DERBYSHIRE
County Council

FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

PENSIONS AND INVESTMENTS COMMITTEE

8 December 2021

Report of the Director of Finance & ICT

Investment Report

1. Purpose

1.1 To review the Fund's asset allocation, investment activity since the last meeting, long term performance analysis and to seek approval for the investment strategy in the light of recommendations from the Director of Finance & ICT and the Fund's independent external adviser.

2. Information and Analysis

2.1 Report of the External Adviser

A copy of Mr Fletcher's report, incorporating his view on the global economic position, factual information for global market returns, the performance of the Fund and his recommendations on investment strategy and asset allocation, is attached as Appendix 2.

2.2 Asset Allocation and Recommendations Table

The Fund's latest asset allocation as at 31 October 2021 and the recommendations of the Director of Finance & ICT and Mr Fletcher, in relation to the Fund's new final strategic asset allocation benchmark, which comes into effect on 1 January 2022, are set out on page 3.

The table also shows the recommendations of the Director of Finance & ICT, adjusted to reflect the impact of future investment commitments. These commitments (existing plus any new commitments recommended in this report) relate to Private Equity, Multi-Asset Credit, Property and Infrastructure and currently total around £365m. Whilst the timing of drawdowns will be lumpy and difficult to predict, the In-house Investment Management Team (IIMT) believes that these are likely to occur over the next 18 to 36 months.

	Benchmark		Fund Allocation	Fund Allocation	Permitted Range	Benchmark Relative Recommendation		Recommendation (1)		Adjusted for Commitments (2)	Benchmark Sterling Return	Benchmark Sterling Return
	Intermediate (1)	Final (1)	31/7/21	31/10/21	Final (1)	AF 8/12/21	DPF 8/12/21	AF 8/12/21	DPF 8/12/21	DPF 8/12/21	3 Months to 30/9/21	3 Months to 31/10/21
Growth Assets	**56.0%**	**55.0%**	**57.4%**	**57.2%**	**+/- 8%**	**-**	**-**	**55.0%**	**55.0%**	**56.0%**	**n/a**	**n/a**
UK Equities	14.0%	12.0%	15.0%	14.7%	+/- 4%	-	+1.0%	12.0%	13.0%	13.0%	2.2%	3.5%
Overseas Equities:	38.0%	39.0%	38.4%	38.1%	+/- 8%	-	(1.0%)	39.0%	38.0%	38.0%	n/a	n/a
North America	6.0%	-	6.2%	5.7%	-	-	+1.5%	-	1.5%	1.5%	2.6%	6.5%
Europe	4.0%	-	4.3%	3.7%	-	-	+0.5%	-	0.5%	0.5%	0.6%	2.5%
Japan	5.0%	5.0%	4.7%	4.8%	+/- 2%	-	+0.5%	5.0%	5.5%	5.0%	7.0%	3.6%
Pacific ex-Japan	2.0%	-	1.9%	1.9%	-	-	+0.5%	-	0.5%	0.5%	(5.3%)	1.6%
Emerging Markets	5.0%	5.0%	4.7%	5.0%	+/- 2%	-	-	5.0%	5.0%	5.0%	(4.4%)	2.5%
Global Sustainable	16.0%	29.0%	16.6%	17.0%	+/- 8%	-	(4.0%)	29.0%	25.0%	25.0%	1.8%	4.9%
Private Equity	4.0%	4.0%	4.0%	4.4%	+/- 2%	-	-	4.0%	4.0%	5.0%	2.5%	3.8%
Income Assets	**24.0%**	**25.0%**	**20.4%**	**20.5%**	**+/- 6%**	**-**	**(2.5%)**	**25.0%**	**22.5%**	**26.2%**	**n/a**	**n/a**
Multi-Asset Credit	6.0%	6.0%	6.8%	6.8%	+/- 2%	-	+1.1%	6.0%	7.1%	8.3%	0.7%	1.0%
Infrastructure	9.0%	10.0%	6.2%	6.3%	+/- 3%	-	(2.0%)	10.0%	8.0%	10.4%	0.5%	0.5%
Direct Property (4)	5.0%	6.0%	4.3%	4.3%	+/- 2%	-	(1.7%)	6.0%	4.3%	4.3%	4.1%	4.1% (3)
Indirect Property (4)	4.0%	3.0%	3.1%	3.1%	+/- 2%	-	+0.1%	3.0%	3.1%	3.2%	4.7%	4.7% (3)
Protection Assets	**18.0%**	**18.0%**	**16.6%**	**16.7%**	**+/- 5%**	**(2.0%)**	**(1.0%)**	**16.0%**	**17.0%**	**17.0%**	**n/a**	**n/a**
Conventional Bonds	6.0%	6.0%	4.6%	4.9%	+/- 2%	(1.0%)	(1.0%)	5.0%	5.0%	5.0%	(1.8%)	(2.4%)
Index-Linked Bonds	6.0%	6.0%	5.6%	5.5%	+/- 2%	(1.0%)	(0.5%)	5.0%	5.5%	5.5%	2.3%	0.7%
Corporate Bonds	6.0%	6.0%	6.4%	6.3%	+/- 2%	-	+0.5%	6.0%	6.5%	6.5%	(0.6%)	(1.7%)
Cash	**2.0%**	**2.0%**	**5.6%**	**5.6%**	**0 – 8%**	**+2.0%**	**+3.5%**	**4.0%**	**5.5%**	**0.8%**	**0.0%**	**0.0%**

Investment Assets totaled £6,194m at 31 October 2021.
(1) Intermediate benchmark effective from 1 January 2021 to 31 December 2021. Final benchmark effective from 1 January 2022. Recommendations are relative to the Final benchmark
(2) Adjusted for investment commitments at 31 October 2021, together with commitments placed post period-end. Presumes all commitments funded from cash.
(3) Benchmark Return for the three months to 30 September 2021.
(4) The maximum permitted range in respect of Property is +/- 3%.

The table above shows the current intermediate benchmark, together with the new final benchmark approved by Committee in November 2020. The final benchmark will become effective on 1 January 2022. The table above reflects the following three categorisations:

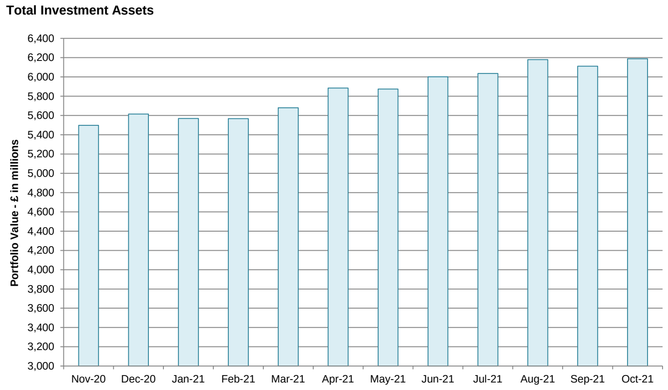
- **Growth Assets**: largely equities plus other volatile higher return assets such as private equity;
- **Income Assets**: assets which are designed to deliver an excess return, but with more stable return patterns than Growth Assets because income represents a large proportion of the total return of these assets; and
- **Protection Assets**: lower risk government or investment grade bonds.

Relative to the current intermediate benchmark, the Fund as at 31 October 2021, was overweight Cash and Growth Assets and underweight in Protection Assets and Income Assets. However, should all the IIMT recommendations set out in this report be implemented, together with the expected level of commitment draw-downs, the cash balance would reduce by 4.8% to 0.8%. However, in practice as these commitments are drawn-down, they will be partly offset by new net cash inflows from investment income, distributions from existing investments and changes in the wider asset allocation.

The IIMT recommendations in respect of North American Equities (1.5%), European Equities (0.5%) and Asia Pacific Ex-Japan Equities (0.5%) are outside of the final benchmark's permitted range. The IIMT believes that while the investment vehicles required to support a full switch out of North American Equities, European Equities and Asia Pacific Ex-Japan Equities to Global Sustainable Equities will largely be in place by the end of the end of January 2022, there is a risk that product launch delays prevent a full transition and this is reflected in the IIMT recommendations. However, the IIMT request flexibility to reduce the North American Equities, European Equities and Asia Pacific Ex-Japan allocations to zero should the required Global Sustainable Equity products be launched ahead of expectations. The proposed regional mix of the allocations is designed to broadly match the FTSE All World regional composition.

