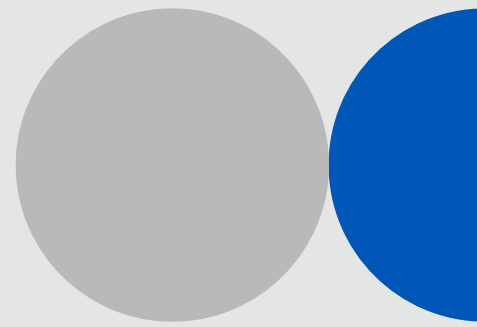


# LGPS Partnership Programme

February 2021



For professional investors only – Not for use by retail investors or advisers.

**Investment needs go beyond pure asset management. Local Government Pension Scheme (LGPS) clients want an experienced partner that can help them address key strategic challenges such as diversifying risk, reducing costs, and strengthening governance and stewardship.**

abr dn aims to help LGPS clients and pools address these and many other challenges. By working in close partnership, we look at each challenge holistically. We consider investment issues in the context of a client’s overall business and long-term goals.

We have worked closely with, and managed, LGPS assets since 1990. Today, we have 77 direct LGPS clients with mandates across all asset classes and are a signatory to the LGPS Code of Transparency

Our commitment to developing long-term, trusted relationships and a close understanding of the needs and objectives of our local authority clients is of key importance to us. We strive to collaborate with our clients as closely as possible, to evolve, develop and create innovative investment solutions and structures to meet bespoke requirements.

**“We are one of the largest asset managers operating across the globe and managing one of the broadest asset class spectrums in the industry. As a result, we have the operational support structures and internal functions required to support our LGPS clients.”**

Rod Paris,  
CIO of abr dn

[abr dn.com](http://abr dn.com)

### Case Study: Working in partnership with the LGPS market

abr dn has developed two partnerships with an LGPS pool to help meet the needs of their clients.

Firstly, our Long Lease Property Fund was selected for its income portfolio to deliver UK inflation-linked income returns. As one of the industry’s leading real estate managers, we are able to provide the pool with a deep understanding of local market conditions and use our experience of managing assets across different market cycles to meet their clients’ needs.

abr dn is also co-managing the pool’s first sub fund of its Authorised Contractual Scheme for actively managed UK Equities. The pool’s commitment to making long-term sustainable investments perfectly aligns with abr dn’s own objectives. Our strength in UK equities has always been our style-agnostic focus on company research. Our approach to stewardship and responsible investment was also key in the selection process. As a global investment firm, we take our responsibilities as an investor seriously with environmental, social and governance (ESG) considerations embedded in our investment process and fully integrated in investment decision making.

As a partner of choice, we look forward to building a collaborative relationship that focuses on delivering for the pool’s underlying clients.



- Scotland
  - Northern Ireland
  - Border to Coast
  - LPP
  - Wales
  - London CIV
  - Central
  - Access
  - Brunel
  - Northern Pool
- Shaded counties indicate non-abr dn clients



## What abrdn can offer LGPS clients and pools

### Investment capabilities

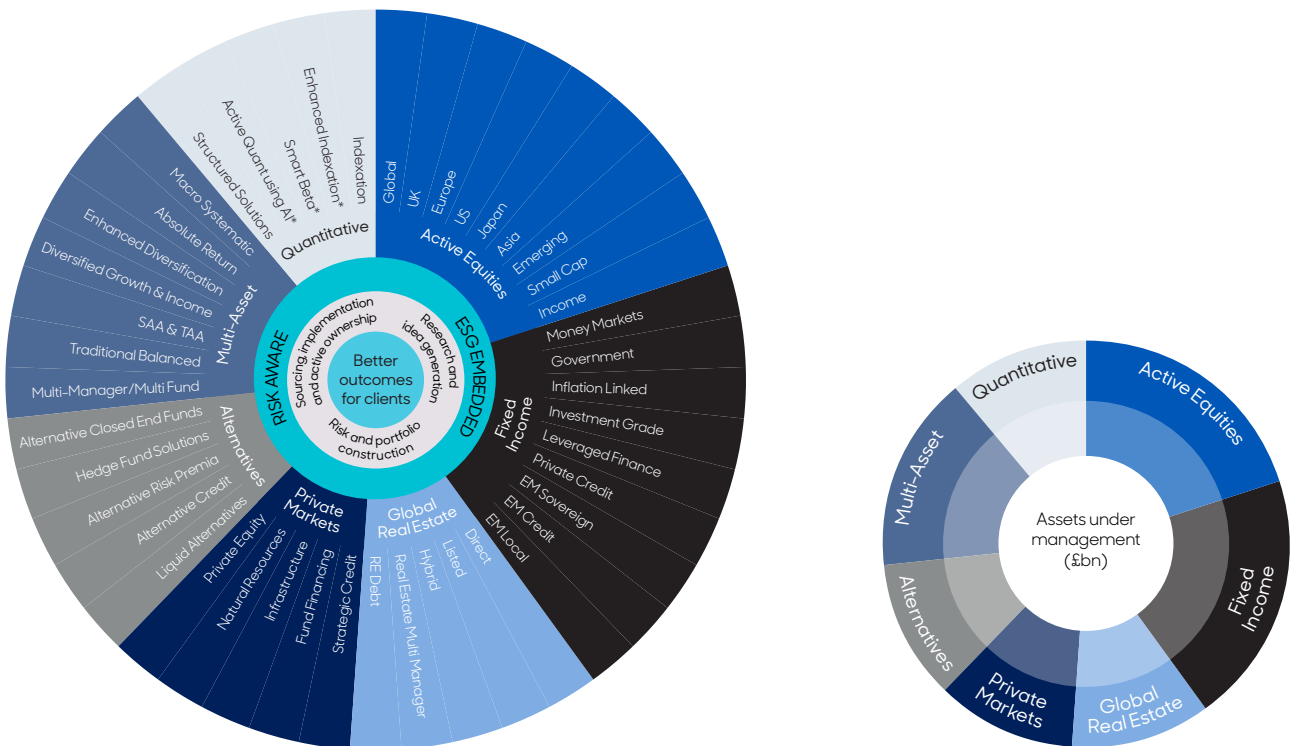
We are one of the largest asset managers operating across the globe and managing one of the broadest asset class spectrums in the industry. As a result, we have the operational support structures and functions required to support our LGPS clients.

