

THE POOLING JOURNEY

Border to Coast Pensions Partnership

Warwickshire Pension Fund Annual General Meeting

December 2025

INTRODUCTIONS



Dave Knight
Customer Relationship Manager

3 years with Border to Coast Pensions Partnership

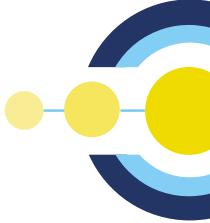
6 years with Aon





HOW POOLING HAS EVOLVED: THE JOURNEY SO FAR

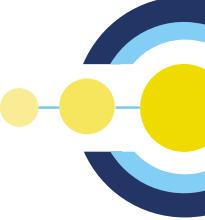
THE PURPOSE OF THE LOCAL GOVERNMENT PENSION SCHEME (LGPS)



Source: [LGPS Scheme Advisory Board - Scheme Annual Report](#). As at 31 March 2024.

Border to Coast Pensions Partnership - Warwickshire Pension Fund

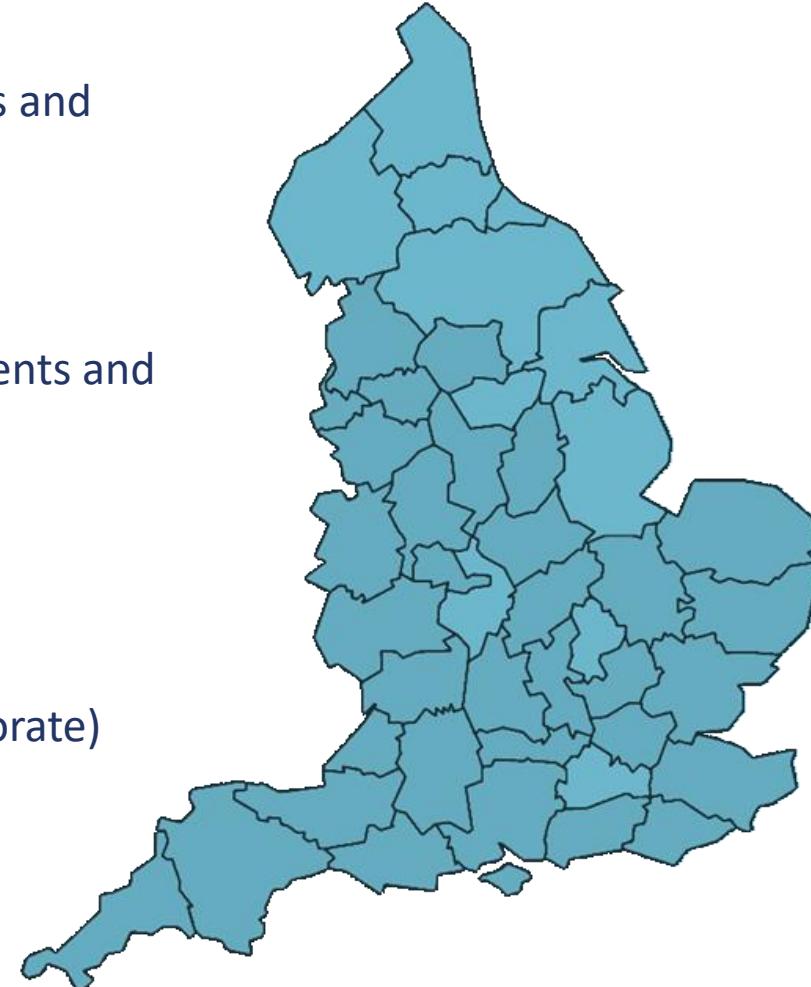
IT IS SUB-DIVIDED INTO 86 PENSION FUNDS



Each fund has its own employers and group of members

Each fund has its own investments and pensions to pay

Each fund is responsible for the administration of their own pension scheme (but some choose to collaborate)

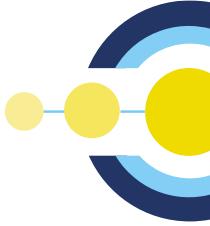


Each fund has its own pensions committee

Each fund sets its own investment strategy

The pools support a distinct group of funds to implement their investment strategy

