

TfL
PENSIONFUND

2025

FUND INVESTMENTS IN THE UK



MAYOR OF LONDON

Transport for London



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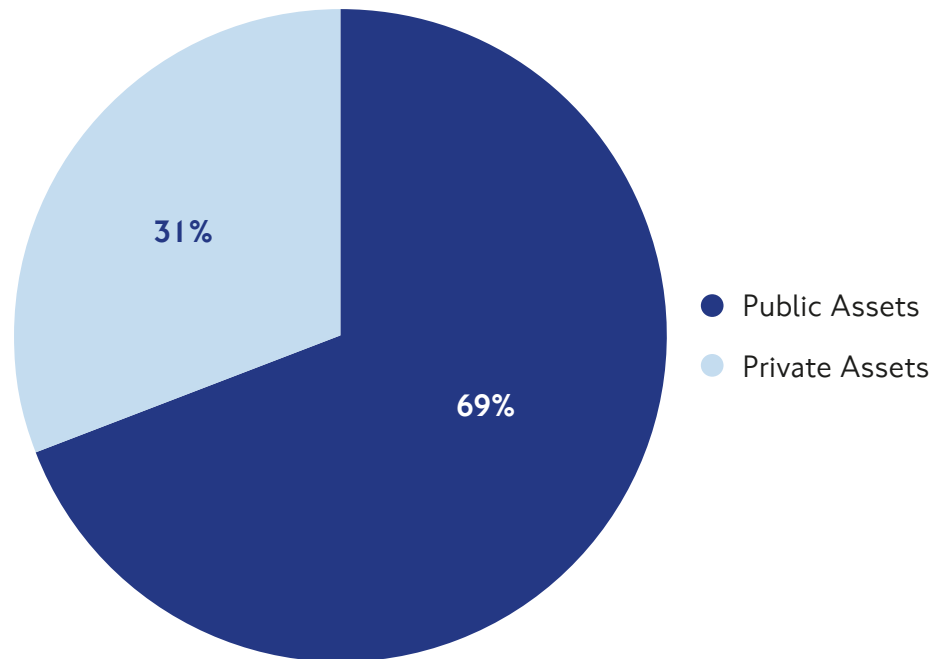


FUND INVESTMENTS IN THE UK

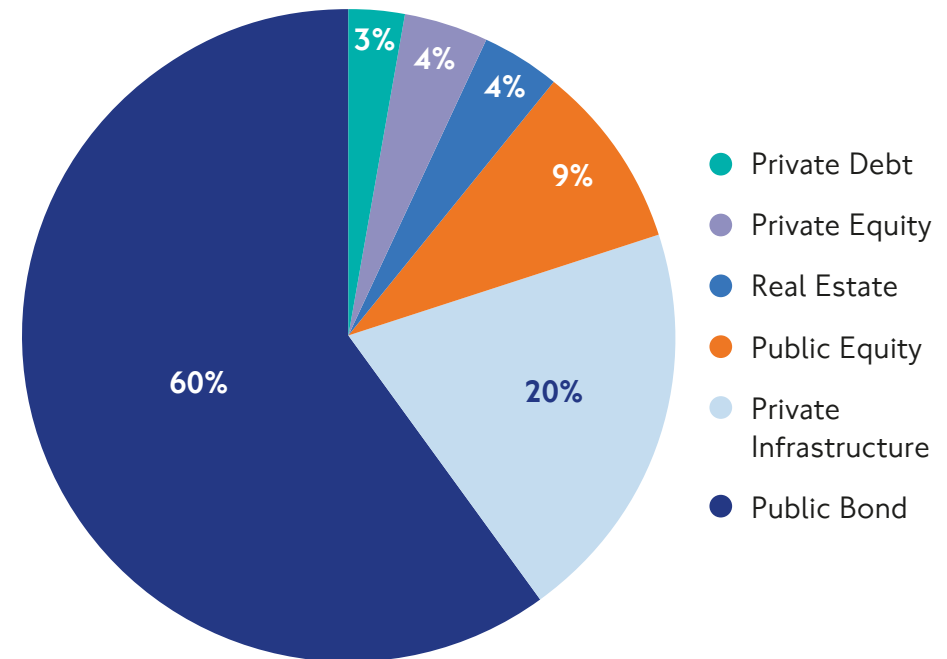
OVERVIEW

£3.2bn/21% of the Fund's Portfolio is invested in the UK
with a large allocation to “on the ground” private assets

