment of investment managers for global equity, emerging market equality and credit mandates. A copy of the report marked 'F' is filed with these minutes.

RESOLVED:

- (a) That approval be given to the placing of tender notices in the Official Journal of the European Journal for global equities, emerging market equities and credit mandates; and
- (b) That Bfinance be appointed (alongside Hymans Robertson) to assist in the emerging market equity search, subject to acceptable terms and conditions being agreed.

*At this point the Independent Investment Adviser, Mr S Jamieson, withdrew from the meeting.*

#### **13. Active Asset Allocation and Special Opportunities.**

The Board considered a report of the Director of Corporate Resources concerning a review of its current approach to asset allocation. A copy of the

report marked 'G' is filed with these minutes.

RESOLVED:

- (a) That approval be given to the placing of an advertisement in the Official Journal of the European Journal in respect of the Tactical Asset Allocation manage, as outlined in this report;
- (b) That it be noted that the Board agreed with the concept of allocating a limited amount of the Fund's investments to exceptional one-off opportunities that may arise; and
- (c) That it be noted that the Board is willing to consider possible changes to the current Board structure.

*Mr Jamieson returned to the meeting.*

#### **14. Exclusion of the Public.**

RESOLVED:

That under Section 100(A) 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 Part 1 of Schedule 12(A) of the Act:

<u>Item</u>	<u>Exempt Under Paragraph:</u>
Report of the Independent Investment Adviser	3 and 10
Report of the Investment Consultant	3 and 10
Standard Life Investments – Valuation and Report	3 and 10
Capital International – Valuation and Report	3 and 10
Aviva Investments – Valuation and Report	3 and 10
Fauchier Partners – Valuation and Report	3 and 10
Legal and General Investment Management – Valuation and Report	3 and 10
Millenium Global Investments – Valuation and Report	3 and 10
BNY Mellon Global Investments – Valuation and Report	3 and 10
UBS Global Asset Management – Valuation and Report	3 and 10
Ruffer LLP – Valuation and Report	3 and 10
Pictet Asset Management – Valuation and Report	3 and 10

#### **15. Report of the Independent Investment Advisor.**

The Board considered a report of the Independent Investment Adviser concerning a review of the performance of the fund for the second quarter of 2009. A copy of the report marked 'H' is filed with these minutes. The report 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 report be noted.

**16. Report of the Investment Consultant.**

The Board considered a report of the Investment Consultant concerning a review of the performance of the respective Investment Managers for the second quarter of 2009. A copy of the report marked 'I' is filed with these minutes. The report 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 report be noted.

*At this point representatives of Standard Life Investments joined the meeting.*

**17. Standard Life Investments - Valuation and Report.**

The Board considered the investment report of Standard Life Investments. A copy of the report marked 'J' is filed with these minutes. The report 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 report be noted.

*At this point representatives of Standard Life Investments withdrew from the meeting.*

**18. Capital International - Valuation Report.**

The Board considered the investment report of Capital International. A copy of the report marked 'K' is filed with these minutes. The report 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 report be noted.

**19. Aviva Investments - Valuation Report.**

The Board considered the investment report of Aviva Investments. A copy of the report marked 'L' is filed with these minutes. The report 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 report be noted.

**20. Fauchier Partners - Valuation and Report.**

The Board considered the investment report of Fauchier Partners. A copy of the report marked 'M' is filed with these minutes. The report 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 report be noted.

**21. Legal & General Investment Management - Valuation and Report.**

The Board considered the investment report of Legal and General Investment Management. A copy of the report marked 'N' is filed with these minutes. The report 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 report be noted.

**22. Millennium Global Investments - Valuation and Report.**

The Board considered the investment report of Millenium Global Investments. A copy of the report marked 'O' is filed with these minutes. The report 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 report be noted.

**23. BNY Mellon Global Investments - Valuation and Report.**

The Board considered the investment report of BNY Mellon Global Investments. A copy of the report marked 'P' is filed with these minutes. The report 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 report be noted.

**24. UBS Global Asset Management - Valuation and Report.**

The Board considered the investment report of UBS Global Asset Management. A copy of the report marked 'Q' is filed with these minutes. The report 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 report be noted.

**25. Ruffer LLP - Valuation and Report.**

The Board considered the investment report of Ruffer LLP. A copy of the report marked 'R' is filed with these minutes. The report 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 report be noted.

**26. Pictet Asset Management - Valuation and Report.**

The Board considered the investment report of Pictet Asset Management. A copy of the report marked 'S' is filed with these minutes. The report 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 report be noted.

Friday, 18 September 2009  
9.30 am - 12.30 pm

CHAIRMAN