

Decision Maker:	Thames Basin Heaths Joint Strategic Partnership Board
Date:	18 November 2021
Title:	Update on behalf of the Investment Working Group
Report From:	Administrative Body

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Purpose of the Report

1. The purpose of this report is to present an update to the Joint Strategic Partnership Board (JSPB) on the investments made and the investment strategy.

Recommendations

2. That the Investment Strategy as presented by the Investment Working Group in Appendix 1 be noted.
3. That the Responsible Investing policy as presented by the Investment Working Group in Appendix 2 be noted.
4. That the annual timescales for terminating the contract with Arlingclose be noted.
5. That the amounts available for investment as set out in Table 1 and the projected cashflow scenarios set out in Appendix 3 be noted.
6. That the JSPB notes the requirements and practical implications and limitations specifically outlined in paragraphs 41-47, surrounding any investment decisions made by the JSPB before any investments can be made by the Administrative Body on behalf of the JSPB.

Executive Summary

7. The Investment Working Group was set up to review and recommend appropriate policies / actions to the JSPB in respect of matters relevant to managing the investments of the JSPB, with final decisions being taken by the JSPB as set out in the SAMM agreement.

8. Membership of the Investment Working Group is reviewed biannually, with the next review due in November 2022.
9. The current Investment Strategy is presented in Appendix 1, and the current Responsible Investing policy is presented in Appendix 2.
10. Arlingclose were appointed as independent financial advisors to the Board from 1st December 2018, on an annual rolling contract basis, at a cost of £10,000 plus VAT per annum subject to an annual RPI inflationary uplift. Should the JSPB wish to terminate the contract, notice must be given to Arlingclose by 1st September for the year ahead.
11. A total of £10.2m has been invested to date, with a further £3.2m investment pending. The performance of those investments is considered separately to this report in the presentation by Arlingclose.
12. There is currently a total of £1.568m held as a cash balance in the Endowment Fund and therefore available to be invested. It is projected that this amount will rise to £4.693m by March 2022. Tariff income projections are based upon the predictions made by the planning authority partners.
13. Any investment decisions made by the Board are solely at the risk of the JSPB and the Administrative Body accepts no responsibility for the decisions made. There are a number of requirements that must be met before any investments will actually be made, including that the Board's instructions are clearly documented and in accordance with the independent financial advice, and the Board must ensure that these requirements are fully complied with.
14. There are also practical implications and limitations that must be taken into consideration, arising from the arrangement used to make the investments, as the JSPB is not a separate legal entity. These are set out in more detail later in this report.

Investment Working Group

15. The Investment Working Group was set up to review and recommend appropriate policies / actions to the JSPB in respect of matters relevant to managing the investments of the JSPB, with final decisions being taken by the JSPB as set out in the SAMM agreement.
16. The terms of reference for the Investment Working Group are included within the Investment Strategy (Appendix 1), and provide for a minimum of three Board members plus a representative of the independent financial advisors. Membership is to be reviewed bi-annually, with the next review due by November 2022.

17. The Investment Working Group currently consists of three Board Members as follows:

- Councillor Jonathan Glen, Hampshire County Council
- Councillor David Hilton, Royal Borough of Windsor and Maidenhead
- Councillor Jan Harwood, Guildford Borough Council

Investment Strategy Statement

18. The current Investment Strategy of the JSPB is shown in Appendix 1.

19. The Investment Strategy is based on the following broad principles:

- Annual expenditure needing to be funded is expected to be in the region of £500,000, rising with inflation.
- A balance of £1.5m (increased from £1m at the November 2020 JSPB) should be kept within the Maintenance fund, equating to approximately three years of expected running costs.
- Keeping risk as low as possible whilst ensuring it is sufficient to meet the expected expenditure – a “sensible risk”.
- A target return of 2-3% above inflation was considered to be appropriate.
- The interest paid on cash balances held by the Administrative Body (currently 0.1%) is unlikely to be sufficient to meet the target return.

20. The Investment Strategy also includes a Responsible Investment Policy, which is included as Appendix 2 to this report.

Independent financial advisors – contract management

21. At the JSPB meeting on 21 September 2018, the JSPB voted to appoint Arlingclose as independent financial advisors to the board. As the JSPB is not a separate legal entity, this appointment was made through the Administrative Body to the JSPB, Hampshire County Council, on the JSPB's behalf through a modification to the existing Treasury Management Advisory Service contract Hampshire County Council holds with Arlingclose.