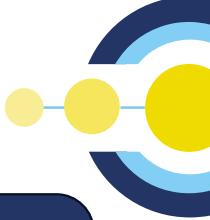
BACKGROUND TO POOLING



**July 2015 Budget:
Central Government
announce the
intention for LGPS
to pool investments**

- A** Asset pool(s) that achieve the benefits of scale
- B** Strong governance and decision making
- C** Reduced costs and excellent value for money
- D** An improved capacity and capability to invest in infrastructure

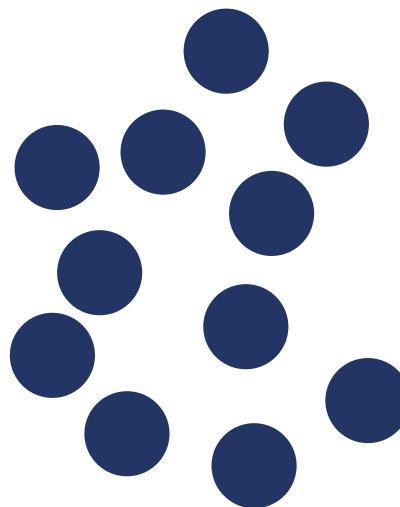
THE DEVELOPMENT OF OUR PARTNERSHIP



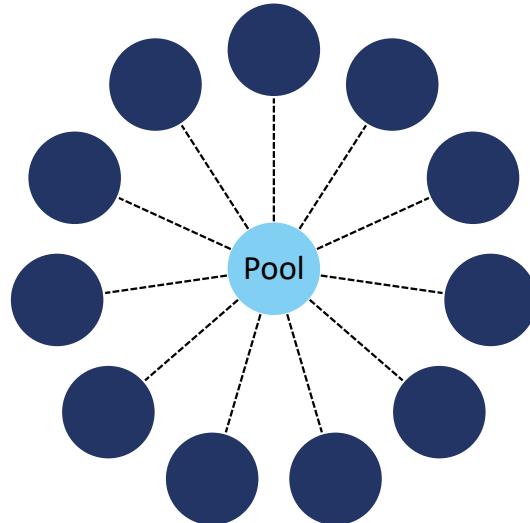
2015-17

2017-18

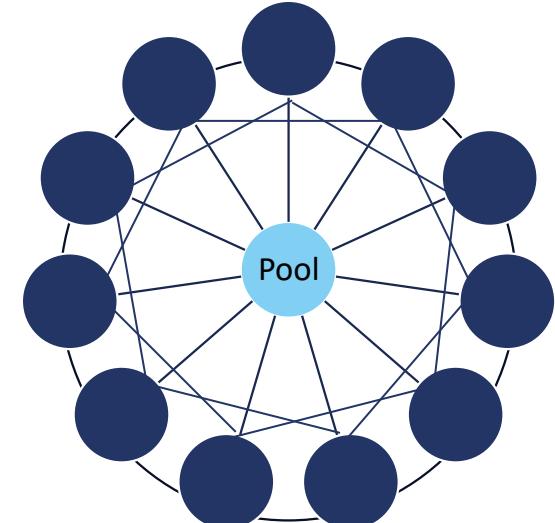
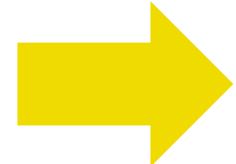
2018-
NOW



