

Notice of Meeting and Agenda Investment Review Board

Date	Time	Venue
Wednesday, 12 June 2019	11:00	Corporate Meeting Room 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM
Head of Corporate Governance

Membership

Councillor John McIntyre: Councillor Iain Nicolson:
Councillor John Shaw (Convener): Councillor Jim Paterson (Depute Convener):

Chair

Councillor Shaw, Convener.

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- | | | |
|-----------|---|----------------|
| 1a | Note of Inquorate Meeting | 1 - 2 |
| | Note of inquorate meeting of 21 November 2018. | |
| 1b | Minute of Previous Meeting | 3 - 6 |
| | Minute of previous meeting held on 5 December 2018. | |
| 2 | Investment Manager Tender Exercise | 7 - 10 |
| | Report by the Director of Finance & Resources. | |
| 3 | Information Session | |
| | Briefing by David Millar, Associate Consultant, Hymans Robertson LLP, regarding the Renfrewshire Investment portfolios and the current economic situation. | |
| 4 | Paisley and Renfrew Common Good Funds: Review of Investment and Income Performance | 11 - 26 |
| | Report by the Director of Finance and Resources relative to the performance of the Paisley and Renfrew Common Good Funds; including a briefing note from Hymans Robertson LLP on the key issues, to be presented by David Millar. Subsequent to this, Mike Connor, Private Client Head of Office, and Gair Brisbane, Senior Charity Portfolio Manager, both of Aberdeen Standard Capital Limited (formerly called Standard Life Wealth Limited), will deliver a presentation relative to the performance of the Paisley and Renfrew Common Good Fund investments. | |
| 5 | Date of Next Meeting | |
| | Members are asked to note that the next meeting of the Investment Review Board is scheduled for Wednesday 20 November 2019 at 11.00 am. | |

Note of Inquorate Meeting Investment Review Board

Date	Time	Venue
Wednesday, 21 November 2018	11:00	Corporate Meeting Room 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

Present

Councillor John McIntyre, Councillor John Shaw

Chair

Councillor Shaw, Convener, presided.

Also Present

D Millar, Associate Consultant, Hymans Robertson LLP.

In Attendance

A MacArthur, Head of Finance, R Conway, Finance Manager and P Shiach, Committee Services Officer (all Finance and Resources).

Apologies

Councillors Nicolson and Paterson.

Quorum

Ten minutes after the appointed time for the meeting a quorum was not present and in terms of Standing Order 52 the meeting stood adjourned.

Minute of Reconvened Meeting Investment Review Board

Date	Time	Venue
Wednesday, 05 December 2018	09:15	Corporate Meeting Room 2, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

Present: Councillor John McIntyre, Councillor Iain Nicolson, Councillor Jim Paterson, Councillor John Shaw

Chair

Councillor Shaw, Convener, presided.

In Attendance

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

Also in Attendance

D Millar, Associate Consultant Hymans Robertson LLP.

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 13 June 2018.

DECIDED: That the Minute be approved.

2 Investment Manager Tender Exercise

There was submitted a report by the Director of Finance & Resources relative to the contract for investment manager services in respect of the Paisley and Renfrew Common Good Funds.

The report stated that the Council currently had in place a contract for management of the investments of the Paisley and Renfrew Common Good Funds. The three-year contract with Standard Life Wealth Limited, which had commenced on 1 July 2014, included an option to extend for a further two years. The option to extend had been exercised and the current arrangement was due to end on 30 June 2019.

A tender exercise, that followed the Council's normal procurement procedures and took a similar form to the 2013/14 tender exercise, was currently being undertaken. Hymans Robertson LLP had been engaged to assist the Council with the contract specification and bid evaluation process.

It was noted that a report on the outcome of the tender exercise award would be submitted to the meeting of the Council's Finance, Resources and Customer Services Policy Board, to be held on 27 March 2019, to enable the contract to be in place for commencement on 1 July 2019. The Investment Review Board would be informed of the outcome of the tender exercise at the next meeting.

DECIDED:

(a) That it be noted that the current contract for investment manager services would come to an end on 30 June 2019, and that a tender exercise was currently being undertaken for the provision of investment manager services, to commence on 1 July 2019; and

(b) That it be noted that that Hymans Robertson LLP had been engaged to assist the Council with the contract specification and bid evaluation process.

3 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 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 2017 and was due for review.

The report advised that there were no changes proposed to the existing Statement, other than minor presentational amendments. It was however highlighted that it was proposed that the existing income requirements for each Fund, as detailed in paragraph 7 of the Statement of Investment Principles, be increased, with effect from 1 January 2019 to £380,000 per annum for the Renfrew Common Good Fund and £102,700 for the Paisley Common Good Fund. A draft note on income targets, prepared by Hymans Robertson LLP, was circulated. It was noted that if agreed this revision would be incorporated into the tender specification for the contract for investment manager services in respect of the Paisley and Renfrew Common Good Funds.

DECIDED:

(a) That the Statement of Investment Principles appended to the report be approved; and

(b) That the undernoted sums be approved as the amended levels of annual income required for each fund, effective from 1 January 2019, in terms of paragraph 7 of the Statement of Investment Principles: Renfrew Common Good Fund: £380,000 (9.83% increase) Paisley Common Good Fund: £113,000 (10.03% increase).

4 Information Session

D Miller, Hymans Robertson LLP, provided a briefing on market and economic news since the last meeting.

Reference was made to returns from the markets during 2018, trends encountered by investors in the equity markets since 2017; and a summary provided of the influencing factors which had impacted on the performance of the currency and equities market and were likely to result in more volatility during 2018. It was highlighted that equity investments were viewed as a long-term activity. It was also noted that the portfolios were well diversified and gained exposure to a wide range of countries/regions, sectors and assets.