22. The contract with Arlingclose to provide independent financial advice to the Board began on 1 December 2018, and is renewed annually on a rolling basis until the JSPB gives written notice to the contrary at least 3 months prior to the contract renewal date (i.e. by 1st September each year). The charge for the contract was £10,000 plus VAT for the first year, increasing by RPI inflation each year thereafter, using the RPI figure prevailing at the time of the contract anniversary, with all fees billed annually in advance.

23. The JSPB has requested that Arlingclose attend the six monthly JSPB meetings to give an overview of the performance of the investments made and to give advice on future potential investments.

Update on investments made

24. At the meeting of 6 December 2018, the JSPB agreed to the investment of £6m from the Endowment Fund to be made on 17 December 2018 (or practically as soon thereafter as possible), to be split equally between the three funds recommended by Arlingclose:
- CCLA Property Fund - £2m
 - Aegon (was Kames) Diversified Monthly Income Fund - £2m
 - Schroder Income Maximiser Fund - £2m
25. These investments were made on behalf of the JSPB by Hampshire County Council (as the Administrative Body) in December 2018 and February 2019.
26. At the meeting of 19 November 2020, the JSPB agreed that a further investment of £7.4m from the Endowment Fund should be made as soon as practicably possible, to be split between three funds recommended by Arlingclose as follows:
- Ninety One (Previously Investec) Diversified Income - £3.2m
 - CCLA Diversified Income - £3.2m
 - Aegon (was Kames) Diversified Monthly Income Fund - £1m (giving a total of £3m invested in this fund)
27. The Ninety One and Aegon investments were made on behalf of the JSPB by Hampshire County Council (as the Administrative Body) in January 2021. There have been unexpected delays in opening the account for the CCLA Diversified Income fund, and this is still in the process of being set up, with the investment expected to be completed shortly.
28. The current performance of those investments is considered separately on the agenda, in the presentation by Arlingclose.

Updated Cash Flow Forecast

29. The current projected tariff income and Fund balances for the financial years to 31st March 2024 are shown in Table 1 below. Potential financial modelling scenarios to 2090/91 (being 80 years after the commencement of the SAMM agreement) using the current income projections and an inflation rate of 2%, with a 4%, 3% and 2% return on investments are shown in Appendix 3.

30. As has been highlighted previously, there are significant difficulties in making accurate long-term projections, and variations in tariff income, project costs, inflation and investment returns could have a significant impact on the long-term financial viability of the partnership.

Table 1	2020/21 Actuals £'000	2021/22 Projected £'000	2022/23 Projected £'000	2023/24 Projected £'000
Total tariff income	1,766	3,098	1,816	2,023
Interest	8	5	6	8
Dividend income	311	505	665	665
End of year balances held as cash funds by the Administrative Body				
Maintenance Fund	1,500	1,500	1,500	1,500
Endowment Fund	1,568*	4,693	6,608	8,722

*Adjusted by £3.2m to reflect the pending investment, and including dividend income for reinvestment.

31. Tariff income forecasts have been consolidated by the Administrative Body using projections from the respective planning authority partners. It is important that partners ensure their forecasts are as accurate as possible and that the Administrative Body is informed of changes in a timely manner, so that figures can be updated to assist the JSPB in making sound investment decisions.
32. The three scenarios modelled in Appendix 3 show a range of the funds being fully depleted by 2060/61, to continuing in perpetuity, as shown in table 2 below. However, this modelling contains a number of assumptions with a very high level of uncertainty, and is therefore for illustrative purposes only.

Table 2 Scenario	Inflation	Investment return	Funds fully depleted
1 - Further investments made	2%	4%	N/A
2 - Further investments made	2%	3%	2086/87
3 - Further investments made	2%	2%	2072/73

