



## **Tuvalu Trust Fund**

# **Report of the Investment Committee and results for the year ended September 2014**

## Highlights

- Market Value of the TTF Investments at 30 September 2014 was \$148.9 million while Maintained value was \$140.1 million so investments exceeded Maintained Value by \$8.7 million or 6.2%.
- Investment performance over the year has been 8.4% after fees while inflation has been 2.3%. The target is CPI + 4.5% pa, or 6.9%<sup>1</sup> for the year so has exceeded the target by 1.5%. The OBAA managers have underperformed traditional funds over the past 30 months while equities have increased strongly, but our managers are considered to be well positioned for the future as shares are unlikely to continue to rise in value and bonds may fall in value as interest market yields rise.
- The new investment approach started in March 2012. In the 2½ years since then, the investment return (after fees) has been 8.7% per annum which is 1.6% pa above the target. The new approach is providing the desired results and the Investment Committee continues to have confidence in the fund managers and their ability to respond promptly to financial markets.
- Global sharemarkets hit new record highs over the past quarter though volatility has increased, especially in early October when equities fell by around 5% within a week but then recovered. Markets have been impacted by recent political events in Syria/Iraq and Ukraine, Ebola as well as the US Federal Reserve reducing the level of quantitative easing with a growing expectation that US interest rates will rise from mid 2015. There is still an expectation of a sharemarket correction of 10-15% in the next year. The economic recovery remains variable and patchy. While it is predicted overall growth in world GDP will continue, the expected rate of growth has been lowered. There remains a risk of deflation for some countries and inflation remains low.
- The Investment Committee has reviewed the Statement of Investment Objectives and Policy (SIOP) which sets out formal Board policy for investment. The revised SIOP is recommended for approval by the Board. There are no significant changes in policy but the Committee has sought to improve the wording and more clearly set out targets for performance and risk as the basis for monitoring. The revision removes the ability of the Investment Committee to terminate fund managers, requiring Board approval for both appointments and terminations. (The previous wording was a left-over from the time when up to 12 fund managers were appointed. With OBAA, changes in managers should be rare events.)
- As previously reported, the Government of Tuvalu approved investment of the CIF in the Schroder's fund that has a target of CPI + 3.5% and allows withdrawals at short notice. The quarterly report from the Investment Advisor includes data on the performance of the CIF investment in Appendix 2. The CIF has been invested for 6 months and achieved a return of 2.5% (net of fees) compared with the target of 2.6% (also net of fees). Net of fees, this is equivalent to 5.1% pa. Previously the CIF earned 2% pa and the Australian cash rate is currently 2.5%.

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<sup>1</sup> The percentages compound rather than add so the target is slightly higher than adding the CPI rate to 4.5% pa.

## Recommendations

The Investment Committee recommends the Board:

- Receives and notes the report of the Investment Committee for the year to September 2014; and
- Approves the revised SIOP.

## Committee activities

1. Since the Trust Fund's last meeting in May 2014 in Suva, the Investment Committee held a meeting in Sydney on 13 August 2014 (minutes in Attachment 1) and another by Skype on 3 November 2014 to enable this report to be prepared and distributed a week prior to the Board meeting. The Sydney meeting enabled the Investment Committee to meet with both fund managers. The face-to-face meetings with the fund managers are valuable as they provide insight into their views of financial markets and their intended responses.
2. Quarterly reporting by Eriksens has followed the agreed format but at the request of the Investment Committee, has been further altered to emphasise performance net of fees, so that the comparison with the investment target uses a consistent basis. We also requested that an Appendix be added to report on CIF investment results. The report is now very comprehensive and continues to provide the data needed to allow the Investment Committee to closely monitor fund manager performance.
3. The Committee completed a review of the Statement of Investment Objectives and Policy (SIOP). This identified some aspects where minor improvements can be made to the document. The revised SIOP is recommended for adoption by the Board.

## Investment Targets

4. The investment targets for the TTF and its two fund managers are set out below, as a reminder. The TTF's target is lower than the combined fund manager's targets and is higher than the aim of providing an annual distribution of 4% of the value of the fund, after maintaining real value.
  - a. **TTF targets:**

Achieving a return (net of investment expenses) over 5 year periods of at least 4.5% pa in excess of price inflation as quantified by the Australian Consumer Price Index (All Groups) not seasonally adjusted as measured by the Australian Bureau of Statistics (CPI) and so that the likelihood of achieving a negative return (net of investment expenses) over any 12 month period is less than 20% (i.e. less than once every 5 years).
  - b. **AMP target:**

An investment return of CPI + 5.75% pa before fees over a 5 year period subject to the likelihood of a negative year 1 in 6 years. As the fees are 0.75% this is a target of 5.0% + CPI.
  - c. **Schroders target:**

An investment return of CPI + 5% pa before fees over rolling 3 year periods subject to the likelihood of a negative year 1 in 13 years. As the fees are 0.51% this is a target of 4.49% + CPI.

5. The AMP fund takes a slightly more growth-oriented approach than the Schroders' fund, which is reflected in their higher target return and likelihood of a negative year 1 in 6 years compared with 1 in 13 years for Schroders. The two approaches complement each other so that the combined strategy is effectively a target of CPI + 4.75% over 3-5 years with a likelihood of negative returns 1 year in 10.

## Investment Results

6. During the December 2013 quarter the approved distribution of \$6.5m was made with half this sum from each fund manager. The tax refunds were received on 2 May 2014.

7. At 30 September 2014 the TTF Maintained Value was \$140.1 million compared with \$136.1 million at September 2013. This increase of \$4.0 million over the year reflects the inflation adjustment plus \$0.9 million of new grants. The CPI for the year to September 2014 increased by 2.3%.

8. At 30 September 2014 the Market Value of the Fund's Assets was \$148.9 million (excluding the Secretariat's operating bank account) which exceeded the Maintained Value by \$8.7 million or 6.2%. This is a significant achievement since it is after having distributed \$6.5 million.

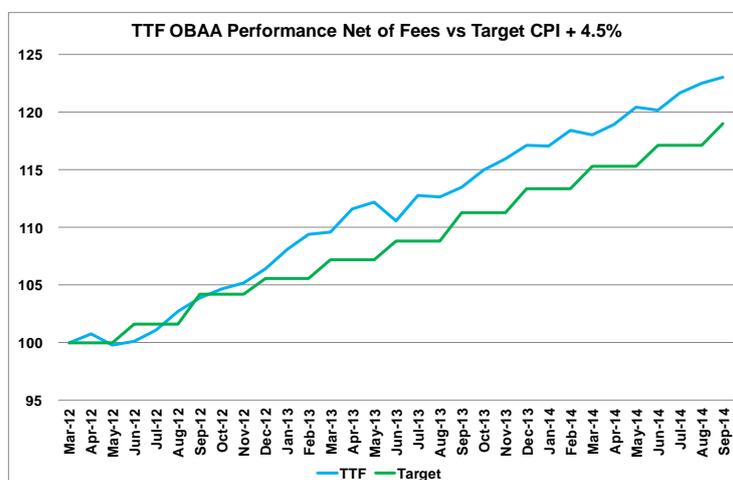
9. Looking at results over the half year shows the variability for each quarter:

### Tuvalu Trust Fund Investment Performance vs. Target

|                                  | Dec-13 | Mar-14 | Jun-14 | Sep-14 | Year |
|----------------------------------|--------|--------|--------|--------|------|
| TTF Investment return after fees | 3.2%   | 0.8%   | 1.8%   | 2.4%   | 8.4% |
| Target CPI + 4.5%                | 1.9%   | 1.7%   | 1.6%   | 1.6%   | 6.9% |
| Difference                       | 1.3%   | -0.9%  | 0.2%   | 0.8%   | 1.5% |

10. Note that investment with AMP and Schroders has been since March 2012. Since April 2012 the TTF returned 8.7% per annum (after fees) which was 1.5% above the target. There was underperformance relative to benchmarks in the period prior to the introduction of OBAA, when the fixed asset allocation investment approach was being used.

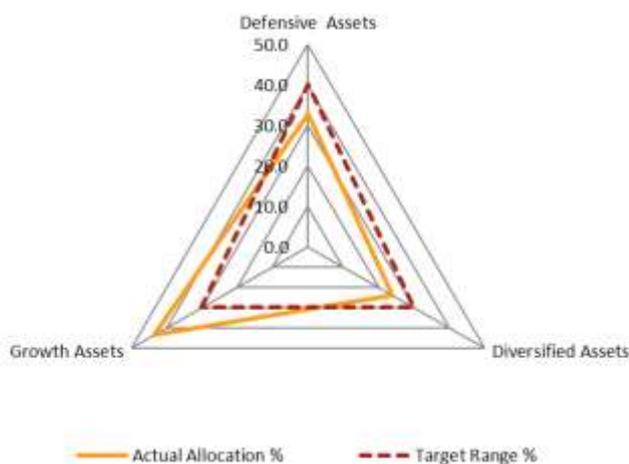
11. Cumulative results since OBAA investment commenced comparing actual after fees returns against the target shows that out performance has been achieved since late 2012:



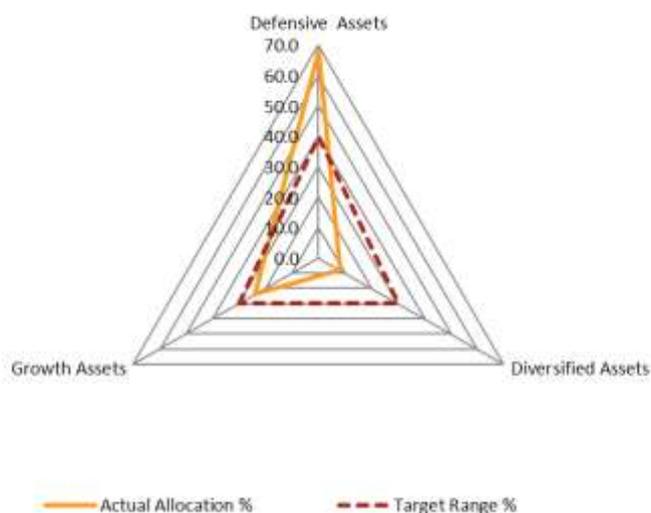
## Comparing the two managers

12. The two fund managers, AMP and Schroders, continue to have different approaches to asset allocation and these have diverged further over the past 6 months.

