

	<p align="center">Pensions Fund Sub-Committee 27 February 2019</p>
	<p align="center">Report from the Chief Finance Officer</p>
<p>London CIV Update</p>	

Wards Affected:	ALL
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	1
Background Papers:	▪ N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Conrad Hall, Chief Finance Officer Ravinder Jassar, Head of Finance

1.0 Purpose of the Report

1.1 The purpose of this report is to update the committee on recent developments within the London CIV and the timescales attached to making investment decisions.

2.0 Recommendation(s)

2.1 The Committee is asked to note the recent developments with the London CIV.

3.0 Detail

3.1 The board of the London CIV have recently approved the appointment of Mike O'Donnell as permanent CEO and is expected to start on 4th March 2019. The LCIV will now commence the recruitment of a Chief Investment Officer.

3.2 As at 31 December 2018, the value of London's assets invested directly through CIV stood at £7.5 billion. The fourth quarter saw strong inflows totalling over £0.5 billion but LCIV AUM remained broadly static as a result of markets' disappointing performance during the period.

- 3.3 Brent has 69% (£579m) of its assets under management overseen by the LCIV. 46% (£385.5m) is a passive investment product in overseas and UK equities through Legal & General, 19.2% in two diversified growth funds, Ruffer 5.6% (£47.1m) and Baillie Gifford 13.6% (£114.4m), 1.7% (£14.5m) in Emerging Market equities through Janus Henderson and 2.1% (£17.8m) in the MAC fund managed by CQS.
- 3.4 The LCIV continues with its programme of opening sub funds and recruiting fund managers to operate these sub funds. In setting up the sub funds, LCIV will prioritise commonality of mandates among its members; quantum of assets under management; and conviction of funds in the manager. A summary of all sub funds currently available is shown in Appendix 1.
- 3.5 In Q4 2018, the London CIV introduced the Global Bond Fund managed by PIMCO as the second offering in the fixed income range. This followed the MAC fund as the other fund in the fixed income range which was launched in May 2018.
- 3.6 The LCIV is continuing to work on new fund launches. FCA submissions for the LCIV Infrastructure Fund and the LCIV Private Debt (managed by Ares) are currently being finalised. These funds are expected to launch in April 2019 or as soon as commitments have been received.
- 3.7 Following these fund launches, the CIV are launching a Global Equity Core equity fund and an Inflation Plus fund in the fixed income category. These are expected to launch in Q2 2019.
- 3.8 The LCIV has also recently released the pre-manger selection engagement pack for its property fund which is due to launch later this year. The CIV will be providing a further update on fund launches at the meeting.
- 3.9 The General meeting on 31 January 2019 considered the MTFs covering the period 2019/20 to 2023/24. LCIV is required to complete an Annual Budget and rolling 5 year MTFs for each Financial Year in accordance with the Shareholder Agreement.

4.0 Financial Implications

- 4.1 These are discussed throughout the report.

5.0 Legal Implications

- 5.1 Not applicable.

6.0 Equality Implications

- 6.1 Not applicable.

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable.

8.0 Human Resources

8.1 Not applicable.

Report sign off:

Conrad Hall
Chief Finance Officer

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