Investment Decisions

33. Investment decisions are to be made by the JSPB and all risks associated with these investments rest solely with the JSPB. The Administrative Body cannot provide financial advice and therefore accepts no responsibility for the decisions made.
34. The JSPB is not a separate legal entity, and therefore any investments made by the JSPB are made by Hampshire County Council as the administrative body, however all risks associated with these investments rest with the JSPB and not Hampshire County Council. All income from these investments is attributable to the JSPB, as are any gains or losses in the value of the investments.
35. It is important to note that this arrangement for making the investments does have some practical implications and limitations that the Board has previously been made aware of, but are set out again below.
36. Under accounting standard IFRS 9 introduced in 2019, changes in the fair value of investments during any given financial year must be presented as a revenue gain or loss in that financial year. There is currently a statutory override in place for local authorities that means these gains or losses must then be reversed and charged to reserves. For as long as the statutory override is in place, there is therefore a net nil impact of these gains or losses on the revenue budget unless an investment is sold. The statutory override as currently agreed expires at the end of March 2023 and the JSPB needs to acknowledge that if it is not extended or replaced with a similar alternative, any fair value gains or losses will be an in year revenue charge to the JSPB.
37. Despite this, any gains or losses will only ever be realised should the JSPB sell any of its investments, which it will only do after taking advice from Arlingclose, and which it does not plan to do at present as a long term investor.
38. Furthermore, the investments will be subject to Hampshire County Council's Treasury Management Statement limits (the HCC TMSS), which limits both the total amount and types of investment that can be made.
39. The HCC TMSS is approved in February each year for the year ahead and any planned investments made on behalf of the JSPB will need to be included within this. It is therefore recommended that the JSPB determines the expected investment amount for the year ahead at the autumn JSPB meeting each year.

40. Assuming any proposed investments are within the HCC TMSS limits, before any investments will be made by Hampshire County Council on behalf of the JSPB, there are a number of requirements that must be met:
- Any instructions from the JSPB must clearly document the amount to be invested or sold, the investment to be bought or sold, and the date on which the investment to be made (subject to the practical considerations as set out above)
 - The investment instructions must have fully taken account of, and be in accordance with, written financial advice provided to the JSPB, as required by the SAMM agreement.
41. If these requirements are not met, Hampshire County Council will not make the investments on behalf of the JSPB.
42. The JSPB should also be aware that potential investments would be subject to any relevant minimum/maximum limits and timing restrictions of particular funds.

Conclusions

43. The above report sets out the investment update from the Investment Working Group.

Appendix 1 – The JSPB Investment Strategy Statement

Thames Basin Heath Joint Strategic Partnership Board Investment Strategy Statement

In 2009 the Thames Basin Heath Joint Strategic Partnership Board (JSPB) was formed as part of the Thames Basin Heaths SPA – Strategic Access Management and Monitoring Project Memorandum of agreement.

1. Introduction.

- 1.1. The South East Plan (2009) contained proposals for over 55,000 new residential dwellings around the SPA and includes a specific policy identifying a series of mitigation measures which new developments must provide in order to avoid having an adverse effect on the SPA.
- 1.2. The mitigation to be provided by all new residential dwelling includes the provision of a Strategic Access Management and Monitoring Project. Each Local Authority is required to collect a fixed tariff from developers for each new dwelling and to transfer these as a contribution towards a joint fund for the Project. The contributions will be collected and administered by the Administrative Body.
- 1.3. It was agreed that the first Administrative Body would be Hampshire County Council.
- 1.4. The JSPB was established to provide the vehicle for joint working between local authorities and other organisations responsible for protection of the Thames Basin Heaths SPA. The Contribution Fund provides for:
 - 1.4.1. The provision of a Project Coordinator including any recruitment costs, redundancy costs and other related employment costs.
 - 1.4.2. Wardening of the SPA sites
 - 1.4.3. Survey and monitoring of visitor numbers and patterns, planning applications and the three-bird species on the SPA
 - 1.4.4. Interpretation and education services including the provision of an Education and Communications Officer including any recruitment costs, redundancy costs and other related employment costs associated with this role.
 - 1.4.5. Treasury functions and other management fees
 - 1.4.6. A long-term fund to enable the Project to be funded in perpetuity

This document defines the governance arrangements for the long-term fund.

2. Investment Working group

- 2.1. The Investment Working Group (IWG) will be a Working Group of the JSPB.
- 2.2. The Investment Group will consist of a minimum of three members who are nominated by the JSPB together with the current Independent Financial Advisor (IFA), Arlingclose.

