



**West
Northamptonshire
Council**

Investment Sub-Committee

Minutes of a meeting of the Investment Sub-Committee held at The Court Room, The Guildhall, Northampton, NN1 1DE on Tuesday 22 February 2022 at 4.00 pm.

Present Councillor Malcolm Longley (Chair)
 Councillor Graham Lawman
 Councillor Cathrine Russell
 Robert Austin
 Peter Borley-Cox

Also
Present: Chris West – MERCER
 Peter Gent - MERCER

Apologies
for
Absence: Councillor Charles Morton

Officers Richard Perry – Investment Manager, Pensions
 Tomasz Wardzala - Pension Services Financial Manager

40. Apologies for Absence

Councillor Charles Morton

41. Declarations of Interest

42. Minutes of the Previous Meeting

Minutes agreed as true record

43. Chair's Announcements

The Committee was advised that it was Richard Perry's last meeting with the Investment Sub-Committee.

44. Quarterly Performance Report for the period ending 31 December 2021

Chris West and Peter Gent from Mercer presented the report.

Longview's performance was below benchmark for the quarter but better by 1.5% over 12 months. It was understood that Longview had lost some clients but there was no urgency to disinvest. Another ACCESS authority had requested an additional growth equity sub-fund which in the future might be a potential substitute for Longview.

The Baillie Gifford Long-Term Global Growth (LTGG) fund had experienced extreme volatility and was behind the global benchmark by 9.4% in the quarter and by 15.8% over 12 months, however this was to be expected over shorter periods from this very concentrated mandate. The LTGG had still returned 44.7% (28.5% above benchmark) since the Fund first invested. It was noted that the Fund had reduced its position marginally by selling when values were at a peak.

Members discussed the results and asked Mercer whether they considered the performance to be satisfactory to which the response was yes, as the Fund continued to perform better than the long-term target return provided by the Fund's actuary of 3.9% per annum.

Councillor Malcolm Longley queried what was expected in the next quarter.

Chris West from Mercer advised that the start of the quarter had seen falling values for growth equities and that market conditions were more favourable for defensive stocks. Although the headline trailing inflation measure was higher than expectations it was the forward-looking market expectation of inflation over, say, the next 15 years that would impact the funding position. The main issue was how would Central Bank policy responded to the threat of increased inflation. The committee was informed that the geopolitical risks arising from the Ukraine situation would have an impact on short-term investment performance.

The report was noted by the committee.

45. **Exclusion of Press and Public**

The meeting closed at 6.20 pm

Chair: _____

Date: _____