



AUDIT, PENSIONS AND STANDARDS COMMITTEE

28th June 2012

CONTRIBUTORS

DF

MAJEDIE MANDATE

This report follows a request from Majedie to broaden their UK equity investment mandate to include a maximum of 20% overseas listed equities. Discussions on this report will be preceded by a presentation from Majedie.

WARDS

All

RECOMMENDATION:

1. That the committee agree to broaden the Majedie UK equity investment mandate to include a maximum of 20% overseas listed equities.

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1	Majedie File	B Pearce Extension 1808	16 th Floor, Westminster City Hall,

1. Introduction

1.1 Majedie have requested that they be allowed to broaden their UK equity investment mandate to include a maximum of 20% overseas listed equities with the remainder of the portfolio staying as UK listed equities. They would remain tied to the FTSE All Share performance benchmark. A copy of their request is attached as Appendix A.

1.2 Majedie have made the request so they are able to take broader sector positions than they can at the moment – two examples they give is pharmaceutical (where there is a limited number of UK listed companies – GlaxoSmithKline and AstraZeneca are the main ones) as well as technology stocks. By having the ability to invest overseas, they would be given a broader scope within each sector. Majedie's performance would still be measured relative to their current benchmark of FTSE All-Share + 2%.

1.3 Majedie have recently (August 2010) taken on a team focusing on overseas investments, and while it is not the plan to bring them into play with the recent proposal (it will remain the UK based team making the decisions), it may be Majedie intend to use the experience the overseas team have to offer.

1.4 Attached as Appendix B is a note from P-Solve who are supportive of the change but remain vigilant to any reduction in performance. Given the explanations and rationale, Officers are supportive of the proposal.

2. Recommendation

2.1 That the committee agree to broaden the Majedie UK equity investment mandate to include a maximum of 20% overseas listed equities.