UK Asset Allocation by Market Type



UK Investment Allocation by Asset Type

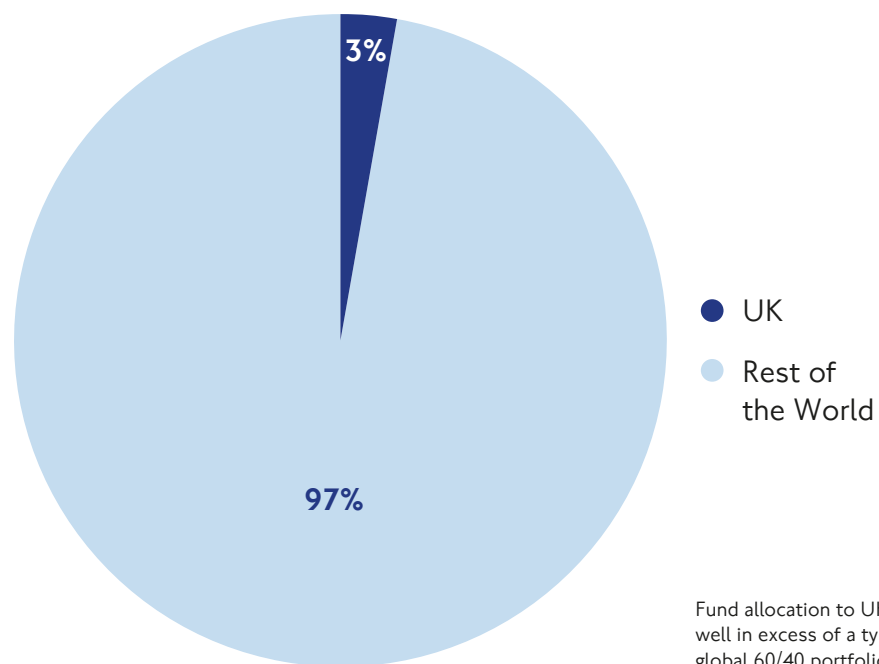


FUND INVESTMENTS IN THE UK

OVERVIEW

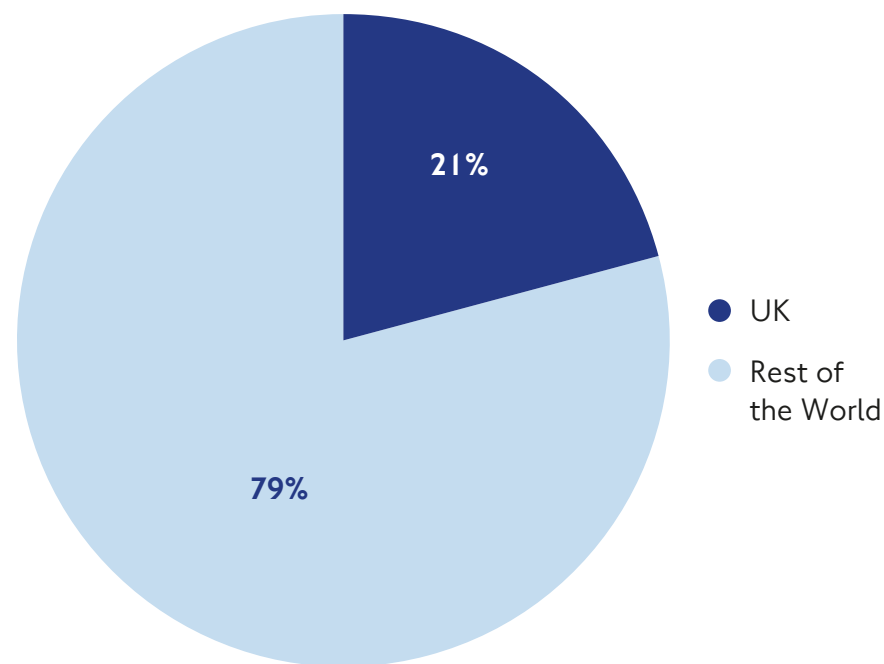
The Fund's allocation to UK is well in-excess of a typical global 60/40 portfolio (Equities/ bonds).

