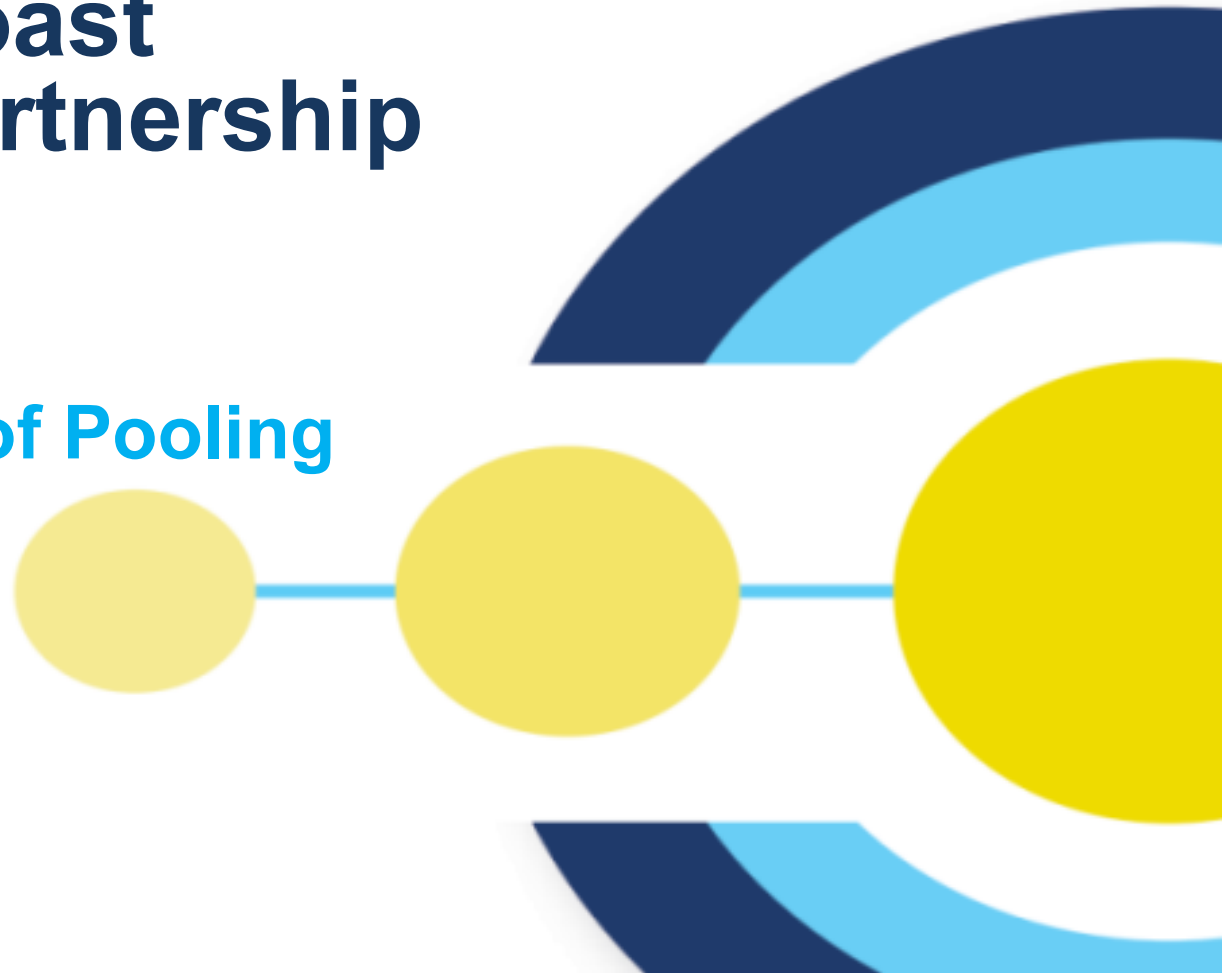


# Border to Coast Pensions Partnership Ltd

## Draft Measures of Pooling Success

1-7-18

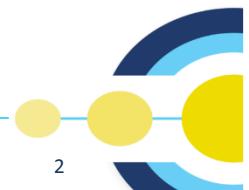
Rachel Elwell  
Border to Coast



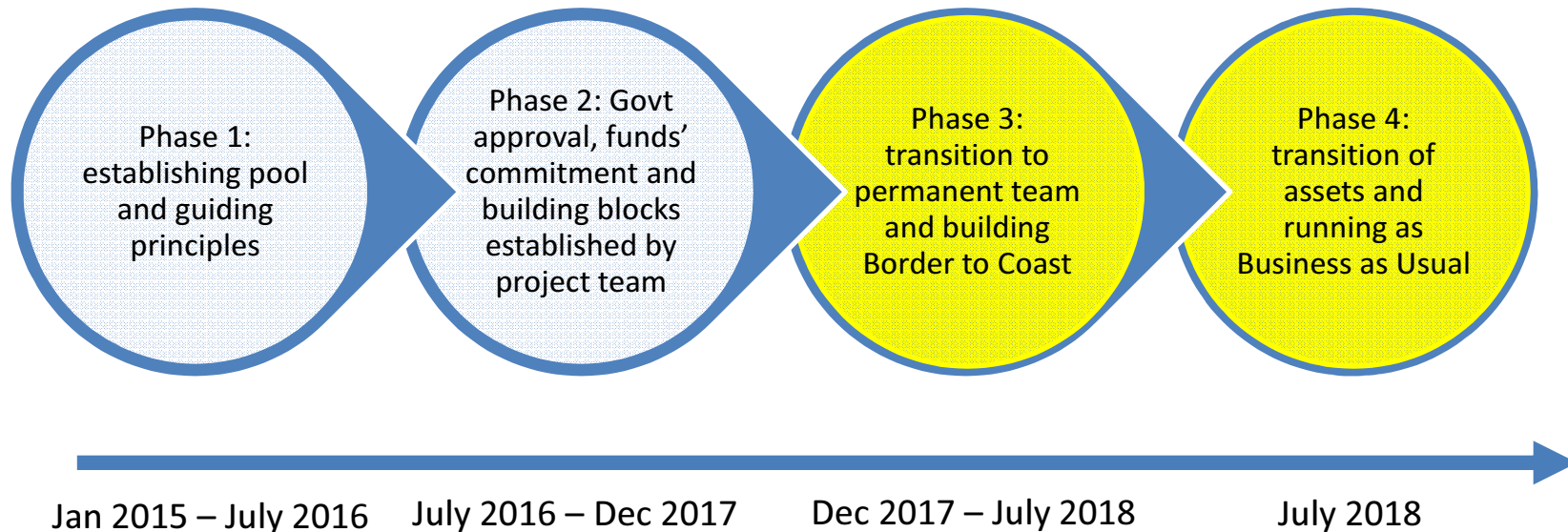
# Border to Coast: Why Are We Here?

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Making a difference to investment outcomes for Local Government Pension Funds through *pooling* to create a stronger voice; working in *partnership* to deliver cost effective, innovative, and responsible investment now and into the future; thereby enabling great, sustainable *performance*.

