

Investment Subcommittee Minutes

Meeting held in the Whale Bay Room, 36 Water Street, Whangārei
on Wednesday 29 August 2018, commencing at 8.30am

Present:	Cr John Bain	(Chair)
	Cr Penny Smart	
	Cr Rick Stolwerk	(Alternate)
	Geoff Copstick	(Independent Financial Member)
In Attendance:	Full Meeting	NRC Chief Executive Finance Manager Accounting Assistant, Treasury & Projects Governance Manager PA, Corporate Excellence (minutes)
	Part Meeting	Jonathan Eriksen, EriksensGlobal (via phone) Cr David Sinclair

The Chair declared the meeting open at 8.32am.

1.0 APOLOGIES

The apologies from Councillor Shepherd and GM, Corporate Excellence for non-attendance were received.

2.0 DECLARATIONS OF CONFLICTS OF INTEREST

It was advised that committee members should make declarations item-by-item as the meeting progressed.

3.0 CONFIRMATION OF MINUTES

3.1 Confirmation of Minutes

ID: A1100092

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Copstick / Smart)

That the minutes of the Investment SubCommittee meeting held on 31 July 2018 be confirmed as a true and correct record.

Carried

4.0 REPORTS

4.1 Refund the Property Reinvestment Fund (PRF) from the Infrastructure Investment Fund (IIF) for Kaitaia Flood control properties

ID: A1100503

Report from Simon Crabb, Finance Manager

Moved (Bain / Stolwerk)

1. That the report 'Refund the Property Investment Fund (PRF) from the Infrastructure Investment Fund (IIF) for Kaitaia flood control properties' by Simon Crabb, Finance Manager and dated 20 August 2018, be received.
2. That \$683,363 is redeemed from the IIF Milford Diversified Income Fund and invested into the PRF Mint Diversified Income Fund to repay the PRF for the purchase of the Empire and Dunn Street properties.

Carried

Summary of Discussion

- Discussion took place regarding the fact that money is being moved into a lower performing fund
- The rationale for the move relates to the discipline of having funds in the correct place and not exceeding the percentage cap set for each fund
- Discussion took place regarding the benefits of looking at the funds from a performance perspective vs an accounting perspective

8.49am - Jonathan Eriksen joined the meeting (via phone)

4.2 Performance of council's externally managed funds to July 2018

ID: A1100524

Report from Simon Crabb, Finance Manager

Moved (Bain / Sharp)

That the report 'Performance of council's externally managed funds to July 2018' by Simon Crabb, Finance Manager and dated 20 August 2018, be received.

Carried

9.02am - Cr David Sinclair joined the meeting

Summary of Discussion

- Jonathan Eriksen advised that he had met with Jonathan Windust from Milford Funds recently
- EriksenGlobal are expecting a correction in the markets in late 2018 / early 2019
- Geoff Copstick queried whether the report could be amended to reflect actual performance, or why there is continued investment in "underperforming funds"
- The CEO indicated that further discussion will be required regarding a reset of the three funds (CIF, IIF, PRF) in the near future

- Jonathan Eriksen advised that he is happy to visit and hold a strategy session with the committee

9.34am - Jonathan Eriksen left the meeting

Agreed Actions:

1. Jonathan Eriksen to email report from Continuity received last week for distribution JE, RK
2. Jonathan Eriksen to email paper on private equity for distribution JE, RK
3. Next meeting to be shifted to 24 October - Jonathan Eriksen to attend RK
4. Council workshop on investment to follow on from October committee meeting RK
5. Meet to discuss Investment Review prior to September meeting MC, DT, SC

Meeting closed at 9.55am

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