

Digswell Viaduct
Hertfordshire

ACCESS
Effective • Collective • Investment



Thorpe Bay Beach
Southend-on-Sea, Essex



River Wensum
Norfolk

ACCESS

Progress Update

2022



Hastings
East Sussex



Needles
Isle of Wight

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ACCESS:
A Collaboration of Central, Eastern and Southern Shires.



Milford-on-Sea
Hampshire

Introduction

I am pleased to be able to introduce the first ACCESS Progress Update.

This is designed to allow you insight into the character of our Pool, our key activities and future plans so that you gain an overview of how our Pool is progressing.

As you may be aware ACCESS already produces an Annual Report each summer which each Authority uses within the Report & Accounts for their own Pension Fund and we publish on the ACCESS website. The Progress Update is our opportunity to share further information, typically capturing events up to the end of each calendar year.

Our journey started in early 2016 when the Authorities came together to discuss how we could collectively invest Local Government Pension Scheme (LGPS) assets. With shared investment approaches, a significant commonality of mandates and similar beliefs, we had a solid foundation that enabled us to both shape our Pool and face the uncertainties of a global pandemic.

The resulting collaboration sees the 11 LGPS Authorities partner with finance sector specialists to enable the oversight and investment of assets on behalf of over one million members in excess of 3,400 employers.

£35bn

Invested by ACCESS Authorities

As you will see from this update, ACCESS has launched four new sub-funds adding £3.2bn to the pool, partnered with Minerva Analytics in reviewing our Responsible Investment guidelines, appointed MJ Hudson as Implementation Adviser for alternatives investments and approved arrangements for Local Pension Board observation of Joint Committee meetings.

At the end of 2021, ACCESS Authorities had invested a total of £35bn across both actively managed sub-funds within an Authorised Contractual Scheme (ACS) operated by Link Fund Solutions, and jointly procured passive mandates with UBS.

In closing I would like to thank my fellow ten Joint Committee members, each representing their respective Authorities, along with the officers who support them, and the ACCESS Support Unit.

I hope you find this Progress Update of value.



Cllr Mark Kemp-Gee

Chairman of the ACCESS Joint Committee
Chairman of the Hampshire Pension Fund Committee and Board.

ACCESS Background

ACCESS has its origins in 2016 when 11 Local Government Pension Scheme (LGPS) Authorities agreed to begin working collectively to address the requirements of the Government's agenda for pooling LGPS investments.

The following strategic objectives are in place:

1

Enable the Councils to execute their fiduciary responsibilities to LGPS stakeholders, including scheme members and employers, as economically as possible.

2

Provide a range of asset types necessary to enable those participating Authorities to execute their locally-determined investment strategies as far as possible.

3

Enable the Councils to achieve the benefits of pooling investments, preserve the best aspects of what is currently done locally, and create the desired level of local decision making and control.

In order to achieve these objectives, the Councils have established a set of governing principles.

The governing principles are summarised below.

- Collaboration
- Risk management
- Objective evidence based decisions
- Equitable voice in governance
- Professionalism
- Equitable cost sharing
- No unnecessary complexity
- Evolution and innovation
- Value for money

Implicit within the above principles is the democratic accountability and fiduciary duty of the Councils as Administering Authorities.

ACCESS LGPS Authorities

An overview of the Pool's governance structure is outlined below.

11
Administering Authorities

1. Isle of Wight Council
2. Hampshire County Council
3. West Sussex County Council
4. East Sussex County Council
5. Kent County Council
6. Hertfordshire
7. Essex County Council
8. West Northamptonshire Council
9. Cambridgeshire County Council
10. Suffolk County Council
11. Norfolk County Council



ACCESS pool

Joint Committee (JC)
11 Councillors representing 11 Authorities

Officers
Section 151 Officers, Monitoring Officers, Officer Working Group (OWG)

ACCESS Support Unit (ASU)
Programme, contract and client management

No FCA regulated decisions in client side functions

Active-listed assets, ACS operator: LINK Group

Passive-listed assets jointly procured manager: UBS

Non-listed assets implementation advice: MJ HUDSON

Key Performance

Assets
As at December 2021

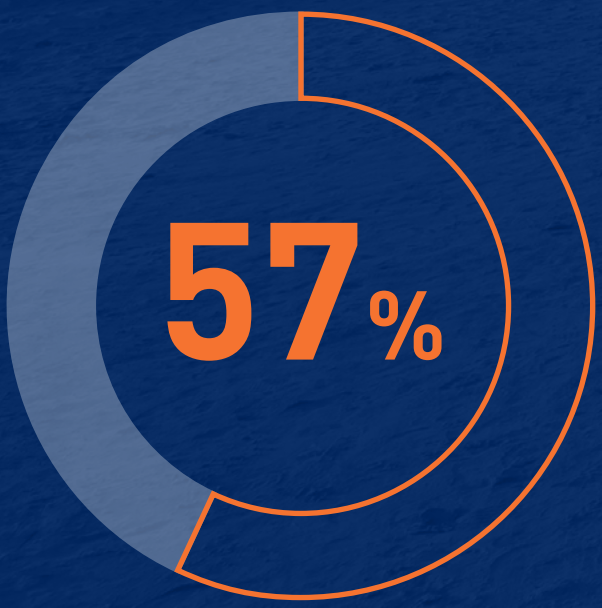
ACS (25 sub-funds)

