

Investment Committee meeting notes 13/09/23

In attendance: David Loudon (Chair), Alison Hope, Jim Marshall, Vic Southwell, Karen Drury (Chair of Trustees)

Investment Performance – Sarasin currently performing slightly below the benchmark, but overall markets have remained relatively stable and there has been little movement in the value of the fund. Current target is 4% + inflation and we need to look at other options with a higher percentage to increase annual income. Sarasin do have a 4.4% fund which Ruadhri has been asked to send information about.

Investment Policy - Sarasin have changed their asset allocation strategy, and this will need to be updated on the Investment Policy. The Investment Policy is due for review, and this will also need to reflect the change in approach to spending more on grants than current income. The Investment Policy should also include reference to our interest in social investing potentially at some point in the future.

The new guidance from the Charity Commission post the Butler-Sloss case should also be referred to.

In terms of the Trustees thinking about ESG issues as part of an Investment Policy/strategy it was suggested that more information about Sarasin's Climate Active Endowment Fund be requested. *VS to contact Ruadhri to ask for more information.*

Cashflow and income – VS shared some draft figures of cash flow up until 31/10/25 based on expected grant expenditure and running costs. Based on current income levels we will need approximately £370,000 additional income by 31/10/24 and £610,000 by 31/10/25 additional income to meet our commitments.

£167,000 was transferred from the Liquidity account at the end of August to meet current expenditure commitments. It was agreed that this would be discussed with Sarasin at the meeting in October 23. For the October 24 shortfall cash in the portfolio can be drawn down on (this is around £500,000 currently). *VS and JM to continue working on the cash flow.*

It was acknowledged that the current Reserves Policy would not be met based on the balance that is forecast for 31/03/24 so a new Reserves Policy should be considered that carries a lower level of expenditure. JM suggested that 6 months running costs and 3 months of grant commitments felt like a reasonable amount. *VS and JM to look at the policy and aim to bring a proposal to Trustee meeting on 07/12/23.*

Audit – JM has seen the auditor's draft set of accounts and the report is currently being finalised by KD and VS. The Annual Report will be ready to sign off at the October Trustee meeting on 19/10/23.

Bank Account – VS currently looking at applying for a new account with Lloyds. JM confirmed that he had no concerns about opening an account with them.

Beauty Parade – It was agreed that this would take place in the first quarter of 2024. A discussion took place about who to invite and whether a consultancy firm should be used to manage the process. It was agreed that it was good practice to have some distance when choosing investment bankers and so Independent Investment Review will be approached about who to invite and asked to manage the process. The undertook a review of Sarasin in 2021 and did a good job. Some of the obvious firms to approach include Black Rock, Shroeders, Rathbones, evelyn partners, CCLA, Ruffer and Close Brothers. Sarasin will also automatically be invited. *DL to contact IIR to discuss.*

AOB – Quilers have their annual charity webinars coking up and details of these and links to them will be uploaded to the website in the Investment Committee area.