- 2.3. Where a member of the IWG is a Councillor from Hampshire County Council, the member will not be involved in deciding which investments to make.
- 2.4. Any involvement of officers of the Administrative Body will not be in a decision making or advisory capacity and will be purely to support financial administration, as set out in the SAMM Agreement. The Administrative Body cannot provide financial advice.
- 2.5. Membership of the IWG will be reviewed bi-annually.
- 2.6. The Investment Group will meet at least six monthly and, on an ad-hoc basis as required. With a plan of meetings at the beginning of each financial year, taking into account commitments of partners. At least 10 days' notice of any ad-hoc meeting will be given for each meeting. The Working Group may meet "electronically" if required. In such a circumstance it will be made clear by what date members are required to respond.
- 2.7. The JSPB will delegate authority to the IWG, in consultation with the Chairman, to take immediate action to sell an investment should it become apparent that the investment is likely to fail.
- 2.8. The Investment Group will report all recommendations to the JSPB, these will be made by the councillor members having considered the advice of the IFA.
- 2.9. It is proposed that representatives of the IFA should attend the relevant JSPB meetings.
- 2.10. The role of the Group is to review and recommend appropriate policies/actions to the JSPB in respect of the following:
 - 2.10.1. The Strategic Asset Allocation of the Fund.
 - 2.10.2. The investment performance of the Fund.
 - 2.10.3. New investment products/mandates and their suitability for investment by the Fund.
 - 2.10.4. To recommend the appointment or termination of investment mandates.
 - 2.10.5. Such other matters as may be relevant to managing the investments of the Fund.
- 2.11. The final decisions on any proposed investment will be made by the JSPB.

3. Investment Objectives

- 3.1. Investment objective were agreed at the JSPB meeting of the 21st September 2018.
- 3.2. Approximately £1 million should be kept in cash in the Maintenance Account, to fund projected expenditure for a period of two years. This sum will be reviewed annually.
- 3.3. The primary aim would be to generate income, rather than capital growth.
- 3.4. The investment should have the lowest risk possible.
- 3.5. A target rate of return on investment should be calculated using the current balance held within the Endowment Account, plus a reasonable

assumption of the future income (as provided by the Partners) to give a target percentage rate of return required to meet projected costs in perpetuity.

3.6. The IFA would be asked to advise on a recommended mix of investment types anticipated to meet that target rate of return at the lowest risk, and specific funds that would meet these requirements.

3.7. The JSPB should acknowledge that the target rate of return will vary, depending on actual income and expenditure, and that the target percentage rate of return may not be achieved. In either of those circumstances it would be necessary to review and revise the investment strategy, and/or to review and revise both the planned expenditure and the SAMM charges accordingly.

4. Investment strategy statement.

4.1. This is the first such statement published by the JSPB and it will be reviewed regularly by the IWG and at no more than 2 -year intervals. Recommendations will be made to the JSPB who will consider any proposed changes.

A requirement to invest fund money in a wide range of instruments.

4.1.1. The JSPB policy is that the fund should have a highly diversified investment portfolio spread across different asset classes and different asset managers using differing approaches as appropriate. This ensures that the fund money is invested in a wide range of instruments.

4.1.2. JSPB has established an Investment Working Group which meets bi-annually to review the fund's performance, asset allocation and ability to meet its target return. In addition, the Investment Working Group reviews potential new investment ideas and products and opines whether such ideas are consistent with the investment strategy of the fund and a suitable investment.

4.1.3. The Investment Working Group receives advice from suitably qualified Independent Financial Adviser, Arlingclose.

4.1.4. To achieve sufficient diversification the fund divides assets across 4 broad buckets: equities, bonds, real assets and absolute return strategies. The size of each bucket will vary depending on investment conditions.

4.1.5. Any investment strategy will have associated risks, including primarily that of not meeting the returns required to ensure the long-term ability of the fund to pay for the work of Natural England who are currently the project delivery team. To mitigate these risks the Investment Working Group regularly reviews both the performance and the expected returns from the portfolio to measure whether it has met and is likely to continue to meet its return objective,

5. The JSPB's assessment of the suitability of particular investments and types of investments.

- 5.1. In assessing the suitability of investments JSPB takes into account a number of factors including prospective return, risks, concentration or diversification of risk as well as geographic and currency exposures.
- 5.2. Performance benchmarks are set for the fund as a whole (target return UK CPI+3%) as well as for individual allocations.
- 5.3. In ensuring the suitability of investments the JSPB pays regard to both the potential returns and risk (including possible interactions with other investments in the portfolio). JSPB will also consider the reputational risk of being connected with or investing in any investment proposal. JSPB expects its managers to consider Environmental, Social and Governance issues when making an investment.
- 5.4. The IFA will advise the IWG on returns and the volatility of those returns from investments on a quarterly basis.

6. The JSPB's approach to risk, including the ways in which risks are to be measured and managed

- 6.1. The JSPB will seek the lowest risk consistent with meeting the investment objectives.
- 6.2. Looking specifically at investment risk JSPB is of the view that diversification of the fund investment portfolio will help to minimise investment risk (volatility of returns). The fund targets a long-term return of UK CPI+3%; this would be sufficient for it to meet its long-term liabilities. In setting the investment strategy, the JSPB decided that this return should be achieved with a low degree of volatility –the fund targets volatility below 10% per annum over the medium term.
- 6.3. As a patient long-term investor, the fund is prepared to ride-out short-term volatility in investment markets and may, if suitable opportunities arise, adapt its investment strategy accordingly.