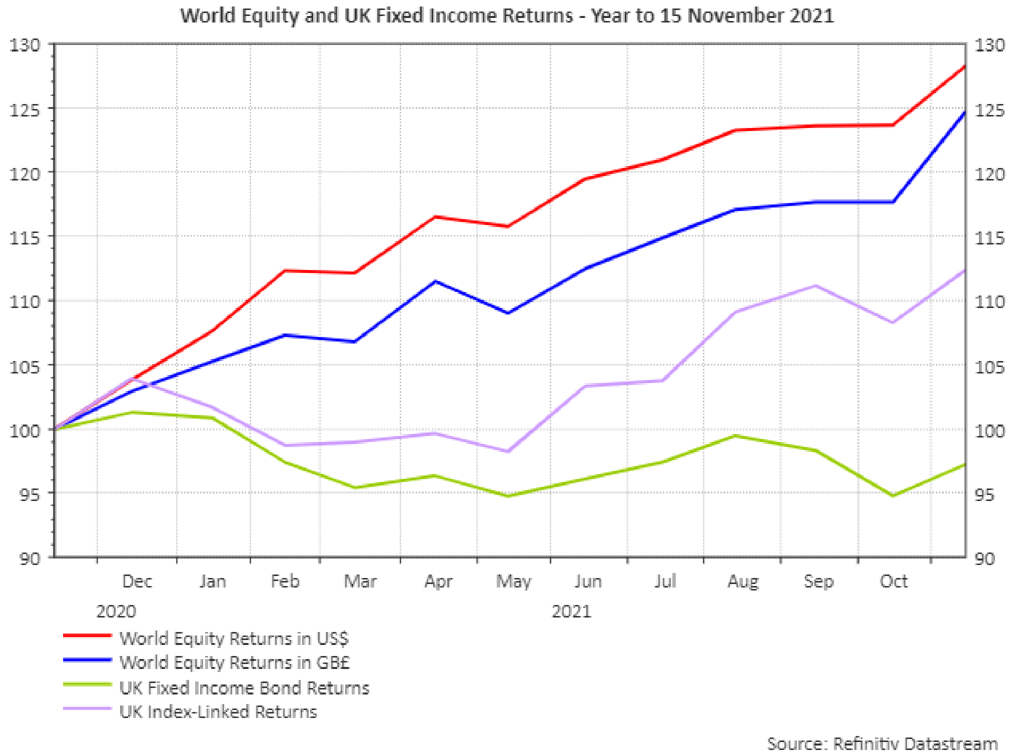
2.3 Total Investment Assets

The value of the Fund's investment assets increased by £159m (+2.6%) between 31 July 2021 and 31 October 2021 to £6.194bn, comprising a non-cash market gain of around £144m and cash inflows from dealing with members & investment income of around £15m. Over the twelve months to 31 October 2021, the value of the Fund's investment assets has increased by £982m (+18.8%), comprising a non-cash market gain of around £892m, and cash inflows from dealing with members & investment income of around £90m. A copy of the Fund's valuation at 31 October 2021 is attached at Appendix 3.



The Fund's valuation can fluctuate significantly in the short term, reflecting market conditions, and supports the Fund's strategy of focusing on the long term.

2.4 Market returns over the last 12 months



The chart above shows market returns for Global Equities in Sterling and the US dollar, UK Fixed Income and UK Index Linked bonds for the twelve months to 15 November 2021.

Over the twelve-month period, Global Equities as measured by the FTSE All World Index, returned 24.7%. In US dollar terms, the returns were slightly higher at 27.3%, as Sterling strengthened by 1.6% against the US dollar over the period (from £1:US$1.32 to £1:US$1.34). Equity markets have continued to deliver positive returns since the last Committee meeting, and the FTSE All World Index is now more than 25% above its pre-pandemic level.
Global Equities have returned 21.2% in the current year-to-date[1] (YTD). The returns are lower in US$ at 19.1%, with Sterling weakening from £1:US$1.42 to £1:US$1.34 between May and November 2021, almost 2% below where it started the calendar year. The roll out of vaccination programmes continues to support the strong global economic recovery that began in Q2-21. Over 69% of adults in the Group of Seven (G7) countries have now been fully vaccinated, up from 54% at the previous reporting date. Despite this, Covid-19 cases generally remain elevated. Whilst vaccines appear to offer weaker protection from catching and spreading the more contagious Delta-variant, the evidence suggests that there has been a significant positive impact in reducing the health impact of the virus. As result, while cases generally rose over Q2-21 and Q3-21, health care systems were not placed under the same pressures as previously experienced. However, cases and hospitalisations are now rising significantly in Europe, and several countries have, or are considering, new localised and national lockdowns, to protect healthcare systems.

Markets have largely looked through the risks surrounding the rise in new Covid-19 cases, with investor attention focussed on the improving economic conditions and business fundamentals. Headline GDP numbers have painted a picture of a strong global economy recovery, albeit from a low base. Corporate earnings have recovered much faster than anticipated, particularly in the US where, in aggregate, companies posted record breaking Q2-21 earnings. This supported Global Equities, with the FTSE All World Index hitting several all-time highs across July and August 2021. However, in September 2021, Global Equities gave up the gains posted in July and August 2021. Lingering concerns over slowing growth, rising inflation, global supply chain bottlenecks and questions about whether there would be another winter Covid-19 crisis eroded market confidence. In US$ terms, the

[1] 1 January 2021 to 15 November 2021

FTSE All World Index returned -4.0% in September 2021, having previously gained +3.2% between July and August 2021.

In the Government Bond Market, UK yields rose (i.e. prices fell) between January and February 2021, and generally traded sideways in March and April 2021. Between May and August 2021 Government Bond yields unexpectedly fell to their lowest level since February 2021 (i.e. prices rose). However, the reduction in yields started to reverse in September 2021 as expectations grew that the US Federal Reserve (US FED) would shortly begin tapering its bond-buying programme, which was seen by the market as a potential precursor to higher interest rates. Meanwhile, hawkish comments from the Governor of the Bank of England, cemented expectations that UK interest rates would be increased in November 2021 by 15 basis points to 25 basis points.

During Q4-21 to date[2], Global Equities have returned +7.2% in Sterling terms. Whilst much of the gain in October 2021 reversed the losses posted in September 2021, strong Q3-21 earnings have once again driven Global Equities to new all-time highs in November 2021. Government bond yields have also fallen back from October 2021 highs, as expectations around aggressive policy action in the short term softened following the decision by the Bank of England's Monetary Policy Committee not to raise the Base Rate in November 2021. Recent comments from the US FED stating that they would take a patient approach to rate rises has also damped down investor expectations for monetary policy changes.

The IIMT notes that since 15 November 2021 (i.e. the YTD report covered by this report) markets have fallen (FTSE All World -2.5%[3] in Sterling terms) on the back of concerns over the newly identified Covid-19 Omicron variant. Whilst it remains early days in terms of data, early indications are that the variant may be more transmissible, although its impact on health is not yet fully understood.

Asset class weightings and recommendations are based on values at the end of October 2021. As shown in the charts below, equity markets have now largely recovered most of the March 2020 sell off, albeit this differs by market. For example, the US market is now higher than at any time in the last five years, whereas the recovery in the UK market has been much more muted but has picked-up over the last six months, and is now back close to the level reported immediately before the Covid-19 pandemic.

[2] 1 October 2021 to 15 November 2021
[3] 16 November to 26 November 2021

2.5 Longer Term Performance

Figures provided by Portfolio Evaluation Limited show the Fund's performance over 1, 3, 5 and 10 years to 30 September 2021.

Per annum	DPF	Benchmark Index
1 year	15.7%	14.4%
3 years	7.1%	6.4%
5 years	7.8%	7.0%
10 years	9.5%	9.0%

The Fund outperformed the benchmark over all time periods.

The IIMT notes that the one-year return of 15.7% to 30 September 2021 benchmark 14.4%) reflected a catch-up following a sharp market sell-off in response to the outbreak of the Covid-19 pandemic. This has been supported by unprecedented levels of fiscal and monetary support provided by national governments and central banks. The IIMT does not believe that these levels of returns are sustainable in the long-term and going forward market returns are likely to be much lower. The Fund's Investment Strategy Statement is based on an assumed average market return of 3.6% per annum over the next 20 years.

2.6 Category Recommendations

	Intermediate Benchmark	Final Benchmark	Fund Allocation	Permitted Range	Recommendation (1)		Benchmark Relative Recommendation (1)	
			31 Oct-21		AF	DPF	AF	DPF
Growth Assets	56.0%	55.0%	57.2%	± 8%	55.0%	55.0%	-	-
Income Assets	24.0%	25.0%	20.5%	± 6%	25.0%	22.5%	-	(2.5%)
Protection Assets	18.0%	18.0%	16.7%	± 5%	16.0%	17.0%	(2.0%)	(1.0%)
Cash	2.0%	2.0%	5.6%	0 – 8%	4.0%	5.5%	+2.0%	+3.5%

(1) Recommendation relative to the Final benchmark effective 1 January 2022

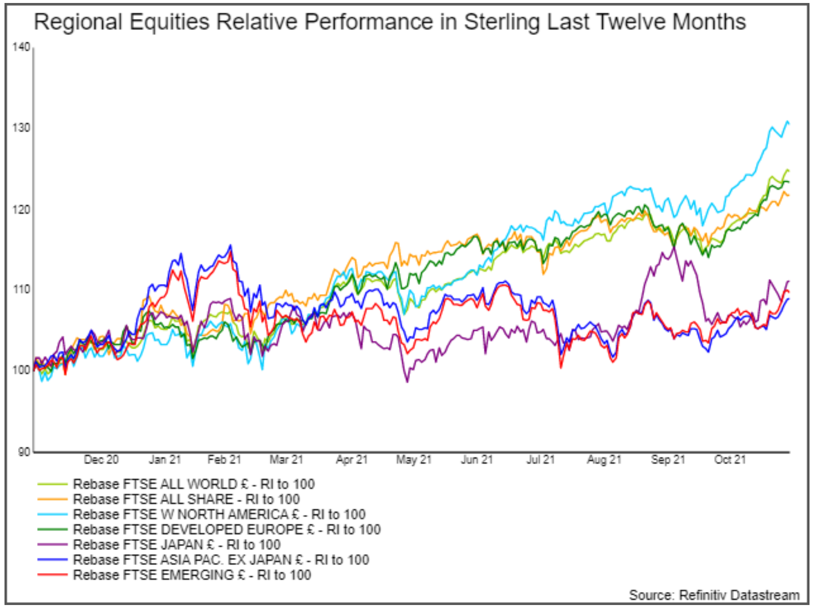
At an overall level, the Fund was overweight Growth Assets and Cash at 30 September 2021, underweight Income Assets and Protection Assets, although if commitments waiting to be drawn down were taken into account, the Fund would move to an overweight position in Growth and Income Assets. The table on page 3 assumes that all new commitments will be funded out of the current cash weighting; in practice as private market commitments are drawn down they are likely to be funded partially out of cash and partially by distributions (income and capital) from existing investments and sales of public market assets. The Fund has progressively reduced its benchmark exposure to Growth Assets into strength over the last two to three years, as equity valuations have become increasingly stretched, and increased the benchmark allocation to Income Assets.

The IIMT recommendations reflected in this report: reduce Growth Assets by 2.2% to 55.0% (neutral), with some significant changes to the regional composition: UK Equities -1.7%; North American Equities -4.3%; European Equities -3.1%; Japanese Equities +0.7%; Asia Pacific Ex-Japan Equities -1.4%; Global Sustainable Equities + 8.0%; and Private Equity -0.4%; increase Income Assets by 2.0% (Multi-Asset Credit +0.3%; and Infrastructure +1.7%); increase Protection Assets by 0.3% (Conventional Bonds +0.1%; and Corporate Bonds +0.2%), and reduce cash by 0.1%. The IIMT notes that the recommendations, which are largely driven by the transition from the intermediate to final benchmark, are subject to market conditions, liquidity, and product availability. The new benchmark will see the Fund fully divest from its North American Equities, European Equities and Asia Pacific Ex-Japan Equities allocations and significantly increase the allocation to Global Sustainable Equities. The IIMT continues to recommend a defensive cash allocation, reflecting both the general market uncertainty and cash held to fund existing commitment drawdowns.

2.7 Growth Assets

At 31 October 2021, the overall Growth Asset weighting was 57.2%, down from 57.4% at 31 July 2021, reflecting net divestment of £71m partly offset by relative market strength. The IIMT recommends reducing the weighting to 55.0%; a neutral weighting.

The near-term outlook for equities remains mixed. Whilst there is evidence that vaccinations are proving successful against existing variants (e.g. Delta), reducing hospitalisation and mortality rates, the winter period is likely to be challenging for global health care system. New cases are rising sharply across Europe and several European countries have reintroduced lockdown measures. The risk of new variants has become more apparent with the identification of the new Omicron variant. Whilst it remains early days in terms of data, early indications are that the variant may be more transmissible, although the impact on health is not yet fully understood. Other headwinds have emerged that have the potential to weigh on equity returns in 2022. Central banks are expected to begin tapering bond-buying programmes, withdrawing a key source of liquidity from financial markets. Interest rates are expected to rise from record lows, which will benefit some sectors (e.g. Financials) but hurt others (e.g. Technology stocks). Nevertheless, any interest rate rises are expected to be implemented gradually and cautiously, which should soften the impact on financial markets. Other concerns include rising energy prices and wider inflationary pressures (transitory or more permanent), tight global supply chains and the fact that equity valuations which are expensive relative to historic averages (particularly in the US).



Benchmark Return	Currency	Q4-21(*)	Q3-21	CYTD (*)	1 Year (**)	3 Year (**)	5 Year (**)	Since Last Committee (*)	L3M 31-Oct-21
Sterling Returns									
FTSE All World (***)	GB£	7.4%	1.8%	22.2%	23.4%	12.0%	13.1%	4.7%	4.9%
FTSE UK	GB£	3.7%	2.2%	17.8%	27.9%	3.1%	5.4%	3.0%	3.5%
FTSE North America	GB£	9.3%	2.6%	27.9%	25.0%	15.1%	16.1%	6.4%	6.5%
FTSE Europe	GB£	6.9%	0.6%	20.1%	21.7%	9.0%	10.1%	3.8%	2.5%
FTSE Japan	GB£	(0.7%)	7.0%	7.0%	16.9%	6.4%	8.8%	(1.6%)	3.6%
FTSE Asia Pacific Ex-Japan	GB£	3.6%	(5.3%)	4.3%	13.9%	8.7%	9.4%	0.5%	1.6%
FTSE Emerging Markets	GB£	3.7%	(4.4%)	6.3%	13.8%	8.5%	8.7%	1.4%	2.5%
Local Currency Returns									
FTSE All World (***)	US$	7.0%	(0.6%)	20.0%	27.9%	3.1%	5.4%	2.4%	3.5%
FTSE UK	GB£	3.7%	2.2%	17.8%	30.3%	16.3%	16.9%	3.0%	3.5%
FTSE North America	US$	8.9%	0.2%	25.7%	29.8%	10.7%	10.6%	4.0%	5.0%
FTSE Europe	€	8.1%	1.0%	26.5%	28.9%	6.9%	11.8%	4.9%	3.6%
FTSE Japan	¥	1.1%	5.0%	16.1%	18.8%	10.0%	10.2%	(0.6%)	6.1%
FTSE Asia Pacific Ex-Japan	US$	3.2%	(7.6%)	2.5%	18.9%	9.7%	9.5%	(1.7%)	0.1%
FTSE Emerging Markets	US$	3.3%	(6.6%)	4.4%	28.5%	13.3%	14.0%	(0.9%)	1.1%

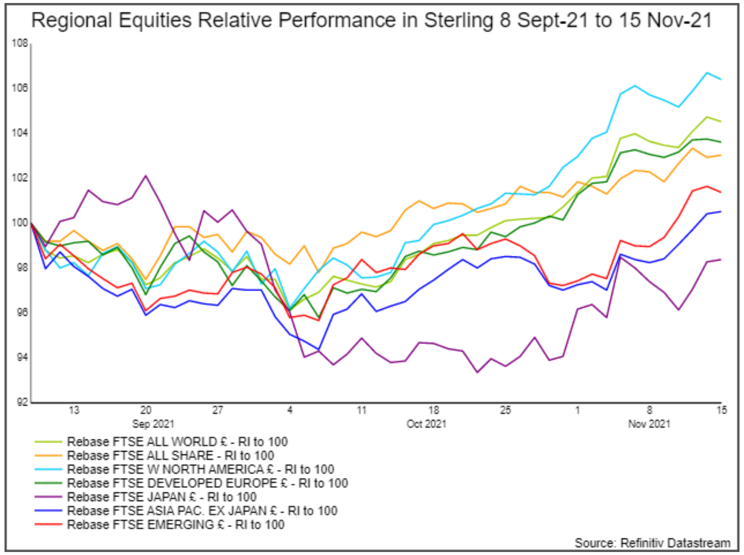
Source: Performance Evaluation Limited & DPF analysis
(*) To 15 Nov-21
(**) To 30 Sept-22
(***) 50% FTSE All World & 50% FTSE Developed
CYTD = Calendar Year To Date

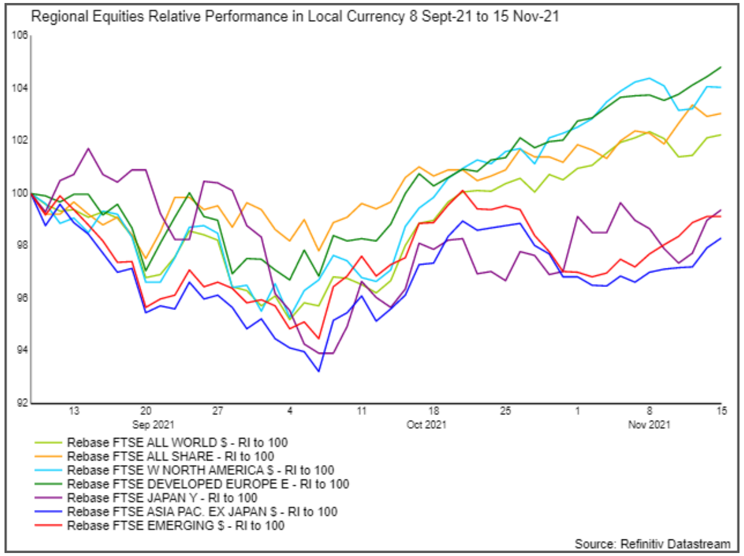
There are also several sizeable tailwinds supporting equity market returns, including strong corporate earnings, with sectors that struggled during the Covid-19 pandemic playing ‘catch-up’ with the wider market as the global economy gradually returns to ‘normal’.

