

Agenda item 6

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

INVESTMENT COMMITTEE – 15 APRIL 2024

REPORT BY THE TRI-BOROUGH DIRECTOR OF TREASURY AND PENSIONS

MERCER - INVESTMENT ADVISOR UPDATE

The purpose of this report is to introduce the investment advisor's presentation which includes details of recent market events, the opportunities in the current market, and a general quarterly update.

FOR INFORMATION

1. BACKGROUND

- 1.1 This report and associated appendix provide a summary of key trends and challenges for consideration by the Investment Committee.

2. MERCER UPDATES

- 2.1 Mercer will attend and provide an oral update at the Committee meeting.
- 2.2 Supplementary papers from Mercer are included in the pack that round-up the recent market activity and performance. Discussions include:
- **Next Steps on Consultation government response:** Introduction of Comply/explain pooled assets. Levelling up and private equity targets and next steps.
 - **2025 valuation preparation:** Funding improvements and challenges.
 - **Climate Action 100 Update** – An update from Climate Action, an investor-led initiative who engage collaboratively with the world's largest corporate greenhouse gas emitters.
 - Baillie Gifford Updates - Recent team changes, and research report.

FOR INFORMATION

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LIST OF APPENDICES:

Appendix 1: LGPS Current Issues – February 2024

Appendix 2: Climate Action News Update

Appendix 3:

Baillie Gifford - Annual Changes to the Partnership and other Team Changes (Exempt)

Appendix 4:

Baillie Gifford Global Alpha Research Report 2023 (Exempt)