



## **INVESTMENT COMMITTEE**

### **Public Minutes**

This paper presents the unconfirmed minutes of the last meeting of the Investment Committee held on 12 November 2025 via Microsoft Teams.

#### **Action Required**

The Investment Committee is asked to **approve** these unconfirmed minutes as a correct record of the meeting.

The Committee **approved** the minutes (INV-2025-03-CM) and (INV-2025-03-PM) of the July 2025 Investment Committee meeting.

All Committee members confirmed they had read the Terms of Reference, Code of Conduct and Conflict of Interest Policy.

The treasury team to circulate the response from Troy to members.

The Committee **noted** the Treasury Business and Performance report.

The Committee **noted** the presentation from the Money Market Fund managers and **agreed** that the ESG policies were aligned with the University's Ethical Investment Policy and Responsible Investment Framework.

#### **Present**

Mr R McCracken (Chair), Mr P Traynor (CFO), Miss K Smith, Mrs J-A Ashcroft, Miss K Roberts, Mrs F Fedeli

#### **In Attendance**

Mr J Brimley (Secretary)

#### **Apologies**

Mr P Robert-Tissot, Mr P Anand, Mr A Kolapo (Student Member of Council)

**1 MINUTES & MATTERS ARISING (A2 & A3) INV-2025-03-CM & INV-2025-03-PM**

1.1 The Committee approved both the public and confidential minutes of the previous meeting.

**OPEN ACTIONS FROM PREVIOUS MEETINGS (A4)**

1.2 The treasury team provided an update on the combination of the Ethical Investment Policy, Responsible Investment Framework and the Long Term Investment and Treasury Management Policy. As mentioned at the previous meeting the combination of the documents was going to be a bigger piece of work than originally expected, this work was still ongoing however it was anticipated to have this document available as a draft for the February meeting.

**TOR, CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY (A5) INV-2025-04-01**

1.3 The Committee members confirmed they had read the Terms of Reference, Code of Conduct and Conflict of Interest Policy.

1.4 Confirmation has been received from the members who were unable to attend in person.

**CHAIRS REPORT (A6)**

1.5 The Chair updated the Committee on the membership. Although Mr Kolapo had attended the last two Committee meetings, at that time he had not formally been a member even though Committee members had agreed it. Since the last meeting the Investment Committee's recommendation had been accepted by the Governance and Nominations Committee and he is now officially a member of the Committee. The term of Mr Robert-Tissot, who is also a member of Finance Committee, will finish at the end of February 2026. The search for his replacement is underway and the University is looking for someone who can fulfil the dual role of Finance and Investment Committee membership. Some replacements were proposed and informal discussions have been held but the search is still active.

1.6 The CFO gave an update on the prior year financial result. The University made a small operating surplus but once you make allowance for the change and restructuring schemes the University made an accounting deficit of £30m, representing a cash outflow of £21m. Given the in-year pressure these results are good and represent the impact of around £100m of saving plans that have been delivered since 2022.

1.7 He then updated on the 2025-26 student recruitment which has been much better than forecast. The work to understand why student numbers are so much better is still ongoing, but it is estimated that the higher student numbers will increase income by £20m. This means that the year should be cash neutral with a return to accounting and cash surplus in 2026-27.

1.8 There was then an update on the work the VC had undertaken on the new strategy which was out for consultation currently. The strategy covered areas like growth, efficiency and increasing academic attainment and reach.

1.9 The timing around the student numbers is fortunate but the executive are not going to get complacent and will continue to ask units to deliver the planned 3% savings this year and next. These savings will continue to support the University while the strategic items are delivered.

1.10 The CFO then updated the Committee on a divestment request from a student group at a meeting he attended in May. The group are unhappy with the investment in Microsoft and Alphabet by Troy because the Israel government are using their technology and services to select and target Palestinians. Following the meeting the treasury team put these questions to Troy. The treasury team will circulate the full response but in summary Troy recognise that advanced cloud computing or AI technologies could be used by governments in a military capacity. However, these companies are making general purpose technology and are not specifically designing the technology to be used

**Commented [JB1]:** Emails sent to Paras, Andrew and Philip

**Commented [JB2R1]:** Philip received 13 Nov  
Paras and Andrew chased today

**Commented [JB3R1]:** Chased Andrew and Paras again

**Commented [JB4R1]:** Chased Paras and Andrew 25/01

**Commented [JB5R1]:** Paras confirmed 26/01/26

for military purposes.

