



THE FREEMASONS' FUND FOR SURGICAL RESEARCH

MINUTES OF A MEETING OF THE TRUSTEES OF THE FREEMASONS' FUND FOR SURGICAL RESEARCH Held at the Royal College of Surgeons of England 35-43 Lincoln's Inn Fields WC2 On Wednesday 27th September 2023 at 10.30a.m.

The Chairman opened the meeting at 10.30am as a quorate meeting of the Trustees for all purposes under the Trust Deed.

Trustees present:

Mr. Justinian Ash (Chairman), Mr. Paul Copsey,
Mr. Jon Randall, Mr. Ian Sabin and Mr Julian Soper.

In attendance:

Mr. Michael Messent (Secretary), Mr Stephen Finch (Assistant Secretary), and
Mr. Jeremy Barker (Cazenove Capital Management).

1 **Apologies**

Mr Jolyon Berry and Mr Tony Narula.

2 **Minutes of previous meeting**

The minutes of the meeting held on 15th May 2023 were considered, approved, and signed by the Chairman.

3 **Matters arising**

Under paragraph 8, Mr Ian Sabin reported that the MCF were not willing to make direct grants to the FFSR as the Fund did not meet their criteria and the only possibility was collaboration.

Under paragraph 9 the Secretary reported that he had revised the Risk policy in the form circulated prior to the meeting. In discussion it was agreed that further revision would be desirable when dealing with conflict of interests and cyber threats and the Secretary was instructed to propose and circulate a revised draft for further consideration by the Trustees.

Under paragraph 12 the Assistant Secretary reported that the booklet was almost ready for distribution and that he had an imminent meeting arranged with Shaun Butler. The website had been updated and included a link to an article about a successful former Fellow. The bank account changes were still in hand and dealing with Coutts had been very difficult, but it was expected that all would be completed within a couple of months.

4 Review of the Fund's investments, the Investment policy and consideration of the Investment Group's report

The Chairman invited Mr. Jeremy Barker to highlight the most important matters in the investment report for the meeting, which he duly did, and discussion then followed on appropriate adjustments to policy to reflect current conditions and the need to maintain the value of the Fund while also seeking to meet the cost of Fellowships, which were rising at a faster rate than general inflation. The following main points were considered–

- The Cazenove Charity Equity value fund was over the policy guide limit of 10% for fossil fuels at 10.3%. It was noted that overall Fund exposure was 2.1%. Mr Barker highlighted the return benefits of this particular fund and it was accepted that it was difficult to prevent a slight over run. It was agreed that it was better to focus on overall Fund limits rather than on individual holdings. It was agreed that the individual limits be removed and that overall total exposures should be reviewed. For the time being it was agreed that the limit for fossil fuels would remain at 5%.
- In discussion it was confirmed by Mr Jeremy Barker that the tobacco screening covered most vaping products given that the ownership of the producers were mostly tobacco companies. There was concern that the current limit of 2.5% was too lax and that the overall exposure should be limited to 1%
- It was further agreed that gambling should also be subject to an overall limit of 1%.
- Arms exposure was considered but it was decided that the defensive aspect of arms manufacture, and the current worldwide instability, made it inappropriate to impose any limits at this time. It was also relevant that the exposure was currently less than 1%.
- Alcohol linked exposure was also considered. It was noted that exposure was currently 0.4% and that it was inappropriate to impose specific limits at this time. The issue of arms and alcohol investment would be reviewed regularly.
- The balance of risk and reward was considered by reference to the volatility schedule produced by Mr Jeremy Barker and attached to these minutes. There was concern expressed that while the investments were currently achieving annual growth which broadly matched CPI growth it was not achieving the additional 4% which was the investment aim. After discussion it was concluded that the balance between risk and reward is probably about right having regard to the nature of the Fund and that the aim was unrealistic in present circumstances. It was agreed that the relevant wording of the Investment Policy at Paragraph 2.2 should be changed so as to read “The investment objective is to maintain the real value of the Fund after grants and expenses ..” The Secretary was instructed to redraft and circulate an amended policy.
- The policy regarding direct investment in Chinese Bonds was reconsidered and it was agreed that there should be no change.
- The Investment Policy statement regarding Private Equity was reviewed. Mr Jeremy Barker advised that separate reference to it in paragraph 3.2 should be removed and it should be treated as part of global equities. Reference to the limit on such investment should form

part of the general narrative. The proposal was agreed, and the Secretary was instructed to redraft the policy accordingly.

- Further regarding Private Equity, Mr Jeremy Barker advised that Cazenove were setting up a vehicle to facilitate such investment. It was proving to be a complex task but should be ready in 2024.
- There was some discussion as to whether it was an appropriate time to consider increasing cash holdings, a matter which had been considered by the Investment Group, but Mr Barker pointed out that while annual returns currently could be good, they were below inflation and that in his opinion there was still no substitute for taking a long view and investing in equities. In any event there was always a certain amount in cash ready to meet the quarterly payments to the Fund. He advised checking with Coutts as to their offerings on cash held. It was agreed to leave such matters in the hands of Cazenove.

The Secretary was instructed to incorporate all the agreed changes in the Investment Policy Statement and circulate to the Trustees for approval.

5 Fund Raising

The report from the Fund Raising group was noted. It was going to be impossible to launch a general appeal for funds without authority. It appeared that it would be acceptable to send a letter to Provincial Secretaries proposing that there be a talk by members of the College, and that raising funds from any subsequent Lodge meeting would be in order, as indeed had happened in the past. Further, talks to Installed Masters Lodges could be undertaken, as had been the case recently with a successful talk in Gloucestershire. It would be necessary to explore how much further it would be permissible to go without it being regarded as an intrusion on Provincial Festival fund raising. It was hoped that Mr Jolyon Berry and Mr Stephen Finch would seek further clarification.

6 Other Business

There was none.

7 Next meeting

The next full Trustee meeting would be fixed for May 2024 by the Secretary in conjunction with Cazenove. The Chairman proposed that there be a Team meeting of the Investment group in March 2024, and this was agreed. A date and time would be fixed in January.

The meeting was closed at 12 noon and was followed by a joint meeting with the Fellowship Committee of the Royal College of Surgeons, which was chaired by the President. As part of that meeting (which will be minuted by the College) it was agreed that Fellowships for the coming academic year would be awarded to Joel Ward (Royal Arch), Mona Saad, Robert Geraghty, Alexander O'Conner (Royal Arch) and Tom Grundy (if the College could find supporting funding).

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Chairman

