

MINUTE

A & B

Special Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Thursday 26 May 2011 at 10.00am

Present:

A J Cluness	A T J Cooper
A T Doull	F B Grains
R S Henderson	J H Henry
W H Manson	C H J Miller
R C Nickerson	G Robinson
J W G Wills	

Apologies:

L F Baisley	J Budge
A G L Duncan	E L Fullerton
I J Hawkins	F A Robertson
J G Simpson	C L Smith
A S Wishart	V Nicolson
B Callieu	

In attendance (Officers):

C Bain, Treasury Accountant
A MacIver, Assistant Accountant
L Gair, Committee Officer

Also:

A Black, General Manager, SCT
J Goddard, Financial Controller, SCT
A Taylor, Pension Fund Management Consultative Committee
R Polson, Pension Fund Management Consultative Committee
D Marsh, Pension Fund Management Consultative Committee
K Thrumble, WM Company
G Day, Schroders
J Murray, Schroders
K Morrison, BlackRock
I Thompson, GMO
A Hene, GMO
C Mulvihill, Insight Investment Management
A LaRusse, Insight Investment Management
A Tait, Baillie Gifford and Co
T Gooding, Baillie Gifford and Co

Chairperson

Mr A J Cluness, Convener of the Council, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

Pension Fund Management Annual Review 2010/11

The Council considered a report by the Head of Finance (RECORD Appendix 1).

The Treasury Accountant introduced the report and introduced Ms K Thrumble, WM Company who would provide a brief summary of the Fund Manager's performance before each presentation.

Ms K Thrumble presented the Performance Review report on behalf of WM Company (attached as Appendix A) and provided Members with a brief introduction and background to the current state of the financial market.

Schroders

Ms Thrumble provided Members with an overview of the Property Fund's performance.

Mr G Day and Ms J Murray presented a report on behalf of Schroders (attached as Appendix B). Members noted the information provided.

BlackRock

Ms K Thrumble provided Members with an overview of the Equity and Bond fund's performance.

(Mr G Robinson and Mrs F B Grains left the meeting)

Ms K Morrison presented a report on behalf of BlackRock (attached as Appendix C). Members noted the information provided.

Mrs C H J Miller moved that the Council note the recommendations contained in the report, seconded by Mr A J Cluness and the Council unanimously concurred.

The Council RESOLVED to:

1. note the performance of BlackRock (equity and bond fund) in 2010/11.
2. note with dissatisfaction the performance of Schroders (property fund) in 2010/11.

(Mr J H Henry left the meeting)

69/11 **Fund Management Annual Review 2008/09**

The Council considered a report by the Head of Finance (RECORD Appendix 2).

Ms K Thrumble, WM Company presented the Performance Review report on behalf of WM Company (attached as Appendix A). She provided Members with a brief introduction and background to the Council's Miscellaneous Funds.

GMO

Ms Thrumble provided Members with an overview of the Miscellaneous Equity Fund's performance.

Mr I Thompson and Mr A Hene presented a report on behalf of GMO (attached as Appendix D). Members noted the information provided.

The meeting adjourned for a short break at 11.55am.

The meeting reconvened at 12.00 pm.

Insight Investment Management

Ms Thrumble provided Members with an overview of the Miscellaneous Bond Fund's performance.

(Mr R C Nickerson and Mrs C H J Miller left the meeting)

Ms C Mulvihill and Ms A LaRusse presented a report on behalf of Insight (attached as Appendix E). Members noted the information provided.

Baillie Gifford & Co

Ms Thrumble provided Members with an overview of the Capital Fund and Miscellaneous Equity Fund's performance.

Mr A Tait and Mr T Gooding presented a report on behalf of Baillie Gifford & Co (attached as Appendix G). Members noted the information provided.

The Council approved the recommendations contained in the report on the motion of Mr R S Henderson, seconded by Dr J W G Wills.

The Council RESOLVED to:

1. approve this report as the Annual Investment Report for the purposes of the consent issued by the Scottish Ministers by virtue of section 40 of the Local Government in Scotland Act 2003;
2. note with satisfaction the performance of Baillie Gifford (equity fund) in 2010/11;
3. note the performance of Insight (bond fund) in 2010/11; and
4. note with dissatisfaction the performance of GMO (equity fund) in 2010/11.

Members thanked Ms Thrumble and the Treasury Accountant for their assistance.

The meeting concluded at 12.45pm.

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Convener