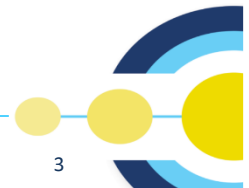


# Border to Coast: the story so far



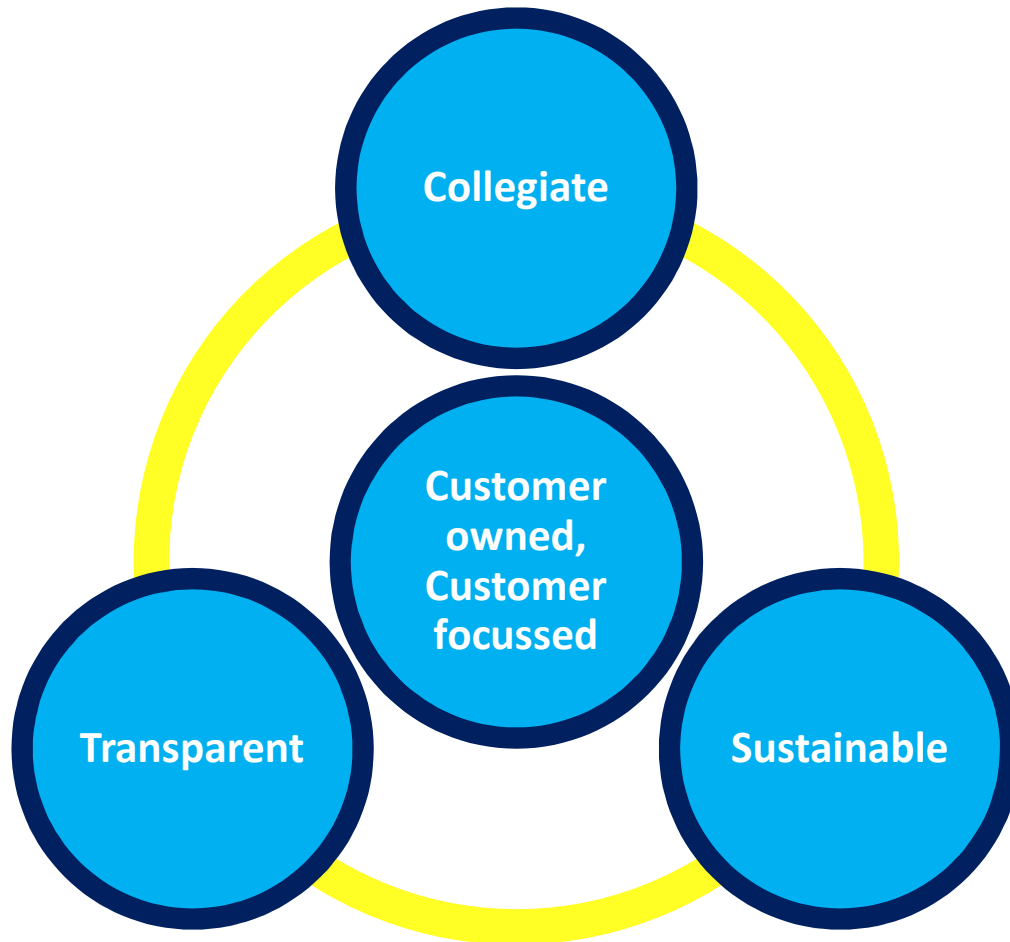
## Guiding principles

1. Meet Government aims (governance, RI, VFM and infrastructure)
2. One Fund, One Vote
3. Funds retain governance role and ownership of asset allocation
4. Generate improved net of fees risk adjusted performance
5. Internal management capability
6. Improved resilience and capacity over existing structures
7. Shared team in one location (Leeds)