The chart on the previous page shows the relative regional equity returns in Sterling terms over the last twelve months, and the charts opposite show the sterling and local currency returns since the last Committee meeting.

After delivering positive returns in July and August, Global Equity markets fell during September, as the market weakened over concerns about slowing growth, rising inflation, Central Bank tapering and possible interest rate rises. These concerns quickly reversed in October, with equity returns boosted by strong third quarter earnings.

Since the last Committee meeting, the FTSE All World has returned 4.5% in Sterling terms, supported by strong returns from North American Equities (6.4%). The one exception to this performance trend has been Japanese Equities, which returned -1.6% over the period. In contrast to other equity regions, Japanese Equities continued to struggle throughout October 2021 due to the uncertainty surrounding the Prime Ministerial elections. Now that these elections have concluded, and the ruling party has won a working majority, the uncertainty has subsided, and Japanese Equities have started to show signs of recovering.





2.8 United Kingdom Equities

DPF Weightings	
Intermediate Neutral	14.0%
Final Neutral	12.0%
Actual 31.10.21	14.7%
AF Recommendation	12.0%
IIMT Recommendation	13.0%
Benchmark Returns (GB£)	
Q3 21/22 to 15 Nov-21	3.7%
Q2 21/22	2.2%
1 Year to Sept-21	27.9%
3 Years to Sept-21 (pa)	3.1%
5 Years to Sept-21 (pa)	5.4%

The Fund's UK Equity allocation reduced from 15.0% at 31 July 2021 to 14.7% at 31 October (0.7% overweight relative to the intermediate benchmark) reflecting net divestment of £27m, partly offset by relative market strength.

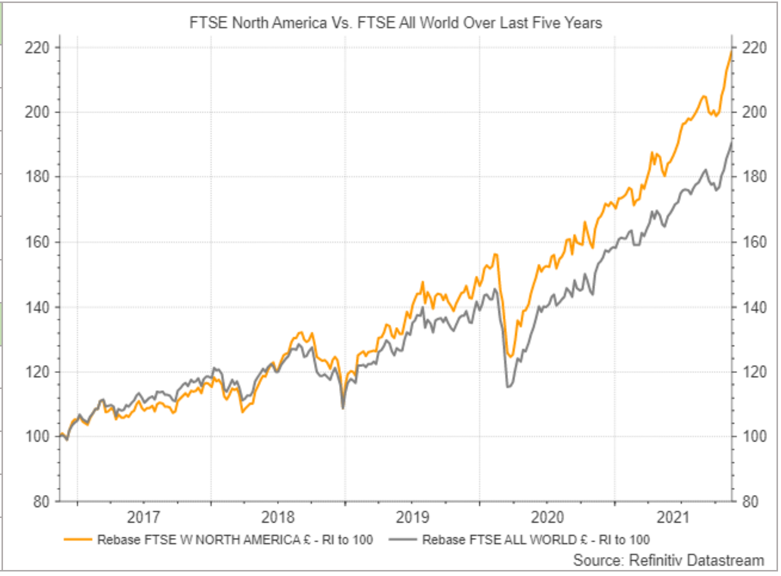
Mr Fletcher notes the upcoming transition to the new final benchmark which comes into effect on 1 January 2022, and given the quantum of the transition, Mr Fletcher does not recommend making any tactical or temporary changes in the regional equity allocations relative to the new benchmark but notes that the ability of the Fund to transition to the new final benchmark will in part be dependent upon the availability of suitable investment vehicles, some of which have yet to be launched.

UK Equities have performed strongly YTD, returning 17.8% so far this year. The UK's vaccination programme has been one of the most successful in the world, allowing the UK Government to lift Covid-19 restrictions. Despite the strong YTD performance, the FTSE All Share is the only regional equity market that the Fund invests in which has yet to recover to its pre-pandemic level. UK Equities significantly underperformed in 2020, reflecting a combination of the Covid-19 pandemic and Brexit uncertainty. However, the market's focus on Brexit has faded, and the economic outlook is improving. In terms of valuation, the FTSE All Share appears to offer value relative to its global peers.

The IIMT continues to believe that UK Equity valuations are attractive on a relative basis and recommends a 1.0% overweight allocation of 13.0%, relative to the new final benchmark with a modest tilt towards small and mid-cap stocks.

2.9 North American Equities

DPF Weightings	
Intermediate Neutral	6.0%
Final Neutral	-
Actual 31.10.21	5.7%
AF Recommendation	-
IIMT Recommendation	1.5%
Benchmark Returns (GB£)	
Q3 21/22 to 15 Nov-21	9.3%
Q2 21/22	2.6%
1 Year to Sept-21	25.0%
3 Years to Sept-21 (pa)	15.1%
5 Years to Sept-21 (pa)	16.1%



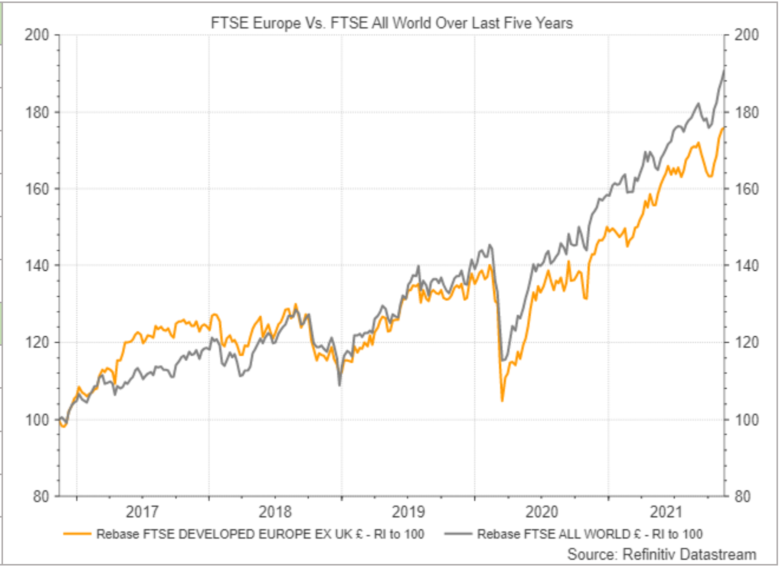
The Fund's North American Equity allocation reduced from 6.2% at 31 July 2021 to 5.7% at 31 October 2021 (0.3% underweight relative to the intermediate benchmark), reflecting net divestment of £42m partly offset by relative market strength.

Mr Fletcher recommends a neutral weighting relative to the new final benchmark across all of the Fund's regional equity allocations; 0% in respect of North American Equities.

The IIMT believes that while the investment vehicles required to support a full switch out of North American Equities to Global Sustainable Equities will largely be in place by the end of the end of January 2022, there is a risk that product launch delays prevent a full transition. As a result, the IIMT recommends a 1.5% allocation to North American Equities (1.5% overweight relative to the new final benchmark) to allow for expected product launch delays.

2.10 European Equities

DPF Weightings	
Intermediate Neutral	4.0%
Final Neutral	-
Actual 31.10.21	3.7%
AF Recommendation	-
IIMT Recommendation	0.5%
Benchmark Returns (GB£)	
Q3 21/22 to 15 Nov-21	6.9%
Q2 21/22	0.6%
1 Year to Sept-21	21.7%
3 Years to Sept-21 (pa)	9.0%
5 Years to Sept-21 (pa)	10.1%



The Fund's European Equity weight fell by 0.6% between 31 July 2021 and 31 October 2021, principally reflecting net divestment of £30m.

Mr Fletcher recommends a neutral weighting relative to the new final benchmark across all of the Fund's regional equity allocations; 0% in respect of European Equities.

The IIMT believes that while the investment vehicles required to support a full switch out of European Equities to Global Sustainable Equities will largely be in place by the end of the end of January 2022, there is a risk that product launch delays prevent a full transition. As a result, the IIMT recommends a 0.5% allocation to European Equities (0.5% overweight relative to the new final benchmark) to allow for expected product launch delays.