DECIDED: That the briefing be noted.

5 Paisley and Renfrew Common Good Funds six-month report to 30 September 2018

There was submitted a report by the Director of Finance & Resources relative to the performance of the Paisley and Renfrew Common Good Funds during the six-month period ending 30 September 2018. A performance review by Hymans Robertson LLP was attached as an appendix to the report.

A presentation, prepared by Standard Life Wealth, had been circulated to members of the Board, which advised of the performance of world markets during the final quarter of 2017 and the current year; outlined the global macroeconomic environment, referred to trade tariffs and the outlook for the global economy and summarised the investment guidelines associated with the Funds. The report provided commentary

on and analysis of the performance of the Common Good Funds as at 30 September 2018 and, in particular, the asset contribution by asset class. Mention was made of the best and worst performing stocks and equity holdings within the portfolios. The rationale for remaining invested in risk assets was outlined.

DECIDED: That the report and presentation be noted.

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 12 June 2019 at 11am.

DECIDED: That the information be noted.



To: Investment Review Board

On: 12 June 2019

Report by: Director of Finance and Resources

Heading: Investment manager tender exercise

1. Summary

- 1.1 The Council has an arrangement in place for the investments of the Paisley and Renfrew Common Good Funds to be managed by Aberdeen Standard Capital Limited (formerly called Standard Life Wealth Limited).
- 1.2 This arrangement between the Council and Aberdeen Standard Capital Limited is in the form of a contract that commenced on 1 July 2014 for a period of three years with an option (that was exercised) to extend the contract for a further two years. Thus, the current arrangement comes to a contractual end on 30 June 2019.
- 1.3 A tender exercise was undertaken by Council officers that followed the Council's normal procurement procedures, and that took a similar form to the previous investment manager tender exercise in 2013/14.
- 1.4 During the tender exercise 40 managers expressed interest, and 15 tender submissions were received by the closing date. One submission was subsequently withdrawn and one further submission deemed non-compliant. Tenders were evaluated using a two-stage process of bid selection and award criteria. Hymans Robertson LLP assisted with the evaluation process, which generated a shortlist of three managers who were invited to interview to further present their submissions.
- 1.5 Bidders were evaluated using 20% price / 80% quality criteria, and following the completion of the evaluation it was recommended that

Aberdeen Standard Capital Limited be recommended for appointment. The appointment will be for a three-year term from 1 July 2019, with the option to extend the contract for up to a further two years.

2. **Recommendations**

- 2.1 To note that the contract for investment manager services has been formally awarded to Aberdeen Standard Capital Limited (following expiry of the relevant call-in and standstill periods) as agreed by the Finance, Resources and Customer Services Policy Board on 27 March 2019.
-

Implications of the Report

1. **Financial** – Financial costs in respect of this contract will be met from the Council, the Paisley and Renfrew Common Good Funds and the Renfrewshire Educational Trust.
2. **HR & Organisational Development** – none
3. **Community Planning** – Tenderers were assessed within this procurement process with regard to their approach to ensuring fair working practices throughout their organisation, including payment of the Living Wage and training and development opportunities.
4. **Legal** – The procurement of this contract was conducted in accordance with The Public Contracts (Scotland) Regulations 2015 and the Council's standing orders relating to contracts for an above-EU threshold services contract.
5. **Property/Assets** – none
6. **Information Technology** – none
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none
9. **Procurement** – Procurement of this contract was conducted in accordance with the open procedure for an above-EU threshold services contract under The Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts.
10. **Risk** – There are financial risks in investing in the stock market, however these are understood and managed by providing the investment manager with clear investment principals and risk tolerances within which to invest and these principals are reviewed annually by the Investment Review Board. Aberdeen Standard Capital Limited has submitted a satisfactory level of insurance for the delivery

of this contract.

11. **Privacy Impact** – none

12. **COSLA Policy Position** – none

List of Background Papers

None

Author: Richard Conway, Finance Manager (Financial Accounting)
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richard.conway@renfrewshire.gov.uk



To: Investment Review Board

On: 12 June 2019

Report by: Director of Finance and Resources

Heading: Paisley and Renfrew Common Good Funds
six-month report to 31 March 2019

1. Summary

- 1.1 Hymans Robertson LLP have been engaged by the Council to provide investment advice pertaining to the Paisley and Renfrew Common Good Funds, and to assess the performance of the Funds' investment managers, Aberdeen Standard Capital Limited (formerly called Standard Life Wealth Limited).
- 1.2 A report by Hymans Robertson LLP is attached for Members' consideration. The report provides an assessment of the performance of the Funds' investments and income levels during the six-month period ending 31 March 2019. Hymans Robertson LLP will be represented at the meeting by David Millar (Associate Consultant), who will present his report to Members. The investment managers will not be present during this part of the meeting.
- 1.3 Mike Connor, Private Client Head of Office, and Gair Brisbane, Senior Charity Portfolio Manager, both of Aberdeen Standard Capital Limited, will then join the meeting. Messrs Connor and Brisbane will give a short presentation during which there will be an opportunity for Members to question them directly in regard to their presentation and Fund performance.
-

2. **Recommendations**

- 2.1 To consider the attached report from Hymans Robertson LLP and the presentation by Aberdeen Standard Capital Limited.
-

Implications of the Report

1. **Financial** – funds generated by the Investment Manager are made available for distribution through grants and other awards agreed by Local Area Committees and the Finance, Resources and Customer Services Policy Board. All funds are managed in line with the requirements of local government and charities regulations, and in line with the Statement of Investment Principles.
2. **HR & Organisational Development** – none
3. **Community Planning** – none
4. **Legal** – none
5. **Property/Assets** – none
6. **Information Technology** – none
7. **Equality & Human Rights** – the recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none
9. **Procurement** – none
10. **Risk** – none
11. **Privacy Impact** – none
12. **COSLA Policy Position** – none

