

PENSIONS COMMITTEE

19 SEPTEMBER 2017

Subject Heading:

**IMPLEMENTATION OF INVESTMENT
STRATEGY - UPDATE**

CLT Lead:

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Investment Strategy Implementation**

Policy context:

Financial summary:

No direct implications at this stage

**The subject matter of this report deals with the following Council
Objectives**

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report includes an update on the progress of the implementation of the Investment Strategy as outlined at the June Pensions Committee meeting.

RECOMMENDATIONS

That the Committee is asked to:

1. Note the progress report as prepared by the Fund's Investment Advisor, attached as **Appendix A**.
2. Note that the implementation of the multi-asset credit allocation will be undertaken through the London Collective Investment Vehicle (LCIV) as suitable products are developed.
3. Agree that a search for a private debt manager will be undertaken in collaboration with other London Boroughs, and
4. Agree that a search for a real asset strategy will be undertaken in conjunction with Newham, noting that this will allow Havering to provide input on the scope of the search and ensure that its requirements can be met.

REPORT DETAIL

1. Background

- a) The Pensions Committee first considered the investment strategy at the Special Pensions Committee on the 23 January 2017 and adopted the Investment Strategy Statement at the 28 March 2017 committee meeting.
- b) Following an independent 'health check' undertaken by Allenbridge which was submitted to the 25 June Committee meeting, members agreed a set of recommendations that would progress implementation of the investment strategy. A report submitted at the June meeting also included a timeline to deliver the short term priorities.
- c) The attached paper (Appendix A) has been produced by the Fund's Investment Advisor (Hymans) and provides an update on the progression of the implementation of the investment strategy since the last meeting.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct financial implications at this stage

Implementation costs - it is currently too early to provide any detail on what these may be. This will be reported once further progress has been made on the nature of the products taken forward.

Advisory costs – these will ultimately depend on the extent to which the Fund's investment advisor is involved and the manner in which the private debt mandate is procured – presently an unknown. Hymans Advisory fees to cover what is included in their attached paper will be confirmed once their involvement in the various elements is confirmed.

Costs arising from the implementation of the investment strategy will be met from the Pension Fund.

Legal implications and risks:

None arising directly.

Human Resources implications and risks:

None arising directly.

Equalities implications and risks:

None arising directly

BACKGROUND PAPERS

None