7. The JSPBs policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments.

The JSPB accepts that there are differing views on how social, environmental and corporate governance considerations should be taken into account and believes that no “one size fits all” policy can possibly be implemented across a diverse portfolio. Nevertheless, JSPB seeks to protect its reputation as an institutional investor and ensures that its investment managers take into account these issues when selecting investments for purchase, retention or sale. JSPB will not place social, environmental or corporate governance restrictions on its managers but relies on them to adhere to best practices in the jurisdictions in which they are based, operate and invest. For clarification a separate Responsible Investing policy has been drafted and forms part of this Investment Strategy Statement.

Appendix 2 – Responsible Investment Policy

Thames Basin Heaths Joint Strategic Partnership Board Responsible Investment Policy

1. Introduction

This policy defines the commitment of the Thames Basin Heaths Joint Strategic Partnership Board (TBHJSPB) to Responsible Investment (RI). Its purpose is to detail the approach that TBHJSPB aims to follow in integrating Environmental, Social and Governance (ESG) issues into its investments.

The policy will be reflected in the Investment Strategy Statement.

2. Responsible Investment Values and Principles

The TBHJSPB values and principles reflect the need to deliver long term investment returns in order to secure long term funding for the Boards Access management and Monitoring programme. The values and principles recognise the importance of assessing sources of risk and opportunity over an extended time horizon and emphasise the importance of diligent stewardship as part of engaged asset ownership.

Responsible Investment Values:

Consultative	The RI priorities are a reflection of the views of the members of the Thames Basin Heaths Joint Strategic Partnership Board, and of evolving best practice within the management of Local Government investments.
Being Proactive	A proactive approach to evaluating ESG risks and opportunities is more likely to result in long term benefits for the TBHJSPB and is aligned with fulfilling our fiduciary duty.
Engagement	<p>The TBHJSPB considers engagement to be a route for exerting a positive influence over investee companies and encouraging responsible corporate behaviour.</p> <p>We will be supportive of targeted dialogue by investment managers in situations where positive changes can be brought about to align governance, environmental and social standards with our investment needs.</p>
Collaborative	The TBHJSPB recognises that working collaboratively can achieve greater influence than acting unilaterally. The TBHJSPB seeks to align itself with likeminded investors through collective vehicles in which it is invested.
Flexible	The TBHJSPB considers that its RI policy and approach should be reviewed regularly in order to continue recognising and reflecting best practice where appropriate and addressing emerging priorities.

Responsible Investment Principles

The RI principles translate our values and commitments into responsible investment practices which can help to deliver a sustainable and sufficient return on our investments. Our RI principles inform the stewardship arrangements we have agreed with advisors Arlingclose as our provider of investment management advice.

A summary of the key Responsible Investment principles:

- Effectively manage financially material ESG risks to support the requirement to protect returns over the long term;
- Apply a robust approach to effective stewardship;
- Seek long term returns from well governed assets;
- Responsible investment is core to our skills, knowledge and advice;
- Seek to innovate, demonstrate and promote RI leadership and ESG best practice;
- Achieve improvements in ESG through effective partnerships that have robust oversight by the investment managers.
- Share ideas and best practice to achieve wider and more valuable RI and ESG outcomes.

The implementation of the RI policy is through the advice of Arlingclose who are responsible for provision of investment advice to TBHJSPB.

3. Priorities

Identifying core priorities for RI is an important part of focussing the attention of Arlingclose on the issues of greatest importance to the TBHJSPB. The issues we have identified as being of primary concern to us as asset owners are:

- Climate change – choosing investments where the managers recognise and manage the risks and opportunities investments face from climate change;
- Corporate Governance – promoting the case for well managed companies which implement fair and just employment practices;

The above mentioned are our main priorities. However, there are a number of other RI issues which are of interest to the TBHJSPB and which will be kept under review, including:

- Where possible, reducing investments in products such as fossil fuels, controversial weapons that have an indiscriminate and disproportional impact on civilian populations, tobacco and alcohol.

Climate Change

The TBHJSPB recognises the imperative to address climate change as a systemic and long-term investment concern, as it poses material risks across all asset classes with the potential for loss of shareholder value including via stranded assets.

