

Pensions CIV Sectoral Joint Committee

Item no: 5

Fund Launch Status Report

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Date:	31 January 2018		
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Summary:	This paper serves to update the PSJC on the progress of sub-fund openings.		

Recommendations: The committee is recommended to note and discuss the contents of this report.

1. Equity Fund Launch Update

- Henderson Emerging Markets fund launched on the 11th January with £80m seed coming from Lambeth.
- RBC was operationally ready to open on September 21st. The fund will officially launch once we have subscriptions from the boroughs.

2. Fixed Income Update

- The Board agreed to move forward with the appointment of the following fixed income funds pending the successful completion legal and operational due diligence.
- These new funds will include:
 - LCIV Global Bonds Fund (run by PIMCO)
 - LCIV Liquid Loans Fund (run by Ares)
 - LCIV Private Debt Fund (run by Ares)
 - LCIV Multi Asset Credit Fund – Long Only (run by CQS)
 - LCIV Multi Asset Credit Fund – Long/Short (run by MidOcean)

- LCIV will require written soft commitments to funds before submitting prospectuses to the FCA and work towards the launch of these products can complete. As there are already assets in the CQS fund LCIV are actively working towards the launch of this targeting March 2018 however other fund launch dates will be contingent on the soft commitments being received.
- The manager for the LCIV Illiquid Multi Asset Credit Fund will be announced later in Q1/ Early Q2 following the due diligence process and sign off of the managers defined on the preferred manager list.

3. Real Asset and Illiquid Asset Update

- The FCA has notified LCIV that they have successfully approved the application to manage Unauthorised Alternative Investment Funds. This paves the way for LCIV to now launch illiquid asset funds such as investments in Private Debt, Infrastructure, Property and Private Equity. LCIV will now work towards the OJEU procurement of a fund administrator and depository to launch these new investments.

2017/18 Fund Launch Status as of January 2018

Plan Phase	Vehicle Type/On-Off Platform	Fund	Current Launch Date	MTFS Launch Date	Launch Date RAG	Launch £AUM (m)	MTFS £ AUM (m)	AUM vs. Plan and/or Commitments	Current AUM	Boroughs Indications of Interest / Comment	
Global Equities	Delegated/On Platform	Henderson Emerging Markets	Jan '18	Sep		£80	£150	-£70	£0	£80m Lambeth seed investor. Indications of interest: £20m Enfield	
	Delegated/On Platform	RBC Sustainable	Mar '18	Sep		£180	£200	-£20	£0	Hackney £180mil seed investor	
	Delegated/On Platform	RWC Core Equity	tbc	Dec		tbc	£150	-£150			
Fixed Income	Delegated/On Platform	Global Bond (PIMCO)	tbc*	Mar '18		tbc	£300 per fund (on avg)	N		* Contingent on written soft commitments being received from LLAs ^ Contingent on both written soft commitments being received from LLAs and completion of the OJEU process for the UAIF administrator and depository. Assuming commitments in the next 2 months this would be launched in July '18	
	Delegated/On Platform	Liquid MAC (CQS)	Mar '18	Mar '18		tbc					
	Delegated/On Platform	Liquid MAC (MidOcean)	tbc*	Mar '18		tbc		N			
	Direct/On Platform	Private Debt: Liquid Loans (Ares)	tbc*	July '18		tbc		N			
	Direct/On Platform	Illiquid MAC	tbc^	July '18		tbc		N			
	Direct/On Platform	Private Debt: Illiquid Direct Lending (Ares)	tbc^	Oct '18		tbc		N			
Infrastructure	tbc	Infrastructure Fund	tbc	Dec '18		tbc	£300	N			
						MTFS Aum	£3.1bn				
<div><div>G</div><div>on track</div></div>	<div><div>A</div><div>AUM commitments delayed</div></div>					<div><div>R</div><div>No firmAUM commitments / impact: delayed fund launches</div></div>					<div><div>N</div><div>Fund structure & plan to be developed</div></div>