### AMP Asset Allocation September 2014



### Schroders Asset Allocation March 2014



13. Both have performed well with their different approaches but achieved slightly different results.

### Comparison between Investment Managers

|                                 | Year |           | Since March 2012 |           |
|---------------------------------|------|-----------|------------------|-----------|
|                                 | AMP  | Schroders | AMP              | Schroders |
| Investment return (net of fees) | 9.7% | 7.1%      | 8.7%             | 8.6%      |
| Target CPI + 4.5%               | 6.9% | 6.9%      | 7.1%             | 7.1%      |
| Difference                      | 2.8% | 0.2%      | 1.6%             | 1.5%      |

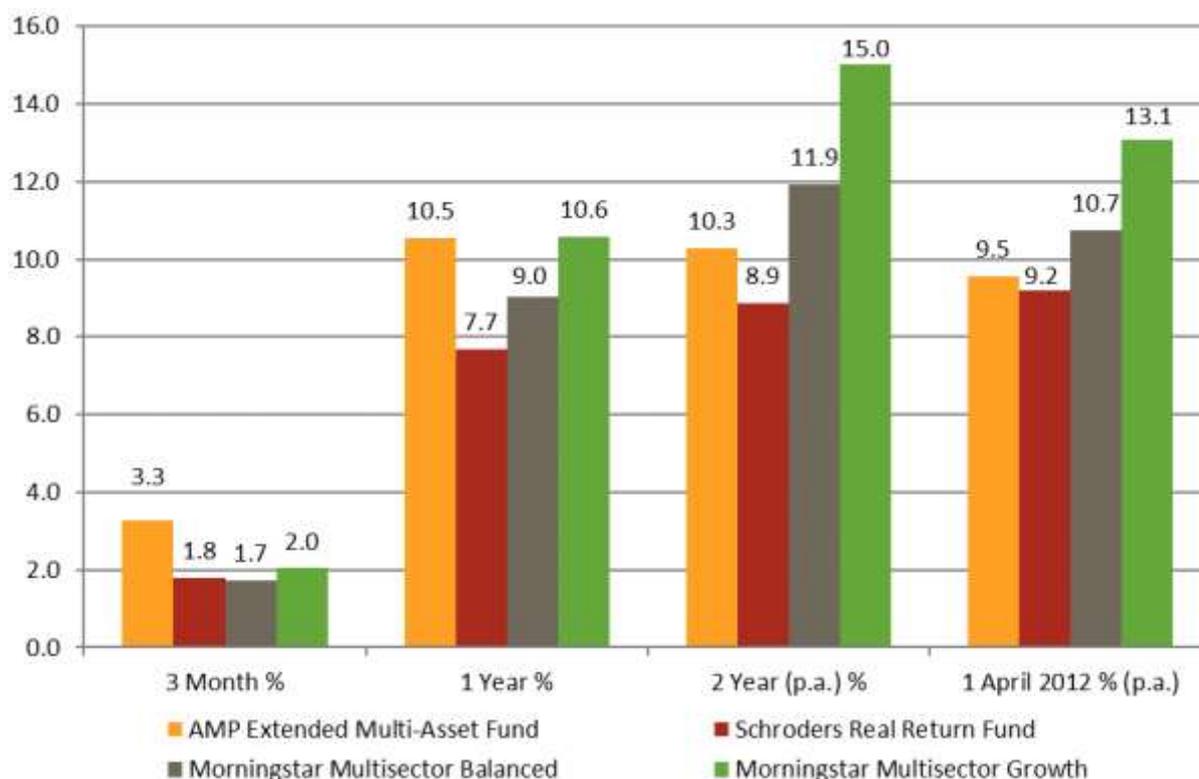
14. This table now uses the TTF targets rather than the manager's own targets. But note that AMP has a higher self-imposed target than Schroders and takes a slightly more growth-oriented approach, with their target over 5 rather than 3 years, so it should be expected that they would have greater variation. It is important to remember that the main performance

objective for AMP/Schroders is a five year/ three year Rolling Return period while the TTF has had investments with these funds for only 2½ years. Despite these qualifying comments, the results for the past 2½ years have been very similar.

15. The Committee considers that the different approaches to investment complement each other and when the different asset allocations are combined, moderate the overall result.

16. The Committee monitors the Fund’s performance compared to peers as shown by the Morningstar Multi-sector Balanced and Growth indexes. This can be seen in the following chart which uses gross (pre-fee) returns:

**TTF Managers Performance Comparison to September 2014**



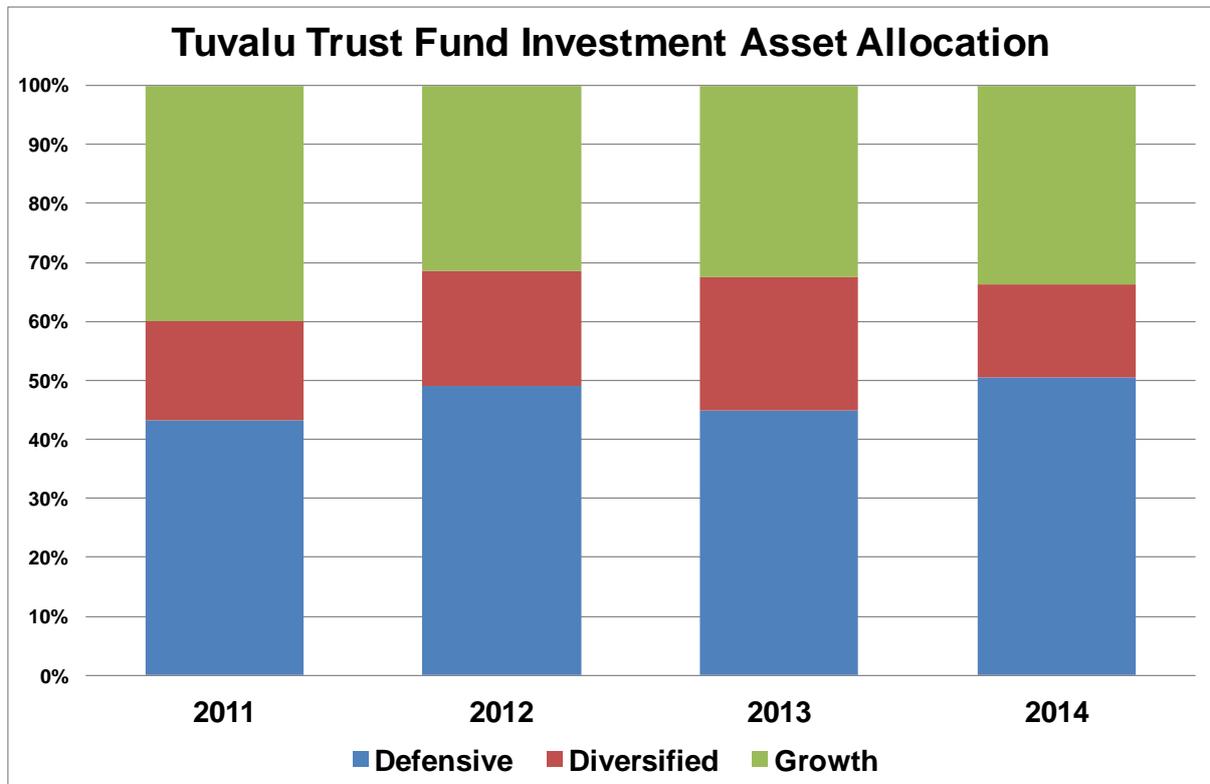
17. The Morningstar funds represent the former fixed asset allocation approach to investment. These funds have a higher proportion of investments in equities so do better when sharemarkets rise, but worse during downturns.

**Overall Asset Allocation**

18. The chart below shows the overall allocation of investments for the past 4 years. The 2011 data was under the fixed asset allocation approach and 2012 shows the change when the Fund switched to OBAA. The switch resulted in a lower risk approach with a lower weighting in equities.

19. Since 2012 the allocation has been relatively stable though the managers have made changes within each category to adapt to the financial markets. In the last year the

managers have increased the proportion of defensive assets, reflecting the recent market volatility. At September 2014, 50.4% of assets were Defensive compared with 45.0% at September 2013. This reflects anticipation of potential falls in equity markets. Diversified Assets have reduced from 22.5% to 16.0% over the past year – reflecting a move away from fixed interest products that are vulnerable to rises in market interest yields.