2.11 Japanese Equities

DPF Weightings	
Intermediate Neutral	5.0%
Final Neutral	5.0%
Actual 31.10.21	4.8%
AF Recommendation	5.0%
IIMT Recommendation	5.5%
Benchmark Returns (GB£)	
Q3 21/22 to 15 Nov-21	(0.7%)
Q2 21/22	7.0%
1 Year to Sept-21	16.9%
3 Years to Sept-21 (pa)	6.4%
5 Years to Sept-21 (pa)	8.8%

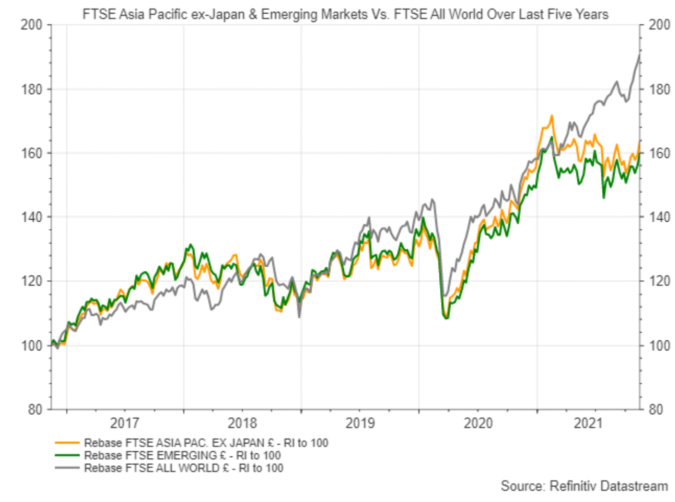
Whilst there were minimal transactions in the period, relative market strength increased the Fund's allocation to Japanese Equities by 0.1% to 4.8% at 31 October 2021 (0.2% underweight relative to the intermediate benchmark).

Mr Fletcher recommends a neutral weighting relative to the new final benchmark across all of the Fund's regional equity allocations; 5% in respect of Japanese Equities.

Japanese Equities have under-performed the FTSE All World YTD (7.0% vs. 21.2% in sterling terms), reflecting general market weakness and a weaker Japanese Yen (JP¥). Since the start of 2021, the JP¥ has fall by 8.5% relative to the Sterling. Notwithstanding the cumulative YTD weakness, Japanese Equities returned 7.0% in Q3-21 (versus 1.5% FTSE World) as Japan's Covid-19 vaccination programme picked-up pace, allowing the Japanese Government to lift some of the restrictions on activity. However, political uncertainty weighed on returns in October following the decision by PM Suga to call a snap-election, an election he was widely expected to lose. As a result, Japanese Equities fell sharply (-5.0% in October 2021 versus 3.3% FTSE World). PM Suga won a surprise majority in October 2021, providing him with a strong mandate to enact his domestic and economic policies. Japanese Equities have since started to recover and appear attractive relative to their global peers. As a result, the IIMT recommends that the Fund's allocation to Japanese Equities is increased from 4.8% to 5.5%; 0.5% overweight relative to the new final benchmark.

2.12 Asia Pacific Ex-Japan and Emerging Market Equities

DPF Weightings	Asia-Pac	EM
Intermediate Neutral	2.0%	5.0%
Final Neutral	-	5.0%
Actual 31.10.21	1.9%	5.0%
AF Recommendation	-	5.0%
IIMT Recommendation	0.5%	5.0%
Benchmark Returns (GB£)	**Asia-Pac**	**EM**
Q3 21/22 to 15 Nov-21	3.6%	3.7%
Q2 21/22	(5.3%)	(4.4%)
1 Year to Sept-21	13.9%	13.8%
3 Years to Sept-21 (pa)	8.7%	8.5%
5 Years to Sept-21 (pa)	9.4%	8.7%



The Fund's allocation to Asia Pacific Ex-Japan Equities remained flat over the period at 1.9%; 0.1% underweight relative to the intermediate benchmark. Net investment of £25m increased the Fund's weighting in Emerging Market Equities from 4.7% at 31 July 2021 to 5.0% at 31 October 2021; neutral relative to the intermediate benchmark.

Mr Fletcher recommends a neutral weighting relative to the new final benchmark across all of the Fund's regional equity allocations; 0% in the case of Asia Pacific Ex-Japan and 5% in Emerging Market Equities.

The IIMT believes that while the investment vehicles required to support a full switch out of Asia Pacific Ex-Japan Equities to Global Sustainable Equities will largely be in place by the end of the end of January 2022, there is a risk that product launch delays prevent a full transition. As a result, the IIMT recommends a 0.5% allocation to Asia Pacific Ex-Japan Equities (0.5% overweight relative to the new final benchmark) to allow for expected product launch delays.

The IIMT continues to believe in the long-term growth potential of Emerging markets, noting that these markets have accounted for well over half of global growth over the last ten years. However, the recovery from the Covid-19 pandemic has been uneven and China's growth rate appears to be slowing. Furthermore, increased regulatory intervention by the Chinese government across several sectors, together with growing investor concern about the Chinese property market, has weighed on Chinese equities, albeit performance has improved of late. As a result, the IIMT recommends a neutral allocation of 5.0% relative to the new final benchmark in respect of Emerging Market Equities, with current valuations slightly above long-term averages.

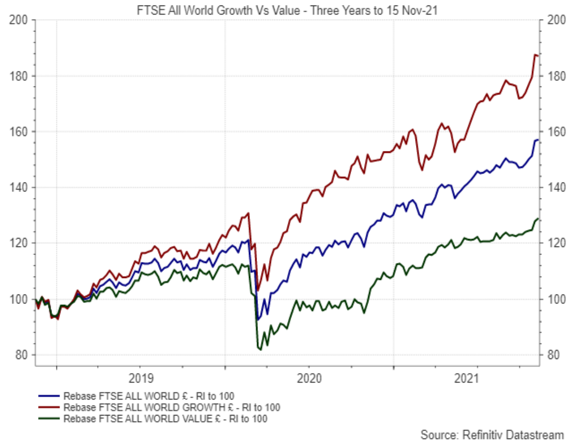
2.13 Global Sustainable Equities

DPF Weightings	
Intermediate Neutral	16.0%
Final Neutral	29.0%
Actual 31.10.21	17.0%
AF Recommendation	29.0%
IIMT Recommendation	25.0%
Benchmark Returns (GB£)	
Q3 21/22 to 15 Nov-21	7.4%
Q2 21/22	1.8%
1 Year to Sept-21	23.4%
3 Years to Sept-21 (pa)	12.0%
5 Years to Sept-21 (pa)	13.1%

Relative market strength increased the Fund's allocation to Global Sustainable Equites from 16.6% at 31 July 2021 to 17.0% at 31 October 2021.

Mr Fletcher recommends a neutral weighting relative to the new final benchmark across all of the Fund's regional equity allocations; 29% in respect of Global Sustainable Equities.

The IIMT remains confident about the long-term investment case for the Fund's allocation to Global Sustainable Equities, which typically favour growth stocks relative to value stocks. A growth stock relates to a company that is forecast to growth at a rate significantly above the average growth rate for the market (e.g. high growth information technology stocks), whereas a value stock relates to a company that appears to trade at a lower price relative to its fundamentals (e.g. pro-cyclical stocks such as industrials). The charts below shows that growth stocks have significantly out-performed value stocks over the last three years, particularly since the start of the Covid-19 pandemic, as investors favoured quality growth stocks over pro-cyclical stocks, in part supported by low forward interest rate expectations.



Value stocks enjoyed a rally in Q1-21 (outperforming growth stocks by 7.2% in sterling terms), as economic activity increased and forward interest rate expectations picked-up. However, this largely reversed in Q2-21 & Q3-21, a trend which has continued into Q4-21, as fears over the Delta variant and falling bond yields supported growth stocks relative to value stocks. On a one-year basis to 15 November 2021, Growth stocks have returned 25.5% versus 23.7% from Value stocks.

Value stocks typically out-perform at the start of an economic cycle (as investors position portfolios for the uptick in economic activity) but the period of out-performance tends to be relatively short-lived (generally less than twelve months), and investors start to rotate back into growth stocks. Whilst the IIMT believes that equity markets may experience a further value rally in the next six to twelve months (which potentially will have an adverse short-term performance impact), the IIMT remains confident that the Fund's allocation to Global Sustainable Equities will out-perform over the long-term.

The IIMT believes that while the investment vehicles required to support a full switch out of North American Equities; European Equities and Asia Pacific Ex-Japan Equities to Global Sustainable Equities will largely be in place by the end of the end of January 2022, there is a risk that product launch delays prevent a full transition. As a result, the IIMT recommends a 25.0% allocation to Global Sustainable Equities (4.0% underweight relative to the new final benchmark) to allow for expected product launch delays. However, the IIMT request flexibility to increase the allocation towards a neutral weighting should products be launched ahead of expectations.

The IIMT notes that one of the options being considered to support the increase in the Fund's allocation to Global Sustainable Equities is the use of a LGPS Central Limited (LGPSC) Climate Factor Fund. The LGPSC Climate Factor Fund tilts investments based on a five style factors (quality, size, low volatility, momentum and value) and climate-related factors (carbon intensity, weight in fossil fuel reserves and weight in green technology) and is subject to a product specific benchmark. It is proposed that any allocation to the LGPSC Climate Factor Fund should be benchmarked against the product specific benchmark.

