North Yorkshire County Council

Pension Fund Committee

Minutes of the meeting held on 5 March 2021 held as a live broadcast meeting commencing at 10 am.

Present:-

County Councillors John Weighell OBE (Chairman), Michael Chambers MBE, Cliff Lunn, Don Mackay, Patrick Mulligan, Andy Solloway, Helen Swiers and Angus Thompson.

Councillor Jim Clark - North Yorkshire District Councils.

Councillor Christian Vassie - City of York Council.

David Portlock - Chair of the Pension Board.

Brian Hazlehurst – UNISON retired members - observer

Copies of all documents considered are in the Minute Book

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198. Welcome and Introduction

The Chairman welcomed everyone to the live broadcast meeting of the Pension Fund Committee held remotely under The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 and introduced those present.

199. Exclusion of the Public and Press

Resolved –

That on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, the public was excluded from the meeting during consideration of agenda items: 2 – Confidential Minutes only; 5 – Death Grant; 11 – Investment Strategy Review (appendix 1 only).

200. Minutes

Resolved -

That the Minutes of the meeting held on 27 November 2021, and the Confidential Minutes of the meeting held on 27 November 2021 were confirmed and would be signed by the Chairman as a correct record at the first available opportunity.

The Confidential Minutes of the meeting held on 27 November 2021 were not discussed, therefore, the public and press were not excluded.

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201. Declarations of Interest

There were no declarations of interest.

202. Public Questions or Statements

The following public questions / statements were submitted to the meeting:-

Dr. Margaret Jackson on behalf of Fossil Free North Yorkshire

Since we last met more large institutions have taken their money out of fossil fuels:

BlackRock, the world's largest money-management firm
National Employment Savings Trust -in coal, tar sands and Arctic drilling
Norwegian Sovereign Wealth Fund- $1 trillion
Sweden's pension fund AP2 $43 billion
Lothian Pension Fund
New York state pension fund $226 billion
Cambridge University $4.5 billion
Oxford University $3.7 billion
Lloyds of London
all six major U.S. banks divested from Arctic drilling
New York City, London and 10 other big cities holding more than $295 billion in combined assets
The Welsh Parliament

Globally $14.56 trillion is committed to divestment!

- Fossil fuel values have crashed- the global oil sector has written down $100 billion of assets over the last year

- S&P Global downgrades Exxon and Chevron on climate risk1 –
'Exxon last year slashed spending on new projects by nearly a third and outlined plans to cut up to 15% of its workforce, but its debt rose by $21 billion due to expenses and restructuring'

- UK Public Pensions have lost £2 billion on oil investments in the last 4 years.2
The combined investments by 56 local government pension funds into nine leading oil companies, including BP and Royal Dutch Shell, collapsed by half from £3.6bn to £1.8bn between April 2017 and November 2020.
* The largest losers were pension funds from Greater Manchester (£375m), West Yorkshire (£211m) and Nottinghamshire (£81m).
* For Greater Manchester Pension Fund, this wiped out 2.2% of the total fund value, equivalent to over £1,000 per pension member. West Yorkshire lost £740 per member, and Nottinghamshire £1,070.

- NYCC pension fund's current exposure:
  - total fund value- 3,543,115,024
  - Fossil fuel exposure- 72,900,367
  - % fund in fossil fuels- 2.06%

- On engagement:
It is clear from NYCC PF's Investment Strategy Statement3 that to quote: "The Fund retains responsibility for determining the investment strategy and asset allocation and delegates manager selection to the Pool. This ensures that the fiduciary duty and democratic responsibility of the Fund can be maintained, whilst facilitating the delivery of cost benefits through scale."

The Investment Strategy goes on to describe its commitment to ESG factors as a necessary component of fulfilling its fiduciary duty and states that "Engagement with company management and voting behaviour are integral to investment processes."
Both NYCC PF and BCPP place engagement at the centre of their ESG policies despite there being no evidence that such an approach has ever been successful in persuading an oil or gas major to transition away from oil/gas.
Evidence shows that engagement can work but not when a company is being asked to change its core business model.
The Fossil fuel industry does not possess the know-how and expertise in clean energy-history shows us that innovations do not originate from companies using old technology or products (e.g. Kodak)
Why do investors believe so strongly that fossil fuel companies are well placed to become renewable energy experts? - transforming a Fossil Fuel Company is harder than starting up a new renewable energy venture. So why would a smart investor bet money on a "fossil trying to change", that will have to deal with a company culture, retraining, lay-offs, writing off costs of obsolete assets and practices that were developed for the fossil fuel era of the 20th century, when this money could be invested in a New Energy focused start-up unhindered by such deadweight?
The early part of transitioning is a form of diversification. Diversifying is great when it does not compete with one's core business. Why would a company decisively move to produce and sell products in direct competition with its core business?
A study published by the Financial Times last October4 undertaken as a partnership between the London School of Economics and investors that manage $21tn in funds, concluded that "No major oil, gas or coal company is on track to align their business with the Paris climate goal of limiting the global temperature rise to well below 2°C by 2050".

