



Investment
Property Forum

Investment Property Forum
Hana Workspaces
70 St. Mary Axe
London EC3A 8BE

email ipfoffice@ipf.org.uk web www.ipf.org.uk

Sue Forster
email sforster@ipf.org.uk tel 07880 729624

By email: pensions.investment@dwp.gov.uk

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Facilitating investment in illiquid assets

The Investment Property Forum (IPF) welcomes the opportunity to respond to the above consultation.

The IPF is a national membership organisation of senior professionals, all active in the property investment and finance market. The organisation has a diverse membership of around 2,000, which includes fund managers, investment agents, accountants, bankers, lawyers, researchers, academics, actuaries and other related professionals.

The IPF's Mission is to enhance the understanding and efficiency of property as an investment, including public, private, debt, equity and derivatives, for its members and other interested parties, including government. We are not a lobby organisation but one of our key priorities is to identify where legislation or regulation has, or will have, an impact on the market and to alert government and our members to any adverse or beneficial issues.

IPF response

We are only responding to questions 1 and 3 as we are not in a position to comment on other matters.

Question 1: Do you support these proposals and agree with the government's rationale for intervention?

The IPF is supportive of initiatives that improve transparency in investment in real estate as an asset class. We agree, therefore, with the proposal that schemes should disclose and explain their policies on illiquid investment in their Statement of Investment Principles (SIP). Real estate, infrastructure and other long-term real assets that offer portfolio diversification benefits do require more active management than investing in equities and gilts, which in turn requires alignment of interest through appropriately structured fee arrangements.

We believe that establishing best practice can most effectively be achieved by specialist industry bodies. The IPF has been happy to work with other real estate industry trade bodies and will continue to do so.

Question 3: Considering the policy objective to require trustees to state a policy on investment in illiquids, how should we define "illiquid assets"?

We would question the benefit and practicality of attempting to define "illiquid assets" and suggest it would be more appropriate for individual schemes to set out in their statements how they define illiquid assets, both at the fund / vehicle level and at the underlying asset level.



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Please do contact me should you wish to discuss any of the above in more detail.

A handwritten signature in black ink that reads 'Sue Forster'.

Sue Forster
Chief Executive, Investment Property Forum