




EXEMPT - GMPF - EXECUTIVE DECISION NOTICE

SUBJECT MATTER:	INVESTMENT IN UK LOGISTICS REAL ESTATE FUND
DECISION:	To APPROVE an investment of £50 million in a UK property fund
DECISION TAKER(S):	Sandra Stewart
DESIGNATION OF DECISION TAKER (S):	Director of Pensions
DATE OF DECISION:	17 January 2022
REASON FOR DECISION:	<p>The proposal is to invest into a closed ended vehicle with a seven year term, focussed entirely on the development of UK logistics assets. This investment would come from the 'UK Specialist and Other' property allocation which has a target return of UK MSCI + 2% over a rolling 3 year basis. This proposal is consistent with this strategy.</p> <p>The manager of the fund is a proven manager and specialist in logistics development. It has a deep knowledge and understanding of the particular sector and delivered strong performance since its inception in 2016.</p> <p>The fund will have £300m of total commitments from 4 investors (including GMPF). The fund is seeking leverage up to a maximum of 60% Loan to Cost which on the current commitments will allow for £750m of total project costs which is sufficient to assemble a prime and well diversified portfolio.</p> <p>The due diligence undertaken to date has shown that the basic terms are ahead of market standards.</p> <p>GMPF Officers view the alignment of the interests of the Manager to exceed market standards with aligned manager shareholders and significant governance and oversight available to investors. The manager has assembled a strong pipeline of site investments that are consistent with their strategy and demonstrates the manager's ability to secure opportunities.</p> <p>GMPF Officers (Property Team) have evaluated this as a suitable investment opportunity.</p>
ALTERNATIVE OPTIONS REJECTED (if any):	GMPF's in-house property team appraises investment opportunities against a deep opportunity set, and screens opportunities on a regular basis, through market research, approaches from managers as well as peer recommendations. The property team has researched UK real estate markets and has met various managers, who have differing strategies and geographic focus.
FINANCIAL IMPLICATIONS:	There are no issues arising from portfolio concentration or overall property exposure from this investment. The investment increased the fund's exposure to industrial to be closer in line with the strategic benchmark

	<p>Following this £50 million commitment, the 'UK Specialist and Other' allocation exposure would be up to 1.00%. This falls within the proportion of the Main Fund allocation to 'UK Specialist and Other', which is between 0-3%.</p> <p>The target return of 11%+ pa IRR is in excess of the allocation's target of MSCI + 2%.</p>
LEGAL IMPLICATIONS:	A review of the Fund documentation will be undertaken by the GMPF internal legal team and potentially external legal firm if required. This approval is subject to this legal due diligence being in line with the basis stated in the Investment Committee report and being in line with market standard.
CONFLICT OF INTEREST:	None.
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	N/A
ACCESS TO INFORMATION:	Not for Publication: This report contains exempt information relating to paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). On balance, under paragraph 10 of Part 2 of Schedule 12A, it would not be in the public interest to disclose this information to the public because disclosure would, or would likely to, prejudice the commercial interests of the Fund and/or its agents which, in turn, could impact upon the interest of the local taxpayer and/or the beneficiaries of the Fund.
REFERENCE DOCUMENTS:	<p>Appendix 1- 'UK Other and Specialist' Fund Allocation Exposure Analysis</p> <p>Appendix 2 – Investment Committee Report</p> <p>Further background papers relating to this report can be inspected by contacting: Kevin Etchells, Senior Investment Manager</p> <p> Telephone: 0161 301 7164</p> <p> E-mail: kevin.etchells@tameside.gov.uk</p>

Signed ... 
Sandra Stewart, Director of Pensions

Dated: 17 January 2022