£22.9bn

UBS (with 1 jointly procured provider)

£12.1bn

Pooling Progress



Costs & Savings
As at March 2021

Gross Savings

£42.3m

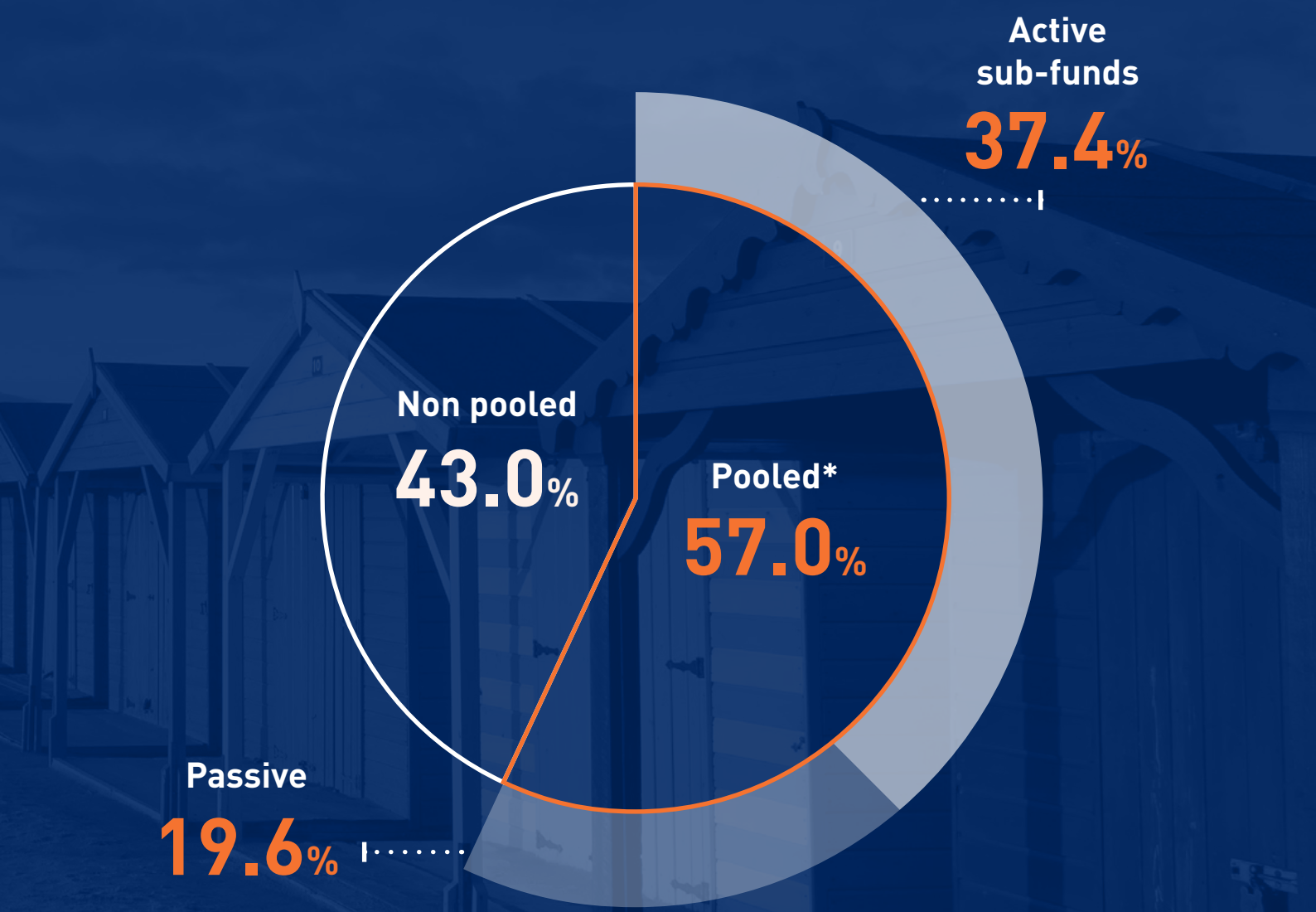
Costs

£12.9m

Net Savings

£29.4m

Progress on Pooling



*as at December 2021

West Wittering Beach
West Sussex

Milestones

1

Four new sub-funds launched pooling a further £3.2bn

Between July 2021 and February 2022, ACCESS's appointed Operator, Link Fund Solutions launched a further four sub-funds.

