

<b>PENSIONS INVESTMENT COMMITTEE</b>			
<b>REPORT TITLE</b>	Property Allocation Review – Report by Hymans Robertson		
<b>KEY DECISION</b>	No	<b>Item No:</b>	
<b>WARD</b>	N/A		
<b>CONTRIBUTORS</b>	Head of Corporate Resources		
<b>CLASS</b>	Part 1	<b>Date:</b>	September 2018

## 1. PURPOSE

- 1.1. This paper provides information on the Fund's current underweight allocation to property and suggests a number of options, with a recommendation, to address the weighting.

## 2. RECOMMENDATIONS

- 2.1. Members are asked:

2.1.1. to review and consider the report prepared by the Fund's advisors;

2.1.2. to agree to maintain the current underweight allocation, whilst monitoring developments in the current Schroders team and any property proposals developed by the London CIV.

## 3. SUMMARY

- 3.1. The current property target allocation in the Fund is 10%, but as at the end of June 2018 the actual allocation was 8.6%, representing a shortfall of approximately £18m. The Fund's advisors have prepared a report to examine the options available to Members to address this shortfall. The attached report discusses the following:

- History of the Schroder mandate;
- Background of the Schroder RECap rating;
- Development of the London CIV property offering;
- Options for increasing or maintain the current allocation, and;
- Recommendations for approval.

## 4. FINANCIAL IMPLICATIONS

- 4.1. The Fund is currently underweight in property by approximately £18m. Any decision to bring the allocation back up to the 10% target will require the liquidation of assets from elsewhere in the portfolio to fund the increase.

## 5. LEGAL IMPLICATIONS

- 5.1. There are no legal implications directly arising from this report.

## **6. CRIME AND DISORDER IMPLICATIONS**

6.1. There are no crime and disorder implications directly arising from this report.

## **7. EQUALITIES IMPLICATIONS**

7.1. There are no equalities implications directly arising from this report.

## **8. ENVIRONMENTAL IMPLICATIONS**

8.1. There are no environmental implications directly arising from this report.

## **APPENDICES**

The full report is attached for Members only. Commentary will be provided at the meeting by the Council's appointed advisors from Hymans Robertson.

## **FURTHER INFORMATION**

If there are any queries on this report or you require further information, please contact either:

David Austin, Head of Corporate Resources on 020 8314 9114 or at [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk)

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