

**HADRIAN TRUSTEES LIMITED**

**TRUSTEE FOR THE SHIPBUILDING INDUSTRIES PENSION SCHEME**

**THE SHIPBUILDING INDUSTRIES PENSION SCHEME ('SIPS')**

**BRIEFING NOTE FOLLOWING TRUSTEE BOARD MEETING**

A Meeting of the Board of Hadrian Trustees Limited took place on 9 December 2009.

The following subjects were discussed:-

**1. Trustee Board**

The Board approved the appointment of Gareth Parry of A & P Falmouth as an Employee Trustee Director as nominated by the CSEU.

The Board approved the appointment of Rowland Cooper (HR Director, BAE Systems – Submarines Solutions) as an Employer Trustee Director, and noted the appointment of Zara Loughrey (Reward Director, VT Group Services) following her appointment by the Employer Trustee Directors. There remains one vacancy on the Board for an Employer Trustee where a nomination is currently awaited from BAE Systems.

**2. Business Plan and Administration Expenses**

The Managing Director reported progress against the agreed Business Plan for 2009/2010. The Board received and noted details of administration expenses incurred in the six months to 30 September 2009.

**3. SIPS Risk Register**

The Board reviewed the current status of the SIPS Risk Register.

**4. SIPS Governance Document**

The Board carried out its annual review of the SIPS Governance Document, and approved the review of advisers in 2010.

**5. Investment Matters**

The Board received a report on the Investment Committee Meeting held on 17 November 2009.

As at 30 September 2009, the total fund value (excluding the US property investment in API, AVCs and current assets/liabilities) was £1,493 million.

Since the inception of the multi-manager investment arrangements in March 2001, the return on the Combined Equity and Bond Unitised Pools to 30 September 2009 was 4.3% per annum compared with the benchmark of 3.2% per annum.

**6. Audit, Accounts & Administration Matters**

The Board received a report on the AAA Committee Meeting held on 16 November 2009.

Details of Capita Hartshead's quarterly Administration Report were noted.

A data validation/integrity exercise has been carried out by Capita Hartshead and is in the process of being reviewed.

The Board noted the satisfactory results arising from the recent internal audit on Northern Trust's custodian services.

An agreed timetable is in place for the preparation of the 2010 year end Report & Accounts and Audit.

**7. SIPS Money Purchase Plan**

The Board received a report on the SIPS Money Purchase Plan following review by the Trustee's DC Working Group.

**8. Employer Covenants**

The Board received an update report from the Managing Director on Employer covenant and related issues.

**9. Actuarial Valuations**

The Board received a progress report from Hymans Robertson on the 2009 actuarial valuations. Discussions with the respective companies are continuing.

The Board considered the process and timetable for the forthcoming 2010 actuarial valuations, and discussions are to be held with the relevant IPEs.

**10. Rathbone Training Section**

The Board received a progress report on the buy-out of benefits under the Rathbone Training Section.

**11. Trustee Training & Training for LPC Members**

An outline Trustee training programme for 2010 was agreed. In addition LPC training sessions are to be held on 13 April (in Wetheral) and 28 April 2010 (in Fareham).

**12. Appledore Shipbuilders Section**

The Board received a status report on the winding-up of the Appledore Shipbuilders Section.

**13. Local Pensions Committee (LPC) Meetings**

The Board received a report on issues arising at recent LPC Meetings.

**14. Capita Hartshead Section**

The Board noted details of Capita's intention to close the Capita Hartshead Section to future benefit accrual during the middle part of next year.

**15. Date for next Board Meeting**

The next quarterly Trustee Board Meeting is to take place on 24 March 2010.

**Distribution:-**

**Trustee Directors  
Elaine Darroch, Capita Hartshead  
Murray McDowall, Capita Hartshead  
LPC Members (via Elaine Darroch)**

**MWB/SJK  
December 2009**