

For professional clients in the UK only

LPP

Local Pensions Partnership
Investments

A photograph of a diverse family of four sitting on a light-colored sofa. On the left, a young girl with curly hair is looking towards the center. Next to her is a woman with long dark hair, smiling broadly. On the right, a man is smiling and looking down at a young boy sitting on his lap. The boy is also smiling and looking towards the camera. The background is a plain, light-colored wall.

Developing exceptional Investment Services

Responsible | Diligent | Cost-effective

Local Pensions Partnership Investments

Local Pensions Partnership Investments (LPPI), part of the LPP Group, is an in-house investment business authorised and regulated by the Financial Conduct Authority.

LPPI is responsible for managing around £23.1 billion of pension fund assets* including six investment pooling vehicles and two Authorised Contractual Schemes. Each of our funds has an emphasis on long-term viability and returns.

LPPI is also the appointed Alternative Investment Fund Manager for GLIL Infrastructure LLP, an investment platform that was originally a partnership between the London Pensions Fund Authority and Greater Manchester Pension Fund, which has since widened its membership and now has £2.5 billion** of committed capital.

LPP's partnership philosophy ensures all monies generated are used for the mutual benefit of clients and shareholders.

This guiding philosophy ensures we are completely aligned to the needs of our partners. As LPPI acts as both asset owner and asset manager, our concern for sustainability informs how, where and what we invest in, on behalf of client pension funds and how we act as responsible stewards.

Key facts

Assets under management**

£ 23.1 bn

Asset Class Pools

8

Authorised Contractual Schemes

2

Local Government Pension Fund Clients

3

Signatory of



*Source: LPPI, as at 31 December 2021 ** Source GLIL, as at 31 December 2021

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We help investors achieve their desired, long-term outcomes, with a strong sustainable focus

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Investment management services

LPPi offers a range of internally managed funds across both the public and private markets. These take the form of different investment structures including Authorised Contractual Schemes.

Our dedicated in-house team comprises of more than 50 investment personnel and more than 25 support staff, providing a deep and well-rounded understanding of how to help investors achieve their desired, long-term outcomes, with a strong sustainable focus.

Underpinning LPPi's investment management and advisory services are a number of supportive teams within risk management, due diligence, operations, legal and compliance. Together these teams provide integrated day-to-day governance and oversight.

Advisory services

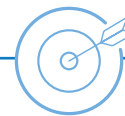
LPPi provides client specific advice on the allocation of capital among asset classes to deliver against a variety of return and risk objectives. Utilising advanced quantitative techniques with qualitative insight to deliver insight and advice, the team balances liquidity considerations with long-term funding outcomes.

Our asset and liability modeling (ALM) services present insights into future funding pathways to inform thinking through transparency of the liability profile and asset class characteristics, assisting our clients in highlighting where the risks are and determining an appropriate strategic asset allocation.



Outcome focused for pension schemes

- Facilitate making all benefit payments as they fall due
- Manage contribution levels within acceptable tolerances
- Portfolio performance



Target the key results that matter most:

- Capital growth
- Portfolio income
- Liquidity

Why LPPI?

Our approach focuses on investing in assets that offer attractive, long-term, risk-adjusted returns, which can be delivered cost-effectively.

We are a signatory to the LGPS Advisory Board Code of Transparency:

- Culture of strong governance and effective communication
- A highly experienced team, having held senior leadership positions at leading global asset managers and investment banks
- The internal management of assets, driving down cost and increasing oversight
- Stable ownership structure
- Evidence-driven investment beliefs based on comparison and study of international investment management success.

Our goals

We are here to help our pension fund clients:

- Achieve their funding strategy goals through improved investment outcomes
- Manage their assets and cash flows to meet future benefit payments
- Invest sustainably.



Responsible investment and stewardship

Responsible investment is an area we have invested in heavily over recent years, reflecting the importance we place on stewardship as part of our asset management role. With numerous examples of good practice already in place, our goal is a more explicit leadership role going forward, working collaboratively with industry peers to develop the tools and approaches all investors are seeking from a forward-looking and sustainable business.

Our approach to responsible investment begins with clear beliefs about our role and purpose, which are strong foundations for prudent investment management.

Our five responsible investment beliefs

1



Fiduciary Duty

LPPI has a fiduciary duty to act in the best long-term interests of client pension funds and their beneficiaries.

2



Optimum Returns

The objective of responsible investment is to secure optimum returns in the long-term, at an acceptable level of risk.

3



Sustainable Basis

The primary focus of responsible investment is the effective management of investment risks and opportunities to achieve optimum risk-adjusted returns on a sustainable basis.

4



ESG Factors

Environmental, Social and Governance (ESG) factors can have a direct financial impact on the value of individual investments and an influence on long-term investment performance.