Link's appointment of BlackRock expands the UK Equity capacity within the Pool, the appointment of Macquarie broadens the Global Equity coverage whilst the addition of ACS mandates for Fidelity and M&G extends the Fixed Income offering.

Six Authorities participated as original investors within these sub-funds which totalled £3.2bn.



Sarratt
Hertfordshire



River Cam
Cambridgeshire

2

Appointment of MJ Hudson as illiquid implementation adviser

In January 2022, following a procurement via National LGPS frameworks, ACCESS announced the appointment of MJ Hudson as implementation adviser for the pooling of illiquid assets including private equity, private debt, infrastructure and real estate.

As implementation advisor, MJ Hudson will provide support to the Pool in selecting individual investment opportunities and investment managers to build portfolios in a range of illiquid assets.

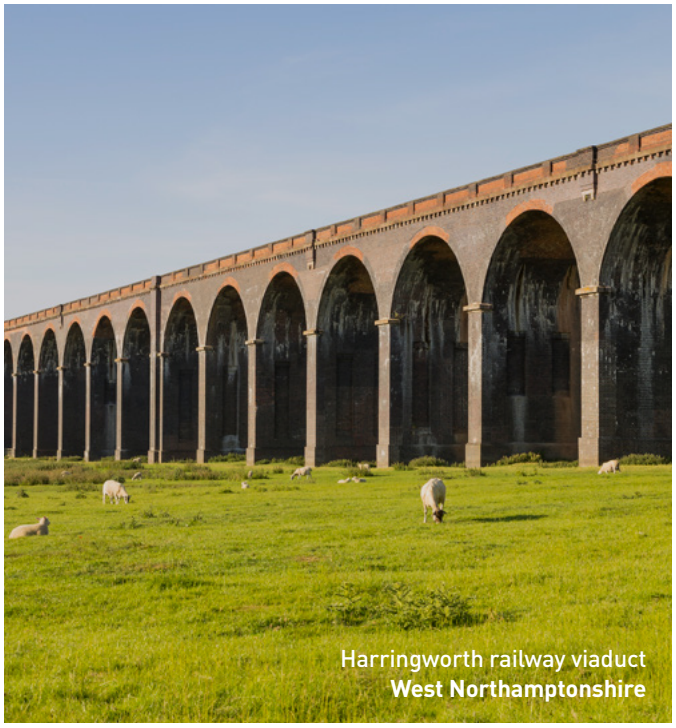
3

Responsible Investment Guidelines and appointment of Minerva Analytics

Last year, following a procurement via National LGPS frameworks, ACCESS appointed Minerva Analytics as Environmental, Social & Governance (ESG) adviser.

Having reviewed the ESG polices of, and engaged extensively with officers from each of the 11 ACCESS Authorities, Minerva Analytics drafted revised and updated Responsible Investment (RI) guidelines for the Pool.

Following a period of consultation, it is expected that finalised Guidelines will be adopted by the Pool during 2022.



Harringworth railway viaduct
West Northamptonshire



Southwold Pier
Suffolk

4

Local Pension Board observation of Joint Committee meetings

At its March 2022 meeting, the Joint Committee agreed proposals enabling each ACCESS Authority's Local Pension Board (LPB) to send observers, on a rotational basis, to Joint Committee meetings. This will allow 2 observers from each LPB to attend a Joint Committee at least once a year.

The observers can be drawn from scheme member representatives, employer representatives or independent LPB members. Whilst it will be for each LPB to agree the observers, it is desirable that at least one of the observers from each LPB is a scheme member representative. This arrangement will be reviewed after its first full year.

2022-2023 Business Plan and Outlook

The Business Plan for 2022-23 was proposed by the ACCESS Joint Committee on 6th December 2021 to the 11 LGPS Authorities.

This plan included:

Actively managed listed assets:

Further pooling active listed assets within the Authorised Contractual Scheme (ACS) managed by the Pool's appointed Operator, Link Fund Solutions.

Alternative/non-listed assets:

The first full year's activity on the implementation of pooled alternative assets working with MJ Hudson the Pool's appointed implementation adviser.

Passive assets:

Ongoing monitoring and engagement with jointly procured passive manager, UBS.

Governance:

The continued application of appropriate forms of governance throughout ACCESS including:

- The completion of our review of Responsible Investment (RI) guidelines, working with the Pool's RI adviser, Minerva; and
- The development of our approach to Communications working with the Pool's appointed Communications adviser, MHP.

ACCESS Support Unit (ASU):

An external review of the ASU and progress against objectives.

To support this plan, a budget of £1.366m was agreed by the Joint Committee.



Chatham Maritime Marina
Kent

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For any enquiries, please contact the Access Support Unit (ASU) on **ASU@accesspool.co.uk**

accesspool.org