



Greater Manchester Pension Fund

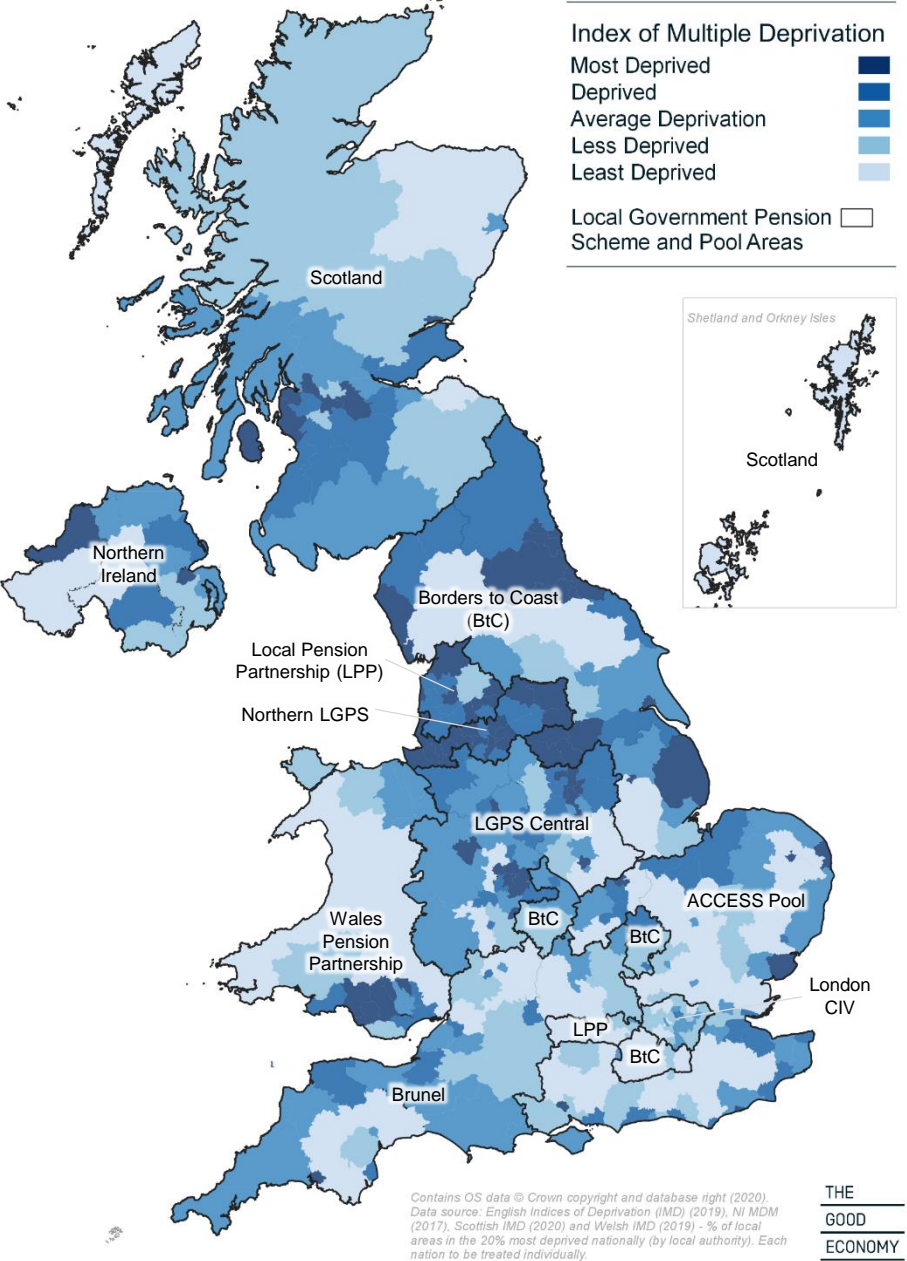