List of Background Papers

None

Author: Richard Conway, Finance Manager (Financial Accounting)
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Renfrewshire Council Common Good Funds

Review of Investment Managers' Performance for the 6 Months to 31 March 2019



Prepared by:

David Millar- Associate Consultant

Allison Galbraith - Investment Consultant

For and on behalf of Hymans Robertson LLP

May 2019

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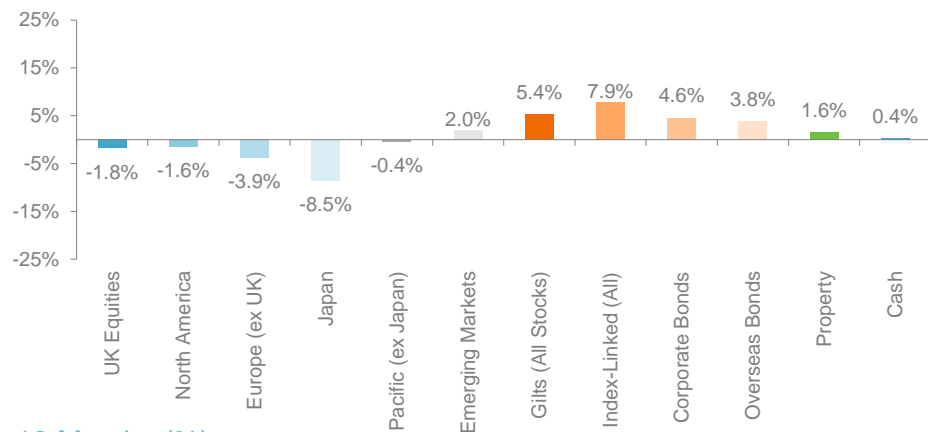
Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Hymans Robertson LLP, has relied upon third parties and may use internally generated estimates for the provision of data quoted, or used, in the preparation of this report. Whilst every effort has been made to ensure the accuracy of such estimates or data, we cannot accept responsibility for any loss arising from their use.

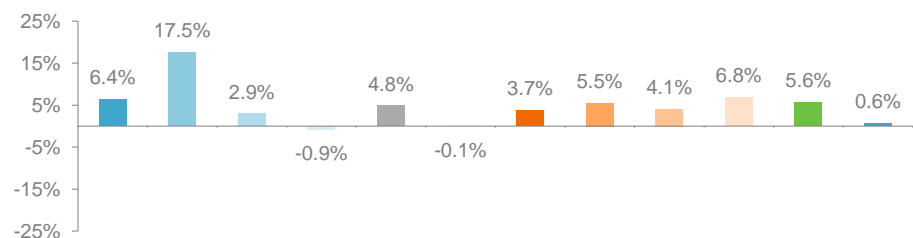


Historic Returns for World Markets to 31 March 2019

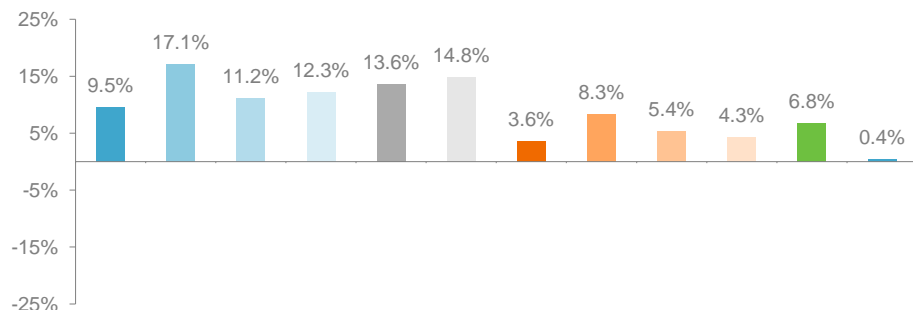
6 Months (%)



12 Months (%)



3 Years (% p.a.)



Market Comments.

Global GDP growth continued to slow over the six-month period with consensus forecasts being revised downwards for 2019. The US has proved more resilient compared to Europe, where growth has slowed more dramatically. In the UK, Brexit risk continued to hamper business investment with GDP growth decelerating over the period.

Oil prices rose to a peak of \$86 per barrel in October before plummeting to \$53 at the end-2018 amid renewed fears of a supply glut. Despite a sharp recovery in oil prices in 2019, consumer price inflation expectations for 2019 have also been revised lower in most major developed economies.

Slowing global growth and lower forecast inflation prompted central banks to adopt a more dovish stance with the Federal Reserve suggesting that no further rate hikes will take place this year and the ECB indicating no interest rate hikes until 2020.

US 10-year treasury yields reached their highest level for seven years in early October before yields fell sharply towards the end of the period amid concerns over slowing global growth. Equivalent UK yields followed this pattern, ending the period at their lowest level since Q3 2017, while 10-year bund yields returned to negative territory.

Despite a strong rebound in the first 3 months of 2019, credit spreads ended the period wider following a dramatic sell-off in the fourth quarter of 2018. Supported by underlying rate moves, credit markets produced positive total returns over the period but modestly underperformed gilts.

Global equity indices fell significantly in the fourth quarter of 2018 as concerns over the sustainability of the pace of global growth came to the fore. A rebound in equity markets in the first 3-months of 2019 was insufficient to return markets to positive territory, with global equities down 1.7% in local currency terms over 6 months.

Japan was the worst performing region as slowing growth and yen strength weighed on exporters. In a reversal of more recent trends, emerging market equities outperformed.

Perhaps unsurprisingly, performance divergence across sectors showed defensive stocks, such as utilities, performed strongly as markets fell in Q4. A sharply falling oil price in the fourth quarter of 2018 contributed to Oil & Gas being the worst performing sector.

