

**EXEMPT - GMPF - EXECUTIVE DECISION NOTICE**

<b>SUBJECT MATTER:</b>	<b>INFRASTRUCTURE FUND INVESTMENT</b>
<b>DECISION:</b>	To APPROVE an investment of €90 million (approximately £80 million) in an Investment Fund focussed on infrastructure assets, consistent with the Panel-approved allocation to Infrastructure and subject to satisfactory completion of outstanding legals.
<b>DECISION TAKER:</b>	Sandra Stewart
<b>DESIGNATION OF DECISION TAKER:</b>	Director of Pensions
<b>DATE OF DECISION:</b>	14 October, 2019
<b>REASON FOR DECISION:</b>	<p>The Panel has allocated 5% of total assets to Infrastructure Fund investments. An annual strategy report on this activity is approved by the Fund's Management Panel. The report includes an analysis of the required pacing of commitments necessary to meet the target allocation within a reasonable and sensible timeframe, whilst also prescribing appropriate diversification targets on the portfolio. The Private Markets team are responsible for selecting managers and funds consistent with the approved strategy.</p> <p>The Director has delegated authority to sign off investments of this nature.</p>
<b>ALTERNATIVE OPTIONS REJECTED (If any):</b>	This investment has been selected by the GMPF team as part of the annual Infrastructure Funds commitment programme. The team continually reviews the Infrastructure Funds universe for the best investment opportunities. Recent competitor funds have been assessed but not progressed.
<b>CONSULTEES:</b>	The team has taken appropriate reference calls with relevant parties and consulted with GMPF's Investment Committee. There is a consensus on the manager being a credible manager and this being an appropriate investment for GMPF's Infrastructure Funds portfolio.
<b>FINANCIAL IMPLICATIONS:</b>	<p>The commitment to this fund, will increase the total commitments to Infrastructure Funds consistent with the implementation plans described the strategy paper as approved by the Fund's Management Panel.</p> <p>There are no issues arising from portfolio concentration or overall Infrastructure Fund exposure from this investment.</p>

<b>LEGAL IMPLICATIONS:</b>	A Subscription Agreement and, as necessary, a side letter will be entered into to formalise the commitment to the Fund, subject to approval of the Head of Pension Fund Legal. The Limited Partnership Agreement is the main controlling document and is subject to review by GMPF officers, and review and approval by Pension Fund Legal.
<b>RISK MANAGEMENT:</b>	<p>Whilst the manager is a highly-regarded and long-standing infrastructure investment manager, there is always a risk that any individual fund will not deliver on its promised returns due to either specific issues with investments or due to broader asset market factors. The use of leverage in infrastructure transactions increases the risk that an investment that performs poorly against plan will result in significant capital loss.</p> <p>The approach to mitigating these risks is through diversification along manager, market segment, geographic and fund vintage dimensions.</p>
<b>CONFLICT OF INTEREST:</b>	None
<b>DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:</b>	N/A
<b>ACCESS TO INFORMATION:</b>	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 interests of the local taxpayer and/or the beneficiaries of the Fund.
<b>REFERENCE DOCUMENTS:</b>	Any further information can be obtained by contacting: Richard Thomas, Investments Manager by phone on 0161 301 7165 or by email: <a href="mailto:richard.thomas@gmpf.org.uk">richard.thomas@gmpf.org.uk</a> .

Signed  .....  
 Sandra Stewart, Director of Pensions

Dated: 14 October, 2019