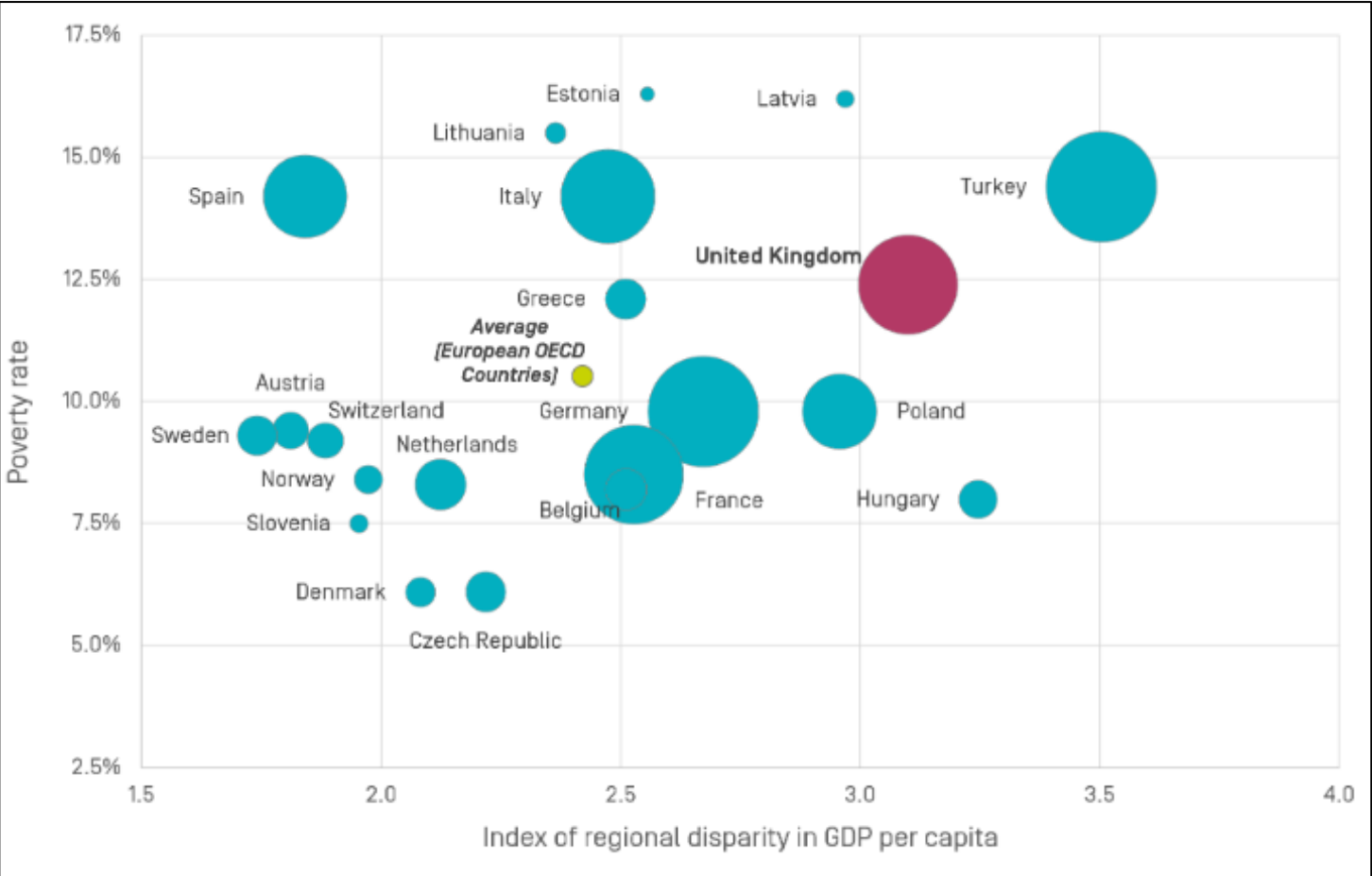
What does Local Investing actually mean