- Investing in fossil fuels no longer makes economic sense and compromises the Pension Fund's fiduciary duty:
  To quote Mark Campanale, Founder & Executive Chairman of Carbon Tracker:
  "As fossil fuel valuations have tanked and there's been a collapse in the valuation of utility companies focussed on fossil fuels, investors have suddenly sat up and said, 'Oh, I thought this was an ESG issue, but it's really an investment issue"

Questions

1. What evidence do you have that engagement with fossil fuel companies in terms of persuading them to reduce fossil fuel production has been effective?
2. In the minutes of the Pension Fund Committee meeting of 3 July 2020 it is stated that: "In extreme situations divestment could be appropriate, if it is believed that a company is failing to adequately address the risks it faces"-

a. What specific criteria does the fund apply to assessing the success or otherwise of engagement?
b. What specific time-lines does the fund apply in determining the success or otherwise of engagement?

3. We know that the transition (towards renewables) is happening: what measures has the NYCC PFC put in place in terms of financial performance benchmarks and decarbonisation goals, in acknowledgement of this reality?
4. What measures does the committee take to interrogate its funds as to their exposure to fossil fuel investments?

Max Truelove

- Introduction
- Statement about importance and urgency of climate change, for the world and our region
- Not all doom and gloom, the low carbon transition offers a vast amount of opportunity

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- In January, Border to Coast co-signed a letter to the Prime Minster detailing the role of pension funds in helping to fund the low carbon transition
- Fossil Free North Yorkshire is pleased with Border to Coasts recent announcement of investment into a few infrastructure funds with a low carbon focus, however, note that this is still a tiny proportion of the pooled funds £45bn of assets
- Moreover, in 2020, three London pension funds joined together to create a local green infrastructure fund, helping reduce emissions alongside creating local high skilled jobs, 'good' local economic growth
- Does the committee agree with our view that a portion of the funds £73m fossil fuel investments could be better invested in a local green infrastructure fund, creating local jobs, sustainable growth and a positive return on investment to pension holders, rather than investing in failing global oil supermajors?
- Furthermore, have the fund assessed the potential of various UK debt instruments such as Green Gilts and Green Municipal Bonds, all of which are expected to hit the market in 2021, that also offer an opportunity to directly finance green projects whilst providing a return on investment?
- Finally, I would like to thank the fund for the response to my FOI request into how much FF investments have gone down in Q1 2020. The example of Shell was given as an example a company investing in renewable energy; however, Shell is still planning on investing 4 times as much in new oil projects than renewables and spending millions a year lobbying against climate change, does this seem like a company like taking the climate emergency seriously?

The Chairman thanked Dr Jackson and Mr Truelove for their contribution to the meeting and their enthusiasm on this issue, which was echoed by another Member. It was noted that the issues raised were being considered and would be discussed later in the meeting. The Chairman noted some inaccuracies in the statements and stated that the current value of the NYPF was £4.5bn and the current level of investment in fossil fuels was around 0.7%.

203. Death Grant

Resolved –

That this item be deferred for consideration at a subsequent meeting to allow further information to be obtained.

204. Business Plan and 2021/22 Budget

Considered -

The report of the Treasurer on the following:

(i) To report on the progress made against the key NYPF business plan activities identified for 2020/21.

(ii) To approve the draft NYPF Business Plan for 2021/22 – 2023/24.

(iii). To approve the draft 2021/22 NYPF Budget.

The report highlighted the following:-

- The progress made on the 2020/21 Business Plan
- Details of the draft Business Plan 2021/22 to 2023/24, including a "plan on a Page" summary.