UK commercial property market returns slowed over the period, as the capital value index fell 1%. Capital values and rents in the retail sector continue to fall – down 6% and 2.6% respectively over 6 months. Even in the industrial sector, where investment demand remains strong, the pace of capital value growth and rental growth is slowing.



Paisley Common Good Fund: Portfolio Summary

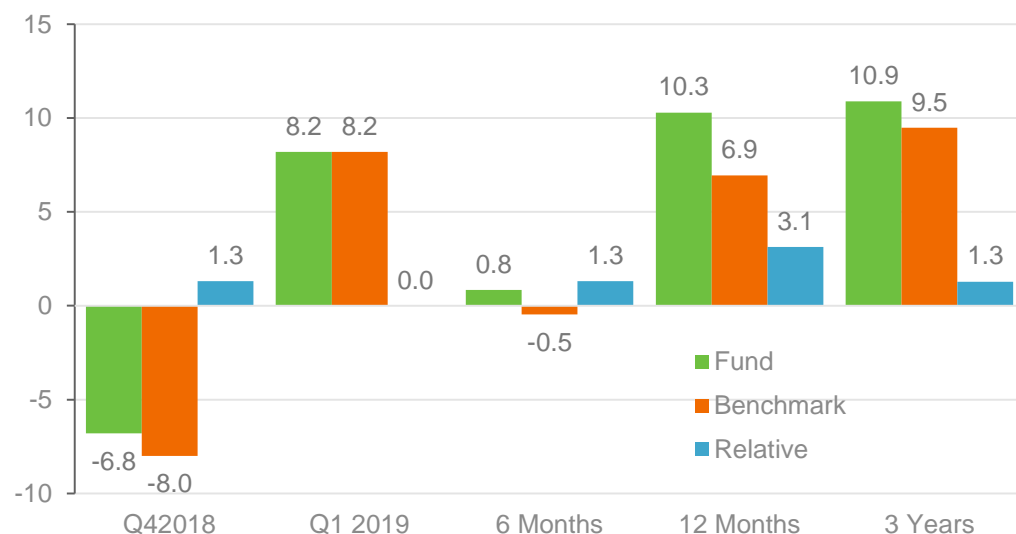
Valuation Summary

	Values (£m)		Actual Proportion %	Target Proportion %	Difference %
	30/09/2018	31/03/2019			
UK Equities	1.808	1.881	45.2	60.0	-14.8
International Equities	1.579	1.508	36.2	20.0	16.2
UK Bonds	0.505	0.505	12.1	18.0	-5.9
International Bonds	0.131	0.132	3.2	0.0	3.2
Property	0.000	0.000	0.0	0.0	0.0
Cash/Other	0.160	0.135	3.2	2.0	1.2
Total	4.182	4.160	100.0%	100.0%	

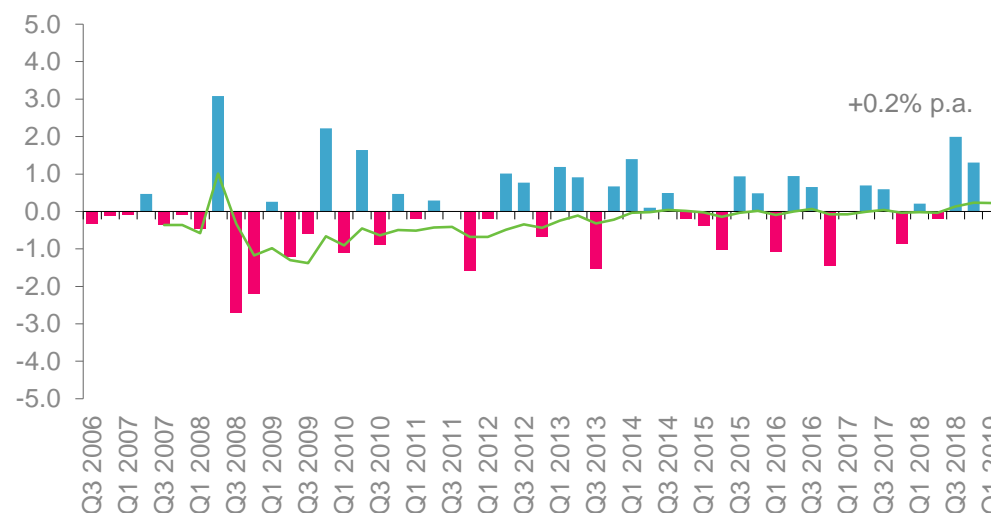
(Standard Life) Estimated Annual Income			Target
30/09/2018	29/12/2018	31/03/2019	
£146,069	£149,218	£147,780	£113,000

Estimated income includes UK equity dividends on a net, cash received, basis.