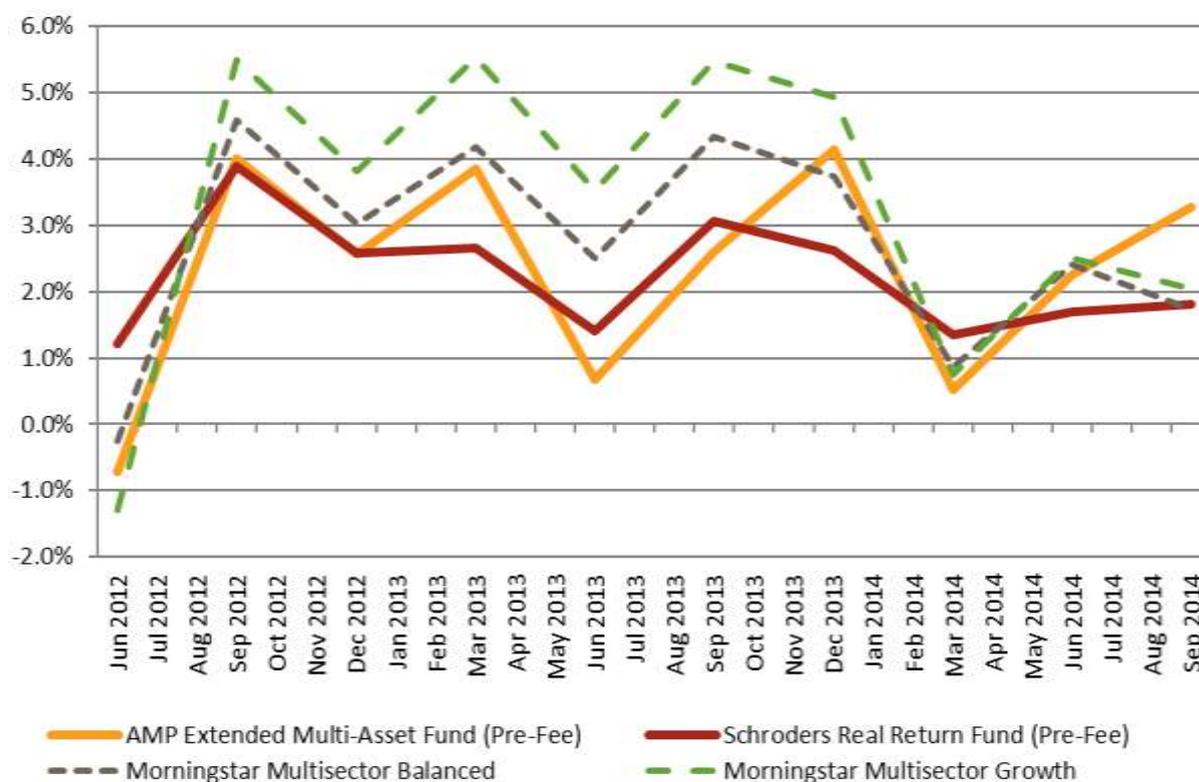


### Effect of Investment Approach

20. The Objective-based Asset Allocation approach now being used provides less volatility than the previous fixed asset allocation approach, with an acceptable level of targeted returns. This means that it should result in more regular distributions. Volatility refers to the variability in returns. This is illustrated in the chart on the following page which compares the TTF managers with other funds that use a fixed asset allocation approach

21. Note that during downturns, the TTF funds generally outperform the fixed asset allocation funds. During period of gains the traditional funds tend to do better. OBAA funds are structured to reduce such volatility while targeting a stated acceptable level of return over inflation. This has certainly been true for Schrodgers but AMP's results have been more volatile, reflecting their relatively more aggressive approach, with the June 2013, December 2013, March 2014 and September 2014 quarters as examples.

### TTF Managers Performance Comparison Rolling Three Month Returns to September 2014



#### Investment Consultant report

22. Accompanying our report is the Investment Consultant’s quarterly review. The executive summary covers the essential points that the Board should note. The report provides a detailed assessment of the fund manager’s performance. The scorecards cover the managers’ investment performances both from a return and a risk aspect in a simple and clear visual way. A green light shows that a target has been exceeded or there is no business change, amber shows on target performance or minor business change and a red light below target performance or major business change.

23. In the previous quarter, AMP’s had four measures amber, but this quarter there are only two amber measures, ex-post volatility (lower than target) and slightly high probability of loss (12.7% vs. 10% target). Schrodgers’ amber for low volatility (2.4% against a target of 3%) continued.

24. The number of amber lights has decreased from 6 to 3 (out of a total of 14) and the extent of the variations is small. The Committee has no immediate concerns over these amber lights but will continue to carefully monitor these areas with Eriksen.

## The CIF

25. The CIF stood at \$18.7 million as at 30 September 2014. During the year, the CIF received \$6.5 million as the distribution from the TTF and the Government of Tuvalu deposited \$7 million into the CIF, but withdrew \$3 million.

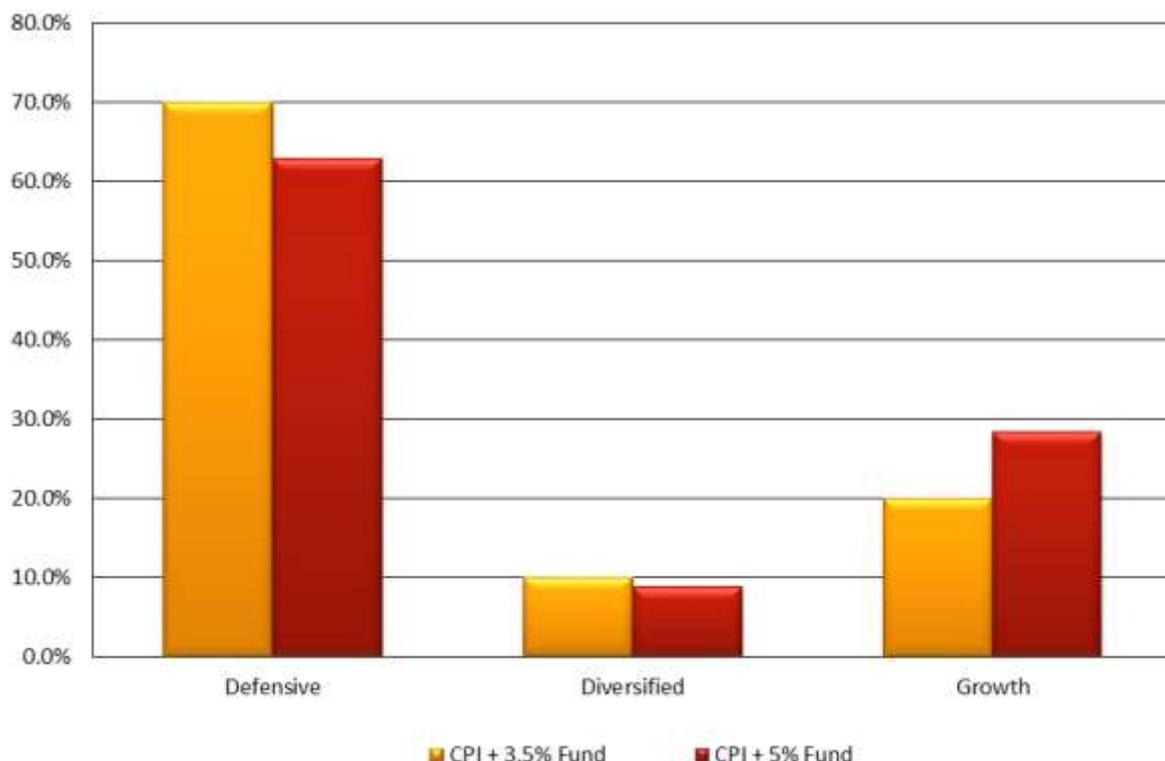
26. As previously reported Cabinet accepted the recommendation for the CIF to use a conservative Schroder's fund that has a target of CPI + 3.5% (before fees) and allows withdrawals at short notice. This is similar to the fund used by the TTF, but even lower in risk. The new investment which was made on 5 March 2014.