**2 TREASURY BUSINESS AND PERFORMANCE REPORT (B1) INV-2025-04-02**

- 2.1 The treasury team introduced the report and updated the Committee on the outcome of the meeting with Troy which is in the confidential minutes. The treasury team offered their thanks to the Committee member who led the negotiation.
- 2.2 The treasury team then asked Committee members whether getting all the Money Market Fund Managers to attending the same meeting was helpful or whether an alternative format, for example one per meeting, would be better as members would then get an economics update at each meeting. The Committee discussed several formats and the possible benefits. In the end members agreed that the current format was preferable as they could see how each manager responded to the same information.
- 2.3 The Committee **noted** the report.

**3 PERFORMANCE UPDATE ON THE UNIVERSITY'S MONEY MARKET FUNDS (B2) INV-2025-04-03**

- 3.1 The Insight team joined the meeting and delivered their presentation to the Committee.
- 3.2 The Insight team started by giving an economic update, since the last meeting some of the uncertainty around the impact of tariffs has reduced. A lot of trade agreements have now been agreed and tariffs seem to be settling around the 15% mark with the rate being experienced by US consumers being around 10%. Despite the uncertainty and increase in tariffs economic growth has been resilient, which is at odds with expectations as both uncertainty and tariffs should be a drag on growth. The Committee asked what Insight thought was the driver for this? Insight responded that they suspected two causes, the announcement of tariffs allowed US companies time to stock up, the second was the gains by the magnificent seven tech companies was increasing people's savings making them feel wealthier and allowing them to spend. Insight believe for these reasons tariffs are going to be much more impactful next year in the US.
- 3.3 They then focused on the UK where the economy is less impacted by tariffs but is cooling compared to US. Insight thinks that the BoE will cut rates twice in the next year with one of those cuts coming early 2026, however a lot depends on the budget which is less than 2 weeks away.
- 3.4 The Insight team then went on to discuss the asset composition and credit risk of the strategies that the University invests in. Currently, Insight doesn't believe that potential assets are adequately paying for increases in maturity or decreases in quality, so they are staying in the middle of the fund range and not seeking extra yield prioritising security of capital.
- 3.5 There was then a discussion about the ESG considerations used to select the counterparties that the funds will lend to. This covered the various exclusions, coal mining, fossil fuel energy generation, tobacco production, operation of gambling facilities, production of weapons, UNGC violators and how these exclusions combined with other factors led to the authorised counterparties. The liquidity fund is an SFDR Article 8 fund but despite mostly using the same investment counterparties the plus fund isn't Article 8 because of the ABS which they aren't able to provide an ESG rating for.
- 3.6 Insight then showed how this rating system was used and helped inform their engagement with a current counterparty Westpac, an Australian Bank. Among other things they discussed the issues the bank had identified in its operational processes that had caused detriment to its customers. It isn't good that issues happen, but Insight believed that self-reporting to the regulator shows an open management culture. For this reason, they are still an active counterparty. As part of the engagement they also discussed Westpac's ongoing commitment to achieve net zero.
- 3.7 The Committee thanked Insight and they left the meeting.