Performance Summary



Relative Quarterly and Relative Cumulative Performance



Renfrewshire Council Common Good Funds

Hymans Robertson LLP

Renfrew Common Good Fund: Portfolio Summary

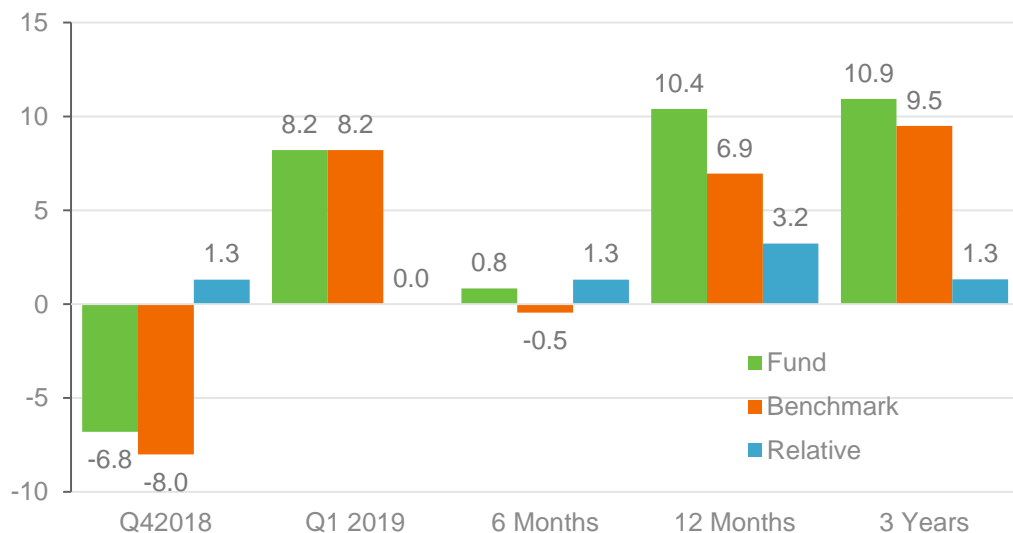
Valuation Summary

	Values (£m)		Actual Proportion %	Target Proportion %	Difference %
	30/09/2018	31/03/2019			
UK Equities	6.107	6.345	45.1	60.0	-14.9
International Equities	5.366	5.099	36.3	20.0	16.3
UK Bonds	1.713	1.701	12.1	18.0	-5.9
International Bonds	0.423	0.445	3.2	0.0	3.2
Property	0.000	0.000	0.0	0.0	0.0
Cash/Other	0.532	0.470	3.3	2.0	1.3
Total	14.140	14.061	100.0%	100.0%	

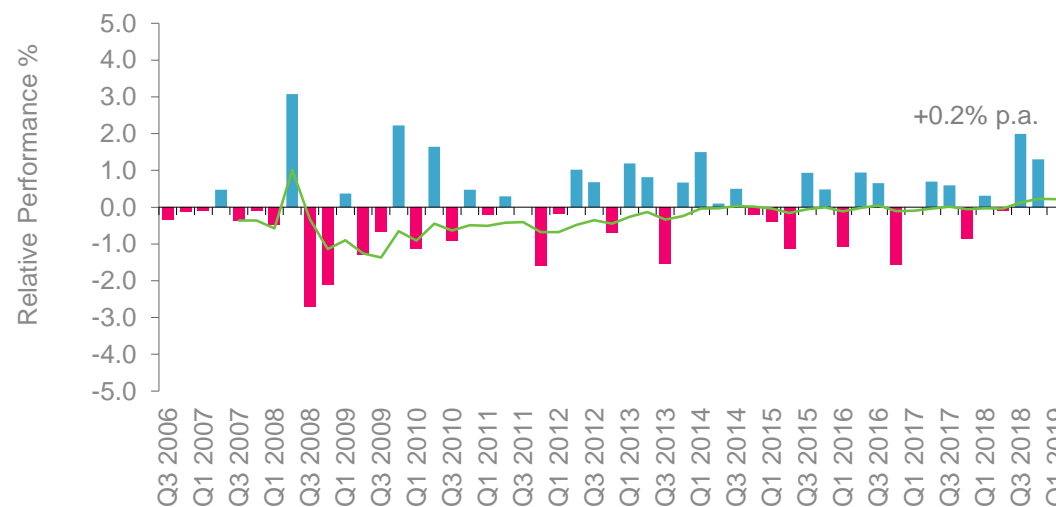
(Standard Life) Estimated Annual Income			Target
30/09/2018	29/12/2018	31/03/2019	
£494,162	£504,264	£ 479,834.00	£380,000

Estimated income includes UK equity dividends on a net, cash received, basis.

Performance Summary



Relative Quarterly and Relative Cumulative Performance



Paisley Common Good Fund: Allocation and Performance

Commentary on Paisley Common Good Fund

The Fund, in aggregate, returned 0.8% between end September 2018 (the effective date of the immediately preceding report) and end March 2019; over the same period, the benchmark achieved a return of -0.5%. The return over the period reflects the significant fall in equity markets in the final quarter of 2018 and subsequent rally in 2019.

Fears over the prospects for global growth which triggered the sharp falls at the end of 2018 eased in 2019. In terms of relative performance, the Fund significantly outperformed its benchmark over 6 months.

Despite falling markets in the final quarter of 2018, the Fund's equity holdings outperformed (falling less than the benchmark index) which meant the fund outperformed by 1.3% over that quarter. The underweight to UK equities was positive and lack of exposure to the broad industrials sectors helped. Performance was flat relative to the benchmark in quarter 1 2019, with exposure to alternative assets (infrastructure and renewables) offsetting positive stock selection in equities and bonds.

Over 12 months, fund returns are positive in absolute terms (+10.4%) and significantly ahead of benchmark by 3.2%. Since the inception of the mandate, on 1 July 2006, the Fund return of +7.1% p.a. is strong in absolute terms and modestly ahead of the benchmark return of +6.8% p.a. Both absolute and relative performance over 12 months are driven by overseas equities which have returned 16.9% versus a benchmark return of 11.4% over the 12 month period. Throughout this time, the investment manager has met a demanding income target.

As at end March 2019, the allocation to equities (81.4%) was modestly above the benchmark allocation (80%). The portfolio continues to be underweight in UK equities and overweight in overseas equities. This reflects the investment manager's global investment perspective (and a view on Brexit where they maintain a global perspective avoiding domestic UK companies).

The exposure to bonds was 15.3% at end March 2019 compared with the benchmark of 18% and a minimum allocation of 15%. The allocation to cash at end March 2019 was 3.3% (modestly above the benchmark allocation).

Questions for the investment manager;

The allocation to alternatives (infrastructure and renewables in particular) was a drag on performance in Quarter 1 2109. What attractions does the asset class hold going forward?