27 March 2024



Challenge for the UK

Amongst the highest interregional productivity and income inequalities of any industrialised country.



GMPF Approach

Linking Governance arrangements to Regulations and *Fiduciary Duty*

Investment Strategy Statement

The Panel has approved an allocation to Local Investments, which has the twin aims of generating a commercial return and delivering a positive social impact. GMPF's Annual Report and Accounts contains more detail on the specific investments within this allocation.

Core Beliefs

The Fund has the necessary skills, expertise, diversity and resources to internally manage some assets, such as infrastructure, private equity, local investments and cash.

Allocations to asset classes other than equities and government bonds (e.g. corporate bonds, private equity and property) offer the Fund other forms of risk premia (e.g. additional solvency risk/illiquidity risk).

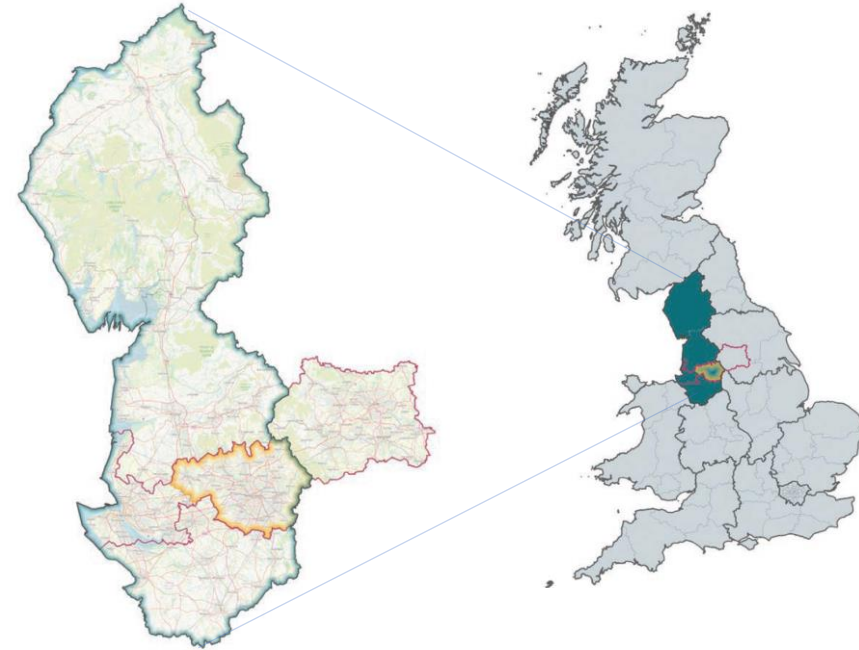
Financial Implications

Maintaining a low, stable employer contribution rate is dependent upon good absolute and relative performance from the Fund's investments. Appropriate investment activity is essential to achieving this objective.

GMPF's Local Investment Portfolio

Local Investment Portfolio	Impact Themes	Impact Sub-Themes
Impact Portfolio [Target allocation: 2% of GMPF]	Jobs	Loans to SMEs
		Equity Investment in Under-served Markets
		Investment in technology jobs
	Place	Renewable energy infrastructure
		Social investment
		Social infrastructure
		Housing/Property Development in Underserved Markets
Greater Manchester Property Venture Fund [Target allocation: 3% of GMPF]	Economic Development	Generate employment
		Improve long-term employment prospects
		Contribute to the overall development of the local economy

“Local” is defined by GMPF as the North West (Cheshire, Cumbria, Greater Manchester, Lancashire and Merseyside) with the addition of West Yorkshire which is in the Northern Pool

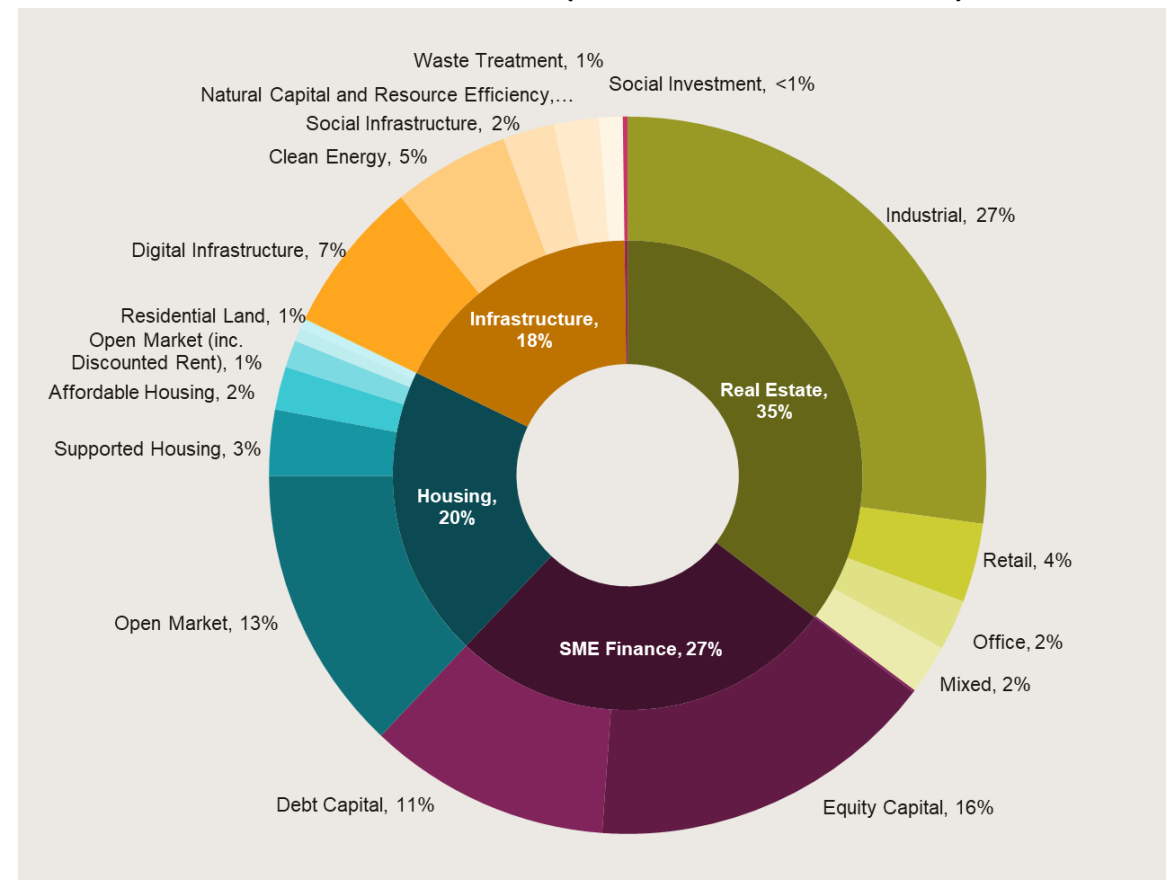


£858 million invested through GMPF Local Investments

£1.42 billion to Local Investments, amounting to 4.8% of GMPF's total investment value of nearly £30 billion.