2.14 Total Quoted Equity Portfolio Carbon Footprint

The Fund's latest LGPSC Climate Risk Report indicates that the Fund's Total Quoted Equities portfolio at 31 March 2021 was around 27% less carbon intensive than the benchmark, and 37% lower than the 2020 Benchmark. The IIMT expects that the transition to the new final benchmark will lead to a 'step-up' in the carbon footprint reduction of the Fund's Total Quoted Equities portfolio relative to the current benchmark and the 2020 Benchmark, and will update Committee following the completion of the transition, including an internal IIMT assessment of the carbon reduction relative to the current benchmark and the 2020 Benchmark.

2.15 Private Equity

DPF Weighting					
Intermediate Netural	Final Neutral	Actual 31.10.21	Committed 31.10.21	AF Recommendation	IIMT Recommendation
4.0%	4.0%	4.4%	5.0%	4.0%	4.0%
Benchmark Returns (GB£)					
Q3 21/22 to 15 Nov-21	Q2 21/22	1 Year to Sept-21	3 Years to Sept-21 (pa)	5 Years to Sept-21 (pa)	
4.0%	2.5%	28.9%	4.1%	6.4%	

The Private Equity weighting increased from 4.0% at 31 July 2021 to 4.4% at 31 October 2021 (0.4% overweight relative to the intermediate benchmark), reflecting relative market strength and net investment of £5m; 5.0% on a committed basis.

Mr Fletcher recommends a neutral weighting of 4% in Private Equity.

The IIMT notes that the Fund is overweight to Private Equity on a committed basis and is not reviewing further opportunities at this stage. The IIMT believes that the Fund's outstanding private equity commitments of around £65m are well positioned to benefit from any market opportunities resulting from the recovery from the coronavirus outbreak with a strong focus on small and mid-cap deals.

The Fund's listed (i.e. liquid) private equity investments (around 40% of the total private equity portfolio) have performed strongly over the last 12 months (+45%), and the IIMT recommends that the Fund 'locks-in' some of these profits, and reduces the overall Private Equity allocation by 0.4% to 4.0% (neutral relative to the new final benchmark).

2.16 Income Assets

At 31 October 2021, the overall weighting in Income Assets was 20.5%, 0.1% higher than that reported at 31 July 2021, reflecting net investment of £14.5m, partly offset by relative market weakness. The IIMT recommendations below would take the overall Income Asset weighting to 22.5%, and the committed weighting to 26.2%.

2.17 Multi Asset Credit

DPF Weighting				
Intermediate Neutral	Final Neutral	Actual 31.10.21	AF Recommendation	IIMT Recommendation
6.0%	6.0%	6.8%	6.0%	7.1%
Benchmark Returns (GB£)				
Q3 21/22 to 15 Nov-21	Q2 21/22	1 Year to Sept-21	3 Years to Sept-21 (pa)	5 Years to Sept-21 (pa)
0.4%	0.7%	6.9%	4.0%	3.8%

The Fund's allocation to Multi-Asset Credit remained flat between 31 July 2021 and 31 October 2021 at 6.8%, with net investment of £11m being offset by relative market weakness; 0.8% overweight relative to the intermediate benchmark.

Mr Fletcher notes that whilst the spread available from high-yield bonds and loans, together with emerging market debt, has widened slightly in the period to mid-November 2021, the return from these assets has been better than those from conventional gilts and investment grade credit. Mr Fletcher notes that the income from these asset classes provides most of the return and expects this to continue for some time going forward. As a result, Mr Fletcher recommends a 6% neutral allocation to Multi-Asset Credit.

The IIMT continues to be positive about the long-term attractions of the asset class and favours a strong bias towards defensive forms of credit (e.g. senior secured debt and asset backed securities). The IIMT recommends increasing the current allocation by 0.3% to 7.1% (1.1% overweight), reflecting expected commitment drawdowns in the upcoming quarter.

Since 31 October 2021, the Fund has finalised a £50m commitment to a LGPSC Private Debt Fund. The time critical commitment, which principally relates to the provision of senior secured loans to finance private equity transactions, was approved by the Director of Finance & ICT in conjunction with the Chair of the Pensions and Investments Committee. The LGPSC Private Debt Fund is a fund-of-fund product, with LGPSC making underlying commitments to externally managed private debt funds to increase diversification and reduce default risk. The commitment increases the committed weighting to 8.2%. Whilst this implies that the Fund is 2.2% over-committed to the asset class, the draw-down of these commitments will take several years, and as these commitments are drawn-down, they will be partly offset by distributions/realisations from existing investments.

2.18 Property

DPF Weighting				
Intermediate Neutral	Final Neutral	Actual 31.10.21	AF Recommendation	IIMT Recommendation
9.0%	9.0%	7.4%	9.0%	7.4%
Benchmark Returns (GB£)				
Q3 21/22 to 15 Nov-21	Q2 21/22	1 Year to Sept-21	3 Years to Sept-21 (pa)	5 Years to Sept-21 (pa)
Not Available	4.3%	11.8%	3.6%	5.5%

The Fund's allocation to Property remained flat at 7.4% at 31 October 2021. Direct Property accounted for 4.3% (1.7% underweight against the new final benchmark) and Indirect Property accounted for 3.1% (0.1% overweight against the new final benchmark). The committed weight was 7.5% at 31 October 2021.

Mr Fletcher notes that the performance of the Fund's property allocation has proved to be resilient over the last 12 to 18 months despite the impact of the Covid-19 pandemic. Mr Fletcher recommends a neutral overall allocation to property but notes that the Direct Property allocation has outperformed the Indirect Property allocation. Mr Fletcher would like to see the Direct Property allocation increased, funded from realisations out of the Indirect Property allocation, but acknowledges that this should be done with caution as it is a very long-term investment decision, and property transactions tend to be quite expensive.

The Fund's Direct Property Manager notes that the recovery in the UK economy means that GDP is now virtually on a par with the pre-pandemic level. However, the economy is forecast to slow once again next year, with staff shortages in some sectors and transportation problems in others causing supply side issues. Inflation is beginning to rise sharply, and interest rates are forecast to rise to combat this.

Returns from commercial property have been much improved from last year. The benchmark return from UK commercial property was 4.1%, with an income return of 1.1% and capital value growth of 3.0%. The total one-year return was 10.7%, comprising an income return of 4.5% and capital value growth of 6.0%. The current void rate is 7.8% (-0.2% relative to the benchmark), down from 8.8% in the previous quarter. Forward investment focus is on industrial, retail warehouse and alternatives, albeit the manager notes that the weight of money flowing into industrial investments and the consequential increase in pricing levels in this sector is making it increasingly difficult to find value in the sector.

The IIMT recommends that in the short term the Fund's current allocations to Direct Property (4.3%; 1.7% underweight) and Indirect Property (3.1%; 0.1% overweight) are maintained but liquidity of up to £100m is made available to the Direct Property manager to make further investments at the right time should suitable investment opportunities be identified. The IIMT continues to believe that Indirect Property increases the options available to the Fund to deploy capital into a relatively illiquid asset class and increases portfolio diversification, including exposure to overseas assets, private rented accommodation, student accommodation, development capital and medical centres.

2.19 Infrastructure

DPF Weighting					
Intermedidate Neutral	Final Neutral	Actual 31.10.21	Committed 31.10.21	AF Recommendation	IIMT Recommendation
9.0%	10.0%	6.3%	9.7%	10.0%	8.0%
Benchmark Returns (GB£)					
Q3 21/22 to 15 Nov-21	Q2 21/22	1 Year to Sept-21	3 Years to Sept-21 (pa)	5 Years to Sept-21 (pa)	
0.3%	0.5%	2.1%	2.5%	2.5%	

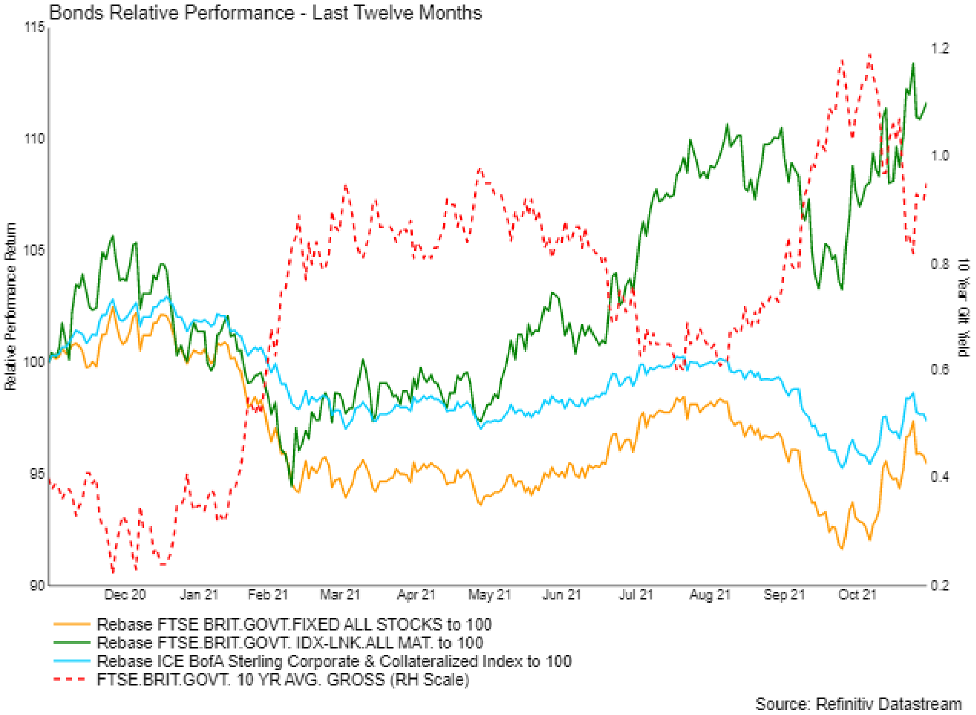
The Fund's allocation to Infrastructure increased from 6.2% at 31 July 2021 to 6.3% at 31 October 2021 reflecting net investment of £14m, partly offset by relative market weakness.

