

MEETING: **PENSIONS COMMITTEE**

DATE : **14 OCTOBER 2020**

TITLE: **BLACK ROCK LOW CARBON FUND**

PURPOSE: **To ask the Pensions Committee to agree the movement of its current Black Rock Low Carbon holding to the ACS World Low Carbon Equity Tracker Fund (MSCI World Low Carbon Target ex Fossil Fuels Index).**

RECOMMENDATION: **AGREE TO THE NEW INVESTMENT**

AUTHOR: **DELYTH JONES-THOMAS, INVESTMENT MANAGER**

1. Introduction

The quarterly Investment Panel of the Gwynedd Pension Fund met on 16th September 2020 where a presentation was received by Black Rock on it's upcoming ACS World Low Carbon Equity Tracker Fund (MSCI World Low Carbon Target ex Fossil Fuels Index).

2. Black Rock ACS World Low Carbon Equity Tracker Fund (MSCI World Low Carbon Target ex Fossil Fuels Index)

In September 2020 current Black Rock holdings were transferred to the Black Rock ACS World Low Carbon Equity Tracker Fund (MSCI World Low Carbon Target) following a committee decision in July 2019. Since then, Black Rock has developed a Fund with a further focus on carbon reduction with the following difference from the current low carbon fund we have invested in:

- Includes fossil fuel screens prior to the low carbon optimisation.
- For an increase in tracking error from 0.30% to 0.50%, carbon is reduced by 44%.

This new fund was introduced to the Investment Panel and it was agreed by our advisors that it would be beneficial to move our current holdings to this new fund.

3. Recommendation

The Committee is asked approve the movement of our current holdings in the ACS World Low Carbon Equity Tracker Fund (MSCI World Low Carbon Target) to the:

- ACS World Low Carbon Equity Tracker Fund (MSCI World Low Carbon Target ex Fossil Fuels Index).

in accordance with the discussion at the most recent Investment Panel.