The TBHJSPB will endeavour to carry out the following:

- Where Investment managers in which the TBHSPB are invested as recommended by Arlingclose have existing investments in fossil fuel companies, we expect the Investment Manager to ensure that those companies are able to demonstrate planning for the global transition to a low-carbon economy and to meet future emissions reduction targets under the Paris Agreement or other appropriate initiatives. Where they are not, and opportunities for engagement by the Investment Manager and reform of the company or project are not possible or do not exist, then the TBHJSPB will make all reasonable efforts to divest provided that this will result in no material financial detriment, either through increased costs or increased investment risk.
- Where our fiduciary duty allows, we will not consider new active investments in fossil fuel companies directly engaged in the extraction of coal, oil and natural gas as sources of energy which are ignoring the risks of climate change. The TBHJSPB expects Arlingclose to take steps to ensure that the level of exposure to climate change investment risks are evaluated and monitored by Investment Managers. This will be through Arlingclose promoting the use of appropriate investigative and analytical tools by Investment Managers to increase information and regular reporting on performance.

Corporate Governance

The TBHJSPB will, principally through Arlingclose, promote high standards of employment practices. This will be done through asking Investment Managers to actively seek companies who demonstrate such practices and engaging effectively to encourage these standards within existing investee companies.

5. Definitions

Responsible Investment	The integration of environmental, social and corporate governance (ESG) considerations into investment management processes and active ownership practices in the belief that these factors can have an impact on financial performance.
ESG	Environmental, social and governance factors which may impact on company performance and therefore investment returns. Examples include resource management and pollution prevention, climate change impacts, labour management, product integrity, executive compensation, board independence, and audit functions.

Governance

The process and principles by which a company or organisation undertakes its business.

Appendix 3 – Projected cash flows

In the following scenarios, inflation has been set at 2% pa, interest on cash balances at 0.5% pa, and capital growth on the investments as 0% with varying rates of dividend returns pa on the investments.

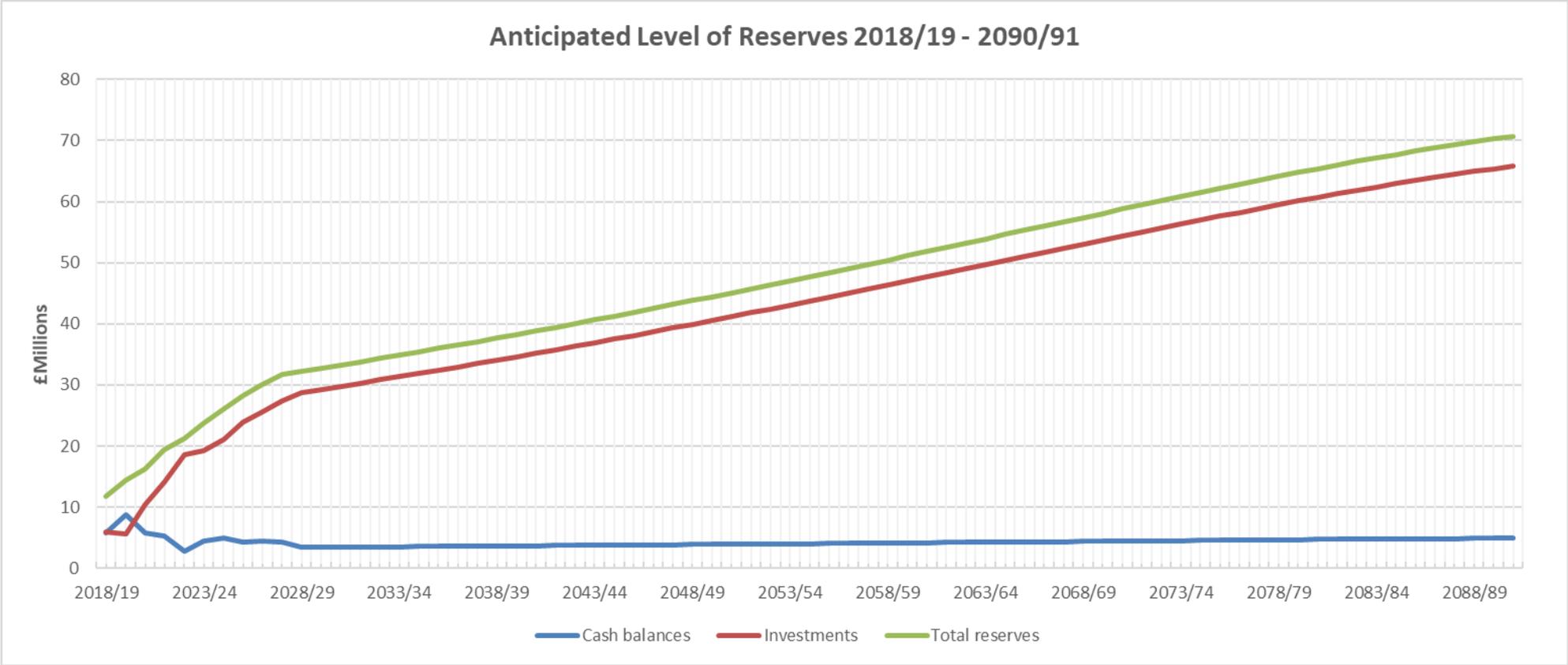
It is assumed that anything over £1m in the Endowment account is invested, and that all dividend income will be reinvested unless needed to fund annual expenditure.