The weakness in equity and credit markets at the end of 2018 may have been triggered by fears of a worse economic slowdown than most forecasts would imply, but corrections came from extended valuation levels and have largely been reversed in 2019. What measures are you taking to protect against further corrections?

Two Property funds were sold in Q1'19 (Empiric Student Property and Tritax Big Box) reducing property funds from 2.7% to 1.1% of the portfolio. Do you intend to add Property funds to replace these and if so, in what sectors of the market?

Performance Summary

6 Months (%)

Paisley CGF	
Fund	0.8
Benchmark	-0.5
Relative	1.3

12 Months (%)

Fund	10.3
Benchmark	6.9
Relative	3.1

3 years (%)

Fund	10.9
Benchmark	9.5
Relative	1.3

Since Inception (% p.a.) (1 July 2006)

Fund	7.1
Benchmark	6.8
Relative	0.2



Renfrew Common Good Fund: Allocation and Performance

Commentary on Renfrew Common Good Fund

The Fund, in aggregate, returned 0.8% between end September 2018 (the effective date of the immediately preceding report) and end March 2019; over the same period, the benchmark achieved a return of -0.5%. The return over the period reflects the significant fall in equity markets in the final quarter of 2018 and subsequent rally in 2019.

Fears over the prospects for global growth which triggered the sharp falls at the end of 2018 eased in 2019. In terms of relative performance, the Fund significantly outperformed its benchmark over 6 months.

Despite falling markets in the final quarter of 2018, the Fund's equity holdings outperformed (falling less than the benchmark index) which meant the fund outperformed by 1.3% over that quarter. The underweight to UK equities was positive and lack of exposure to the broad industrials sectors helped. Performance was flat relative to the benchmark in quarter 1 2019, with exposure to alternative assets (infrastructure and renewables) offsetting positive stock selection in equities and bonds.

Over 12 months, fund returns are positive in absolute terms (+10.4%) and significantly ahead of benchmark by 3.2%. Since the inception of the mandate, on 1 July 2006, the Fund return of +7.1% p.a. is strong in absolute terms and modestly ahead of the benchmark return of +6.8% p.a. Both absolute and relative performance over 12 months are driven by overseas equities which have returned 17.0% versus a benchmark return of 11.4% over the 12 month period. Throughout this time, the investment manager has met a demanding income target.

As at end March 2019, the allocation to equities (81.4%) was modestly above the benchmark allocation (80%). The portfolio continues to be underweight in UK equities and overweight in overseas equities. This reflects the investment manager's global investment perspective (and a view on Brexit where they maintain a global perspective avoiding domestic UK companies).

The exposure to bonds was 15.3% at end March 2019 compared with the benchmark of 18% and a minimum allocation of 15%. The allocation to cash at end March 2019 was 3.3% (modestly above the benchmark allocation).

Questions for the investment manager;

The allocation to alternatives (infrastructure and renewables in particular) was a drag on performance in Quarter 1 2109. What attractions does the asset class hold going forward?

The weakness in equity and credit markets at the end of 2018 may have been triggered by fears of a worse economic slowdown than most forecasts would imply, but corrections came from extended valuation levels and have largely been reversed in 2019. What measures are you taking to protect against further corrections?

Two Property funds were sold in Q1'19 (Empiric Student Property and Tritax Big Box) reducing property funds from 2.7% to 1.1% of the portfolio. Do you intend to add Property funds to replace these and if so, in what sectors of the market?

Performance Summary

		Renfrew CGF
6 Months (%)	Fund	0.8
	Benchmark	-0.5
	Relative	1.3
12 Months (%)	Fund	10.4
	Benchmark	6.9
	Relative	3.2
3 years (%)	Fund	10.9
	Benchmark	9.5
	Relative	1.3
Since Inception (% p.a.) (1 July 2006)	Fund	7.1
	Benchmark	6.8
	Relative	0.2



Renfrewshire Council Common Good Funds






Hymans Robertson LLP

Appendix 1: Asset Allocation

Paisley Common Good Fund






Asset Allocation

30 September 2018

Asset Class	Benchmark	Fund	Difference
UK Equities	60.0%	43.2%	-16.8% 
International Equities	20.0%	37.8%	17.8% 
UK Bonds	18.0%	12.1%	-5.9% 
International Bonds	0.0%	3.1%	3.1% 
Property	0.0%	0.0%	0.0%
Cash/Other	2.0%	3.8%	1.8% 
Total	100.0%	100.0%	0.0%

Asset Allocation






31 March 2019

Asset Class	Benchmark	Fund	Difference
UK Equities	60.0%	45.2%	-14.8% 
International Equities	20.0%	36.2%	16.2% 
UK Bonds	18.0%	12.1%	-5.9% 
International Bonds	0.0%	3.2%	3.2% 
Property	0.0%	0.0%	0.0%
Cash/Other	2.0%	3.2%	1.2% 
Total	100.0%	100.0%	0.0%

Renfrew Common Good Fund






Asset Allocation

30 September 2018

Asset Class	Benchmark	Fund	Difference
UK Equities	60.0%	43.2%	-16.8% 
International Equities	20.0%	37.9%	17.9% 
UK Bonds	18.0%	12.1%	-5.9% 
International Bonds	0.0%	3.0%	3.0% 
Property	0.0%	0.0%	0.0%
Cash/Other	2.0%	3.8%	1.8% 
Total	100.0%	100.0%	0.0%

Asset Allocation

31 March 2019

Asset Class	Benchmark	Fund	Difference
UK Equities	60.0%	45.1%	-14.9% 
International Equities	20.0%	36.3%	16.3% 
UK Bonds	18.0%	12.1%	-5.9% 
International Bonds	0.0%	3.2%	3.2% 
Property	0.0%	0.0%	0.0%
Cash/Other	2.0%	3.3%	1.3% 
Total	100.0%	100.0%	0.0%



