

## Minute of Meeting Investment Review Board

Date	Time	Venue
Wednesday, 25 November 2015	13:00	CMR 2, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

### PRESENT

Councillors Bibby, Grady, Holmes, J MacLaren, and A Noon.

### CHAIR

Councillor Holmes, Convener, presided.

### IN ATTENDANCE

A MacArthur, Head of Finance, R Conway, Finance Manager Corporate Accounting and R Devine, Senior Committee Services Officer (all Finance & Resources).

### ALSO IN ATTENDANCE

A Galbraith, Investment Consultant and D Millar, Senior Investment Analyst, Hymans Robertson LLP, and M Connor, Senior Portfolio Manager and J Gordon, Regulatory Controls 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 3 June, 2015.

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

## 2 REVIEW 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 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 2014 and was due for review.

The report indicated that there were no proposed changes to the Statement previously approved other than the updating of job titles. It was highlighted that the proposed Statement of Investment Principles, a copy of which was appended to the report, contained a typographical error and required to be amended by inserting the words 'relating to the' after the word 'issues' in the first sentence of paragraph 12.

**DECIDED:** That the Statement of Investment Principles, as amended, 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 1st July 2010 to 16 November, 2015; equities versus bonds; UK, US, Eurozone and Japan's gross domestic product between quarter one 2008 and quarter three of 2015; Global Equities, value versus growth, for the period quarter two 2006 to quarter three 2015; and Headline CPI inflation and Core CPI inflation during the period December, 2012 to September 2015.

A Galbraith, Investment Consultant commented on economic and market conditions relative to economic growth, in terms of the global perspective; the performance of equities and bonds over the period to 16 November, 2015; 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 during which reference was made to factors influencing the performance of equities during Quarters two and three, the resultant impact on the Funds and the strategy employed by the investment managers which was biased towards a higher global equity allocation.

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

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, 2015. A performance review report by Hymans Robertson LLP was appended thereto.

M Connor, Senior Portfolio Manager, presented a report in relation to the performance of the Paisley and Renfrew Common Good Funds to 30 September, 2015. The report provided information relative to the portfolio manager; world markets; investment guidelines and restrictions; asset attribution in relation to the three months to 30 September, 2015; and commodities and inflation, together with an economic and market summary.

There followed a question and answer session during which Mr Connor confirmed that in the absence of specified target percentage proportions for UK Equities and International Equities it was not anticipated that the actual proportions within the Fund portfolios would be significantly different from the current ratios. There was also discussion regarding the requirement for the Funds to meet demanding income targets.

It was proposed that a report be submitted to the next meeting of the Board relative to the rationale for adoption of the specified target percentage proportions for UK Equities and International Equities. This was agreed.

**DECIDED:**

(a) That a report be submitted to the next meeting of the Board relative to the rationale for adoption of the specified target percentage proportions for UK Equities and International Equities; and

(b) That the reports be otherwise noted.

5     **DATE OF NEXT MEETING**

It was noted that the next meeting of the Investment Review Board would be held in Renfrewshire House at 1pm on Wednesday, 1 June, 2016.