

City Chambers  
DUNDEE  
DD1 3BY

11th August, 2008

Dear Sir or Madam

**Superannuation Sub-Committee**

You are requested to attend a meeting of the Superannuation Sub-Committee to be held on Monday, 18th August, 2008 at 12 noon, in Committee Room 3, 14 City Square, Dundee.

Yours faithfully

ALEX STEPHEN

Chief Executive

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which might be perceived as influencing your opinion/vote on any matter.

**AGENDA OF BUSINESS**

**1 APOLOGIES**

**2 MINUTES**

(a) SUPERANNUATION INVESTMENT SUB-COMMITTEE OF 19TH MAY, 2008

(Copy enclosed).

**The Sub-Committee may resolve under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting in order that the undernoted items of business may be considered in private on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 4, 6 and 11 of Part I of Schedule 7A of the Act.**

**3 TAYSIDE SUPERANNUATION FUNDS**

**4 PRESENTATION**

**Distribution List**

**Superannuation Sub-Committee Members**

Councillor Kevin Keenan  
Councillor Joe Morrow (Convener)  
Bailie Helen Wright  
Councillor Ken Lynn  
Bailie Rod Wallace  
Councillor Willie Sawers  
Mr R McKelvie TGWU  
Tayside Full-Time Trade Union Officers' Group  
Mr R McKay, UNISON, Dundee

**For information**

Chief Executive  
Depute Chief Executive (Support Services)  
Head of Finance  
Mr Sandy Flight, Finance (2)  
Head of Public Relations

## APPENDIX I

At a MEETING of the **SUPERANNUATION INVESTMENT SUB-COMMITTEE OF THE POLICY AND RESOURCES COMMITTEE** held at Dundee on 19th May, 2008.

Present:-

BAILIES

George REGAN

Willie SAWERS

COUNCILLORS

Joe MORROW

Kevin KEENAN

Jimmy BLACK

Bailie George REGAN, Convener, in the Chair.

Unless marked thus \* all items stand delegated.

### **I MINUTE OF MEETING OF 18TH FEBRUARY, 2008**

The minute of meeting of the Superannuation Investment Sub-Committee of 18th February, 2008 was submitted and approved.

### **II SOCIALLY RESPONSIBLE INVESTMENT - SIX MONTHLY REPORT**

There was submitted Report No 280-2008 by the Head of Finance, reviewing the progress by the Fund Managers regarding the positive engagement strategy approved by the Sub-Committee on 23rd February, 2000.

The Sub-Committee noted the information contained within the report with regard to the activities of the Fund Managers during the six month period ended 31st March, 2008.

**The Sub-Committee resolved under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting in order that the undernoted items of business be considered in private on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 4, 6, and 11 of Part I of Schedule 7A of the Act.**

### **III TAYSIDE SUPERANNUATION FUNDS**

#### **(a) PERFORMANCE SUMMARIES**

There was submitted Report No 281-2008 by the Head of Finance relating to Performance Summaries for the quarter, twelve months and three years to 31st March, 2008, reviewing the investment performance of the Main Fund's four Fund Managers (excluding Property) for the quarter to 31st March, 2008. It also considered the performance of the Transport Fund which shares two of these managers.

The report also compares investment performances of the Funds with the Funds' specific benchmarks which consist of various stock market indices.

The Sub-Committee noted the information contained herein with regard to the performance of the Tayside Superannuation Fund and Tayside Transport Superannuation Fund and their Fund Managers.

## (b) PERFORMANCE SUMMARY (PROPERTY PORTFOLIO)

There was submitted Report No 282-2008 by the Head of Finance relating to Schroder Property Investment Management Limited performance for the quarter, twelve months and three years to 31st March, 2008, reviewing the investment performance of the Property Portfolio managed by Schroder Property Investment Management Ltd, for the quarter to 31st March, 2008 and for the twelve months and three years to the same date.

The report compares investment performances with an appropriate benchmark the HSBC/IPD Pooled Property All Balanced Funds Median from 1st April, 2004.

The Sub-Committee noted the information contained therein with regard to the performance of the Property Portfolio managed by Schroder Property Investment Management Ltd.

## (c) SUMMARIES OF INVESTMENTS AND TRANSACTIONS

There was submitted Report No 283-2008 by the Head of Finance summarising investments and transactions during the period 1st October to 31st March, 2008, reviewing the investment activities of the Main Fund's five Fund Managers for the quarter to 31st March, 2008. The Transport Fund shares three of these managers and their transactions were included.

The report summarises the transactions of each Fund Manager and shows the market values of the Main and Transport Fund.

The Sub-Committee noted the information contained herein with regard to the activities of the Tayside Superannuation Fund and Tayside Transport Superannuation Fund and their Fund Managers.

## (d) QUARTERLY FUNDING REPORT

There was submitted Report No 284-2008 by the Head of Finance which considers report by Barnett Waddington, reviewing the current funding level of the Funds as assessed by Barnett Waddington, the Fund Actuary.

The Sub-Committee noted the report by Barnett Waddington.

**IV PRESENTATION**

Tom Wright and Rosie Oldfield of Baillie Gifford gave a brief presentation. Tom gave a brief overview of the original mandate and members noted that the investment philosophy of Baillie Gifford had remained unchanged - over time superior earnings growth would lead to share price out performance.

Thereafter, Tom noted that the previous financial year had been poor in terms of performance, but that due to the company's investment philosophy, the portfolio was still 2% ahead of bench mark.

Rosie then advised members of future areas where it was expected that investments would grow, such as developing markets and also in developing economies.

The Convener thanked Tom and Rosie for their presentation and a brief question and answer session followed, particularly focussing on the issue of social responsibility.

Joe MORROW, Convener.