

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 26 November 2024

Subject: Renewable Infrastructure and Data Centres Managers

Report author: Siân Cogley, Pension Fund Manager

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

SUMMARY

This report presents an overview of the background to the decisions to be made following the Pension Fund committee meeting 10 September 2024.

RECOMMENDATIONS

1. The committee is requested to consider one of the three options presented for a new investment.

Wards Affected: None

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

Financial Impact

None.

Legal Implications

None.

BACKGROUND

1. At the 27 July 2024 Committee meeting, Isio presented an asset class training session, setting out the opportunity to invest in global Data Centres.
2. The Committee debated the opportunity and agreed to proceed with further work in the area.
3. Further due diligence was presented by Isio at the 10 September 2024 meeting and the Committee agreed to consider Data Centres further, alongside a comparison of topping up the Fund's existing Renewable Infrastructure allocation with Quinbrook (Impact Fund II).
4. The amount available for allocation is £35m (circa 2.5% of total assets).
5. Manager presentations will be made to the Committee prior to the meeting of the 26 November 2024.
6. The exempt appendices to this paper provide:
 - An overview of the key strategic considerations when comparing an allocation to Data Centres and Renewable Energy Infrastructure.
 - Comparisons of Quinbrook Renewables Impact Fund II, PIMCO European Data Centre Opportunity Fund and Principal Data Centre Growth and Income Fund.
 - An overview of the key fund considerations when comparing the three managers.
 - Further information on the asset classes and opportunities, provided to facilitate a decision by the Committee.

LIST OF APPENDICES

Appendix 1: (EXEMPT) Manager Selection – 26 November 2024