

From: Chairman Pension Fund Committee
Interim Corporate Director of Finance

To: Pension Fund Committee – 28 September 2022

Subject: ACCESS update

Classification: Unrestricted

Summary:

This update provides a summary of the activities of the ACCESS pool

Recommendation:

The Pension Fund Committee is recommended to note this report

FOR INFORMATION

1. Introduction

1.1 This report is to update the Committee on the work being undertaken by the ACCESS pool.

2. Joint Committee

2.1 The Joint Committee (JC) has not met since the last update. The JC was due to meet on 12 September but this meeting has now been postponed and rescheduled for 6 October owing to the death of HM the Queen.

2.2 Copies of the original agenda and unrestricted papers for the upcoming meeting are available [here](#). The agenda includes substantive items on the strategy for building out investible products amongst non-listed (alternative) asset classes; commissioning a third party governance review; and sub-fund implementation.

3. Recent Activity

3.1 Since the last report to the Committee the Officer Working Group (OWG) as well as other working groups with Kent being represented on each group, have continued to meet on a periodic basis. Progress continues to be made on the set up of new sub-funds as well as on the establishment of suitable platforms for pooling non listed assets.

3.2 Work has been progressing on the creation of the sub-funds for alternative assets. The first asset class to be progressed is Real Estate and the specifications of three separate strategies; UK Core, UK Alternatives and Global Real Estate have been agreed. As the Kent Fund has most of our Real Estate assets invested directly, which will not be pooled at this stage, we are

participating in the discussions, but more as an “interested observer” at this stage.

- 3.3 The ASU and fund officers have been working with advisors from MJ Hudson and Squire Patton Boggs, and the Strategic Procurement Authority (Hampshire) to produce the OJEU procurement documents for investment managers for the UK core and global real estate mandates. Both sets of procurement documentation were issued to the market on 18 August 2022. The procurements will follow a two-stage selection process and it is anticipated that the preferred suppliers will be recommended to the ACCESS Joint Committee by early March 2023
- 3.4 Whilst work on the OJEU procurements for UK core and global real estate has proceeded, the progress on the UK alternatives building blocks has been paused. Now that the OJEU procurements have been published the UK alternatives search will restart. The ASU and fund officers will discuss with MJ Hudson in September 2022 what the parameters for the different building blocks will be and the search requirements for potential investment managers.
- 3.5 Concerning other non-listed asset classes, MJ Hudson have consulted each of the eleven administering authorities individually to understand the requirements of their investment strategies for alternative investments as well as their preferences for the timing and sequencing for pooling these investments. At present it is proposed that alternative investments are pooled in the following order: Private Debt, Private Equity, Infrastructure.
- 3.6 Following the JC’s decision on 7 March 2022 to invite two observers from each Local Pension Board to attend JC meetings on an observer basis, it has now been confirmed that two members from the Kent Pension Board will be able to observe the JC meeting on 6 March 2023.

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