Renfrewshire Council Common Good Funds

Hymans Robertson LLP

Appendix 2: Performance by Asset Class

Paisley Common Good Fund

	6 months		12 months		Contribution to Absolute Return	Contribution to Relative Return
	Fund %	Benchmark %	Fund %	Benchmark %	6 months %	6 months %
UK Gov't Bonds	6.9	5.4	4.7	3.8	0.4	0.1
Corporate Bonds	3.9	4.2	4.4	3.8	0.3	-0.1
International Bonds	3.5	3.9	2.9	6.5	0.1	0.0
UK Equities	-1.0	-1.8	7.2	6.4	-0.1	0.3
Overseas Equities	1.2	-2.5	16.9	11.4	0.5	1.4
Total Assets	0.8	-0.5	10.3	6.9		

Renfrew Common Good Fund

	6 months		12 months		Contribution to Absolute Return	Contribution to Relative Return
	Fund %	Benchmark %	Fund %	Benchmark %	6 months %	6 months %
UK Gov't Bonds	6.9	5.4	4.7	3.8	0.4	0.1
Corporate Bonds	3.8	4.2	4.3	3.8	0.3	-0.1
International Bonds	3.4	3.9	2.8	6.5	0.1	0.0
UK Equities	-1.0	-1.8	7.2	6.4	-0.1	0.3
Overseas Equities	1.2	-2.5	17.0	11.4	0.5	1.4
Total Assets	0.8	-0.5	10.4	6.9		



Appendix 3: Explanation of Performance Calculations

Hymans Robertson are among the investment professionals who calculate relative performance geometrically as follows:

$$((1 + \text{Fund Performance}) / (1 + \text{Benchmark Performance})) - 1$$

Some industry practitioners use the simpler arithmetic method as follows:

$$\text{Fund Performance} - \text{Benchmark Performance}$$

The following example illustrates the shortcomings of the arithmetic method in comparing short term relative performance with the longer term picture :

Arithmetic Method

	Fund Performance	Benchmark Performance	Relative Performance
Quarter 1	7.0%	2.0%	5.00%
Quarter 2	28.0%	33.0%	-5.00%
Linked 6 months			-0.25%
6 month performance	37.0%	35.7%	1.30%

- If fund performance is measured quarterly, there is a relative underperformance of 0.25% over the six month period.
- If fund performance is measured half yearly, there is a relative outperformance of 1.3% over the six month period.
- The arithmetic method makes it difficult to compare long term relative performance with shorter term relative performance.

Geometric Method

	Fund Performance	Benchmark Performance	Relative Performance
Quarter 1	7.0%	2.0%	4.90%
Quarter 2	28.0%	33.0%	-3.76%
Linked 6 months			0.96%
6 month performance	37.0%	35.7%	0.96%

- If fund performance is measured quarterly, there is a relative outperformance of 0.96% over the six month period.
- If fund performance is measured half yearly, an identical result is produced.
- The geometric method therefore makes it possible to directly compare long term relative performance with shorter term relative performance.

Aberdeen Standard Capital (Offshore) Global Fixed Interest Fund

Quarterly Performance Data and Analytics to 31 March 2019

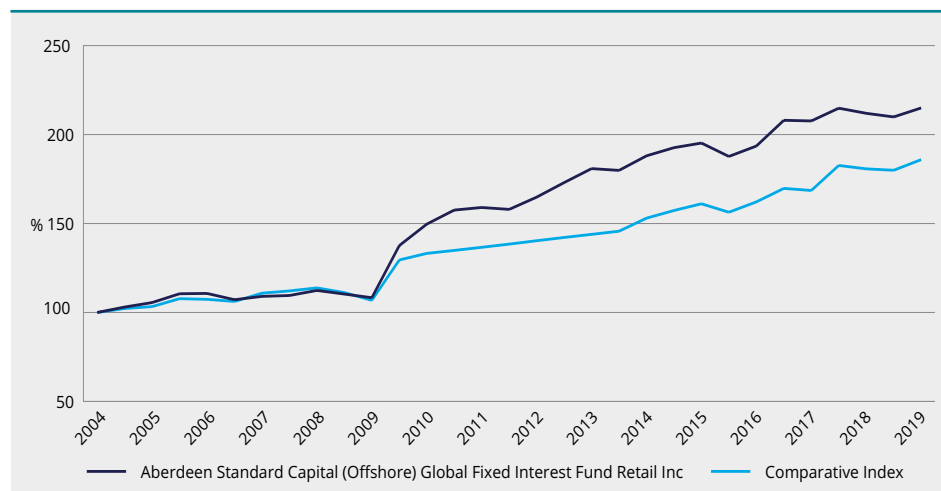


Fund Description

The fund aims to provide a return from a combination of income and capital growth investing primarily in bonds including corporate bonds, sub investment grade bonds and government bonds that are listed or traded in developed or emerging markets. The majority of the fund will be invested in bonds denominated in US Dollars. The fund is actively managed by our investment teams who may also invest a proportion of the fund's assets in other securities, derivatives and/or money market instruments to try to take advantage of opportunities they have identified. Non Sterling denominated assets held in the fund will predominantly be hedged back to Sterling.

The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you pay in. The fund may use derivatives for the purposes of efficient portfolio management, reduction of risk or to meet its investment objective if this is permitted and appropriate. The sterling value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

Performance*



The performance of the fund** has been calculated using bid to bid basis, based on an Annual Management Charge (AMC) of 1.00%, gross income re-invested and excludes initial charges. The Comparative Index performance is on a Total Return basis.

