

Minute of Meeting

Investment Review Board

Date	Time	Venue
Wednesday, 23 November 2016	13:00	Corporate Meeting Room 2, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

PRESENT

Councillors Bibby, Henry, J MacLaren, Holmes, and Noon.

IN ATTENDANCE

A MacArthur, Head of Finance and R Devine, Senior Committee Services Officer (both Finance & Resources).

ALSO IN ATTENDANCE

D Millar, Senior Investment Analyst, Hymans Robertson LLP and M Connor, Senior Portfolio Manager (Standard Life Wealth Limited).

DECLARATIONS OF INTEREST

There were no declarations of interest intimated prior to the commencement of the meeting.

1 **MINUTE OF PREVIOUS MEETING**

There was submitted the Minute of the meeting of the Investment Review Board held on 1 June, 2016.

DECIDED: That the Minute be noted.

2 **REVIEW OF STATEMENT OF INVESTMENT PRINCIPLES**

There was submitted a report by the Director of Finance & Resources 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 the 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. These principles covered a range of issues such as which benchmark should be employed against which to assess the manager's performance, and restrictions which the manager required to observe when choosing sectors or classes of asset in which to invest. The Statement of Investment Principles had last been reviewed during November 2015 and was due for review.

The report indicated that there were no proposed changes to the Statement previously approved. A copy of the Statement of Investment Principles was appended to the report.

DECIDED: That the Statement of Investment Principles, as amended, be approved.

3 **INFORMATION SESSION**

There was submitted a report by D Millar, Hymans Robertson LLP, regarding the Renfrewshire investment portfolios and the current economic situation.

The report made reference to currency, bond and equity markets immediately following the EU Referendum and provided updates in terms of the current position; the cut in the base interest rate by the Bank of England from 0.5% to 0.25% and the extension of Quantitative Easing to support the UK economy; the revision downwards of growth forecasts and the anticipated higher inflation rate and larger than expected deficit as the UK negotiated its way out of the European Union. It was highlighted that, in the meantime, the UK economy had remained resilient. Mention was also made of the challenges facing Europe and their potential impact on the European economy. A further update in terms of currency, bond and equity markets was provided following the US Election.

D Millar, Senior Investment Analyst, commented on the economic and market conditions in terms of the global perspective; the performance of equities and bonds over the period to 30 September, 2016, and provided information in relation to the general performance, asset allocation and performance by asset class of the Paisley and Renfrew Common Good Funds.

There followed a question and answer session.

DECIDED: That the information be noted.

SEDERUNT

Councillors Henry and Bibby entered the meeting during consideration of this item.

4 PAISLEY AND RENFREW COMMON GOOD FUNDS - REVIEW OF INVESTMENT AND INCOME PERFORMANCE

There was submitted a report by the Director of Finance & Resources relative to the performance of the Paisley and Renfrew Common Good Funds for the six-month period ending 30 September, 2016. A performance review report by Hymans Robertson LLP was appended thereto.

M Connor, Senior Investment Manager, presented a report in relation to the performance of the Paisley and Renfrew Common Good Funds to 30 September, 2016. The report provided information on the portfolio manager, world markets for the three-month period 30 June to 30 September 2016 and the one-year period 30 September, 2015 to 30 September, 2016; notable events in terms of global equities and gilts, portfolio summaries, investment guidelines, benchmark, income targets for both Common Good Funds; Fund specific allocations and performance; asset attribution and performance by asset class together with an explanation of performance calculations. Reference was also made to the uncertainty in terms of the markets following the outcome of the EU Referendum and the US Election.

Mr Connor was then heard in answer to questions from members. Following discussion it was agreed that should there be a need to make significant changes to the investment portfolio, prior to the next scheduled meeting of the Board, as a result of future economic circumstances, arising from the impact of Brexit or the US elections, arrangements be made to convene a special meeting of the Board.

DECIDED: That should there be a need to make significant changes to the investment portfolio, prior to the next scheduled meeting of the Board, as a result of future economic circumstances, arising from the impact of Brexit or the US elections, arrangements be made to convene a special meeting of the Board and that otherwise the reports be noted.