

**GREATER MANCHESTER PENSION FUND - ALTERNATIVE INVESTMENTS  
WORKING GROUP**

**Friday, 5 February 2016**

**Commenced:** 9.30 am

**Terminated:** 11.15 am

**Present:** Councillors Cooney (Chair), Reid, Ricci, Dean, Halliwell and Mr Thompson

**Apologies for Absence:** Councillors Ward and Dennett

**13. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**14. MINUTES**

The Minutes of the previous meeting held on 23 October 2015 were approved as a correct record.

**15. ECI CAPITAL PARTNERS**

The Working Group welcomed Jeremy Lytle and John Hayhurst of ECI, who attended the meeting to present ECI's private equity investment activities.

The Working Group was informed that ECI is an independent, owner-managed private equity firm founded in 1976 with offices in London and Manchester. It invests in mid-market companies capitalised at £20m to £150m and has built a track record of achieving high returns across 113 mid-market buyouts completed since 1990. ECI's approach is based on partnering with management teams across a number of different industry sectors, identifying strategies that drive revenue and profit growth over the long term.

Twelve headline investments were outlined to the Working Group. Many of the companies were based in the UK and had seen employee growth during ECI's period of ownership.

**RECOMMENDED:**

**That the report and presentation be noted.**

**16. STRATEGIC VALUE PARTNERS**

The Working Group welcomed Michael Hewett of Strategic Value Partners (SVP), who attended the meeting to present SVP's distressed debt investment activities. SVP was established in 2001 with a focus on distressed debt and deep-value investment. It takes an active role in transactions, releasing value through the financial restructuring of companies facing bankruptcy and leading the post-restructuring turnaround of businesses by driving the strategic and operational direction of the company.

The Working Group were informed that SVP was a global firm with 97 employees, including 36 investment professionals, with offices in the US, the UK, Germany and Japan. The firm could offer a full skill set of sourcing, financial restructuring and operational restructuring with research a key

part of the business. The firm concentrated on traditional middle market companies which had physical assets and opportunities where a leadership role could be obtained.

An overview of the three Special Situations funds and their performance was provided.

A definition and explanation of distressed debt through case studies was provided to the Group which illustrated themes, processes and strategies that were characteristic of SVP's investment approach. Distressed opportunities in both Europe and America were outlined and it was noted that opportunities had expanded over the last 18 months and would continue to rise.

**RECOMMENDED:**

**That the report and presentation be noted.**

**17. URGENT ITEMS**

The Chair reported that there were no urgent items for consideration at the meeting.

**CHAIR**