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Press release

Greater Manchester Pension Fund and LPFA agree £500m infrastructure programme

The Greater Manchester Pension Fund (GMPF) and the London Pensions Fund Authority (LPFA) today announced the joint allocation of up to £500m to invest in infrastructure opportunities.

The agreement is a significant step for both GMPF and LPFA. It allows the funds to increase their investment in infrastructure, deliver long-term returns that match their liabilities and provide much needed investment in major UK infrastructure projects.

Over the next three or four years, the pension funds will seek to make investments and hold them over the appropriate period for each individual investment. They will use their local presence in Greater Manchester and London to best advantage, but have a high degree of flexibility for suitable opportunities.

The structure aligns with both Funds' responses to central government on the reform of the Local Government Pension Scheme, which called for closer collaboration between funds in order to realise the benefits of increased scale.

Cllr. Kieran Quinn, Chair of GMPF, said:

“We are delighted to have formed this partnership alongside LPFA. In the UK we are only beginning to realise the potential for public pension funds to support the development of infrastructure projects, at the same time as delivering sustainable, high-quality returns to scheme members and employers.

“GMPF are long-standing investors in infrastructure and we look forward to using our experience and knowledge to help build this into something of great value to the UK as a whole, with an initial focus on Greater Manchester and London, which are two key areas in driving growth.”

Susan Martin, CEO of LPFA, said:

“The creation of an infrastructure investment platform is another step towards closing our deficit. To meet our pensions liabilities we need a balanced portfolio that includes assets with a long-term profile. While at the same time by focusing on British infrastructure we are investing in an area that so badly needs it.

“We look forward to working with GMPF to deliver projects that will provide both for our members and at the same time support the wider social need.”

-ENDS-

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NOTES TO EDITORS

About the LPFA (www.lpfa.org.uk)

The London Pensions Fund Authority (LPFA) administers a £4.9bn pension fund providing Local Government Pension Scheme benefits to almost 20,000 employees of 200 not for profit organisations and around 40,000 pensioners, many of whom used to work for the Greater London Council and the Inner London Education Authority.

It recently announced its intention to pool its Assets and Liabilities with the £5.2 billion Lancashire Pension Fund.



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It has promoted a more active approach to direct quoted and private equity investment and direct housing and infrastructure deals; as well as pioneering liability management in the public sector.

About GMPF (www.gmpf.org.uk)

The Greater Manchester Pension Fund (GMPF) is the largest LGPS pension fund in the UK, with assets of £16bn and more than 340,000 members from over 400 employers. It is the best performing LGPS scheme over 25 years and recently won the 21st Local Government Chronicle Investment Awards for the Best Large Pension Fund of the Year.