60/40 Global Portfolio (Equity/Bond) -
UK Allocation



Fund allocation to UK is well in excess of a typical global 60/40 portfolio of 3%

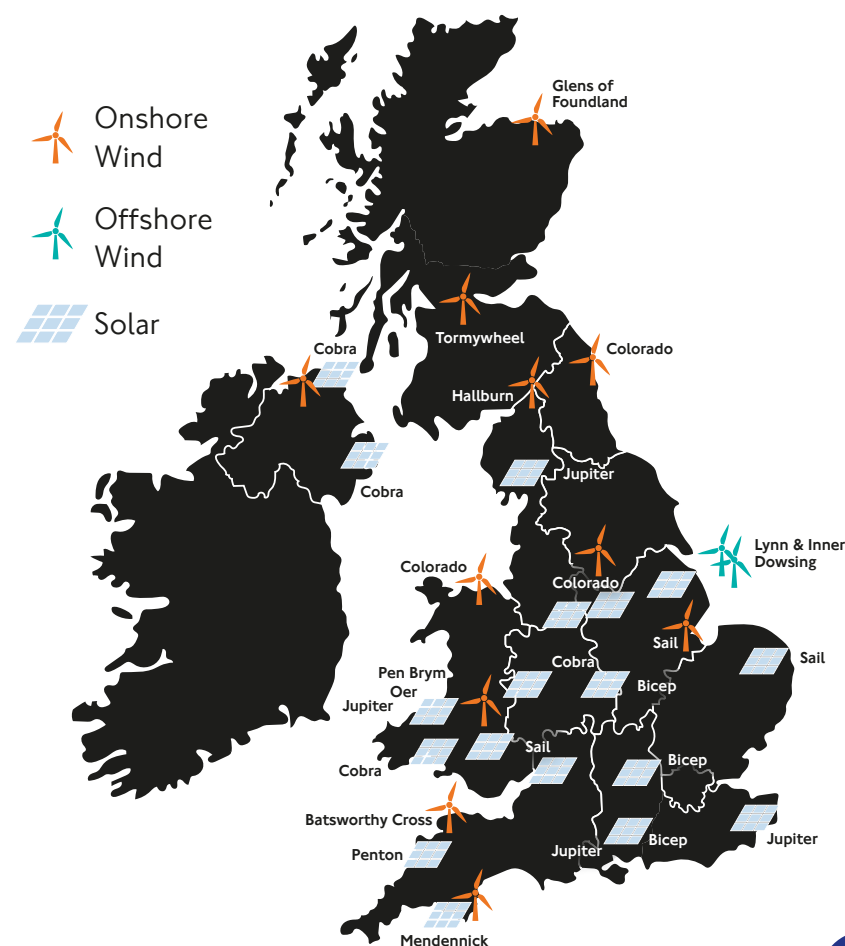
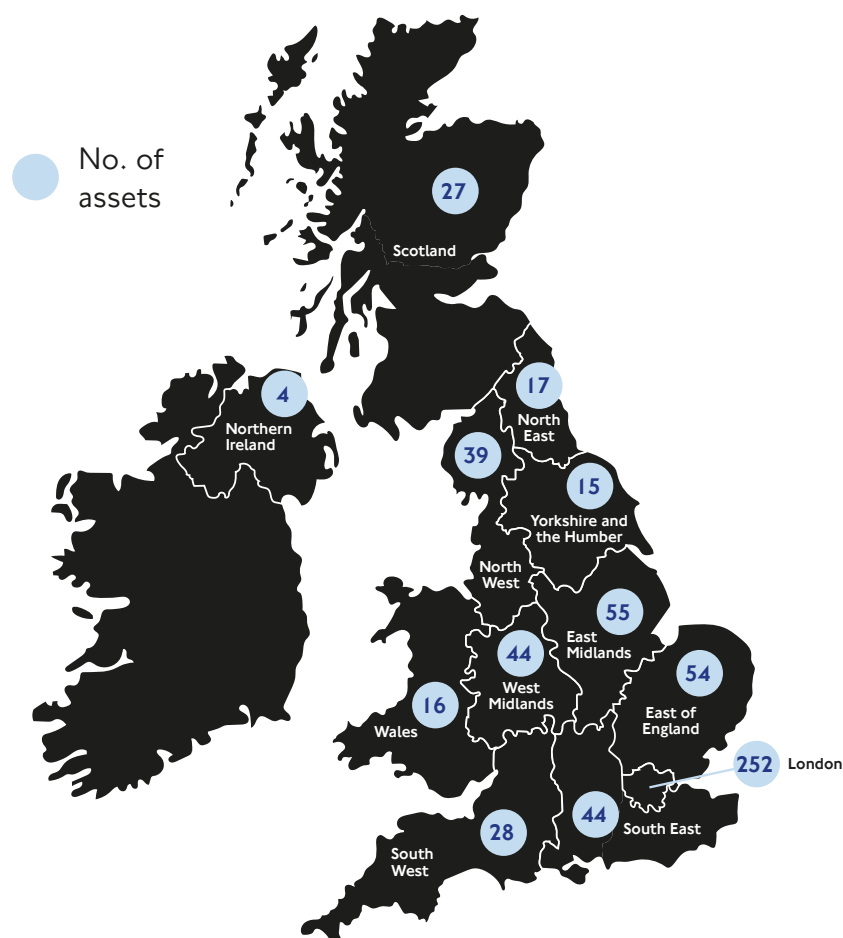
Fund's UK Allocation



