

## **TFL Pension Consultative Council (PCC)**

### **Summary of minutes of Meeting 123 held on the 21 July 2022**

#### **Report of Trustee board Meeting held 9 June 2022 and 8 July 2022**

The Trustee News update was noted, and Paul Kilius-Smith's report was appreciated by the PCC.

Stephen Hedley retired and was replaced by John Leach, who joined the Audit and Risk Committee.

Trustee attendance was high, with Employee Nominated Trustees at 87%, Member Nominated Trustees at 98%, and PCC-nominated Trustees at 98.65%.

The funding position as of March 2022 showed a positive position and a funding level of over 100%. The Fund returned 10.6% for the year. Investment discussions included reducing equity exposure and considering new strategies for risk reduction. A \$250m investment in private credit with Goldman Sachs was approved.

The Fund Office planned to offer appointments in-person or via Teams. Two death benefit cases were resolved, and a proposal for a new Fund website was approved.

The Appeals Committee declined two claims, one for a dependent's pension and another for buying back membership after a career break. The Committee also discussed an Ombudsman ruling on a pension transfer dispute.

The Annual Report and Financial Statements for 2021-22 were approved, and RSM UK issued an unqualified audit opinion with a note on TFL's funding uncertainty.

The Fund faced challenges in recruiting, with several candidates withdrawing due to uncertainties around TFL funding and the buoyant job market.

Trustees visited Cory's Waste Recycling facility and discussed the "Energy from Waste" program, with concerns raised about its profitability and impact.

#### **Reputational Risk to the TfLPP Net Zero Policy**

The discussion highlighted the tension between the Fund's Net Zero commitments and its current investments in companies like ExxonMobil. While the Fund had engaged with Exxon and was looking at exiting such investments as part of a broader portfolio rebalancing, the need for a systematic approach to divestment and sustainability was emphasized. The meeting concluded with an agreement to make a formal representation to the Trustee Board to continue addressing these important issues.

#### **Administration Report for the Quarter ended 31 March 2022**

The PCC noted the service provider's report to the Trustee of the TfL Pension Fund.

#### **Trustee News Update**

The Trustee News update was noted.

#### **Pensioners Forum Minutes for meeting held 12 May 2022**

The draft minutes of the Pensioners' Forum meeting held on 12 May 2022 were not available.

#### **PWG Agenda 15 June 2022**

The Agenda was noted.