27. As requested by Cabinet, the Committee has commenced monitoring the returns achieved by the CIF. The return since inception to September 2014 (just over 6 months) achieved a return of 2.5% (net of fees) compared with the target of 2.6% (also net of fees). This is equivalent to a net of fees 5.1% pa. Previously the CIF earned 2% pa and the Australian cash rate is currently 2.5%.

28. As this investment is a more conservative version of the Schroders fund used by the TTF, the quality and risk monitoring is already covered in the QIPS.

29. A comparison of the asset allocation between the two Schroder funds shows the difference in approach:

**Schroder Fund Asset Allocations September 2014**



## Westpac Account

30. At 30 September 2014 the Westpac account balance was \$390,974. The Secretariat has requested for \$60,000 from the Westpac account to support the office during

the first quarter of 2015 financial year until the Board approves the 2015 proposed budget at the November board meeting.

## **Future challenges**

31. The issues facing the world economy, government budgets, financial markets and investment returns remain challenging. The outlook is:

- Global share markets are close to record highs but volatility has increased.
- There are geo-political risks from Ukraine (with flow-on into Western Europe) Syria/Iraq and Ebola.
- The US economy is improving with increased employment, but lower workforce participation. There is a high probability of the Federal Reserve raising interest rates in mid 2015 which will affect fixed interest investments and could cause falls in shares.
- Eriksens and the fund managers continue to expect a share market correction in the next 12 months. There were sharemarket falls in early October, but there has been a subsequent correction. Schroders has further moved their portfolio into cash and defensive assets.
- Interest rate rises for Australia in the immediate future seem less likely because inflation is low.
- The European Central Bank (ECB) is expected to maintain their low interest rate environment and may even have to weaken further (by unconventional means) to counter deflation.

32. The Investment Committee agrees with the need for continued caution and notes that the ability to make tactical changes in investment approach is exactly what the OBAA approach enables. The overall asset allocation of the TTF has become even more defensive over the past 6 months, though AMP has slightly increased equity investments as being lower risk than diversified.

33. The move to the OBAA strategy and appointment of AMP and Schroders as fund managers was aimed at maintaining real growth while reducing volatility and managing the downside risk of such an outlook. While it is too early to be definitive since their objectives are for returns over 3-5 year periods, the results for the first 2½ years under the OBAA approach have been very positive. While funds with higher proportions invested in equities have done better than the OBAA approach in the short term, they are vulnerable to the market changes widely anticipated over the next year.

David Hutton  
Chair, Investment Committee  
3 November 2014

## **Attachments**

1. Minutes of the IC meetings held in Sydney on 13 August 2014 and by Skype on 3 November 2014
2. Quarterly Manager Performance Statement (September 2014)



**TUVALU TRUST FUND  
INVESTMENT COMMITTEE MEETING**

Conference Room, Schrodgers, 9:30am, 13 August 2014

**1.0 Present**

Advisor to the Australian Director on the TTF Board – Mr David Hutton (Chairman)  
Advisor to the New Zealand Director on the TTF Board – Ms Nalayini Brito

In Attendance:

Investment Consultant – Mr Jonathan Eriksen (Eriksens & Associates Ltd)  
TTF Acting Secretary – Ms Salai Sualo  
TTF Secretary (currently on study leave) – Mr Lee Faiva Moresi

**2.0 Apologies**

2.1 All were present

**3.0 Minutes**

3.1 (a) The minutes of the meeting held on 2 May 2014 were adopted as a fair and true record of the previous meeting.

(b) Action Points.

- i. Revised QIPS to be circulated to Board: Done
- ii. Revised SIOP to be circulated: Done discussed later in Item # 5
- iii. TTF Manual – Revise and circulate to Board: Done
- iv. Revise Draft FS for 2013 to reflect actual Tax Refund: Done
- v. Investigate composition of Management Fees and adjust FS: Done
- vi. Westpac Account electronic access for Secretariat: Proposal submitted
- vii. Website: Secretariat informed the Committee that GoT has not yet implemented its project of setting up a new website for the GoT.

