

## Minute of Meeting Investment Review Board

Date	Time	Venue
Tuesday, 21 June 2022	09:30	Teams Meeting,

**Present:** Councillor Alison Ann-Dowling, Councillor Iain Nicolson, Councillor John Shaw

### In Attendance

A MacArthur, Director of Finance & Resources; C McCourt, Head of Finance & Business Services; R Conway, Finance Manager; G Boreland, Principal Accountant, Capital Accounting R Devine and P Shiach, both Senior Committee Services Officers (all Finance & Resources).

### Also in Attendance

K Kapitan, Investment Consultant Hymans Robertson LLP; and G Brisbane, abrdn Capital Limited.

### Recording of Meeting

Prior to the commencement of the meeting, the Convener intimated that this meeting of the Policy Board would be recorded and that the recording would be available to watch on the Council's website.

### Apologies

Councillors J Cameron and McGonigle.

### Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

## 1 **Minute of Previous Meeting**

There was submitted the Minute of the meeting of the Investment Review Board held on 17 November 2021.

**DECIDED:** That the Minute be approved.

## 2 **Investment Review Overview**

There was submitted a presentation by the Head of Finance & Business Services relative to the operation of the Investment Review Board and the management of the Common Good Funds.

The presentation provided information on the frequency of Board meetings; details of the three funds, namely Renfrew, Paisley and Johnstone Common Good funds; investment principles; the investment manager and investment adviser; and governance and reporting.

The Head of Finance & Business Services was then heard in answer to questions from members on the content of the presentation.

**DECIDED:** That the presentation be noted.

## 3 **Information Session**

There was submitted a presentation and briefing by K Kapitan, Hymans Robertson LLP, regarding the Renfrewshire investment portfolios and the current economic situation.

Mr Kapitan made reference to themes for 2020 and 2021; the ongoing pandemic and resultant market volatility. The four main themes identified were soaring inflation; the conflict in Ukraine; hawkish banking policy; and the ongoing pandemic.

He indicated that inflation had increased dramatically, with a rate of 9% in April 2022 expected to rise to 11% or 12% before the end of 2022. This rise in inflation was reflected in similar rises in Europe and the United States of America. Rising oil and gas prices had continued to rise in 2022, partially as a result of the conflict in Ukraine together with commodities including wheat, aluminium and copper from those markets.

In terms of market returns, the presentation highlighted a comparison between 2021 and 2022 on the key asset classes broken down by category. In the UK, the energy markets had been more resilient as a result in the rise in oil and gas.

The presentation also referred to UK inflation by item breakdown referring to a “basket of goods” used to monitor rises in inflation. In August 2021 inflation had been approximately 3.2% In April 2021, with 23% of the items in the basket above the inflation rate. By April this had risen to 63% of items.

K Kapital provided information on central bank policy; bond markets, which had had one of the worst starts to the year in decades; credit markets; and equity markets including value and growth stocks.

**DECIDED:** That the presentation be noted.

#### 4 **Paisley and Renfrew Common Good Funds and review of investment and income performance**

There was submitted a report by the Director of Finance and Resources together with a presentation by K Kapitan from Hymans Robertson LLP, relative to the Paisley and Renfrew Common Good Funds, a review of investment income and the key issues pertaining thereto. G Brisbane, Head of Charities (Scotland) abrdn (formerly Aberdeen Standard Capital Limited) also provided a presentation relative to the Paisley and Renfrew Common Good fund investments performance.

The presentations referred to a review of the Investment Managers' performance for the six months to 31 March 2022; the market background; valuation and performance of the funds; a commentary on the performance of the funds including concerns over central bank tightening and exposure to bonds; performance against targets; asset allocation; and an explanation of performance calculations detailed in appendix 4 to the presentation.

**DECIDED:** That the report and presentations be noted.

#### 5 **Date of Next Meeting**

**DECIDED:** That it be noted that the next meeting of the Investment Review Board was scheduled for Wednesday 16 November 2022 at 11.00 am