A total of £858.2 million had been drawn down and invested with an almost equal amount invested across the Impact Portfolio (64%) and GMPVF (36%).

What we invest in (% of value invested)



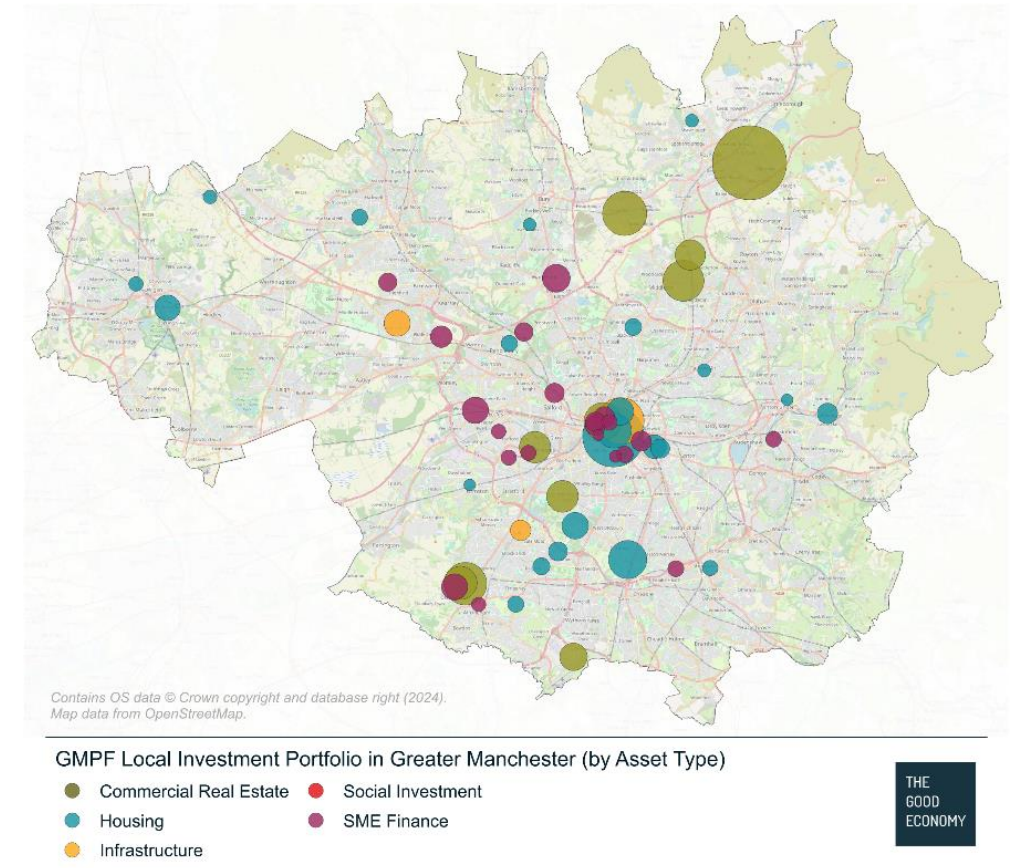
Two-thirds of investment is local

Two-thirds of these investments (66% of value) are located in Greater Manchester and the North West.

GMPVF property investments are all within the region (85% of value in Greater Manchester).

The Impact Portfolio has a broader geography. 37% of investment is located in Greater Manchester and the North West (up from 35% in 2022) and 65% invested across the rest of the UK.

Capital is being deployed across designated growth locations and into priority sectors; both high growth sectors driving local economic growth and foundational sectors, such as healthcare.



How portfolio investment is contributing to GMPF's impact themes

Jobs:

- **16,141** jobs supported in businesses locally – Greater Manchester and North West)
- A further **2,563** jobs in sustainable infrastructure assets
- **6,372** jobs created businesses located locally)
- **75%** of businesses demonstrated job growth
- **60%** of jobs pay the Real Living Wage or higher



Place:

- **3,541** new homes – completed, in development or planned (64% locally)
- **13** renewable energy and other sustainable infrastructure assets
- **£20 million** has been invested in 38 social investment organisations, of which 23 are still live and 15 have been realised)

Economic Development:

- **£332 million** has been invested in 21 commercial real estate assets
- **7,545** jobs to be supported through new employment space created (83% locally)