It is also assumed that for as long as possible a £1.5m cash balance is kept in the Maintenance Fund and £1m in the Endowment Fund.

Projected tariff income has been included as per partner planning authority predictions. Expenditure has been included as per 2021/22 forecasts plus inflation for future years.

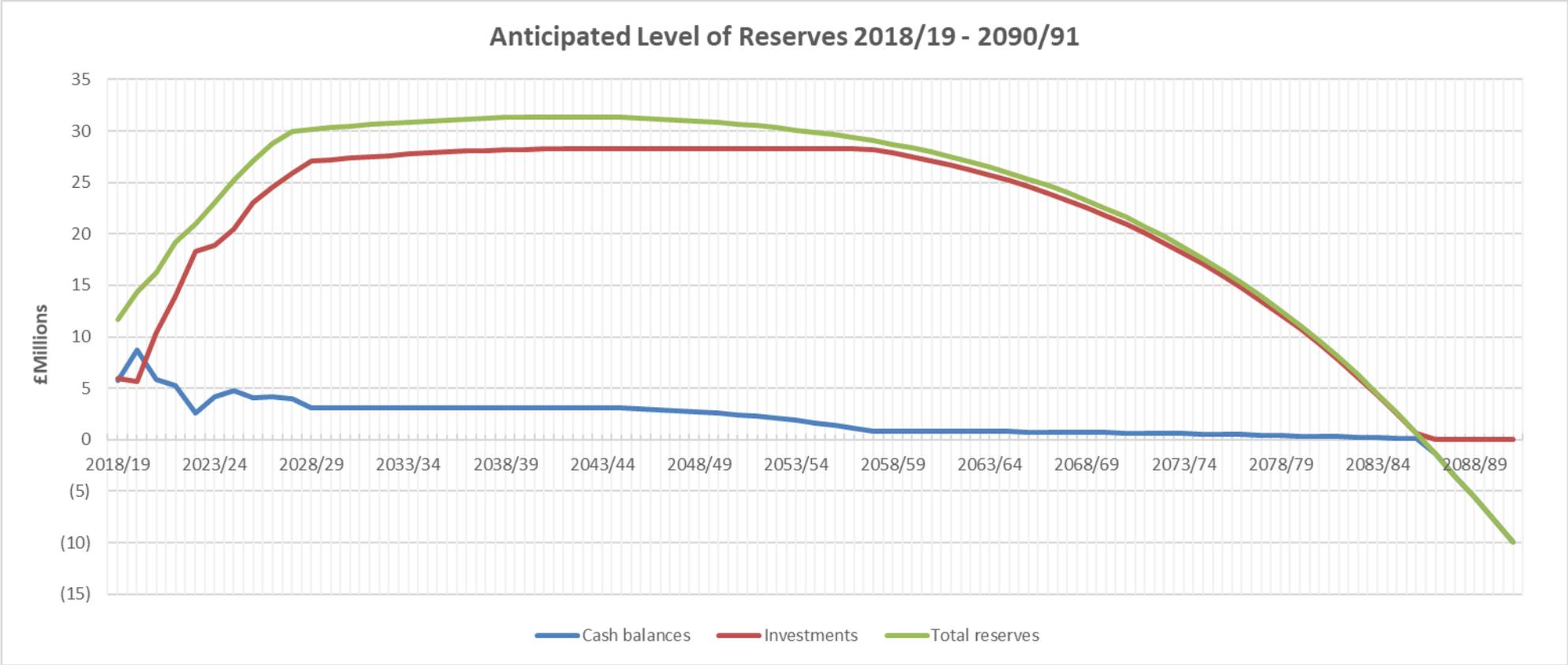
Return on investments	Year in which:				
	Start drawing from dividend income	Start drawing from the Endowment Fund to maintain the £1.5m balance on the Maintenance Fund	Cash balances drop below £1.5m	Start drawing the capital from the investments to cover expenditure	Money runs out
2%	2022/23	2039/40	2035/36	2039/40	2072/73
3%	2022/23	2040/41	2057/58	2059/60	2086/87
4%	2022/23	N/A	N/A	N/A	N/A

