

# Pensions CIV Sectoral Joint Committee Item no: 7

## **Fund Launch Progress**

Report by: Brian Lee Job title: Chief Operating Officer

Julian Pendock Chief Investment Officer

Date: 13 September 2017

**Contact Officer:** 

**Telephone:** 020 7934 9818 **Email:** Brian.lee@londonciv.org.uk

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 17<sup>th</sup> 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 19<sup>th</sup> 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.



### Fund Launch Pipeline August 2017



Total Edulicii Tipeliile August 2017								
Plan Phase	Fund	Current Launch Date	MTFS Launch Date	£AUM (m)	MTFS £ AUM (m)	AUM vs. Plan and/or Commitments	Boroughs Indications of Interest / Comment	
Lift & Shift (CQC) Phase: now ended	Longview Global Equity	July 17th	Мау	£378	£450		Shortfall in AUM due to Westminster not transitioning to CIV. Westminster, Newham & RBKC remain outside the CIV for Longview.	
	Henderson Emerging Markets	July	Sep	£172	£150		£80m Lambeth/ £80m Waltham Forest /£12m Enfield indications of interest -Fund operationally ready once India's market is open (Aug/Sept)	
Global Equities Phase 1	EPOCH Equity Income	Sep	Sep	£0	£200		No initial £AUM commitments	
	RBC Sustainable	Sep	Sep	£100	£200		£100m Hackney indication of interest	
Global Equities Phase 2	Strategy TBC	tbc	Dec	tbc	£150		Equity survey to be completed. Interest in low carbon and core products.	
	Strategy TBC	tbc	Dec	tbc	£150			
	Global Bond	Dec	Mar '18	tbc		N	Project plan in development with consideration being given to bring fund launch dates forward to December if possible. Procurements and governance approval process underway.	
	Multi Asset/ Liquid	Dec	Mar '18	tbc		N		
Fixed Income	Private Debt: Liquid Loans	Dec	tbc	tbc	£600 / 2 Funds	N		
	Multi Asset/ Illiquid	tbc	tbc	tbc		N		
	Private Debt: Direct Lending	tbc	tbc	tbc		N		
G on track to deliver A po	tential AUM issues	R No firm AUM commitments / impact: delayed fund launches N Fund structure & plan to be developed						