11 LGPS Funds came together to agree founding principles



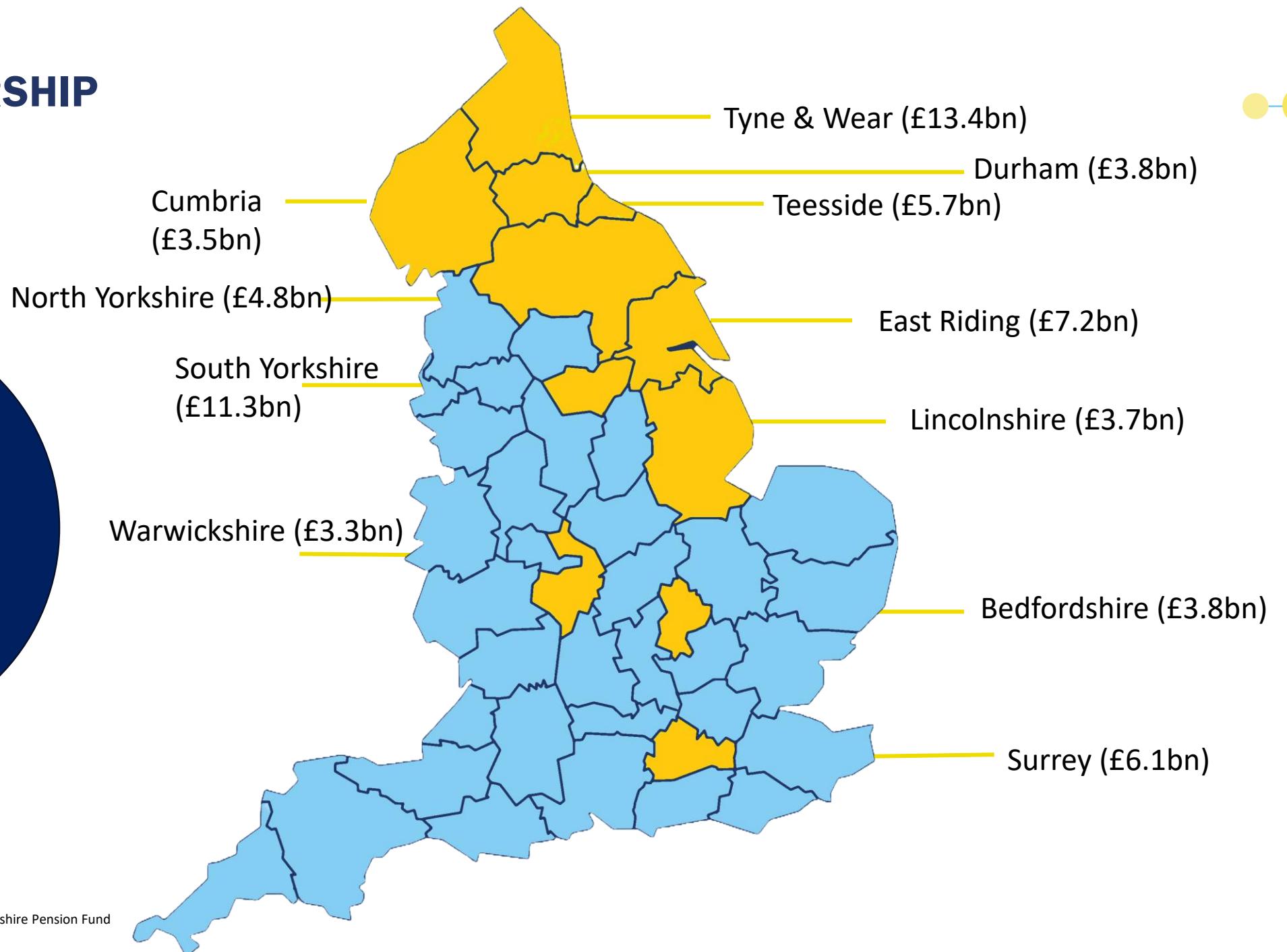
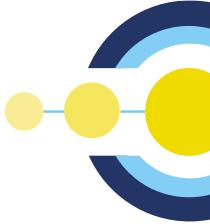
Pool & Governance established



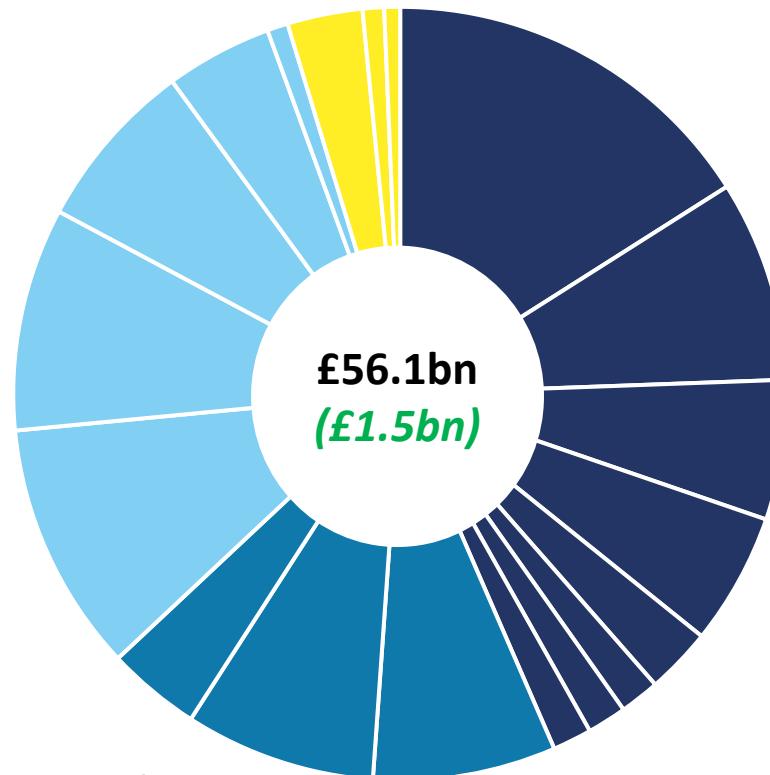
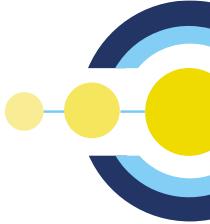
Transitioned assets, developed governance & matured relationships