**4.0 Investment**

**4.1 QIPS**

The report for the quarter ending 31 March 2014 had been circulated to all members before the meeting. There was discussion on improving the presentation for finalization e.g. consistent use of after fees investment results as the Fund Managers fees differ so an after fees basis provides the better comparison and also matches the TTF target return (which is after fees). The NZ Advisor remained keen to reinstate Appendix 2 which had been dropped by the Investment Consultant in the interest of length and time. Cost was also a factor because more of the Investment Consultant's time was required to assist monitoring CIF's investment in seeding a new Schrodgers' fund. Based upon issues concerning whether the historical Morningstar risk measures for fixed asset allocation funds were valid for OBAA funds, the Australian Advisor was unable to support its reinstatement. As the NZ Advisor continued to hold the view that this would be of value, the only option open under the

circumstances was that if Gareth Smith (Trustee) wished to receive this analysis then NZ MFAT could contract separately for Eriksens to do the work. The Investment Consultant agreed to provide the additional cost involved in preparing Appendix 2 so that the NZ Advisor could discuss next steps with Gareth Smith.(Action Point 1).

#### ***4.2 Schroder's Spreadsheet Result analysis***

The Fund Monitor has agreed to adapt the approach used by Schroder for measuring risk by incorporating AMP's numbers so as to be able to report the Sharpe Ratio for the TTF in the main body of the latest QIPS. A chart comparing the after fees investment results versus the benchmark since April 2012 will also be used as this provides a cumulative summary of the result of the new investment approach.

#### ***4.3 CIF***

The Committee had requested the Secretary to provide the CIF account's quarterly report so the Committee can assess the account's actual performance with the new fund manager (*Action Point 2*). Schroders' provided comprehensive information on the new Fund seeded by the CIF and advised that they now have another investor which has doubled the size of the Fund. The CIF earned 1.5% after fees for the June 2014 quarter which matches the target of the CPI + 3.5% fund. (Annual inflation 3% + 3.5% = 6.5% before fees and 6% after fees, so one quarter is 1.5%.)

#### **5.0 SIOP**

The review by the NZ Advisor as edited by the Australian Advisor has been circulated to the Committee prior to the meeting date. The document was discussed in detail with agreement on amendments. The final version will be circulated to the Committee by the Chairman for approval by e-mail with the aim of distributing a copy of the recommended updated SIOP to Board members well in advance of the November Board meeting. (*Action Point 3*).

#### **6.0 Revised Draft Financial Statements 2012**

The draft was adopted by the Committee and it was agreed that the Secretary will submit it to the Board as a flying board paper for approval (*Action Point 4*).

#### **7.0 Draft Financial Statements 2013**

The Committee adopted the first audit draft and also agreed that the Secretary will submit it together with the 2012 Financial Statements to the Board for approval (*Action Point 5*).

#### **8.0 Fund Managers**

##### **8.1 AMP – Mathew Hopkins presented key points for AMP Multi-Asset Fund**

- Inflation will remain low in major developed countries with positive return in manufacturing.
- In terms of country market valuations, Europe is a little bit cheap compared to Australia and Japan which are considered expensive.
- AMP's internal target for the Sharpe ratio is normally 0.6
- AMP sees risks in bonds

8.2 **Schroder** – Simon Stevenson and Darren Ottawa presented for Schroders Real Return Fund.

- Major theme is to be prepared for a surprise from the US Federal Reserve within the next 6 months
- Australian inflation staying flat
- Bullish on equities but feel risk assets are extremely vulnerable
- Looking for a big correction which will take the exuberance out of the market and present buying opportunities
- Confirmed Volatility target range 3-7%

**9.0 AOB's**

i. Budget Support

Secretariat to work out the cash needed to fund the Secretariat for the FYE 30 September 2015 (*Action Point 6*).

- ii. Westpac Account electronic access for Secretariat – the proposal from the Fund Monitor was approved.
- iii. Investment Innovation Institute – were introduced by Schroders to the IC as they were planning a Conference in Fiji aimed at the area of interest to TTF. This was considered a potentially beneficial capacity building and networking opportunity for TTF and the Secretariat and positive ideas and suggestions were shared with the Conference organisers.

**10.0 Date of next meeting**

Skype conference meeting scheduled for 3<sup>rd</sup> of November.

**Meeting finished at 2:35pm**

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David Hutton  
Chairman

**Action Points Summary**

| No | Activity                             | Action by               | Status |
|----|--------------------------------------|-------------------------|--------|
| 1  | Cost of preparing Appendix 2 to QIPS | Investment Consultant   |        |
| 2  | CIF Quarterly Report                 | Secretariat & Schroders |        |
| 3  | Revised SIOP                         | Chairman                |        |
| 4  | Submit Final Draft                   | Secretariat             |        |

|   |  |             |  |
|---|--|-------------|--|
|   | Financial Statements<br>2012   |             |  |
| 5 | Submit Draft<br>Financial Statements<br>2013   | Secretariat |  |
| 6 | Calculate the amount<br>need to support<br>Secretariat for the<br>FYE 30 September<br>and arrange to<br>withdraw from the<br>Westpac account | Secretariat |  |



**TUVALU TRUST FUND  
INVESTMENT COMMITTEE MEETING**

By Skype, 9:00am, 3 November 2014

**1.0 Present**

Advisor to the Australian Director on the TTF Board – Mr David Hutton (Chairman)  
Advisor to the New Zealand Director on the TTF Board – Ms Nalayini Brito

In Attendance:

Investment Consultant – Mr Jonathan Eriksen (Eriksens & Associates Ltd)  
Investment Consultant's Team – Ms Janet Pope (Eriksens & Associates Ltd)

**2.0 Apologies**

TTF Acting Secretary – Ms Salai Sualo - due to internet/telecommunication problems

**3.0 Minutes**

3.1 (a) The minutes of the meeting held on 13 August 2014 were adopted as a fair and true record of the previous meeting.