FUND INVESTMENTS IN THE UK

MAPPED

The chart (left) below shows the Fund's private market investments across the regions in the UK (totalling circa £1bn). The chart (right) zooms in on a portfolio of wind and solar energy assets (in which the Fund has 15% ownership).



UK SOCIAL INFRASTRUCTURE

CASE STUDY

- ♦ The Fund has £286m invested in a large, diverse portfolio of mature UK Social Infrastructure assets, providing essential public services to local communities. The portfolio includes 43 hospitals, 34 schools and other public services such as waste to energy, roads, and student accommodation.
- ♦ The Fund also invested £125m in the Cory Riverside Energy from Waste (EfW) plant on the river Thames in Southeast London. It is the UK's largest EfW facility that processes 17% of London's residual waste, which otherwise would be diverted to landfill sites. Also by sourcing c.90% of its waste by river, it saves the equivalent of c.100,000 truck journeys per annum, reducing traffic congestion and improving air quality.



tonnes of carbon saved by not sending waste to landfill

363,000



tonnes of non-recyclable 'black bag' waste diverted from landfill

916,000



equivalent number of homes powered by electricity generated

213,000



- ♦ In 2023 the Fund made a further £60m investment in Cory Riverside II, which will be a state-of-the-art, £700m EfW facility in southwest London, with a design to divert 625m metric tons of waste from landfill and generate 500MWh of electricity to power 140,000 homes. It will also create 45 full time, well-paying operational jobs and 700 construction jobs in London.



OVERVIEW

The Fund invests in a long lease property fund that invests across the UK with a focus on providing long-term, sustainable cash flows. Financial sustainability and ESG impacts are inextricably linked. An example of this is the ODEON in Islington.