Developing a **resilient and scalable structure** that enables Partner Funds to pay pensions in an affordable and sustainable manner

OUR PARTNERSHIP



OUR INVESTMENTS



PRIVATE MARKETS - £18.1bn

Infrastructure	£5.9bn* (€235m)
Private Credit	£5.2bn* (€220m)
Private Equity	£4.0bn* (€200m)
Climate Opportunities	£2.5bn* (€35m)
UK Opportunities	£0.5bn*

REAL ESTATE - £2.7bn

UK Real Estate	£1.8bn (€35m)
Global Core	£0.5bn*
Global Value Add	£0.4bn*

FIXED INCOME - £11.0bn

Multi Asset Credit	£4.3bn (€301m)
Sterling Investment Grade Credit	£4.5bn (€245m)
Sterling Index Linked Bond	£2.2bn

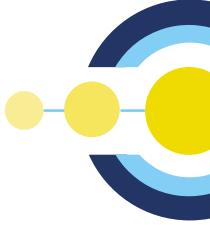
EQUITY - £24.3bn

Overseas Developed	£9.0bn
Global Equity Alpha	£4.7bn
UK Listed Equity Alpha	£0.9bn
Emerging Markets	£1.5bn
UK Listed	£3.3bn
Listed Alternatives	£0.9bn
Emerging Markets Alpha	£0.9bn
Global Multi Factor Equity Index	£3.1bn (€264m)



HOW POOLING HAS EVOLVED: *'FIT FOR THE FUTURE'*

2030 STRATEGY IN SUMMARY: THREE STRANDS



Strategic Phase 2025 – 2030

Vision

Making a difference for the LGPS

Border to Coast was created by, and for, its Partner Funds.

The Border to Coast objective remains to continue to make a difference to our Partner Funds and, in ensuring a strong and healthy LGPS ecosystem, enable Partner Funds to succeed over the long term.

Collective Culture of Partnership

1

Deliver our existing remit effectively & efficiently

2

Deliver additional value for our Partner Funds

3

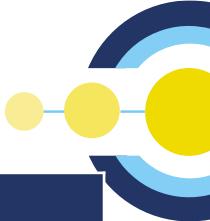
Prepare to capture the benefits of greater scale for Partner Funds

- Retain focus on delivery of sustainable and cost-effective long-term investment returns
- Ensure resilience and further mature the partnership
- Develop and embed a culture of continuous improvement & drive greater efficiency.

- Full range of capabilities to implement investment strategy
- Collectively move to a more resilient and sustainable operating model that strengthens the wider ecosystem
- Expand and amplify our collective voice.

- Remain ready and agile for potential changes at the industry level
- Evaluate opportunities and capture the gains from the next level of scale
- Look to strengthen the wider LGPS ecosystem through collaboration and innovation.

LGPS POOLS: MINIMUM STANDARDS



Capability or standard	Our Delivery Mechanism / Project
<ul style="list-style-type: none"> FCA Regulated 	<ul style="list-style-type: none"> FCA regulated entity, authorised to deliver (in-house) investment management and advice
<ul style="list-style-type: none"> Expertise and capacity to implement investment strategies 	<ul style="list-style-type: none"> Strong, experienced, highly engaged, and externally recognised team of investment professionals Develop and implement additional Investment Management Services
<ul style="list-style-type: none"> Pool to be the principal source of advice on investment strategy 	<ul style="list-style-type: none"> Develop and implement Border to Coast Advisory capability
<ul style="list-style-type: none"> Pool to manage all Partner Funds assets (included legacy) 	<ul style="list-style-type: none"> Launch remaining investment propositions and complete asset transition Take on management of Partner Fund Legacy Private Markets assets
<ul style="list-style-type: none"> Pool to carry out due diligence on, and manage, local investments 	<ul style="list-style-type: none"> Build on our active UK local investment programme (which will continue to evolve as Government policy on devolution and the role of the LGPS develops)

