

Investment Subcommittee Minutes

Meeting held in the Whale Bay Room
36 Water Street, Whangārei
on Wednesday 24 October 2018, commencing at 8.30am

Present: Cr John Bain (Chair)
Cr Bill Shepherd
Cr Penny Smart
Geoff Copstick (Independent Financial Member)

In Attendance: **Full Meeting** NRC Chief Executive
Finance Manager
Accounting Assistant, Treasury & Projects
PA, Corporate Excellence (minutes)
Part Meeting GM, Corporate Excellence
Jonathan Eriksen, EriksensGlobal (via phone)

The Chair declared the meeting open at 8.50am

1.0 APOLOGIES

The apologies from Cr Rick Stolwerk for non-attendance were received.

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2.0 DECLARATIONS OF CONFLICTS OF INTEREST

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

The order of the agenda items was rearranged to allow for other commitments by attendees

8.51am - Jonathan Eriksen joined the meeting

4.0 REPORTS

4.1 Performance of council's externally managed funds to September 2018

ID: A1119746

Report from Simon Crabb, Finance Manager

Moved (Bain / Smart)

That the report 'Performance of council's externally managed funds to September 2018' by Simon Crabb, Finance Manager and dated 18 October 2018, be received.

Carried

Summary of Discussion

- Markets have deteriorated since this report was written
- The council's portfolio has been de-risked as much as possible - EriksensGlobal do not recommend any changes at this time
- The current situation highlights the reason for investing in so many low risk markets and private equities

8.57am - GM, Corporate Excellence left the meeting

- Council have requested assurance that the two new funds introduced recently are investing ethically - EriksensGlobal advised that the majority of the fund managers picked are signatories to the United Nations Principals of Responsible Investing
- A query was raised regarding the fact that Castle Point have Schroders Global as their fund manager and whether this placed Council at the risk of too much exposure - EriksensGlobal advised that they are different funds with different products
- It is anticipated that inflation will raise over 2% in the next twelve months, peaks may be short term - it may rise over 3%, but is expected to average out between 2 and 2.5%
- The PRF will need to be rebalanced as money is drawn down for property investments - EriksensGlobal advise that Mint TT should be the one sold first
- The transfer of monies into three private equity funds will be transferred into the CIF, and this should take place before the end of the financial year
- EriksensGlobal advised that, in their opinion, Mint is the best defensive income fund Council has, and although the portfolio is currently "overweight", the limit should not be viewed hard and fast, and some flexibility should be applied

9.33am - Jonathan Eriksen left the meeting

3.0 CONFIRMATION OF MINUTES

3.1 Confirmation of Minutes

ID: A1120428

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Bain / Smart)

That the minutes of the Investment Subcommittee meeting held on 25 September 2018 be confirmed as a true and correct record.

Carried

5.0 BUSINESS WITH PUBLIC EXCLUDED

Moved (Bain / Shepherd)

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
5.1	Confirmation of Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii).

3. That the Independent Financial Advisor be permitted to stay during business with the public excluded.

Carried

The meeting closed at 9.40am