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Press release.

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Pension funds lead 'investing for growth' initiative

A group of five local authority pension funds are seeking expressions of interest from asset managers in a new investment initiative seeking to deliver both financial returns and create a positive economic impact.

This initiative is being taken by a group of funds which includes Greater Manchester Pension Fund, West Yorkshire Pension Fund, West Midlands Pension Fund, South Yorkshire Pension Fund and Merseyside Pension Fund.

An advert seeking expressions of interest has been published in the Financial Times today, and a website has been set up for those asset managers seeking more information at www.investing4growth.co.uk

The deadline for submission of proposal is 5th July 2013.

The funds are seeking to identify the extent of the UK investment opportunities which, whilst meeting their investment return and risk strategies, also have a positive economic impact. The funds are not reducing their risk and return requirements for these investments, but seeking to invest for the benefit of local communities and address some of the current economic challenges. The funds available to invest come from local communities and many beneficiaries are low paid and from deprived communities where the economic challenges are at their greatest.

The range of investment activities that are considered to have an economic impact is wide and will include activities that have beneficial economic, social and environmental impacts. Underlying investments could include infrastructure, resource management, and business development. Each of the funds involved in the initiative has agreed to invest up to £50m initially, should suitable investments be available.

Councillor Kieran Quinn chair of Greater Manchester Pension Fund and Leader of Tameside Council said: "A pension fund has an overriding responsibility to make a financial return that will assist it in meeting its pension liabilities without taking

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unreasonable risks, but it is clear that in meeting these criteria there are investment opportunities that will also deliver an impact on local communities that improves their economic wellbeing, including social and environmental outcomes. Funds have taken a number of such investment opportunities and this initiative is not only to establish the depth and breadth of the current market, but to challenge asset managers to bring opportunities forward on sufficient scale to match the investment allocations pension funds are prepared to commit.”

The initiative is being taken forward following earlier work undertaken by the Smith Institute, CLES, the Local Authority Pension Fund Forum and PIRC seeking to identify the possible challenges to these types of investments. The report *Local Authority Pension Funds: Investing For Growth* was published last year. It is available on the Smith Institute website: <http://www.smith-institute.org.uk/file/local%20authority%20pension%20funds%20-%20investing%20for%20growth.pdf>

PIRC has been appointed as a consultant to the group of funds.

More information

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