Our full range of investment solutions span equities, multi-asset, fixed income, liquidity, sovereign wealth funds, real estate and private markets.

Our LGPS partners have direct access to both our key expert investment and back office professionals across the business, who are available on hand to help address critical components of investing including portfolio construction techniques, performance monitoring, risk control, compliance, regulation, fund administration, fund operations and custody.

Our outstanding depth and breadth of expertise across asset classes can help LGPS clients and pools inform and shape their investment strategy and structure considerations, and diversify their investment risk.

## AUM Breakdown



A broad range of asset class capabilities

\*1) Enhanced indexation = BETTER Beta ; \*2) Smart beta = SMARTER Beta \*3) Active quant using AI = DISCOVER Alpha  
Source: abrdn, 30 June 2020. AUM breakdown does not include cash/liquidity assets of circa £48bn

# 1,000+

Investment professionals

# >20

Countries investment managers are in

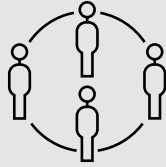
# £456bn

Assets under management

## What abrdn can offer LGPS clients and pools

### Strengthened stewardship

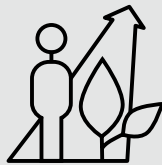
We take our stewardship role extremely seriously. As we are active long-term responsible investors, stewardship is a fundamental component of our company-wide investment philosophy and process.



Stewardship is about understanding everything there is to know about an asset, especially its risks and opportunities. We do this before making any investment, ensuring we build only the highest-quality portfolios for LGPS clients and pools.

### Embedded ESG

An ESG framework is firmly embedded within our investment approach. Awareness of ESG factors highlights financial and reputational risks related to the companies in which we invest. For this reason, ESG engagement is not a cost, but an approach that can enhance investment performance.



Our ESG team can strengthen LGPS client and pools' understanding of ESG-related topics, and how these issues are managed from an investor and asset manager perspective.

In addition to the review and integration of material ESG factors, we also offer LGPS clients and pools bespoke ESG solutions to meet their investment needs.

We support the UN Sustainable Development Goals while striving to generate the best long-term outcomes for our clients. We are also a proud supporter of the Transition Pathway Initiative, which assesses companies' preparedness for the transition to a low-carbon economy, supporting efforts to address climate change.

### Benefits of scale

As a result of our scale and global presence, we can draw upon one of the world's largest teams of investment professionals.



Approximately 1,000 portfolio managers, analysts and product, risk and trading specialists are located globally ensuring close proximity to our clients and the markets in which we invest. In addition, we have client specialists working closely with our clients to understand their goals and deliver innovative, world class investment solutions.

### Risk control

Constant regulatory change and the implementation of new measures are an increasingly important part of the investment landscape.



Direct access to our risk and compliance experts will allow LGPS clients and pools to discuss industry developments and initiatives, and how best they can be managed. For example, cyber-crime is an increasing threat in today's digital world. Our experts can help understand what measures can protect businesses and clients, assess the potential threats and repercussions, and better understand how to mitigate the risks.

### Collaboration

We collaborate with our clients and the pools to evolve, develop and create innovative investment solutions to meet particular requirements.



Our investment experts can provide research and insight on technical aspects of global markets, asset classes, and derivative markets on either a face-to-face or group session basis depending on an LGPS clients' and pools' bespoke needs.

Our 'Learning Gateway' is a proprietary, CPD-accredited online training facility available to our LGPS clients and pools. It provides a comprehensive range of investment, business and compliance related courses, from basic to advanced levels.

We also run regular CPD-accredited events ranging from seminars to smaller, more intimate breakfast and evening roundtables. These provide our LGPS clients with the opportunity to network, discuss the challenges they are facing, and share their experience and specialist knowledge.

### Thought leadership

The views of the LGPS community are very important to us and that is why we have conducted various thought leadership roundtable events to address and discuss key issues affecting the LGPS sector. More recently we have engaged with various pools to discuss the fundamental changes in the property market that may present new opportunities for LGPS investors with increasing scale but also caveat the key risks associated with these changes. abrdn is able to contribute to this debate through our extensive global research platform which can help outline how best to navigate the structural changes affecting the current real estate landscape for the LGPS sector.



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