



LOCAL PENSION COMMITTEE – 27TH NOVEMBER 2020

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**ACTION AGREED BY INVESTMENT SUBCOMMITTEE (ISC)
& LGPS CENTRAL UPDATE**

Purpose of the Report

1. The purpose of this report is to provide the Committee with details of two investments agreed by the Investment Subcommittee (ISC) at its meeting held on 14th October 2020.
2. Update on transitions in progress with LGPS Central.

Background

3. The Leicestershire Pension Fund has a requirement to maintain investment in its asset classes to maintain the Fund's Funding Strategy as current investments are returned.
4. The Leicestershire Fund required investments into Infrastructure and Private Equity asset classes. Officers conducted cashflow analysis to ascertain proposed investments of £25m and £20m (\$26 million USD) into Infrastructure and Private Equity to maintain allocation in line with the agreed policy.
5. A relevant pooled product at LGPS Central was not available for either asset classes. As LGPS products become available the Fund will consider them at the Committee or Subcommittee.
6. Attached as an appendix to this report is the report that was produced for the ISC, which give further details on the investments and why they were felt to be appropriate.

JP Morgan Infrastructure Fund

7. Following supplementary information provided to the meeting on the 14th October a further investment of £25m was agreed by the ISC and it is expected that the top up would take around nine months to enact as a result of the queuing system in place for new contributions.

Adam Street Partners Global Fund 20120

8. Following supplementary information provided to the ISC an investment of £20m was agreed and it is expected that this investment will be 'drawn down' over a period of about 7-8years, commencing with a small (c2.5%) draw down in December 2020.

LGPS Climate Multi Factor Fund

9. This transition is progressing as planned with Legal and General Investment Manager funds to be transferred in specie following approval by the Director of Corporate Resources in consultation with the Chairman of the Committee under delegated powers. Pending any late volatility or unforeseen events this transition should be complete in December 2020. MJ Hudson are acting as transition advisors for the Fund.

LGPS Active Emerging Debt Fund

9. The Fund's current holding with Ashmore is being transitioned in specie to a new fund, LGPS Active Emerging Market Debt Fund along with funds from two other pooling partners. The transition manager and advisor were procured by LPGA Central. Blackrock and Inalytics are acting for all three funds and the transition is expected to conclude in December pending any late market events. The Fund has had approval by the Director of Corporate Resources following consultation with the Chairman of the Committee under delegated powers.

Recommendation

10. The Local Pension Committee is asked to note the content of the report.

Appendices

Reports to the Investment Subcommittee – 14 October 2020.

Appendix A – Recommended Investment – ASP Private Equity and JP Morgan Infrastructure.

Equal Opportunities Implications

None specific

Background Papers

None

Officers to Contact

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