Appendix 3a – Projected cash flow using 4% dividend return, 2% inflation



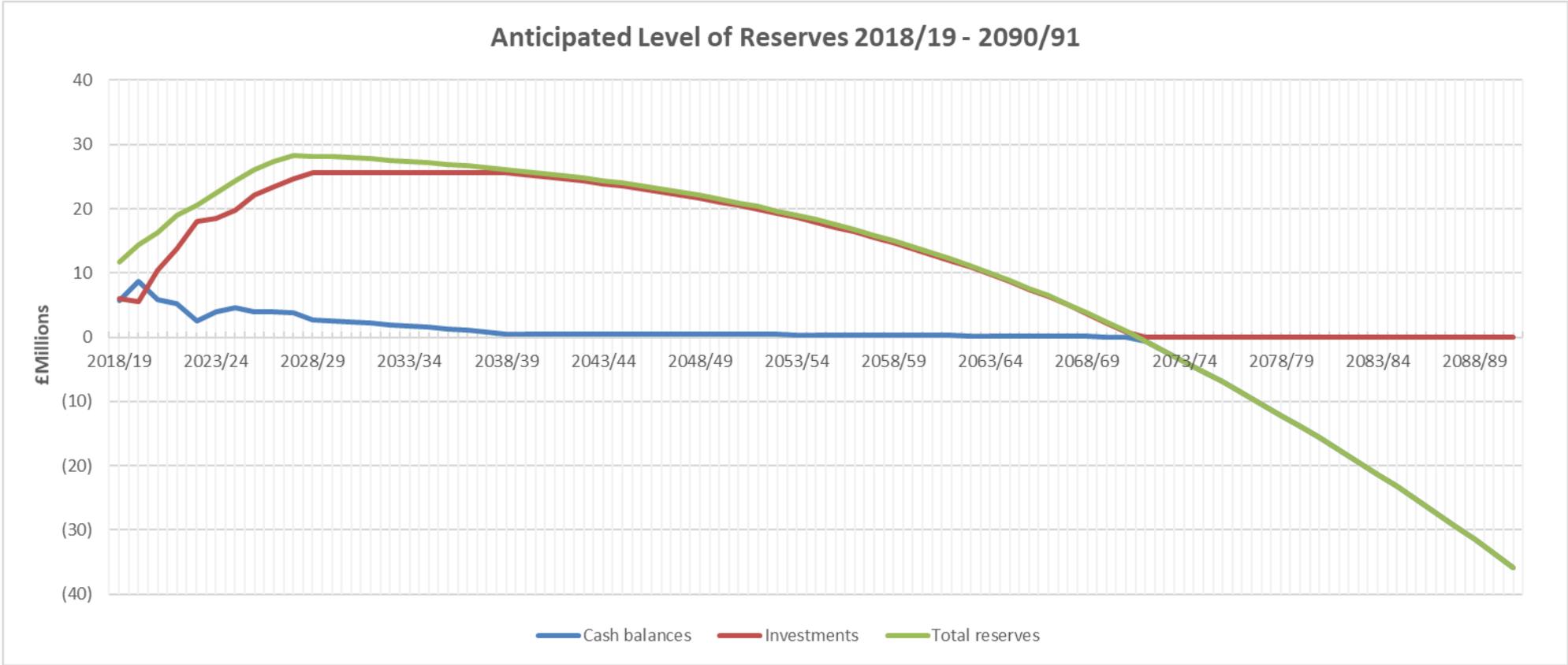
If inflation were at **3%** the money would run out in **2085/86**.

Appendix 3b – Projected cash flow using 3% dividend return, 2% inflation



Money runs out in **2086/87**. If inflation were at **3%** the money would run out in **2071/72**.

Appendix 3c – Projected cash flow using 2% dividend return, 2% inflation



Money runs out in **2072/73**. If inflation were at **3%** the money would run out in **2063/64**.