

## News Release

**Date: XX January 2020**

Status: For immediate release

### **London pension groups to launch fund investing in local housing, infrastructure and business**

- **Fund aims to stimulate development and enterprise in the capital**
- **Investments set to include residential property/ affordable housing, regeneration, digital infrastructure and clean energy**

Three major London pensions organisations, with combined assets under management of nearly £57 billion, are working together to create a London-focused investment fund. The fund aims to invest in the Capital, focusing on developing housing and infrastructure, both of which will improve the quality of life for London communities.

Local Pensions Partnership Ltd (LPP), the London Collective Investment Vehicle Ltd (LCIV) and the London Pensions Fund Authority (LPFA) are expecting to jointly target an allocation of several hundred million pounds to this new investment strategy, which is planned to launch later in 2020.

The London Fund's portfolio will focus on investments in the City of London, the 32 London boroughs and their immediate surrounds, in assets such as residential property – specifically build-to-rent – and affordable housing, community regeneration projects and infrastructure, including digital infrastructure and clean energy.

Each of these assets will be selected to provide sustainable, long-term and risk-adjusted value to the pension scheme members, while creating a 'double bottom line' by making a positive contribution to social and environmental issues in the area.

The fund, which will have a closed-ended structure, will be managed in partnership between LPP Investments Ltd (LPPI) and LCIV. By pooling their resources, LPPI and LCIV expect to have access to a greater range of investment opportunities for The London Fund than would be available to either entity acting alone.

London's population is expected to grow to over 9.5 million people by 2026<sup>1</sup>, faster than any other UK city. Whilst growth presents opportunities for residents and investors alike, it will almost certainly put pressure on the city's housing and infrastructure. The London Fund is being specially created and designed to address these challenges in a long-term sustainable way, as well as providing a boost to pension scheme members through the return on investment in large scale infrastructure projects around the Capital.

A spokesperson for The London Fund said: "Through the collaborative efforts of these London based institutions, the London Fund is expected to benefit from increased scale. This allows us broader access to resources and a much wider investment pipeline than would be available to any of the

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<sup>1</sup> 'Subnational population projections for England: 2016-based', Office of National Statistics 2018

individual organisations acting alone. We are delighted to be able to develop a project that will provide attractive returns for our members while helping us support communities in London.”

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**About Local Pensions Partnership Ltd (LPP)**

LPP is a pension service provider for LGPS and other public sector pension funds. LPP aims to help clients reduce pension deficits, improve investment returns and lower costs through the following core services:

- Investment management and advisory
- Pensions administration
- Asset and liability risk management

LPP was formed in 2016 through a collaboration between Lancashire County Council and the London Pensions Fund Authority. As at 31 December 2019, LPP manages £18.8 billion of pension assets (including GLIL) for its investors and provides pensions administration services to over 600,000 members across LGPS, Police and Firefighters pension schemes.

LPP is a signatory to the United Nations' Principles for Responsible Investment (PRI) and the Climate Action 100+.

**About Local Pensions Partnership Investments Ltd (LPPI)**

LPPI is an Financial Conduct Authority authorised investment manager for UK local government pension funds. LPPI was established in 2016 to enable public sector schemes to pool resources and improve management of their assets for the benefit of their members and employers. LPPI manages assets, allocated across numerous asset classes, on behalf of three pension funds: Lancashire County Pension Fund, London Pensions Fund Authority and Royal County of Berkshire Pension Fund.

**About London Collective Investment Vehicle Ltd (LCIV)**

London CIV is authorised and regulated by the Financial Conduct Authority for the purpose of pooling the assets of London Local Authority (LLA) pension funds in investment funds that it manages. As at the end of December 2019, assets under management stood at £38 billion (including passive investments).

**About the London Pensions Fund Authority Fund (LPFA)**

The LPFA is a defined-benefit LGPS with over 88,000 members, 142 contributing employers and £6.05 billion of assets. Its assets are pooled via LPP together with those of the Lancashire County Pension Fund and the Royal County of Berkshire Pension Fund. LPFA and Lancashire County Council are also shareholders of the Local Pensions Partnership, a pensions service provider for

# LPP

Local Pensions Partnership



LGPS and other public sector pension funds. LPFA is a Tier 1 signatory to the UK's Stewardship Code, a signatory of the Climate Action 100+, a member of the LAPFF and is a participant in the C40 Cities Divest Invest Forum.