

National Association of Pension Funds:Investment Protection Committee

The NWC Fund is a member of the National Association of Pension Funds and has been invited to participate in the work of their Investment Protection Committee.

*Good
Good*

The Investment Protection Committee exercises a general surveillance over the investment scene, and investigates situations which appear to be detrimental to the interests of pension funds. Where appropriate, it makes representations to the Government or to other parties. On a permanent basis, the Committee acts as a representative of the pension funds on investment matters.

The NWC Fund has been invited to participate in the work of the Committee. This participation involves no extra subscription apart from that already paid for membership of the National Association of Pension Funds but the Fund's staff would be expected to co-operate in notifying the Committee from time to time whether the Fund holds particular securities which are the subject of investigation and in serving occasionally on sub-committees.

It would seem desirable that the Fund should participate in the Committee's work provided that this does not involve a disproportionate commitment of man-hours. We would propose to make it clear to the Committee that we do not have a large staff on the investment side and would not therefore expect to be called on too heavily.

First I must of course declare my interest as President of the N.A.P.F. & also as the person responsible for setting up the Investment Protection Committee of the N.A.P.F. some 25 years ago. At that time we were given great encouragement by John Naish who was then the P.F. Investment manager of the National Coal Board Pension Fund & as a very senior man (by age) in the P.F. world - he took the chair at the many meetings which led up to the setting up of the I.P.C.

Our committee was of course based on the I.P.C.'s of the British Insurance Association & the Association of Investment Trusts ~~but it was~~ with whom we have the greatest cooperation & encouragement, but the necessity for a separate & new Protection Committee to represent the growing Pension Fund industry was acknowledged because there are many occasions where the interests of Pension Funds as investors are different from

Insurance Companies + Investment Trusts, mainly, because
of the differing Taxation Basis (our complete freedom for tax)

Obviously, if one is going to have such a committee, the
greater the support by supplying details of investments when
required, provide greater weight when making representations
to the board of a company, for instance who are proposing
to do something not in the interests of its Pension Fund
shareholders - It is quite amazing how some company
chairmen (as high tax payers themselves) are quite oblivious
of the investment requirements of their Pension Fund Tax
free shareholders + there are a rapidly growing percentage
of their shareholders.

On the question of providing man power - I fully
appreciate that our Staff is not large, but I hope it
will not prevent ~~our~~ Mr May doing something.
I think what they have in mind that where there
is a dispute in which the Nat Water Council P/F is
one of the largest shareholders in the particular company
then a representative of our Fund should serve on the
committee looking into the matter + this must be
in the interests of the P/F.

I might mention that one of the greatest successes of
the I.P.C. recently was to get the Chancellor
to reverse his ruling that Pension Funds should
be included in the new Development gains tax.

I hope Mr Chairman that in due course, we might
encourage one of our Pension Fund staff to join the
Council of the N.A.P.F. I have no need to tell you
what ~~our~~ great amount of voluntary service on behalf
of Pension Funds generally, is given by many Funds
(Mr Heywood, 2nd partner is the current chairman)