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- The draft 2021/22 budget for the cost of running the Fund totalling £33.9m, including one off transition costs and notable changes to the budget figures from the 2020/21 budget.
- The Fund's investments, referred to in the report, would gradually be changed to reflect the Committee's Investment Strategy that would be agreed later in this meeting.
- Members paid tribute to the hard work and dedication of the NYPFs officers, especially during the pandemic lock-downs, and requested that the Committee's thanks be recorded in the minutes. The Chairman noted that this would be the final meeting for Amanda Alderson, and thanked her for the extensive work she had undertaken on behalf of the Fund, and, in particular the liaison with BCPP. He noted that she would be moving into a similar role within NYCC. Members echoed the comments of the Chairman. Amanda's replacement, Qingzi Bu, was introduced to the Committee.

Resolved –

(i) That the progress made against the 2020/21 NYPF Business Plan be noted

(ii) That the draft 2021/22 NYPF Business Plan be approved.

(iii) That the draft 2021/22 NYPF Budget be approved.

(iv) That Officers of the NYPF be thanked for the work undertaken on behalf of the Fund, particularly during the pandemic.

(v) That Amanda Alderson be thanked for her service to the Committee.

205. Budget/Statistics

Considered -

The report of the Treasurer on the current position for the 2020/21 budget - cost of running the Fund and the three-year cash flow projection for the Fund.

The latest forecast outturn position against the 2020/21 budget showed an anticipated expenditure for the year of £31.5m, an overspend of £1.4m over the original budget. The report provided details of how the increase had arisen.

The cash position of the Fund was presented and highlighted the projected cashflows of the Fund over the three-year period 2020/21 to 2022/23. The forecast for employer contribution income has been revised across the three years to take account of increases in inflation uplift, an increase in employee numbers and the revised assumption that the higher elective contribution rate for the employer NYCC will continue in 2021/22 and 2022/23. The updates in the cashflow forecasts had resulted in surplus positions in the overall cash position now being projected for 2020/21 and 2021/22. Due to the volatile nature of some of the income and expenditure incurred by the Fund, an element of fluctuation in the overall cashflow position was to be expected.

The following issues and points were raised during a discussion of the report:-

- A Member noted that the previously predicted cashflow negative position was yet to materialise and wondered whether this would be an issue soon. It was stated, in response, that it had been anticipated that the Fund would be in a cashflow negative position much sooner than was now thought, however this had not happened, and was not expected to in the short term. Going forward, should the Fund find itself in a negative cashflow position, a plan was in place

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to effectively manage this. It was noted that a number of other Funds were in this position and were able to operate appropriately and effectively.

Resolved –

That the contents of the report be noted.

206. Pension Administration Report

Considered -

The report of the Treasurer providing Members with information relating to the administration of the Fund in the quarter and updating on key issues and initiatives which impact the administration team, including the following:-

Admission Agreements and New Academies

Administration

Membership Statistics

Throughput Statistics

Performance Statistics

Commendations and Complaints

Annual Benefit Statements 2020

Issues and Initiatives

GMP and Pensioner Data Reconciliation

Breaches Policy & Log

Administration System Project

Other Key Projects

McCloud

CIPFA Benchmarking Return 2019/2020

Member Training

Meeting Timetable

The following issues from the report were highlighted:-

- A number of major projects were currently underway, which had an effect on the target figure for work achieved during the reported Quarter, however, it was emphasised that payments were being made effectively.
- The number of complaints had fallen significantly during the period while commendations were up

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- In terms of the ABS, over 99% had been issued for 2020, which was over 30k.Work had now commenced on preparing the 2021 ABS.
- The GMP and Pensioner Data Reconciliation projects were both nearing completion and the data would then be fed into the system for processing, with those affected being contacted in relation to pension reductions (over £5) and arrears being paid. Figures would be reported to the Committee at a subsequent meeting.
  A Member stated that he was surprised to see the numbers of staff rising during the pandemic. In response it was considered that this could be due to people moving into alternative roles during the pandemic, or, more likely, as this highlighted the 3rd Quarter, it related to staff within schools returning to work.
- Details of the nature of two recent data breaches were outlined, together with the action that had followed in relation to those. The Chairman of the Pension Board stated that the breaches had been discussed at the January meeting of the Board, with some follow up discussions having taken place following the meeting, and it had been decided that the recommendation to the Pension Fund Committee was that neither breach should be referred to the Pensions Regulator. The Treasurer welcomed the reports and the recommendation of the Pension Board, emphasising that the culture of the Fund for openness and transparency was clearly demonstrated by this process.
- A Member noted that the attendance at meetings details within the report were inaccurate. It was stated, in response, that these would be altered to reflect his attendance.
- The Administration System project continued to progress satisfactorily. The testing of the systems had commenced with good results. It was expected that this would ease the burden on year end process as data would be fed in throughout the year.
- The migration to the new Pensions Administration Software to encompass an integrated system was expected to take place in March, with this then tested to ensure it was operating effectively.
- In respect of the McCloud judgement data collection was expected to take place in the first quarter of the coming year, with a third party operator undertaking this on behalf of the NYPF..
- The £95k Cap, as reported at previous meetings, had now been disapplied by the Government due to significant issues arising and legal challenges having arisen. It was noted that the premise of the Cap had not been discounted and it was likely that this would return in some form at a later date. No member of the NYPF had been affected by the regulations whilst they had been applied.
- It was noted that the Meetings timetable currently showed a Committee meeting on the 28th May 2021, however, it was requested that the meeting be rescheduled to take place on Friday 4th June 2021 at 10am, with a workshop meeting arranged for Thursday 3rd June 2021.
- Details of the CIPFA benchmarking process were provided, which indicated that the NYPF administration function was provided at a low cost in relation to comparator Funds. Members congratulated the Administration Team for the excellent service they have been providing to the Fund, and the value for money demonstrated.
- The Treasurer stated that consideration was being given to developing a series of “in-house” training events following the recent success of the ‘Introduction to the LGPS’ session. He stated that these would be developed in response to requests from Members and would be delivered jointly with Members of the Pension Board, where appropriate.