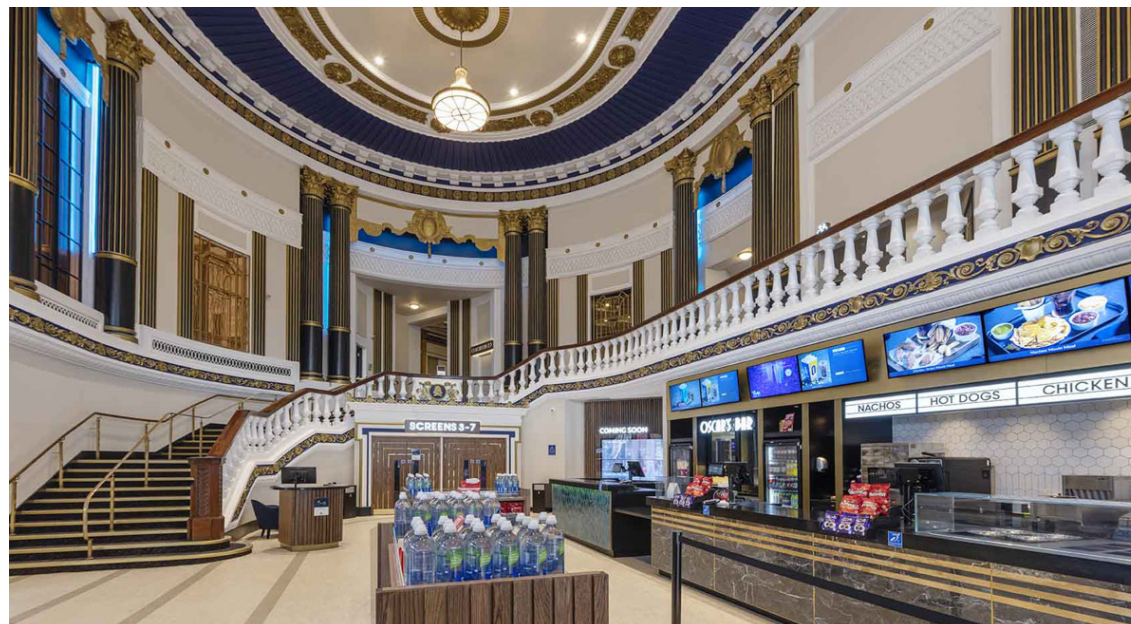
SOLUTIONS AND PROGRESS

- ♦ A beautiful grade II listed building, prior to the renovation, the property was highly inefficient from an energy usage perspective.
- ♦ The manager worked with ODEON to 1) upgrade the fabric and fit-out that have considerably increased energy efficiency; 2) use external consultants and in situ smart metering to get better quality carbon data from the buildings for ongoing monitoring of energy consumption.

OUTCOME

Using energy assessor estimates the manager believes the works have reduced CO₂ emissions from the site by 263 tonnes per year, a 58% reduction. This is equivalent to removing 61 family cars from the road.




Along with reducing carbon emissions the works should make the property more economical to run and reduce the chance of future tax liability on less sustainable assets.



UK RENEWABLE ENERGY

CASE STUDY

- ◆ The Trustees grasped the ESG impacts and financial attractiveness of renewable energy quite early on and seeded an evergreen UK Renewable Income Fund in 2015, committing £100m. It is now fully invested in a diversified portfolio of solar, onshore and offshore wind projects spread across the country with significant climate and local area impacts.
- ◆ Below are the measured benefits relating to the *cumulative* renewable energy generated across the portfolio, and comparable impacts. In addition, during 2023 and 2024 approx. £1.7m donations were made to the local communities that it operates in.

			
Impact Metric	Increase renewable energy produced	Displace GHG emissions	Reduce water usage
Impact Outcome	713,131 MWhs Produced	200,072 Tons of GHG Emissions Avoided	1,495,478 Cubic Water Meters Reduction
Impact Equivalent	At capacity, that could power over 204,282 homes for a full year	That is equivalent to removing 43,494 cars off the road for a full year	By comparison, the projects will save 498 Olympic swimming pools of water per year

- ◆ **Support to local communities** - delivered impacts such as training to emergency medical responders, subsidized training for improving employability opportunities, and young persons special education.

GLOSSARY

ESG - ESG stands for Environmental, Social, and Governance. It is a framework used to evaluate a company/business's sustainability and ethical impact.

GHG emissions - Greenhouse gas (GHG) emissions refer to the release of gases, such as carbon dioxide, methane, and nitrous oxide, into the Earth's atmosphere that trap heat and contribute to the greenhouse effect, leading to global warming and climate change.

MWh - MWh stands for megawatt-hour, a unit of energy. It represents the amount of energy equivalent to one million watts (a megawatt) being used or generated over a period of one hour.