- 3.8 The LGIM team joined the meeting and delivered their presentation to the Committee.
- 3.9 At the start of the meeting LGIM gave a brief update on personnel changes with people joining in both the relationship and fund management teams.
- 3.10 The LGIM team then discussed the economic outlook, looking at debt sustainability, which is a major focus in debt markets, with concerns about France, UK and US. They continued to talk about the recent BoE MPC meeting where there was a 5 – 4 split between holding or cutting rates. The deciding vote being cast by the Governor, who in the minutes set a clear expectation for what he wanted to see before he would vote for a rate cut. LGIM think that there will be two more rate cuts in the next 12 months and it is possible the first could be in December, but a lot depends on what is announced in the budget and how it is received.
- 3.11 The LGIM team then moved on to discuss the counterparty list. Although there has been no change in the active counterparties following the French sovereign downgrade, they were keeping a watch on French banks and have shortened duration as a protective measure.
- 3.12 LGIM went on to discuss the fund structure with the WAM being held at the longer end of its range which they think gives the best outcome in a reducing rate environment. The Committee asked about the investor base and whether they were seeing any changes in the organisations investing? LGIM responded that they had seen some change, historically a significant percentage of the fund investor base has been pension funds. More recently, as pension funds have been shifting the risk to insurance companies, such as L&G, they have seen the investor base shift with more internal business.
- 3.13 At the previous meeting the Investment Committee had asked whether following the change in US administration LGIM were getting less engagement on green or DEI topics with their US counterparties? The LGIM team updated that although there has been some change in the language used to describe these topics the DEI policies are still there and counterparties continue to develop green financing initiatives.
- 3.14 The Committee thanked LGIM and they left the meeting
- 3.15 The BlackRock team joined the meeting and delivered their presentation to the Committee.
- 3.16 BlackRock gave a business update, noting that they now have over \$1tn AUM in their cash products business. Most of this inflow has been into their flagship products, principally low volatility net asset value (LVNAV), funds but they have experienced growth across all products in the cash range. With this expansion there has been people coming into the business and some organisational changes, but for the funds the University uses little has changed with the fund management team remaining stable.
- 3.17 They then proceeded to give a market update. Market expectation had been that at the BoE rate setting meeting the previous week the vote would be 7-2 or 6-3 for holding rates and when it was announced that it was 5-4 this surprised markets. BlackRock thought it was going to be closer than market expectation so extended duration towards 55 days WAM. Adding fixed rate assets in the 1 year duration between 4.03% and 4.08% as they see value above 4%. The BoE governor, Andrew Bailey who cast the deciding vote, said the upside risk of inflation had reduced since August, but said for further cuts to come through he needed to see more evidence of the disinflationary cycle. He also added that he can see two more cuts over the next year and a terminal rate of 3.5%.
- 3.18 BlackRock then discussed market expectations for the budget and how some of the potential policy decisions could impact interest rates.
- 3.19 BlackRock then gave an update on the portfolios, as discussed BlackRock have been taking opportunities to add 1 year fixed rates assets as they see opportunities to lock in rates above 4%. For the Ultrashort Bond fund, a similar strategy is being deployed with additions in the 6 month to 1

year timeframe all at rates above 4%. Whilst trying to maintain a WAM around 100 days.

- 3.20 There was then a discussion about fund performance. Over the last 6 months the LEAF fund has averaged c4.31% after fees, whilst the Ultrashort Bond fund has averaged 4.56% after fees, in the same period SONIA averaged c4.21%.
- 3.21 BlackRock then discussed the ESG processes they use to select the assets for the funds. There haven't been any notable changes since the last meeting. Both portfolios follow the BlackRock baseline screens, with the LEAF product including the additional screens and tilt process that are its core offering.
- 3.22 The Committee asked whether the inflows experienced had widened the customer base and how much of that inflow had affected the strategies being used by the University? BlackRock responded that most of the inflows were into their LVNAV products but there had been growth across all strategies. At this point they hadn't seen a significant change in their investor base, but they are seeing more interest in cash products from existing clients.
- 3.23 The Committee thanked BlackRock and they left the meeting.
- 3.24 The Committee **noted** the reports and **agreed** that the ESG policies were aligned with the University's Ethical Investment Policy and Responsible Investment Framework.

**4 AOB**

- 4.1 Following recent high profile cyber incidents, the Committee asked about the interconnectedness of the fund managers, trustees and custodians and whether the treasury team knew what activity they were doing to keep their value chain secure? The treasury team responded that the Committee is correct there over overlaps in the counterparties involved although this has reduced with the reduction in equity funds. The treasury team will bring a map of counterparties to the next meeting and ask the fund managers, and other financial counterparties what they are doing to make sure appropriate cybersecurity measures are in place at the organisations they use.

<b>Future Meeting Dates</b>
Wednesday 25 February 2026 @ 10.00 to 13.00 (online)
Wednesday 20 May 2026 @ 10.00 to 13.00 (online)
Tuesday 21 July 2026 @ 10.00 to 13.00 (online)