

Pensions CIV Sectoral Joint Committee

Item no: 7

Fund Launch Progress

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Summary: This report summarises the status of fund launches to ensure transparent and robust reporting of delivery against the Company's Business Plan and MTFS.

Recommendation: The Committee is recommended to note and discuss the content of this report

Fund Launch Progress

1. **Longview Global Equity:** launched on July 17th with AUM of £378m from Harrow & Wandsworth as initial investors. Three authorities have, for the moment, decided not to transition their Longview investments to the LCIV fund. The decisions of two of the three were anticipated ,and reflected in the Business Plan and MTFS; the third was not and has resulted in a shortfall of £120m in AUM and the resulting reduction in fee income.
2. **Henderson Emerging Market:** is operationally ready to launch and accept assets subject to the requisite paperwork and permissions being granted by the Indian authorities, so that the sub-fund may invest in the Indian market. Lambeth and Enfield have indicated their interest to invest with £80mil and £12mil respectively.
3. **RBC Sustainable Equity and EPOCH Equity Income:** are on track to launch in September. To date interest has been expressed in both funds by some boroughs, but there are no firm commitments to invest.
4. **Global Equities Phase 2:** The number of funds and timing of the launch for Global Equities Phase 2 is subject to a Borough needs assessment. At members' request, there is a Low Carbon Workshop on the 19th September, and Boroughs are currently being sounded out in terms of requirements for further equity strategies. Further details will be provided at the next PSJC meeting in December.
5. **Fixed Income:.** The Investment Manager procurement is underway and is targeted to finish in the Autumn. Two Fixed Income funds with £600mil in assets are projected to launch by March '18 as per the MTFS plan, however recent indications of interest have led to increases in the number of products and projected AUM. Further details to be provided once a project plan and time line have been completed.

Financial Implications

6. The financial implications are contained within the body of the report.

Legal implications

7. There are no legal implications for the Committee that have not been considered in the report.

Equalities implications

8. There are no equalities implications for the committee.

