

RESOURCES COMMITTEE PENSION FUND INVESTMENT SUB COMMITTEE

Meeting of Friday 3 December 2010
at 10.30am in Council Offices, English Street, Dumfries

Present Members

Robert J Higgins(Chairman) - Wigtown West
Ian B Carruthers - Annandale South
Iain W Dick - Stranraer & North Rhins
Grahame Forster - Wigtown West
Patsy Gilroy (Convener) - Dee
Graham Nicol - Mid Galloway
George N Prentice - Castle Douglas and Glenkens

Observers in Consultative Capacity

Tom Featherstone - TGWU

In attendance

John Hastings - Hymans Robertson
Allison Galbraith - Hymans Robertson

Officials

Paul Garrett - Operations Manager Accountancy
Andrew Ewart - Treasury/Insurance Officer

Apologies

Ian Blake - Abbey
Sandra McDowall - Mid Galloway
Sean W Marshall - Annandale South
Ronnie Ogilvie - Annandale South

Alex Haswell

Director Chief Executive Service

4 Members Present**1. LOCAL GOVERNMENT (SCOTLAND) ACT 1973****Decision**

AGREED to adopt a resolution to exclude the public from the meeting in terms of Section 50A(4) and paragraph 9 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

PROCEDURE - The Chairman advised that due to severe weather conditions Aberdeen Asset Management were unable to attend the meeting and accordingly Item 5 would not be considered at this meeting.

MEMBERS – Ian B Carruthers, Iain W Dick and Patsy Gilroy entered the meeting – 7 Members present

2. REVIEW OF INVESTMENT MANAGERS PERFORMANCE – Report dated November 2010 by Hymans Robertson for the quarter ending 30 September 2010 (paragraph 9).

Decision**NOTED**

2.1 that Alliance Bernstein outperformed its benchmark by 0.9% in Q3. Since inception performance was still negative;

2.2 that Templeton's Q3 returns were 0.7% behind benchmark 12 month and since inception relative returns continued to be negative;

2.3 that Legal and General's returns were in line with benchmark as expected from a passive manager;

2.4 that Aberdeen underperformed by 0.1% and that over 12 months performance was modestly behind benchmark and over 3 years it was broadly in-line;

2.5 that Lothbury and Threadneedle posted returns marginally behind benchmark;

2.6 that RREEF's returns are behind benchmark for the quarter. Longer term performance was also behind benchmark;

2.7 that Mellon had an excellent quarter and had performed well over 12 months;

2.8 that FX Concepts outperformed over Quarter 3 and that this accounted for most of their 12 month outperformance; and

2.9 that Total fund performance was 0.3% above benchmark over the quarter.

3. NAVIGATOR REPORT – Report by Operations Manager Accountancy (paragraph 9).

Decision

NOTED the contents of the Navigator funding projection report as at 30 September 2010.

4. UPDATED STATEMENT OF INVESTMENT PRINCIPLES – Report by Operations Manager Accountancy (paragraph 9).

Decision

APPROVED the updated Statement of Investment Principles (SIP) for the Dumfries and Galloway Council Pension Fund.

5. CURRENT INVESTMENT STRATEGY

Decision

NOTED that this item has been withdrawn