** Aberdeen Standard Capital (Offshore) Global Fixed Interest Fund Retail Inc

Source: Morningstar (Fund) and Thomson DataStream (Comparative Index)

From 30 September 2013, the Fund changed investment objective, and a subsequent restructure was completed by 01 November 2013.

Note: Past performance is not a guide to the future.

Key Facts

Fund Manager(s)	Craig MacDonald
Fund Manager's start date	30 Sep 2013
Fund launch date	22 Apr 2004^
Fund size	£86.2m
Number of holdings	511
Initial charge	
Retail	5.00%
Institutional***	0.00%
Annual Management Charge	
Retail	1.00%
Institutional***	0.00%
Ongoing Charges Figure	
Retail	1.11%
Institutional***	0.11%
Valuation point	12.00pm (UK)
Base currency	GBP
Reporting dates	
Interim	30 Jun
Annual	31 Dec
XD Dates	
Interim	31 Mar, 30 Jun, 30 Sep
Annual	31 Dec
Payment Dates (Income)	
Interim	31 May, 31 Aug, 30 Nov
Annual	28 (29) Feb
SEDOL	
Retail (Acc)	n/a
Retail (Inc)	B00V1H6
Institutional (Acc)***	n/a
Institutional (Inc)***	BYL6RB4
ISIN	
Retail (Acc)	n/a
Retail (Inc)	GB00B00V1H62
Institutional (Acc)***	n/a
Institutional (Inc)***	JE00BYL6RB45
Fund Classification	OEIC Fund
Asset class	Bond Fund

^ Refers to Retail Inc shareclass

*** Institutional refers to Z shareclass

The Ongoing Charge Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Fund. It is made up of the Annual Management Charge (AMC) shown above and the other expenses taken from the Fund over the last annual reporting period. It does not include any initial charges or the cost of buying and selling stocks for the Fund. The OCF can help you compare the costs and expenses of different funds.

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Year on year performance

	Year to 31/03/2019 (%)	Year to 31/03/2018 (%)	Year to 31/03/2017 (%)	Year to 31/03/2016 (%)	Year to 31/03/2015 (%)
Aberdeen Standard Capital (Offshore) Global Fixed Interest Fund Retail Inc	1.4	2.1	7.3	-0.9	3.8
Aberdeen Standard Capital (Offshore) Global Fixed Interest Fund Institutional Acc***	2.5	3.1	8.5	-0.3	n/a
Comparative Index	2.9	2.5	8.8	0.7	5.3

Source: Morningstar (Fund) and Thomson Reuters DataStream (Comparative Index)

Cumulative performance

	Quarter (%)	YTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)
Aberdeen Standard Capital (Offshore) Global Fixed Interest Fund Retail Inc	5.1	5.1	1.4	3.6	2.7
Aberdeen Standard Capital (Offshore) Global Fixed Interest Fund Institutional Acc***	5.4	5.4	2.5	4.6	n/a
Comparative Index	5.6	5.6	2.9	4.7	4.0

Source: Morningstar (Fund) and Thomson Reuters DataStream (Comparative Index)

***Institutional refers to Z shareclass

Z Class - A class of mutual fund shares that employees of the fund's management company are allowed to own.

Institutional Inc - A class of mutual fund shares available for sale to investing institutions providing income back to investor by return.

Retail Inc - A class of mutual fund shares available for sale to investing individuals providing income back to investors by return.

The Comparative Index for the Aberdeen Standard Capital (Offshore) Global Fixed Interest Fund from 01/01/2016 is 33.3% JP Morgan EMBI Global Diversified Index Hedged to GBP, 33.3% Barclays Global Agg Corporate Index Hedged to GBP and 33.3% Barclays Global High Yield Corporate Index 2% Issuer capped Hedged to GBP. From 30 September 2013 to 31 December 2015 the fund benchmark was 33.3% Barclays Global Agg Corporate Index Hedged to GBP, 33.3% Barclays Global Corporate High Yield Index ex-Fin 2% Cap Hedged to GBP and 33.3% JP Morgan EMBI Global Diversified Index Hedged to GBP. From 01 January 2010 to 30 September 2013 the fund benchmark was 1 month GBP LIBOR and from inception to 01 January 2010 the Comparative Index for the fund was 25% ML GBM Corporates, 25% JPM WGBI, 25% ML GHY Constrained, 25% ML Global Emerging, all hedged to GBP.

Note: Past Performance is not a guide to future performance. The price of shares and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

For full details of the fund's objective, policy, investment and borrowing powers and details of the risks investors need to be aware of, please refer to the prospectus.

For a full description of those eligible to invest in each share class please refer to the relevant prospectus.

Please note that the breakdowns below do not take into account the economic exposure created by derivative positions or the effect of currency forwards for hedging purposes. The credit ratings shown below are the average of those from S&P, Moody's and Fitch.

Composition by Credit Rating

	Fund (%)
AAA	0.5
AA	1.9
A	10.1
BBB	31.9
BB	20.4
B	23.3
CCC	2.3
CC	0.1
D	0.4
N/R	9.1

Top Ten Issuers

Stocks	Fund (%)
Egypt (Govt of)	2.0
Dominican Republic (Govt of)	1.4
Argentina (Govt of)	1.4
Pemex	1.4
Bank of America	1.3
Turkey (Govt of)	1.2
Ukraine (Govt of)	1.1
Uruguay (Govt of)	1.0
El Salvador (Govt of)	1.0
Nigeria (Govt of)	1.0
Assets in top ten issuers	12.8

Definitions:

Not Rated (N/R) may include bonds which do not have a rating under iBoxx classification (such bonds may still be rated by S&P and/or Moody's) and 'Cash and Other'.

Cash and Other - may include bank and building society deposits, other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs), Money Market Funds and allowances for tax, dividends and interest due if appropriate.



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For a full explanation of specific risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website – abernstandardcapital.com

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