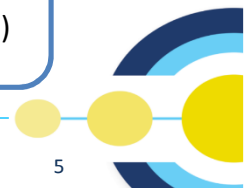
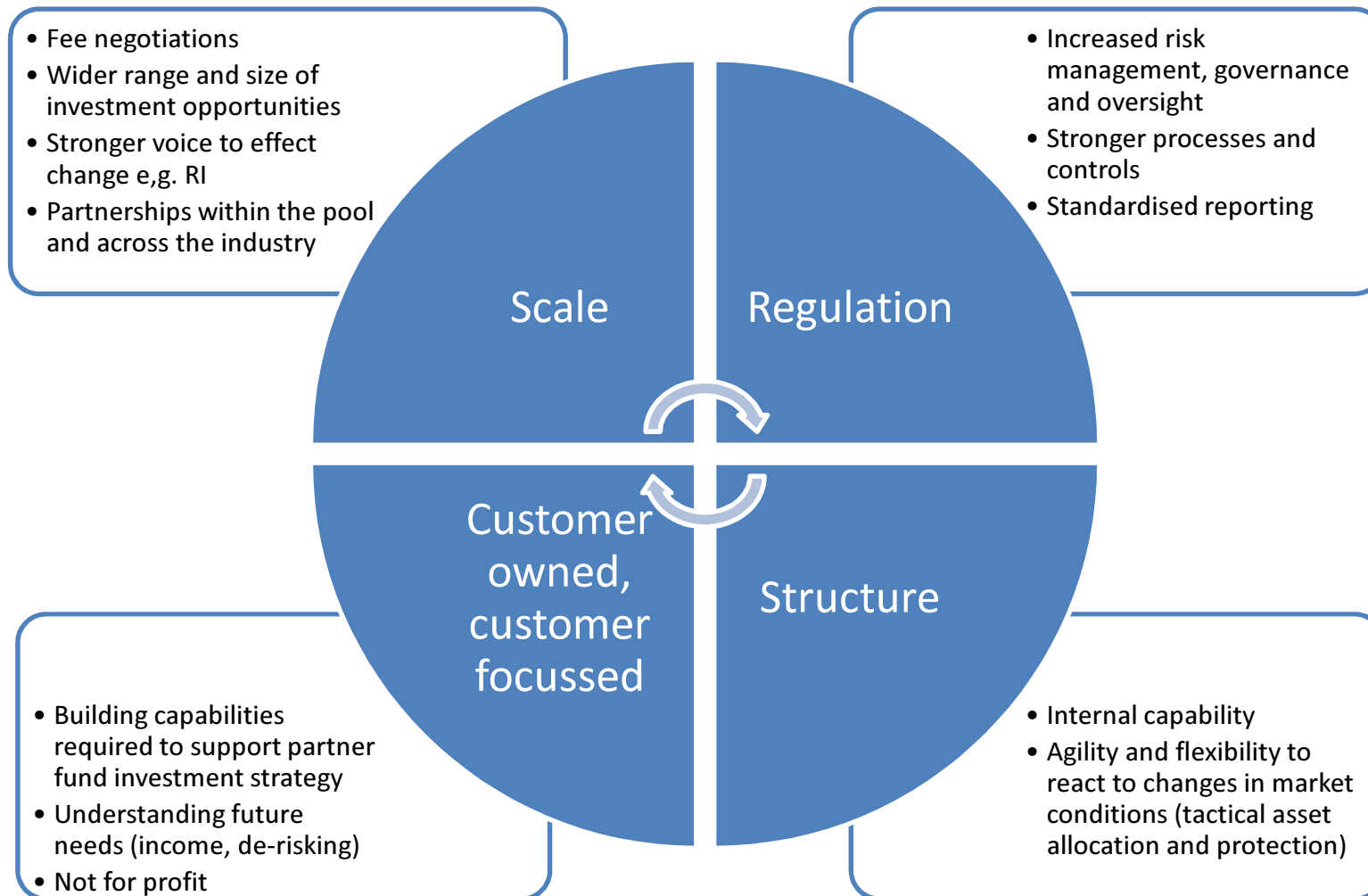
# Border to Coast: What Do We Want To Be?

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- a **collegiate** organisation: working together in an **open** and **trusting** environment with shared vision and goals to deliver **long-term, strong** and **sustainable outcomes** for customers;
- a **sustainable** organisation: investing in our colleagues by facilitating **work-life balance**; by encouraging personal and professional **development**; and supporting a **creative, flexible** and **open to change** culture that is equipped to evolve new capabilities as customer needs change;
- a **transparent** organisation: maintaining customer and public **trust** in Border to Coast's **integrity** to enable us to deliver our objectives.

# Border to Coast: making a difference



# Financial Metrics?

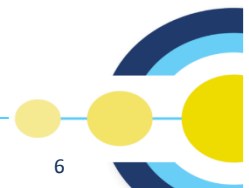
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## During Transition

- Delivery of transition plan (Assets Under Management, investment capabilities)
- Costs vs budget (during implementation and ongoing)
- Sustainability:
  - Regulatory capital
  - Working capital
  - Funding for future developments
- Short-term sub-fund performance

## Steady State

- Long-term risk-adjusted investment performance
- Assets Under Management
- Costs vs budget (savings vs baseline)
- Sustainability:
  - Regulatory capital
  - Working capital
  - Breakeven costs per sub-fund
  - Funding for future developments



# Other Metrics?

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- Customers:
  - Risk-adjusted net return per Partner Fund
  - Customer service satisfaction scores (service levels, reporting, training, etc)
- External:
  - Press coverage
- Sustainability:
  - Voting and engagement record
  - UNPRI benchmarking
  - Corporate responsibility
- Employee engagement
  - Recruitment / retention
  - Market benchmarking
  - Training & development
  - Brand recognition
- Key Risk Indicators
  - Regulatory compliance (FCA and public sector, e.g. FOI)
  - Investment breaches
  - Supplier metrics on material outsource contracts



# **Border to Coast Pensions Partnership Ltd**

