



**West
Northamptonshire
Council**

Investment Sub-Committee

Minutes of a meeting of the Investment Sub-Committee held at The Jeffrey Room, The Guildhall, Northampton, NN1 1DE on Wednesday 21 September 2022 at 2.00 pm.

Present	Councillor Malcolm Longley (Chair) Peter Borley-Cox Councillor Charles Morton Councillor Graham Lawman Councillor Cathrine Russell Councillor Phil Bignell Peter Borley-Cox
Also Present:	Chris West, Mercer Ltd Peter Gent, Mercer Ltd Chris Murphy, BlueBay Tatjana Evans-Macleod, BlueBay
Apologies for Absence:	Robert Austin
Officers	Mark Whitby, Head of Pensions David Crum, Independent Advisor James Smith, Assistant Director - Finance (Strategy) Tomasz Wardzala, Pension Services Financial Manager Ben Barlow, Funding and Investment Manager Maisie McInnes, Democratic Services Officer

62. Apologies for Absence

Apologies were received from Robert Austin.

63. Declarations of Interest

Peter Borley-Cox declared a disclosable pecuniary interest as a member of LGPS. Councillors Phil Bignell and Graham Lawman disclosed personal interests as their wives are deferred members of LGPS.

64. Chair's Announcements

There were none.

65. Quarterly Performance Report for the Period Ending 22 June 2022

At the Chair's invitation, Chris West from Mercer presented the quarterly performance report. He highlighted the executive dashboard and explained that liabilities had fallen over the quarter in response to the unprecedented rise in inflation and interest

rates. The alternative portfolio was reported as 4% overweight, the listed equities and fixed income portfolio 2% underweight and the overall performance was -7.3% which was 1% behind the benchmark return. He explained that Baillie Gifford would be attending the meeting later and members would have an opportunity to question their underperformance over the quarter.

Members asked questions surrounding currency and the change in Mercer's view from overweight to neutral. Mercer responded that the fund did hold assets in other currencies and the pound weakening against the dollar did provide some benefit to the investments. The change in view reflected that the outlook on bonds and equities were less favourable but the outlook had improved in other areas. Members questioned the interest rate in the UK and Mercer stated that the expectation was that the base rate would go up to 4.5% and that it would remain high for longer, and the war in Ukraine would resolve some of the economic issues.

Mercer continued their report and explained that in terms of the asset allocation government bonds and equity showed underweight, DGF was underweight and private equity held up their value as it would take longer for the negative sentiment to come through. Quarter 3 so far had witnessed a bounce back in equity markets and a positive return across the board. He explained that a strategy review would take place shortly, as the market was volatile at the moment so the position could quickly change. Mercer summarised the fixed income portfolio and explained they would continue to monitor the situation which concluded their report.

RESOLVED: That the Investment Sub-Committee noted the quarterly performance report for the period ending 22 June 2022.

66. **Exclusion of Press and Public**

The Chair moved that the remainder of the meeting be held in private:

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph(s) 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

RESOLVED: Members agreed that the public and press were excluded from the remainder of the meeting and the Investment Sub-Committee moved into private session.

72. **Any Other Business**

There were no other items of business.

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The meeting closed at 4.05 pm

Chair: _____

Date: _____