

# LGPS Central Joint Committee

## Friday 14 February 2020

### Item 9: LGPS Central Limited Investment Performance

#### Report of the Practitioner's Advisory Forum

#### 1. Purpose of the report

- 1.1 This report provides an update to the Committee on the performance of the investment products launched to date by LGPS Central Limited (LGPSC) as at 31 December 2019.

#### 2. Background

- 2.1 Since its own launch on 3 April 2018, LGPS Central Limited has launched eight investment products, six of which are for equities and sit within the Authorised Contractual Scheme (ACS) structure and two of which are for Private Equity and take the form of Limited Liability Partnerships (LLP's). A further ACS product is due for launch imminently.

#### 3. Investment Performance

- 3.1 The table below provides a summary of the since inception performance of each of the six sub-funds within the ACS versus their relative benchmark. Launch dates are in brackets.

#### LGPS Central Limited ACS Investment Performance to 31 December 2019

Sub-Fund	Performance since inception %	Benchmark since inception %	Relative since inception %
LGPS Central UK Passive Equity Fund (April 18)	+8.98	+9.00	-0.02
LGPS Central Global (Ex UK) Passive Equity Fund (April 18)	+10.65	+10.59*	+0.06
LGPS Central Global Passive Equity Dividend Growth Factor Fund (April 18)	+14.61	+14.68*	-0.07
LGPS Central All World Passive Equity Climate Multi Factor Fund (October 19)	+3.32	+3.23	+0.09
LGPS Central Global Equity Active Multi Manager Fund (March 19)	+13.66	+14.20	-0.54
LGPS Central Emerging Markets Equity Active Multi Manager Fund (July 19)	+0.25	+0.68	-0.43
		*benchmark net of tax	



- 3.2 It is acknowledged that it is relatively early days for the two Active Equity Funds and performance of the funds as a whole and individual investment managers within them, can only be measured effectively, over the longer term.
- 3.3 The Committee will be aware that one of the reasons Partner Funds invest in Private Equity is to seek a higher return than that from public equity markets. In order to benefit from the illiquidity premium, money needs to be invested for a longer period and therefore, providing any form of meaningful performance comparison in the short term is extremely difficult. The numbers provided in the table below for the two Private Equity LLP products are for illustrative purposes only.

LGPS Central Limited LLP Investment Performance to 31 December 2019

Sub-Fund	Performance since inception %	Benchmark since inception %	Relative since inception %
LGPS Central PE Primary Partnership 2018 LP (Jan 19)	not meaningful	+9.50	not available
LGPS Central PE Co-Investment Partnership 2018 LP (Jan 19)	+8.20	+5.70	+2.50

**4. Recommendation**

- 4.1 It is recommended that the performance of the investment products launched by LGPS Central Limited be noted.