Resolved –

(i) that the contents of the report be noted;

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(ii) that the contents of the Breaches Log be noted and the breaches highlighted are not referred to the Pensions Regulator;

(iii) that further consideration be given to the development of an "in-house" training programme;

(iv) that the Meeting of the Committee scheduled to take place on 28th May 2021 be rescheduled to 10am on Friday 4th June 2021, with the corresponding workshop taking place on 3rd June 2021.

207. Performance of the Fund

Considered –

Report of the Investment Consultants, AON, providing details of performance and asset allocation information for the Fund along with a background to the investment markets during the third calendar quarter of 2020.

The following issues were highlighted:-

- The Fund assets increased in value by over £300m to £4,517.0 over the fourth quarter of 2020 in a very strong performance by the Fund's investments.
- In relative terms, the Fund outperformed the composite benchmark by 2.6% over the quarter, returning 7.6% in absolute terms.
- The overall absolute performance of the Fund's assets was 7.6% over the fourth quarter of 2020, compared to the benchmark return of 5.0%.
- The composite benchmark was a weighted average made up of the individual manager benchmarks.
- The Fund outperformed its composite performance benchmark by 9.7% over the past 12-month period and by 4.3% per annum over the 3-year period to 31 December 2020.
- No rebalancing was considered necessary.
- The performance of the various Fund Managers, and the investments managed within the BCPP were outlined.
- Issues discussed included the property portfolio; the strong stock selection of Baillie Gifford; the good performance of Dodge and Cox and Newton.

Members discussed the appended documents and the following issues and points were raised:-

- A Member raised concerns regarding the poor performance of the property portfolio. In response it was stated that the property markets had struggled due to COVID, and also in the UK due to Brexit. Consideration was being given to a more global focussed property portfolio, going forward, and BCPP were in the process of investigating this.
- It was clarified that a number of investments with BCPP were expected to gain value in the long term, therefore, it was too early at this stage to determine how they were performing.
- It was noted that the equity protection that is currently in place showed a large negative return due to the equity investments performing well, and due to this there had been a significant increase in the value of the Fund.
- The performance of value stock managers against growth stock managers was discussed in relation to previous performance and current performance. It was noted that value stocks had seen a recent upsurge, hence their improved performance.

Resolved –

(i) that the contents of the report be noted.

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208. Pension Board – report back by Chair on the meeting held on 14th January 2021

Considered -

A verbal update by the Chair of the Pension Board.

The Chair of the Pension Board, David Portlock, summarised the discussions at the meeting held on 14th January 2021 highlighting the following:

- A vacancy for a Scheme Member representative on the Pension Board remained despite ongoing attempts to fill this. Every effort would continue to be made to fill this.
- There was still very little direct communication between Pension Boards and BCPP. The Treasurer and NYPF officers were ensuring that information from BCPP was being provided, but direct communication would be welcomed and would assist efficiency and effectiveness.
- The Hymans Robertson report in relation to the governance of the LGPS had been delayed due to the pandemic, however, progress was now beginning to be made with recommendations submitted to, and approved by, the Scheme Advisory Board. The recommendations had now been submitted to the MHCLG and further details on their response to this will follow shortly.
- The various Codes of Practice currently in place are under consideration with a view to developing a single Code.
- The breaches discussed earlier at today's meeting had been considered by the Board, as outlined.
- Details of Internal Audit reports continue to be fed into each meeting of the Board. Audit's continued to be progressed and updates would be provided on how these have developed at subsequent meetings.
- Training is a standing item on Board agendas and the plans for joint training sessions for Members of the Committee and the Board, stated by the Treasurer earlier in this meeting would be welcomed.

