

10 October 2019

## **West Midlands Pension Fund continues to build resilience to climate change through Low Carbon Equity Fund**

West Midlands Pension Fund (“the Fund”), has today announced it will be an initial investor in a brand-new low carbon factor equity fund which favours firms with a commitment to tackling climate change through strategic investment allocation.

The Fund has developed an investment strategy underpinned by the belief that effective management of financially material environmental, social and governance risks protect returns over the long term. Climate change continues to be one of the Fund’s major engagement themes for 2019/20 along with single-use plastics, fair tax payment and tax transparency and technology and disruptive industries.

The Fund has included in its [Responsible Investment Framework](#) its approach to managing climate change risk through effective stewardship activities, collaborative engagement and a holistic four-year [Climate Strategy](#).

The LGPS Central Limited All World Equity Climate Multi Factor Fund (“the equity fund”) launched today at the London Stock Exchange, developed for the LGPS Central pool it has been designed to take into account the risks and opportunities associated with climate change, tilting away from companies with greater carbon emissions and the most carbon intensive fossil fuel reserves instead favouring those with low carbon revenues, integrating responsible investment factors by design. Aligned with the Fund’s Responsible Investment approach, and with the overall aim of delivering investment returns to help meet the cost of providing pension benefits in the future.

The equity fund has been developed in collaboration with Partner Funds, driven in part by WMPF’s strategic objectives for addressing the challenges and opportunities in climate change, and launched by investment management pool company LGPS Central Limited. Cheshire Pension Fund will form initial investors alongside West Midlands.

### **Councillor Stephen Simkins, Chair of Pensions Committee**

**“The West Midlands Pension Fund has a track record for leading engagement and innovation in its response to Climate Change. The new equity fund marks a new step on our journey, and we welcome the greater investment in companies generating greener revenues and the potential these have to add return to pay pensions.”**

### **NOTES FOR EDITORS**

The West Midlands Pension Fund provides pension services to over 320,000 current and former employees of the seven metropolitan district councils, combined authority and over 670 public body

employers within the West Midlands. It is one of the largest funds in England and Wales, employing 139 FTE members of staff and as at March 31, 2019 the Fund was valued at £16 billion.

The LGPS Central Pool is made up of nine Midlands-based local government pension funds: Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, Worcestershire, West Midlands and the West Midlands Integrated Transport Authority Pension Funds. The nine funds have approximately £45bn of investment assets collectively.

The West Midlands Pension Fund strives to be a best practice organisation, delivering a customer-focused service, while providing value for money to its stakeholders.