(b) Action Points.

- viii. Cost of preparing previous Appendix 2 to QIPS: Done
- ix. CIF Quarterly Report: Done - discussed as Item # 4.2 below
- x. Revised SIOP: Done and circulated to the Board
- xi. Submit Final Draft Financial Statements for 2012: Done and circulated to the Board
- xii. Submit Draft Financial Statements for 2013: Done and circulated to the Board
- xiii. Funds needed by the Secretariat from Westpac Account for FYE 30 September: Done

**4.0 Investment**

**4.1 QIPS**

The report for the quarter ending 30 September 2014 had been circulated to all members before the meeting.

There was discussion on the following items.

1. Upgrading the CIF reporting to consistently use net of fees for ease of interpretation- Investment Consultant has actioned already and will fine-tune (action point #1).

2. Attribution analysis of last quarter's performance – Investment Consultant provided detailed update.
3. Investment friendliness of markets – a potential fall of 10-15% over the next 12 months is still not unlikely.
4. Amber rating for AMP's Probability of Loss – Investment Consultant agrees with AMP's self-rating of amber and will add text to the QIPS (action point #2) on the reasoning because the traffic ratings inherited from the previous Investment Consultant and Investment Committee and as agreed with the Fund Managers is no longer appropriate for the current riskier markets.

#### 4.2 CIF

After fees reporting was considered more appropriate (this makes the gross return 2.5% against a benchmark of 2.6%). Cash rates are to be continued in the reporting in future to provide a comparison. Appendix 2 will be revised (action point #1).

#### **5.0 Investment Committee Report to TTF Board**

The report for the six months ending 30 September had been circulated to all members before the meeting. This was accepted as suitable for circulation to the Board subject to –

- (i) Improving the clarity of point 8 on page 4 so that the details of the reconciliation are clear (action point #3).
- (ii) Any fine-tuning resulting from the ICM e.g. details on the CIF

#### **6.0 Secretariat Budget**

The budget was circulated to all members before the meeting and is in line with past years but a few items required clarification/correction. The Chairman agreed to co-ordinate this exercise which will be finalized by the Committee by email (action point #4).

#### **7.0 General/AOB**

##### **7.1 Bank Account**

The Acting Secretary is the only person with authority on the Westpac Account and needs to set-up and authorise the various operating options on the new electronic bank account with Westpac. Janet Pope was agreeable to talking the Acting Secretary through the various steps to make this happen as they need to be undertaken online and the Acting Secretary is likely to be totally new to online banking (action point #5).

##### **7.2 Circulation of Board Papers**

This should be undertaken asap – on or before 5 November – and should there be any Board Papers that are yet to be finalized (e.g. TTFAC Report), all other papers should be circulated on time with the remainder circulated as and when they become available (action point #6).

#### 7.4 Minutes of this Meeting

In the absence of the Acting Secretary, the minutes of this meeting are to be prepared and circulated by the NZ IC Member (action point #7).

#### 8.0 Date of next meeting

The Investment Innovation Institute Conference is expected to take place from 2-4 March in Suva. If possible i.e. subject to the availability of Schroders and AMP (Investment Consultant to confirm – action point #8) and budget permitting for the IC Members (Chairman to discuss at the Board Meeting – action point #9)), the next meeting will be scheduled to coincide with this Conference which the Acting TTF Secretary is scheduled to attend.

If this is not possible, then the next meeting is scheduled for 17<sup>th</sup> of February in Sydney.

#### Meeting finished at 9.48 am

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David Hutton  
Chairman

#### Action Points Summary

| No | Activity  | Action by             | Status |
|----|---|-----------------------|--------|
| 1  | Revise Appendix 2 on CIF for the QIPS   | Investment Consultant |        |
| 2  | Add text to the QIPS on AMP's self-rating of amber for the Probability of Loss in traffic lights monitoring | Investment Consultant |        |
| 3  | Clarify point 8 of the Investment Committee Report  | Chairman              |        |
| 4  | Comment/correct TTF Secretariat Budget for FYE 2015 and circulate by email                                  | Chairman              |        |
| 5  | Provide information to the Acting Secretary to complete the set-up of the Westpac electronic bank account   | Investment Consultant |        |

|   |  |                       |  |
|---|--|-----------------------|--|
| 6 | Circulate all available Board Papers by 5 November   | Acting Secretary      |  |
| 7 | Minutes of this Meeting  | NZ IC Member          |  |
| 8 | Confirm Schroders' and AMP's availability for 2-4 March in Suva                                | Investment Consultant |  |
| 9 | Ascertain Board/donor in-principle approval of the incremental cost of holding the ICM in Suva | Chairman              |  |