Resolved -

That the the details of the meeting outlined be noted.

Appendix A of Minute No.196 was considered as a private item (see Minute No. 199, above). However, there was very limited discussion on that specific document, therefore, it was not necessary to provide a confidential minute.

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209. Investment Strategy Review

Considered -

The report of the Treasurer to the Fund regarding the following:-

(i). To recommend a new investment strategy for the Fund.

(ii). To recommend commitments to Border to Coast's infrastructure and private credit funds.

(iii). To ask for delegated authority to be given to the Treasurer and Chair of the Committee to make the final decision on investing in Border to Coast's Multi Asset Credit fund, should it remain within the Fund's investment strategy.

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(iv). To update Members on the equity protection and currency hedging positions.

The New Investment Strategy

The Treasurer stated that, following the November 2020 Meeting of the Committee, Members had embarked on a series of Workshops to determine a new Investment Strategy for the Fund. Assistance with the process was provided by the Fund's Investment Advisers and NYPF officers. The aim of the Strategy was to maximise investment potential for growth while protecting the funding position and reducing risk.

The proposed asset allocation for the new Strategy was:-

Equities – 50%
Infrastructure – 10%
Property – 7.5%
Private Credit – 5%
Multi Asset Credit – 5%
Corporate Bonds – 7.5%
Gilts – 15%

It was expected that this provide an appropriate return, in line with the Triennial Valuation assumptions and would reduce the risk from the current Strategy.

Members thanked those involved for their assistance in developing the new Strategy, which was considered to be an effective and sensible approach. A Member, while welcoming the new approach, considered that it would be appropriate to for new investments to take account of new challenges, and move towards the development of green infrastructure.

The Treasurer thanked Members for their hard work in assisting with the development of the new Strategy and for their robust debate during the process.

Options for new investments with BCPP – Private Credit and Infrastructure

The Committee had decided that all new investments should be made through Border to Coast, where suitable opportunities are available, including private markets, where Border to Coast had a programme comprised of separate investment funds in private equity, private credit and infrastructure. The Fund's Investment Strategy included allocations to private credit and infrastructure, but not to private equity.

Due to the nature of private markets investments it was not possible to quickly allocate money and achieve target allocations, therefore, periodic commitments must be made over a number of years to gradually build up the allocations. Once the targets had been reached, further commitments must be made to maintain the values of the investments at or around the target levels.

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The Fund's private credit and infrastructure programmes were in the process of being built up towards the targets but there was a long way to go.

The first quarter of each calendar year provided an opportunity to make new commitments to the BCPP private markets programme.

Extensive details of the Fund's current commitment, the desired investment levels, the expected progress of those investments and their compatibility with the new Investment Strategy for both private credit and infrastructure were provided in the report.

Decisions were required for the commitment levels for both private credit and infrastructure for 2021. Decisions on commitments for later years would need to be made in the first quarter of each year.

During a discussion of these investments the following issues were highlighted:-

- The process was complex and would be difficult to undertake as a Committee as meetings would need to be held as investments were required, therefore, it was more beneficial to allow officers to manage this. It was noted that BCPP would call on investment commitments as and when these were at their most opportune.
- A Member referred to the BCPP Infrastructure portfolio and noted the current investments in fossil fuels. He suggested that an approach be made to BCPP to request that an equivalent investment ne made into green infrastructure and renewable energy. In response it was emphasised that BCPP were aware of the type of investment that the NYPF would like from the financial commitment provided, and would enable those investments where possible, but currently they were limited to what was available. Going forward, it was expected that a significant proportion of the investments would be in green infrastructure. The Member acknowledged the position highlighted and suggested that a proactive approach should be developed with BCPP to inform them of potential green infrastructure investments. He also emphasised that he was not demanding a disinvestment in fossil fuels but would like to see an equivalent amount invested in green investments. In response it was stated that discussions were planned, with BCPP, in relation to the commitment to infrastructure and what the Fund aimed to achieve, but it was emphasised that BCPP had to meet the challenge of the investment requirements of all the Funds.

