

PENSIONS INVESTMENT SUB COMMITTEE

3 MARCH 2020

PENSIONS INDEPENDENT INVESTMENT ADVISOR UPDATE

Recommendation

1. **The Chief Financial Officer recommends that the Pensions Investment Sub Committee:**
 - a) **Note and comment on the Pensions Independent Investment Advisor's update attached as Appendix 1 together with the associated investment performance information attached as Appendix 2; and**
 - b) **Note and comment on the changes to the Venn Commercial Real Estate Fund II investment detailed in Appendix 3**
 2. The Pensions Independent Investment Advisors update provides: -
 - a) A global overview
 - b) A summary and market background to Worcestershire Pensions Investments as at the quarter ended the 31st December 2019.
 - c) Brief performance details of the individual pension investments
 3. Also attached as Appendix 2 detailing Portfolio Evaluation Ltd quarterly investment performance update for Worcestershire Pension Fund.
 4. The Pensions Investment Sub is asked to comment on the Pensions Independent Investment Advisors update, associated appendices and note in particular the update on Hermes Infrastructure following discussions at the last Investment Sub Committee.
- Venn Commercial Real Estate Fund II
5. Pensions Committee in March 2019 agreed a £30m investment for the Venn Commercial Real Estate Fund II after robust due diligence had been undertaken and reported. Negotiations have been continuing throughout the year and Venn's management team have recently been discussing some updated proposals which are attached as Appendix 3.
 6. The key changes are to include a larger proportion to the UK given the feeling is that there will be increased opportunities now that Brexit for instance has been agreed. Previously before the Fund was looking to concentrate on mainly European investments.
 7. These changes were discussed with the Funds Independent Investment Advisor, Chief Financial Officer, the Chair of the Investment Sub Committee and Chair of the Pensions Committee on the 12 February 2020 and agreed with these suggested changes as they are still in line with the original principles and mandate previously agreed.

8. Venn are looking to take this forward and agree the necessary legal documentation by the end of March 2020.

9. **Please note that Appendix 1 and 3 contain exempt information (on salmon pages) and should members wish to discuss the information included in these Appendices they would need to consider passing the appropriate resolution and moving into exempt session.**

Supporting Information

Appendix 1 – Pensions Independent Investment Advisors update (**Exempt Information – Salmon pages**)

Appendix 2 - details Portfolio Evaluation Ltd quarterly investment performance update for Worcestershire Pension Fund

Appendix 3 - Update on proposed changes to Venn Commercial Real Estate Fund II (**Exempt Information – Salmon pages**)

Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.