



## LOCAL PENSION COMMITTEE – 6 SEPTEMBER 2024

### REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

#### QUINBROOK INFRASTRUCTURE PARTNERS INFRASTRUCTURE PRESENTATION

##### Purpose of the Report

1. The purpose of this report is to provide the Local Pension Committee (LPC) with information on the Leicestershire Pension Fund (Fund) infrastructure investments and the general performance of the Fund's infrastructure investments held with Quinbrook infrastructure partners (Quinbrook).
2. Appended to the report is a PowerPoint presentation which will be delivered at the meeting by representatives from Quinbrook.

##### Background

3. Hymans Robertson, the Fund's investment advisor, completed the 2024 Strategic Asset Allocation (SAA) as part of the Funds annual investment review. The Strategy was reviewed by officers and was approved by the LPC at the January 2024 meeting. As part of the review the allocation to infrastructure remained at 12.5% of Fund assets.
4. The Fund has an infrastructure allocation managed by seven managers, JP Morgan, IFM, LGPS Central, Stafford, KKR, Quinbrook and Infracapital who in total manage £667million or 10.4% of total fund assets. (30 June 2024).

Manager and fund	Open / closed ended	Geographic	Risk	30 June 2024 £m	% total of infra
JP Morgan Infra investment fund	Open	Developed Markets	Core / core plus	166	25%
IFM Global infra fund	Open	Global	Core plus / value add	160	24%
LGPS Central core/core plus	Open	Mainly developed markets	Core / Core plus	85	13%
Stafford Timberland 6,7,8	Closed	Global	Core / core plus	124	19%
Stafford Carbon offset opportunity fund (COOF)	Closed	Global	Value add	0	0%
KKR	Closed	Mainly developed markets	Core plus/ value add	49	7%
Infracapital	Closed	Developed markets	Value add	32	5%
Quinbrook net zero power fund	Closed	Developed markets	Opportunistic	52	8%

5. At the July 2022 and April 2023 meetings of the Investment Sub Committee (ISC) a total amount equating to \$104million USD (USD being the Quinbrook funds local currency) was committed. As at 30 June 2024 a total \$56million was yet to be called.
6. The Net Zero Power Fund reached its final close (no new investors can now invest) on 31 July 2024 with a total fund raise of just over \$3billion USD.
7. The Quinbrook presentation will cover the following:
  - a. What Quinbrook invest in, where they invest and track record;
  - b. Outline the platforms the Net Zero Power Fund uses and highlight individual projects including a UK platform company;
  - c. Responsible and sustainable investing;
  - d. Quinbrook's view on USA, UK and Australian market developments.

### **Recommendation**

8. The Committee is asked to note the report and presentation.

### **Environmental Implications**

9. The Leicestershire County Council Pension Fund (LCCPF) has agreed a Net Zero Climate Strategy (NZCS). This outlines the high-level approach the Fund is taking to its view on Climate Risk. This will align with the Fund's Responsible Investment approach as set out in the Principles for Responsible Investment. The Fund is committed to supporting a fair and just transition to net-zero. There are no changes to this approach as a result of this paper.

### **Equality Implications**

10. There are no direct implications arising from the recommendations in this report. The Fund incorporates financially material economic, social and governance (ESG) factors into investment processes. This has relevance both before and after the investment decision and is a core part of the Fund's fiduciary duty. The Fund will not appoint any manager unless they can show evidence that responsible investment considerations are an integral part of their decision-making processes. This is further supported by the Fund's approach to stewardship and through voting, and its approach to engagement in support of a fair and just transition to net zero. There are no changes to this approach as a result of this paper.

### **Human Rights Implications**

11. There are no direct implications arising from the recommendations in this report. The Fund incorporates financially material ESG factors into investment processes. This has relevance both before and after the investment decision and is a core part of the Fund's fiduciary duty. The Fund will not appoint any manager unless they can show evidence that responsible investment considerations are an integral part of their decision-making processes. This is further supported by the Fund's approach to stewardship and through voting, and its approach to engagement in support of a fair and just transition to net zero. There are no changes to this approach as a result of this paper.

**Appendix**

Quinbrook infrastructure partners presentation

**Background Papers**

19 April 2023 - Investment Sub Committee – Cash deployment, asset allocation update and infrastructure investment top ups

<https://democracy.leics.gov.uk/documents/s175745/Cash%20update%20and%20infra%20top%20ups%2023%2024.pdf>

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