LOCAL GOVERNMENT PENSION SCHEME (ENGLAND AND WALES): FIT FOR THE FUTURE

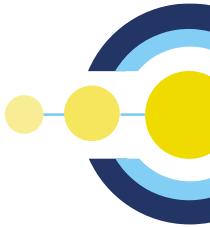


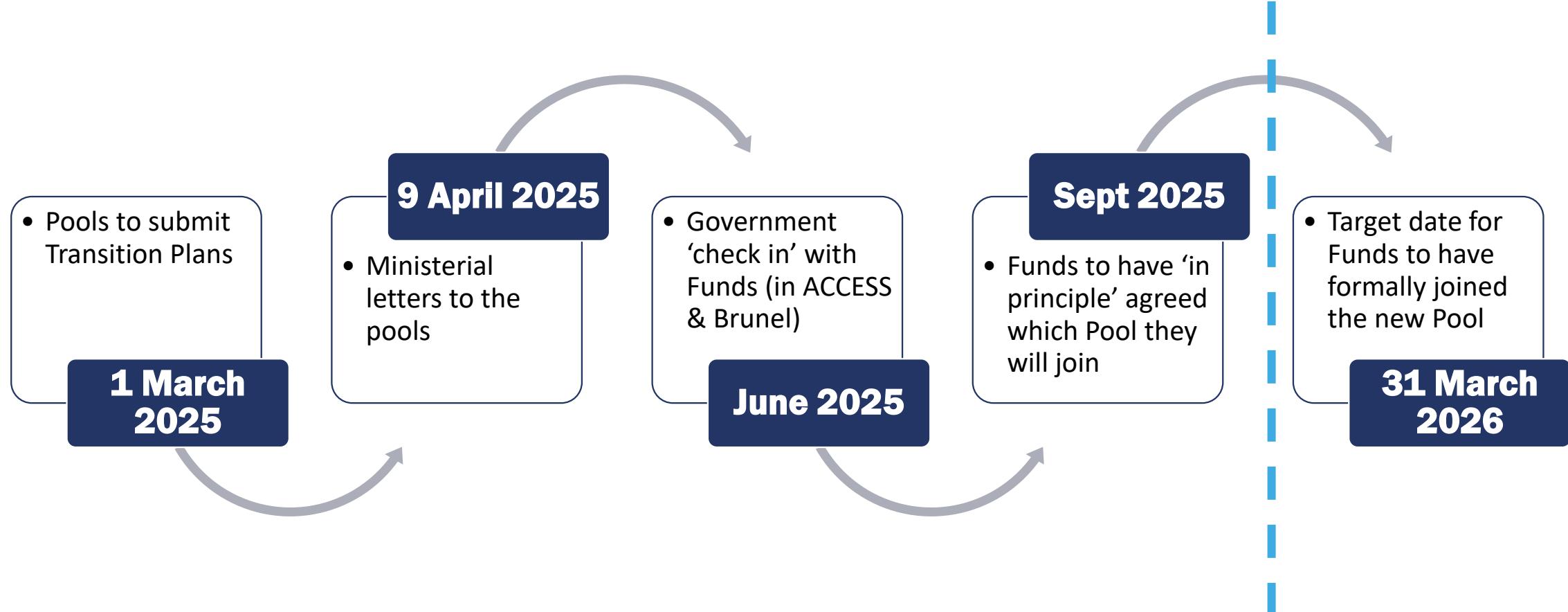
Figure 1: The division of responsibilities between administering authority and pool

