

Investment News

This Investment News article provides an update on the positive progress the Fund is making towards achieving its new climate change targets. It also provides information on the Fund's first investment into a new UK Residential Housing fund, which has been established to invest in Social and Affordable Housing as well as the Private Rented Sector across the UK.

Climate Change

The Fund has now published its fifth Climate Risk report. The report sets out our progress in managing our climate related investment risks. It also highlights the positive progress we are making in delivering its new short term climate change targets, including rapidly decarbonising the Funds' equity portfolio. The Fund has achieved its previous short term targets.

The report includes our highlights in the last year, our metrics and targets, the governance involved, our strategy, and how we are managing climate risk.

The following table sets out the Fund's new climate change targets and the positive progress we are making in achieving them.

Target	Progress
42% reduction in the carbon footprint of the Fund's equity portfolio (scope 1 and 2 emissions) by 2025 increasing to 50% by 2030.	Since 2019 the carbon footprint of the Fund's equity portfolio has decreased by 43.5%. This is ahead of the Fund's target for 2025 and well on track to achieve a 50% reduction by 2030.
Engagement target of at least 90% of financed emissions in material sectors assessed as net zero, aligned, aligning, or the subject of direct or collective engagement and stewardship actions, by 2030.	66.5% of the Fund's financed emissions which arise from Material Sectors are currently either classified as net zero, aligned, or aligning, or are the subject of an engagement. The Fund is therefore making good progress towards achieving this target.
50% of assets under management (AUM) in material sectors that are achieving net zero, 'aligned' or 'aligning' to net zero by 2030.	45.9% of the Fund's AUM (within material sectors) is currently classified as net zero, aligned, or aligning, as per LGPS Central's methodology. The Fund is therefore well placed to achieve this target by 2030.
25% of total Fund assets invested in low carbon and sustainable assets by 2026.	As of 2024, 21.6% of the Fund's total investments are in low carbon and sustainable portfolios.

To read the full Climate Risk report, or for more information on the Fund's Climate Change Strategy, please click on the link below:

[Climate Change | Members](#)





Affordable Housing Investment

The Fund is pleased to announce its first investment into a new UK Residential Housing fund. This first investment, into PGIM Real Estate's open-ended UK Affordable Housing strategy, is the first for the LGPS Central UK Residential Indirect Property Fund, which has been established to invest across all of the sub-sectors of residential property including Social Housing, Affordable Housing and the Private Rented Sector.

PGIM Real Estate's strategy focusses on the acquisition of single-family homes for let at affordable rents to working families and co-renters, thereby addressing the growing need for quality, affordable housing across the UK. The strategy is dedicated to providing high-quality housing that aligns with rigorous environmental standards, while also striving to make a positive social impact.

This significant investment marks a key milestone for LGPS Central and Cheshire Pension Fund, as one of the Partner Funds, supporting critical social and environmental objectives.

As a Fund, we are delighted to have been involved in the development of LGPS Central's UK Residential Indirect Property Partnership as seed investors and to support the increased supply of much needed affordable housing across the UK. We welcome the commitment to PGIM Real Estate's UK Affordable Housing strategy, with its focus on delivering affordable homes to families across the UK with strong social and environmental objectives.

More information on LGPS Central, can be found at the following link: [LGPS Central](#)