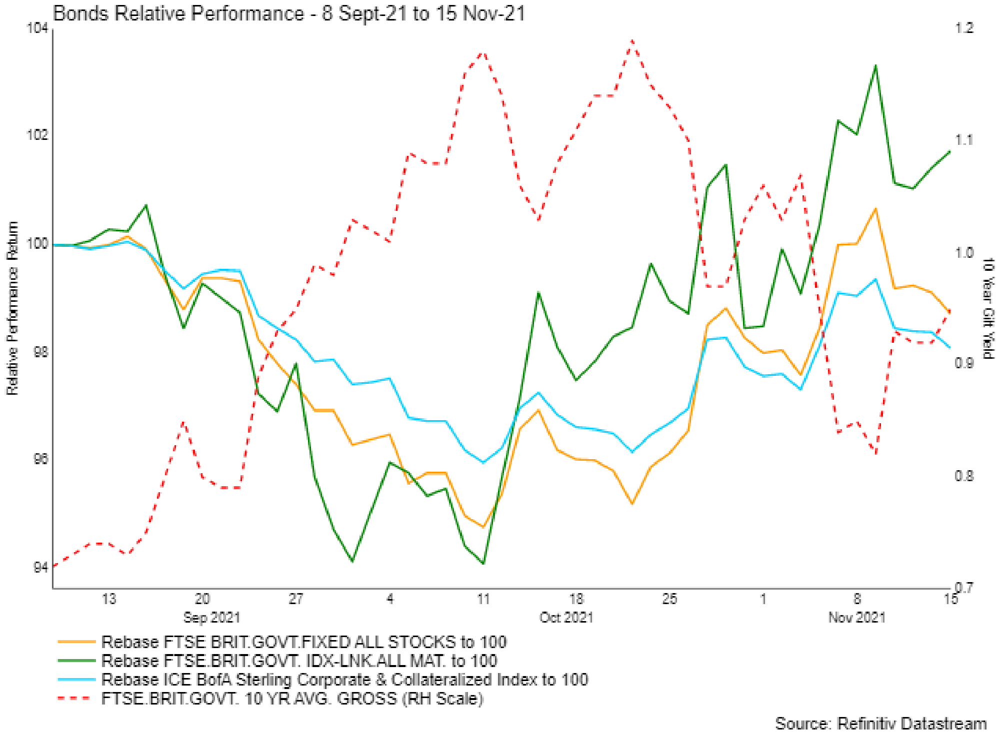
Mr Fletcher recommends a neutral weighting relative to the new final benchmark of 10% allocation, although Mr Fletcher acknowledges that because of the nature of the infrastructure investment process, it takes time to deploy capital to the asset class.

The IIMT continues to view Infrastructure as an attractive long-term asset class and favours a bias towards core infrastructure assets or renewable energy assets. These assets can offer low volatility; low correlation to equity and fixed income; and reliable long-term cash flows. Notwithstanding the noted favourable long-term characteristics of the asset class, the IIMT continues to believe that infrastructure assets are exposed to increased political and regulatory risk, and this risk is managed through asset type and geographical diversification. It should also be noted that the current market valuation of some infrastructure assets, particularly renewable infrastructure assets, are becoming increasingly stretched driven by strong investor demand.

The IIMT recommends that the invested weighting is increased by 1.7% to 7.3% in the next quarter, reflecting expected upcoming commitment drawdowns and continued investment into listed infrastructure; 10.4% on a committed basis.

2.20 Protection Assets



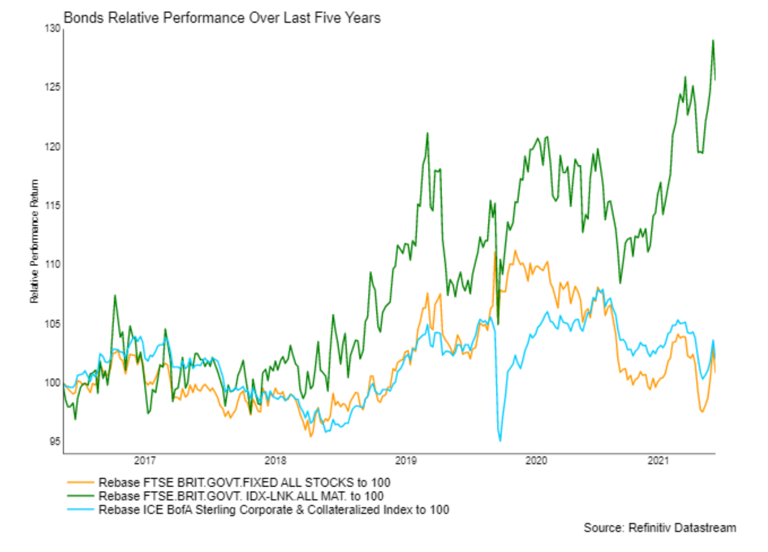


The weighting in Protection Assets at 31 October 2021 was 16.7%, 0.1% higher than that reported at 31 July 2021 reflecting net investment of £43m, partly offset by market weakness. The IIMT recommendations below increase the weighting by 0.3% to 17.0%.

UK Government bond yields have increased since the last Committee meeting (i.e. lower prices), reflecting increasing concerns about the inflation outlook. Yields were relatively volatile over the period, in part reflecting messaging from the Bank of England which initially indicated that rates would rise in November, a rise which did not materialise.

2.21 Conventional Bonds

DPF Weightings	
Intermediate Neutral	6.0%
Final Neutral	6.0%
Actual 31.10.21	4.9%
AF Recommendation	5.0%
IIMT Recommendation	5.0%
Benchmark Returns (GB£)	
Q3 21/22 to 15 Nov-21	2.6%
Q2 21/22	(1.8%)
1 Year to Sept-21	(6.8%)
3 Years to Jun-21 (pa)	3.0%
5 Years to Jun-21 (pa)	1.2%



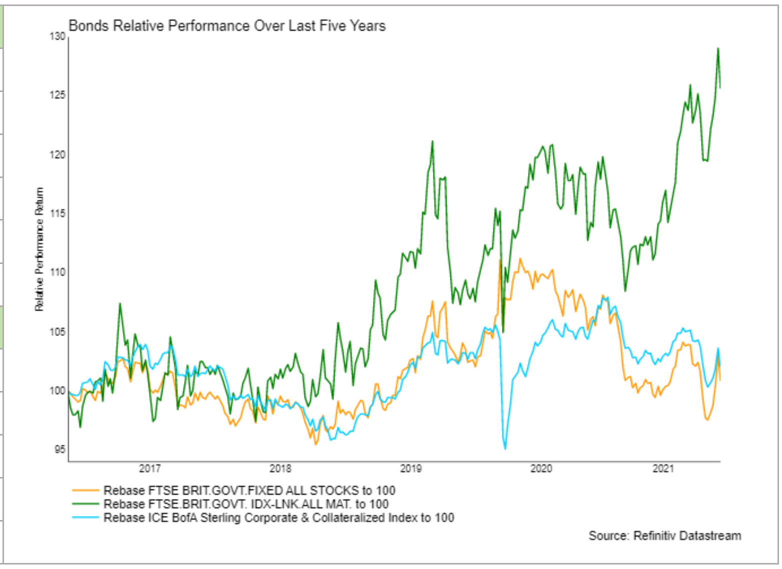
The Fund’s allocation to Conventional Bonds increased by 0.3% between 31 July 2021 and 31 October 2021, reflecting net investment of £31m partly offset by relative market weakness; 1.1% underweight relative to the intermediate benchmark.

Mr Fletcher has maintained his 1.0% underweight recommendation to Conventional Bonds, with the 1% being allocated to an increase in the Cash weighting. Whilst Mr Fletcher continues to expect government bond yields to rise over the medium term (i.e. supporting a 1% underweight allocation), Mr Fletcher believes that yields are as likely to fall as they are to rise in the short-term. Mr Fletcher believes that the Bank of England could increase the Base Rate as early as its next MPC meeting in December 2021, unless they can see slower growth and moderating, if still elevated, inflation. Whilst Mr Fletcher recognises the benefit of holding government bonds as protection against an equity market sell-off and to match the Fund’s liabilities, he believes that at their current low level of yield, government bonds provide neither income or the level of protection as they have in the past.

