

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 28 February 2022

Subject: Aviva Infrastructure Income Fund Update

Report author: Patrick Rowe, Pension Fund Manager

Responsible Director: Phil Triggs, Tri-Borough Director of Treasury and Pensions

SUMMARY

The purpose of this report is to update the Committee on the Pension Fund's investment in the Aviva Infrastructure Income Fund. Specifically, the Fund's investment advisor, Deloitte, has produced a report relating to various issues Aviva is facing and the subsequent position Aviva has on its rated list as a result.

RECOMMENDATIONS

1. Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. The Pension Fund Committee is recommended to comment on and note the attached Deloitte report, shown at Appendix 1.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

Financial Impact

1. None

Legal Implications

1. None

DETAILED ANALYSIS

Background

1. In early 2021, Aviva Investors informed its clients of its intention to soft close its Aviva Investors Infrastructure Income Fund ("AIIF"), which the Fund did not choose to pursue.
2. Additionally, there have been a number of asset specific issues that have negatively impacted the fund's performance and potential outlook of AIIF. The assets in question are the Project Hull, Project Barry, and Project Boston biomass plants, which currently have litigation issues associated with them.
3. Aviva hosted an Open Forum Meeting to provide an update on a number of topics, including the biomass plants, which led to subsequent discussions between Deloitte and Aviva to ascertain the situation in more detail.
4. The report recommends that the Committee consider whether it would like to explore liquidity options.

LIST OF APPENDICES

Appendix 1: Deloitte report on the Aviva Investors Infrastructure Income Fund - Exempt