

Investment Subcommittee Minutes

Meeting held in the Whale Bay Room, 36 Water Street, Whangārei
on Tuesday 26 June 2018, commencing at 9.00am

Present:	Cr John Bain	(Chair)
	Cr Bill Shepherd	(Ex-officio)
	Cr Penny Smart	
	Geoff Copstick	(Independent Financial Member)
In Attendance:	Full Meeting	Cr Rick Stolwerk NRC Chief Executive GM, Corporate Excellence Finance Manager Financial Systems Administrator PA, Corporate Excellence (minutes)
	Part Meeting	Andy Mahony, EriksensGlobal (via phone)

The Chair declared the meeting open at 9.00am.

1.0 APOLOGIES

Nilp

2.0 DECLARATIONS OF CONFLICTS OF INTEREST

Nil

3.0 REPORTS

3.1 Performance of council's externally managed funds to May 2018 and transfer of IIF funds

Presented by: Finance Mgr

ID: A1076599

Moved (Bain / Copstick)

1. That the report 'Performance of council's externally managed funds to May 2018 and transfer of IIF funds' by the NRC Finance Manager and dated 19 June 2018, be received.

Carried

9.16am - Andy Mahony joined the meeting

Summary of Discussion

- Each fund performed well in May, with good long term performance as well
- The only exception is the infrastructure fund, which is underperforming
- No changes to the asset allocation are recommended at present

- More volatility is expected in the markets due to US / China trade wars
- The question was asked whether it is prudent to pare back global assets due to current volatility - the current portfolio spread across a number of funds mitigates this risk
- Fund managers are building cash holdings, which indicates increased volatility is approaching
- Risk is not reported to the Council and needs to be shown to allow greater clarity around why some funds which appear to be underperforming are being utilised
- Next review of NRC's portfolio is due in August / September

Agreed Action: *Jonathan Erikson and Andy Mahony to present to Council in August/September when portfolio is due for review* **GM, Corp Ex**

9.55am - Andy Mahony left the meeting

3.2 Transfer of managed fund gains to council's general funds **Presented by: Finance Mgr**
ID: A1076687

Moved (Bain / Smart)

1. That the report 'Transfer of managed fund gains to council's general funds' by the NRC Finance Manager and dated 19 June 2018, be received.
2. That \$1,422,029 of gains are physically withdrawn from the Property Reinvestment Fund before 30 June 2018, in line with a recommendation from EriksensGlobal.
3. That \$276,313 of gains are physically withdrawn from the Infrastructure Investment Fund before 30 June 2018, in line with a recommendation from EriksensGlobal.

Carried

Summary of Discussion

- The Finance Manager advised that the Investment SubCommittee approving recommendations 2 and 3 above are based on the fact that council has already approved these during their adoption of the Annual Plan
- Cr Bill Shepherd confirmed that this was correct

Meeting closed at 10.04am

Post Meeting Notes:

1. *Dr Ed Schuck has been appointed to undertake a review of Council's managed funds.*
2. *Updated Terms of Reference are attached, detailing Cr Stolwerk as an alternate member of the SubCommittee.s*