

PENSIONS INVESTMENT SUB COMMITTEE

02 MARCH 2023

LGPS CENTRAL (LGPSC) GLOBAL ACTIVE EMERGING MARKETS AND LGPSC GLOBAL SUSTAINABLE ACTIVE EQUITIES PERFORMANCE TO THE END OF DECEMBER 2022

Recommendation

- 1. The Chief Financial Officer recommends that the LGPSC Global Active Emerging Market and LGPSC Sustainable Active Equity Fund Performance to December 2022 be noted.**

Background

Active Global Emerging Markets (AGEM)

- 2. The Funds active Emerging Markets equities were transitioned to the LGPS Central Active Global Emerging markets mandate (AGEM) in July 2019.**
- 3. The AGEM quarter's Performance Report as at the end of December 2022 is set out in attached Appendix 1 and covers the following areas:**
 - a) Fund information and objective;**
 - b) Commentary, Performance overview & Performance against Peers;**
 - c) December 2022 Attribution & Fund construction;**
 - d) Emerging Markets Equity Active Multi Manager Fund Risk;**
 - e) Key areas of discussion with Fund Managers over Q4 2022;**
 - f) Responsible Investment and Stewardship;**
 - g) Carbon Risk Metrics; and**
 - h) Summary of combined portfolio.**

Global Sustainable Active Equities

- 4. The Global Sustainable Equity Active Thematic and Targeted Funds quarterly Performance Report as at the end of December 2022 is attached as Appendix 1 and covers the following areas:**
 - a) Fund information and objective;**
 - b) Commentary, Performance overview & Performance;**
 - c) December 2022 Attribution & Fund construction;**
 - d) Positioning & Fund Risk;**
 - e) Key holdings and changes over Q4 2022; and**
 - f) Responsible Investment and Stewardship.**

Infrastructure Update

5. The Pension Investment Sub Committee have agreed an indicative £30m per annum for the next 2 years into LGPSC Infrastructure strategy subject to due diligence. LGPSC have provided a presentation, attached at Appendix 2, covering the committed and drawn positions of their infrastructure funds and an update on the single asset (JPM) sleeve.

5. **Please note that Appendix 1 and 2 contain exempt information relating to the financial or business affairs of any particular person (including the authority holding the 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.**

Contact Points

Specific Contact Points for this report

Rob Wilson

Pensions Investment, Treasury Management & Capital strategy manager,

Tel: 01905 846908 Email: RWilson2@worcestershire.gov.uk

Supporting Information

- LGPS Central Q4 2022 performance update December 2022 (Appendix 1) (**Exempt Information – Salmon pages**)
- LGSPS Central Infrastructure update (Appendix 2) (**Exempt Information – Salmon pages**)

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: