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CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

YMDDIRIEDOLAETH
ELUSENNOL YNYS MON
ISLE OF ANGLESEY
CHARITABLE TRUST

RHYBUDD O GYFARFOD		NOTICE OF MEETING
PWYLLGOR BUDDSODDI A CHONTRACTAU		INVESTMENTS AND CONTRACTS COMMITTEE
DYDD LLUN, 8 MEHEFIN, 2015 at 2.00 o'r gloch		MONDAY, 8 JUNE 2015 at 2.00 pm
YSTAFELL BWYLLGOR 1, SWYDDFEYDD Y CYNGOR, LLANGFNFI		COMMITTEE ROOM 1, COUNCIL OFFICES, LLANGFNFI
Swyddog Pwyllgor	Mairwen Hughes 01248 752516	Committee Officer

AELODAU / MEMBERS:

Cadeirydd yr Ymddiriedolaeth/Chairman of the Trust
Is-Gadeirydd yr Ymddiriedolaeth/Vice-Chairman of the
Trust

T. Victor Hughes
Aled M. Jones

Ann Griffith
T LI Hughes
K P Hughes
G O Jones (Is-Gadeirydd/Vice-Chair)
H Eifion Jones (Cadeirydd/Chair)
R LI Jones
A M Jones
Alun W Mummery
Nicola Roberts
Dafydd R. Thomas

A G E N D A

1 DECLARATION OF INTEREST

To receive any declaration of interest by any Member or Officer regarding any items of business.

2 MINUTES (Pages 1 - 2)

To submit, for confirmation, the minutes of the meeting held on 20 May, 2014.

3 INVESTMENT MANAGEMENT

To submit, reports by HSBC Global Asset Management (UK) Limited.
(DOCUMENTS WILL BE AVAILABLE AT THE MEETING)

4 ITEMS LIKELY TO BE TAKEN IN PRIVATE

5 FUND MANAGEMENT CONTRACT ESTIMATES (Pages 3 - 4)

To submit a report by the Treasurer in relation to the above.

6 CONTRACT FOR AUDIT SERVICES (Pages 5 - 6)

To submit a report by the Treasurer in relation to the above.

Investments & Contracts Committee

Minutes of the meeting held on 20 May 2014

PRESENT: Mr. H. Eifion Jones (Chair)
Messrs. K P Hughes, R LI Jones, A M Jones and G O Jones

IN ATTENDANCE: Secretary,
Interim Head of Function(Finance)/Section 151,
Committee Officer (MEH).

APOLOGIES: Mr. Alun W Mummery, Mrs. Nicola Roberts and Mr. Dafydd Rhys Thomas

ALSO PRESENT: Mr. T. Victor Hughes – Chair of the Isle of Anglesey Charitable Trust

1 DECLARATION OF INTEREST

No declaration of interest received.

2 MINUTES

The minutes of the meeting held on 5 November, 2013 were confirmed.

3 INVESTMENT MANAGEMENT

Submitted – the HSBC Global Asset Management (UK) Limited Quarterly Report for the period up to the end of March 2014.

The Investment Management reported that the portfolio showed a return over the 12 month performance of +7.3%, against the benchmark of +5.5%. However over the last three months the portfolio has been slightly under the benchmark. The closing value of the fund on 19 May, 2014 was £17,214.934. Mr. Gareth Watts gave a brief report on the performance of the portfolio together with asset allocation, dividends and income from the investments.

He stated that there has been a gradual recovery in the developing world with returns from overseas emerging markets are strong. He referred to the tapering of Quantitative Easing in the US which did have an effect on the US financial markets in the beginning. Late May and June 2013 saw widespread weakness across markets due to fears that the Federal Reserve would begin tapering its quantitative easing programme sooner than anticipated. During this period almost all assets fell and cash was the only safe haven.

The UK interest rates are still at a record low and are likely to remain for the foreseeable future. Customer spending and confidence seems to remain subdued at present.

The Secretary stated that some Members of the Charitable Trust have raised the issue of ethical investments and questioned if the Investment Management has a policy framework in respect of ethical investments within portfolios. Mr. Watts responded that HSBC will always discuss and engage with companies before voting at general meetings. He stated that he would make available to the Charitable Trust the reports on HSBC ethical framework.

The Secretary further stated that a number of Members of the Charitable Trust have questioned if it was appropriate to spend some of the capital funding of the Trust as the performance of the portfolio at present is fairly good. The Chair stated that there is a need to review the benchmark of the

portfolio to attract a higher percentage dividend each year. He requested that HSBC should afford this Committee with figures of the dividends attracted by the portfolio over the last 10 years.

Following a question and answer session it was **RESOLVED :-**

- **To accept the report;**
- **That HSBC shall afford the Charitable Trust with their ethical framework as requested;**
- **That HSBC shall afford this Committee with figures of the dividends of the portfolio over the last 10 years.**

4 ADDITIONAL ITEM

ITEM TAKEN IN PRIVATE

REVIEW OF INVESTMENT MANAGEMENT

The Chair raised that it has been some years since a review had been undertaken in respect of the Investment Management of the Charitable Trust.

Following discussions it was **RESOLVED that the Secretary shall write to HSBC Investment Management to negotiate a review of the fee structure and the need to increase the benchmark of the Trust's.**

MR. H. EIFION JONES
Chair

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