

**MINUTE OF MEETING OF THE INVESTMENT REVIEW BOARD  
HELD ON 26<sup>th</sup> NOVEMBER, 2014**

Item 1

**PRESENT**

Councillors Grady, Bibby, Noon and Holmes.

Councillor Holmes, Convener, presided.

**IN ATTENDANCE**

A MacArthur, Senior Finance Manager, and P Shiach, Committee Services Officer (both Finance & Corporate Services).

**ALSO IN ATTENDANCE**

A Galbraith, Investment Consultant, Hymans Robertson LLP, M Connor and J Gordon, Standard Life Wealth Limited.

**1. MINUTE OF PREVIOUS MEETING**

There was submitted the Minute of the meeting of the Investment Review Board held on 21<sup>st</sup> May, 2014.

**DECIDED:** That the Minute be noted.

**2. REVIEW OF INVESTMENT PRINCIPLES**

There was submitted a report by the Director of Finance & Corporate Services relative to the Statement of Investment Principles in relation to the Paisley and Renfrew Common Good Funds.

The report indicated that the Council had arranged for its investments of the Paisley and Renfrew Common Good Funds to be managed by Standard Life Wealth Limited, and had agreed with the manager a number of principles which governed decisions regarding these investments.

The report advised that the principles covered a range of issues such as which benchmark should be employed against which to assess the manager's performance, and any restrictions which the manager must observe when choosing sectors or classes of asset in which to invest.

The report intimated that the Statement of Investment Principles was last reviewed in November 2013 and was due for review. The report also indicated that there were no proposed changes to the Statement approved by the Board in November 2013. An Appendix to the report detailed the proposed Statement of Investment Principles.

**DECIDED:** That the Statement of Investment Principles be approved.

### 3. INFORMATION SESSION

There was submitted a report by A Galbraith, Hymans Robertson LLP, which made reference to UK and Overseas equities during the period 1<sup>st</sup> July to 31<sup>st</sup> October, 2014, equities versus bonds; UK, US, Eurozone and Japan's gross domestic product between quarter one 2008 to quarter two, 2014 and Global Equities, value versus growth, for the period quarter two 2006 to quarter two 2014.

The Investment Consultant commented on economic and market conditions relative to economic growth, in terms of the global perspective; economic growth in the United Kingdom, quantitative easing, inflation and its influence on economic policy, and the performance of different asset classes over the period to the end of September 2014. She indicated that equities had had a mixed return to quarter two, being strong in the United States of America and Japan, and weaker in Europe. She further advised that the Bank of England and the Federal Reserve in the United Kingdom and United States respectively had kept interest rates low and the indications were that rates would remain low at this time to prevent damaging the economic recovery. She further indicated that similar measures had been taken in Europe however these had not yet had a positive effect on the Eurozone.

There followed a question and answer session during which information on quarterly GDP and economic growth relative to the US, Europe, Japan and the UK was provided.

**DECIDED:** That the information be noted.

### 5. PAISLEY AND RENFREW COMMON GOOD FUNDS – REVIEW OF INVESTMENT AND INCOME PERFORMANCE

There was submitted a report by the Director of Finance & Corporate Services relative to the performance of the Paisley and Renfrew Common Good Funds during the quarter to 30<sup>th</sup> September, 2014. A performance review report by Hymans Robertson LLP was appended thereto.

Mr Connor presented a report in relation to the performance of the Paisley and Renfrew Common Good Funds to 30<sup>th</sup> September, 2014. The report provided an overview of world markets during 2003 to 2013 and summarised the investment landscape. The main factors which had affected the markets during the period were highlighted and an overview of the investment performance of both fund portfolios during the period was provided.

There followed a question and answer session during which Mr Connor agreed that future income estimates for the Renfrew and Paisley Common Good Funds would be presented as net figures after tax, and not gross pre-tax figures.

**DECIDED:**

- (i) That the reports be noted; and
- (ii) That future income estimates for the Renfrew and Paisley Common Good Funds be presented as net figures after tax, and not gross pre-tax figures.

### 6. DATE OF NEXT MEETING

It was noted that the next meeting of the Investment Review Board would be held in Renfrewshire House on Wednesday, 3<sup>rd</sup> June, 2015 at 11.30 am.