5



Active Ownership

As providers of capital, investors have influence. Institutional investors should utilise their ownership powers to exert influence in circumstances where their intervention is warranted to protect the long-term financial interests of beneficiaries.

Responsible investment and stewardship cont.

To implement our responsible investment beliefs as part of our day to day investment activities, we have identified six target outcomes for our core processes

We review our approach and progress against recognised standards of good practice including the Financial Reporting Council's UK Stewardship Code, the Taskforce on Climate-Related Financial Disclosure (TCFD) and the United Nations backed Principles for Responsible Investment (PRI) which we joined in 2018.

Six target outcomes for our core processes



Responsive to clients

We strive to be a responsible long-term investor via an investment approach driven by the circumstances of our clients and their specific investment needs. LPPI provides investment management services which fulfil the fiduciary duties owed by trustees to fund members, employer organisations and wider stakeholders.



Commercial and sustainable

LPPI takes a resolutely commercial approach to asset selection and ongoing asset ownership. Our approach is built on detailed analysis and an up-to-date understanding of context. Protecting and enhancing the value of our clients' investments involves prudence in selecting and managing assets which generate superior returns and build value over the long term.



Diligent in selection

Selecting suitable assets on appropriate terms is a critical investment discipline. We routinely integrate Environmental, Social and Governance considerations within our evaluation of opportunities which fit our clients' investment strategies and meet their core investment objectives.



Active in ownership

LPPI actively exercises ownership rights to encourage high standards of corporate governance and sustainable management behaviour by investee companies. Activities include direct representation on company boards and investor and advisory committees, shareholder voting and engagement, and participation in partnerships and collaborations with other investors.



Committed to collaboration

LPPI is active in a range of organisations that represent the collective interests of like-minded investors. We actively support initiatives which identify common concerns, and assist us to share resources, work together and achieve more through co-ordinated collective effort.



Continuously reviewing and improving

Responsible investment is a discipline under continual evolution with local, national, and international norms continuously changing. Openness to new approaches and new standards as part of a regular review process is critical for integrating good practice standards aligned with the needs of our clients.

Funds and partnerships

	<h3>LPPI Global Equities Fund</h3> <p>The Fund invests across global equity markets through a combination of internally managed and third-party managed investments.</p>
	<h3>LPPI Fixed Income Fund</h3> <p>The Fund aims to deliver long-term risk-adjusted returns, capitalising on opportunities in the global fixed income market, with a strong focus on capital preservation.</p>
	<h3>LPPI Diversifying Strategies Fund</h3> <p>The Fund seeks to generate a diversifying source of return distinct from global equity and bond markets.</p>
	<h3>LPPI Liquidity Fund</h3> <p>The Fund will aim to provide investors with income and capital preservation. The Fund will invest in a diverse portfolio which can include fixed income bonds, floating rate bonds, money market instruments (including bank deposits, certificates of deposit and commercial paper) and asset-backed securities (such as mortgage-backed securities). The fund was approved by the FCA in October 2016 but is currently without allocated funds.</p>
	<h3>LPPI Infrastructure Fund</h3> <p>The Fund seeks to gain cost-effective, diversified exposure to global infrastructure assets, predominately in the UK, Europe and North America. It invests via primary infrastructure funds, co-investments and direct ownership in infrastructure assets.</p>

	<h3>LPPI Credit Fund</h3> <p>The Fund seeks to gain cost-effective exposure to diverse sources of return linked to global credit markets and credit instruments.</p>
	<h3>LPPI Private Equity Fund</h3> <p>The Fund seeks to achieve long-term investment returns by investing in companies at various stages of the growth cycle (buyout, growth capital, special situations, distressed).</p>
	<h3>LPPI Real Estate Fund</h3> <p>The Fund seeks to gain cost-effective, diversified exposure to real estate with a focus on income, predominately in the UK, but with up to 50% global exposure. It invests directly and via funds, joint ventures and co-investments.</p>
	<h3>GLIL Infrastructure</h3> <p>GLIL is an innovative collaboration between like-minded investors who seek investment into core infrastructure opportunities, predominately in the UK. GLIL, a partnership with Northern LGPS, aims to participate alongside the most sophisticated investors as peers, giving access to the widest pool of available deals at the best price. Click here for more information</p>
	<h3>The London Fund</h3> <p>The London Fund seeks to create positive social and environmental benefits for Londoners and sustainable long-term, risk-adjusted returns for pension investors. A partnership between LPPI and London CIV, the Fund focuses on investment opportunities in residential property and affordable housing, community regeneration, digital infrastructure, and clean energy. Click here for more information</p>

Contact

For more information about LPPI, visit our website or contact us to discuss your specific requirements in more details.

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Local Pensions Partnership Investments Ltd
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Authorised and regulated by the Financial Conduct Authority
Reference number: 724653

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