

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 7 September 2022

Subject: Man GPM Community Housing Fund – Financing Facility

Report author: Patrick Rowe, Pension Fund Manager

Responsible Director: Phil Triggs, Director of Treasury and Pensions

SUMMARY

This paper provides the Pension Fund Committee with an update regarding the terms proposed by Man GPM for the Community Housing Fund (“CoHo Fund”).

RECOMMENDATIONS

1. The Pension Fund Committee is recommended to act in accordance with the view outlined by Deloitte in 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 tax payer.

Financial Impact

None

Legal Implications

None

DETAILED ANALYSIS

1. When marketing the CoHo Fund to investors, the proposed terms from Man GPM included the use of leverage.
2. In July 2022, Man GPM informed officers that they had agreed terms on a financing facility with HSBC.
3. While it was always known the CoHo Fund would utilise leverage, the terms proposed by HSBC do not fully comply with the current Limited Partnership Agreement (“the LPA”).
4. Man GPM is therefore seeking investor approval to update the investment terms within the original LPA to reflect the terms proposed by HSBC before the financing facility can be agreed.
5. The appendix details the terms of the financing facility and why it does not comply with the current LPA.
6. The appendix provides a view on the appropriate course of action.

LIST OF APPENDICES

Appendix 1: Man GPM Community Housing Fund - Financing Facility (EXEMPT)