The IIMT continues to believe that whilst conventional sovereign bonds do not appear to offer good value at current levels with yields around historic lows, they are diversifying assets and continue to afford greater protection than other asset classes in periods of market uncertainty as evidenced during the Covid-19 pandemic. Furthermore, with Global Equities trading at all-time highs, Growth Assets look potentially vulnerable to a correction, especially with the uncertainty surrounding a general rise in worldwide new Covid-19 cases. The IIMT recommends increasing the weighting slightly by 0.1% to 5.0%; 1.0% underweight relative to the new final benchmark.

2.22 Index-Linked Bonds

DPF Weightings	
Intermediate Neutral	6.0%
Final Neutral	6.0%
Actual 31.10.21	5.5%
AF Recommendation	5.0%
IIMT Recommendation	5.5%
Benchmark Returns (GB£)	
Q3 21/22 to 15 Nov-21	8.2%
Q2 21/22	2.3%
1 Year to Sept-21	0.5%
3 Years to Sept-21 (pa)	6.1%
5 Years to Sept-21 (pa)	3.1%



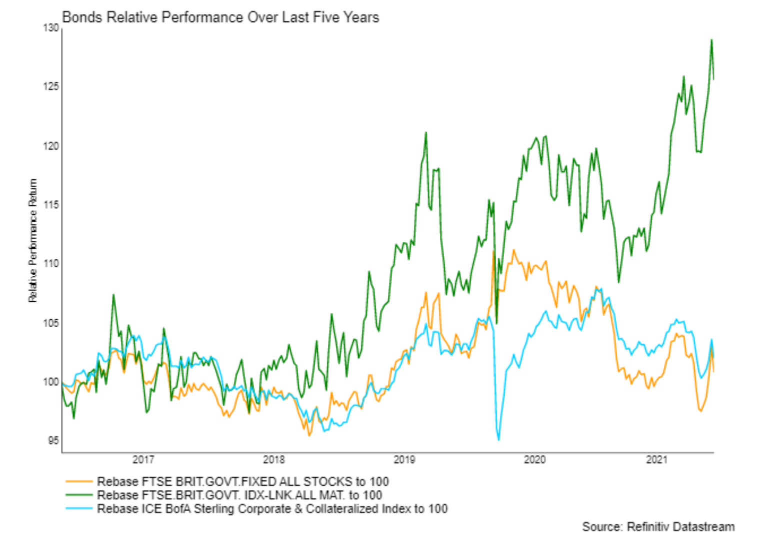
There were no transactions in the period and the Fund's allocation to Index-Linked Bonds fell from 5.6% at 31 July 2021 to 5.5% at 31 October 2021 (0.5% underweight relative to the intermediate benchmark), reflecting relative market weakness. The Fund's allocation at 31 October 2021 comprised 80% UK Index-Linked Bonds (UK Linkers) and 20% US Treasury Inflation Protected Bonds (US TIPS).

Mr Fletcher has maintained his recommended allocation to UK Linkers at 5% (1% underweight), with the 1% being allocated to an increase in the Cash weighting. Mr Fletcher continues to believe that UK Linkers are over-valued and long-term investors should look elsewhere for inflation protection.

Markets have become increasingly concerned about higher inflation over the last few months' driven by the 'post Covid-19' economic recovery; supply constraints; high-savings rates (which could reverse and lead to a spending surge), and US policy stimulus. However, it is unclear whether this will be a short-term increase or lead to longer term inflation pressures. The IIMT believes that the potential for higher inflation, either in the short or longer term, supports the Fund's current Index-Linked bonds allocation, and therefore recommends that the weighting is maintained at 5.5%. The IIMT recommends maintaining the Fund's current exposure to US TIPS, noting that these offer diversification and protection against rising US inflation expectations.

2.23 Corporate Bonds

DPF Weightings	
Intermediate Neutral	6.0%
Final Neutral	6.0%
Actual 31.10.21	6.3%
AF Recommendation	6.0%
IIMT Recommendation	6.5%
Benchmark Returns (GB£)	
Q3 21/22 to 15 Nov-21	0.4%
Q2 21/22	(0.6%)
1 Year to Sept-21	0.8%
3 Years to Sept-21 (pa) (1)	n/a
5 Years to Sept-21 (pa) (1)	n/a



(1) Benchmark returns for the LGPS Central Limited Investment Grade Bonds Sub-Fund only available since the launch of the product in February 2020

Net investment of £12m in September 2021 was offset by relative market weakness and the Fund's allocation to Global Investment Grade bonds fell from 6.4% at 31 July 2021 to 6.3% at 31 October 2021; 0.3% overweight relative to the intermediate benchmark.

Mr Fletcher notes that low government bond yields and central bank policy rates, suggest the extra yield spread for non-government (i.e. investment grade bonds) and high yield bonds and loans may be attractive but spreads in aggregate are now back to the lows seen prior to the Covid-19 pandemic. Mr Fletcher recommends at 6% neutral allocation to investment grade bonds.

The IIMT notes that investment grade bond spreads are low and have narrowed significantly since spiking in March 2020. Furthermore, it is unclear whether the current level of yield spread compared to government bonds is sufficient to compensate for the increased default, particularly when the shape of the recovery is unknown, and the recovery cannot easily be benchmarked to previous trends. However, investment grade bonds are likely to be more defensively positioned relative to Growth Assets, should markets experience any period of weakness. As a result, the IIMT recommends increasing the current allocation to the asset class by 0.2% to 6.5%; 0.5% overweight.

2.24 Cash

The Cash weighting at 31 October 2021 was 5.6% (3.6% overweight relative to the intermediate benchmark), unchanged from 31 July 2021.

Mr Fletcher has maintained his 4% weighting in Cash (2% overweight) funded from underweight positions in Conventional Bonds (1%) and Index-Linked Bonds (1%), reflecting the extremely low yield and high duration risk currently attached to those asset classes. Mr Fletcher notes that given the current valuation of all investment markets, together with the Fund’s upcoming contractual commitments, he is not in a hurry to reduce the cash allocation.

The IIMT notes that whilst global markets have recovered strongly following the sharp sell-off in Q1-20, the recovery has been heavily dependent on substantial and unprecedented central bank monetary support and national government fiscal support. Any change of tone from the central banks, potentially in response to higher inflation expectations, is likely to have a material effect on markets. Furthermore, whilst the roll-out of vaccines continues to progress, a number of countries continue to face rising new cases (i.e. a potential fourth wave), and the impact of new variants remains a sizeable risk (e.g. Omicron). The recovery from the Covid-19 pandemic is likely to be uneven, and markets appear to be ignoring significant headwinds including considerable uncertainty about the shape of the economic recovery; continuing high levels of coronavirus cases in some countries (including the risk of new variants); rising inflationary pressures; tight global supply chains; rising geopolitical uncertainty; and the potential uncertainty caused by the relatively new Biden administration in the US.

The IIMT recommends a defensive cash allocation of 5.5% (3.5% overweight relative to the new final benchmark) due to the uncertain economic outlook, and the current rich valuations across most asset classes. This will also ensure that the Fund has sufficient operational headroom after adjusting for term-loan maturities (i.e. short-term loans provided by the Fund to other public sector bodies) to cover upcoming investment commitment drawdowns (expected to be in excess of £180m over the course of 2021-22), and to cover the likelihood that cash inflows into the Fund, particularly, from investment income, will reduce as a result of the Covid-19 pandemic.

It should be noted that in the quarter to 31 October 2021, the Fund switched £50m of the Fund's cash balance from money market deposits into short-dated investment grade bond funds. These highly liquid funds should allow the Fund to pick-up additional yield relative to money market deposits.

3 Implications

3.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

4 Background Papers

4.1 Papers held in the Investment Section.

5 Appendices

5.1 Appendix 1 – Implications.
5.2 Appendix 2 – Report of independent external adviser.
5.2 Appendix 3 – Portfolio Valuation Report at 31 October 2021.

6 Recommendation(s)

That Committee:

a) note the report of the independent external advisor, Mr Fletcher.
b) note the asset allocations, total assets and long-term performance analysis set out in the report.
c) approve the IIMT recommendations outlined in the report.
d) approve the benchmarking of any allocation to the LGPSC Climate Factor Fund to the product specific benchmark.

7 Reasons for Recommendation(s)

7.1 Both Mr Fletcher's report and the analysis set out in this report in respect of asset allocation, total assets and long-term performance provide an overview of the Fund's investment strategy and performance track-record on which to assess the asset allocation positioning for the Fund for the upcoming quarter.

7.2 The rationale for each of the IIMT asset allocation recommendations included in this report is set out in Section 2.

Report Author: Peter Handford
Director of Finance & ICT

Appendix 1

Implications

Financial

1.1 None

Legal

2.1 None

Human Resources

3.1 None

Information Technology

4.1 None

Equalities Impact

5.1 None

Corporate objectives and priorities for change

6.1 None

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None