	Task	Impact on overall investment outcome of the fund	AA Role	Pool role	Definitions
Strategy	Investment objectives	High	Decide	Advise	Return objectives, risk tolerances, investment preferences, constraints and limitations, and the approaches to local investment and responsible investment.
	Strategic asset allocation		Decide (optional)	Advise/Decide	Long-term, stable allocation based on overall investment objectives and risk tolerance
Implementation	Tactical asset allocation	Low	Monitor	Decide	Adjustments to the asset mix, such as in respect of geographic allocation, consistent with the asset allocation strategy.
	Investment manager selection		Monitor	Decide	Appointment of external (or in-house) managers of specific investment mandates
	Stock selection		Monitor	Decide	Choosing individual investment opportunities based on detailed analysis of the opportunity
	Investment stewardship		Monitor	Decide	Engagement with the invested companies in line with Investment Objectives.
	Cashflow management		Monitor	Decide	Management of the disinvestment (or investment of contributions) in collaboration with administrators and Fund Actuary

The following proposals will be implemented as consulted upon:

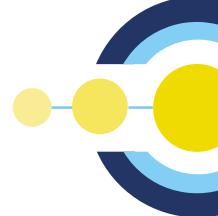
- Requirement on AAs to delegate the implementation of their investment strategy to their pool in line with the illustration at Figure 1.
- Requirement for pools to be established as investment management companies authorised and regulated by the FCA, with the expertise and capacity to implement investment strategies.

'FIT FOR THE FUTURE'



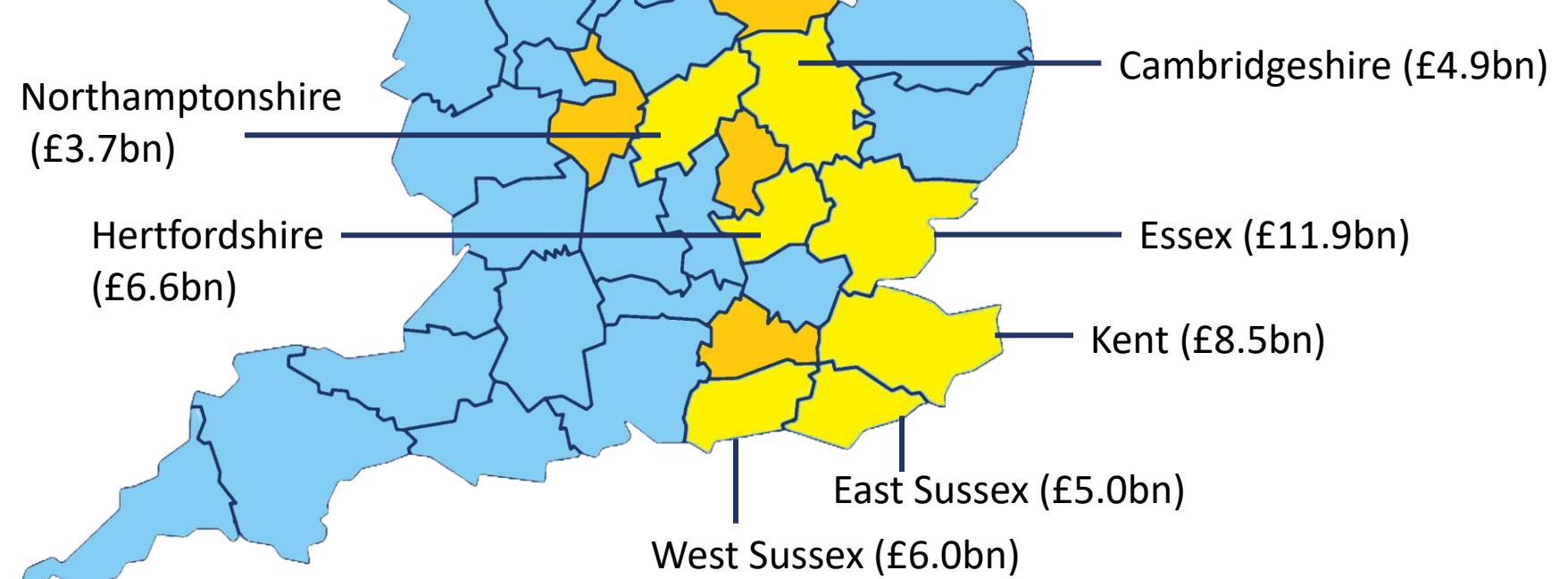
INCOMING PARTNER FUNDS

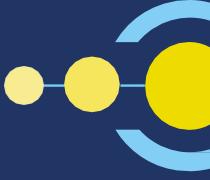
The seven new Funds have c.830,000 members and c.£45bn of assets.



c.2 million
members

c.£110bn of
assets





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