Multi Asset Credit

At the November 2019 meeting the Committee decided to invest in BCPPs Multi Asset Credit (MAC) fund, subject to further due diligence being satisfactorily completed. The decision was made at a time when PIMCO had been appointed as the core

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manager of the MAC fund, but the managers of the satellite sleeves were still to be appointed.

In the interim the Fund had transferred money into PIMCO's Diversified Income Fund, with a view to the money being invested with Border to Coast in due course, with the investment worth £198 million, 4.4% of the total value of the Fund. As the launch of the MAC fund was still some way off, this has been a useful option to help with de-risking out of equities.

Aon had been commissioned to do a final piece of due diligence, which was appended to this report as a confidential appendix. Members noted the content of the appendix, and the discussion of that did not warrant a separate, confidential minute. Aon's conclusion was that there were no major concerns to going ahead with investing in Border to Coast's MAC fund.

Members were asked to give delegated authority to the Treasurer in consultation with the Chair of the Committee to make the final decision for the assets to be transferred to ensure that a decision could be made immediately prior to the transfer, based on a final assessment being made at the time assets were to be transitioned, which is unlikely to coincide with a Committee meeting. Should any issues come to light in the interim they would be raised at intervening meetings.

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Equity Protection

At the November 2020 Meeting Members decided to allow the equity protection in place to January 2021 to come to an end, rather than be renewed. A decision on the July 2021 tranche of protection would be made at a subsequent meeting.

Following the expiry of the first tranche of protection, the collateral requirements were reassessed to ensure that a sufficient level would be retained for the remaining equity protection. £45 million of collateral, in the form of gilts and index linked gilts was available for redeployment to the Fund's other managers. The intention was to move the assets to be actively managed by one of the other managers of the Fund, once the Investment Strategy Review had been completed. It was considered appropriate that these be moved to the BCCP Corporate Bond Fund, in line with the new Strategy.

A Member highlighted the issue of losses made by having equity protection in place during the previous quarter, noting that should this have been invested with M and G, part of the collateral to be utilised to fund the Corporate Bond investment, this would have gained value, substantially. He raised concerns regarding the continuance of any equity protection.

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In response it was reiterated that the protection had been held as an insurance against falls in equities, however, as they had risen extensively over the quarter, the protection was not utilised and, therefore, did not produce any gains. Should equities fall in the next quarter then this position would be reversed. It was noted that there would be further consideration of the remaining equity protection at a subsequent meeting.

Members discussed this issues raised and concurred with the conclusion that the funds highlighted be moved to the BCCP Corporate Bond Fund.

Currency Hedging

In September 2020 currency hedging was implemented through Legal and General and was set up in the same investment vehicle which houses the equity protection arrangement. This was intended as a temporary measure to help manage the risk to Sterling of a hard Brexit, as well as the risk that the UK economy struggled to recover over the medium term. Details of the various trigger points and levels for currency hedging were set out in the report.

The Government had been able to negotiate a Brexit deal with the EU and as currency hedging was intended to be a short term tactical response to specific circumstances, its appropriateness would be periodically reviewed, with the intention of removing it, if it was considered that the reasons to maintain it were no longer strong enough.

There would be a further opportunity to review currency hedging, at the next meeting of the Committee.

Resolved:-

(i) That the asset allocations of the new investment strategy of the Fund be designated as follows:-

Equities – 50%
Infrastructure – 10%
Property – 7.5%
Private Credit – 5%
Multi Asset Credit – 5%
Corporate Bonds – 7.5%
Gilts – 15%

(ii) That a commitment to invest in BCPPs private credit and infrastructure programmes be confirmed, and further consideration be given to the nature and level of the investments following enhanced

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discussions with BCPPs relative investment teams, based on the allocations to these investment classes in the investment strategy.

(iii) That delegated authority be given to the Treasurer, in consultation with the Chairman and Vice-Chairman of the Committee to make the final decision on investing in Border to Coast's Multi Asset Credit fund.

(iv) That the funding released from the equity protection allowed to lapse in January 2021 be invested into BCPPs Corporate Bond Fund.

(v) That the current position on currency hedging be noted and a further report be brought to the next meeting of the Committee.

210. Such other business as, in the opinion of the Chairman should, by reason of special circumstances, be considered as a matter of urgency

A Member raised concerns regarding proposed salary rises for Executive positions at BCPP. He considered this to be inappropriate considering the current economic circumstances and the proposal for a wage freeze in the public sector. Members echoed the concerns expressed. It was stated that the issue would be raised at the next meeting of BCPPs JCC.

The meeting concluded at 12.25pm.

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