

MEDIA RELEASE

## **AustralianSuper on track to increase investment portfolio in the UK to more than £18 billion by 2030**

**5 March 2024:** AustralianSuper, the largest superannuation (pension) fund in Australia, is on track to increase its investment portfolio in the United Kingdom to more than £18 billion by the end of the decade.

The Fund's ongoing commitment to the UK, including its intention to invest more than £8 billion of new capital by 2030, will be reaffirmed today by Chief Executive, Paul Schroder, at a reception in Lancaster House, hosted by Lord Johnson of Lainston CBE, the UK Minister for Investment.

The Fund currently has significant interests across a variety of asset classes in the UK including in the Canada Water urban regeneration project, London's King's Cross Estate, Peel Ports Group and Vantage Data Centers, (EMEA).

It is on track to deploy more than £8 billion of new capital by 2030 into large-scale, long-term investment opportunities in sectors such as energy transition, digital infrastructure, mixed-use estates, and transport/logistics.

Mr Schroder said the UK was an attractive location for AustralianSuper to deploy capital as the large-scale investment opportunities available could deliver sustainable, high-quality returns for members.

'We have developed a close and supportive relationship with UK government departments focusing on opportunities that can deliver strong, long-term returns for AustralianSuper members, as well as contributing to the UK's economic growth and prosperity,' Mr Schroder said.

'Since opening our London office in 2016, we have also built strong partnerships with like-minded industry leaders and capital providers, especially in real assets such as property and infrastructure. These relationships reflect our approach to direct investing and value creation during ownership, where we're focused on effective stewardship to generate sustainable returns for more than 3.3 million members.

'Despite ongoing global economic uncertainty, the UK remains an attractive destination for global investors like AustralianSuper which is evidenced by our forecast £8 billion commitment to the market over the rest of this decade.'

With more than £170 billion (A\$315 billion) of members assets under management, AustralianSuper is one of the world's largest and fastest growing pension funds<sup>1</sup>. It has steadily expanded its international investment capability in recent years and in future expects £7 of every new £10 invested to be deployed outside Australia, as it pursues the best global investment opportunities and long-term returns for members.

The expansion reflects the rapid growth of the Australian pension system which currently manages approximately £1.9 trillion (A\$3.6 trillion)<sup>ii</sup> and is expected to reach £2.7 trillion (A\$5 trillion) by 2030.

**Prime Minister, Rishi Sunak, said:**

“AustralianSuper’s investment in the UK is a vote of confidence in the British economy – proof that our plan is working.

“We’ve already halved inflation, debt is forecast to fall, and – with thanks to smart investors like AustralianSuper – we’re on course to grow the economy.”

**Lord Johnson of Lainston CBE, Minister for Investment, said:**

“Foreign investment is not just about numbers on a spreadsheet. It creates jobs, nurtures skills and unleashes our nation’s innovative spirit. That’s why the UK’s recent trade deal with Australia prioritised boosting investment flows.

“AustralianSuper’s ongoing commitment shows the strong relationship we have built as they create a global centre of excellence in London. We are a top choice for major investments like this, and the Government is committed to promoting the opportunities available to global investors so they choose the UK.”

The UK-Australia free trade agreement, which came into force on 31 May 2023, includes comprehensive provisions on investment, which has made the UK an even more attractive place to do business.

**Investing in local capabilities**

AustralianSuper has more than 100 team members in its London King’s Cross base. By 2030 the Fund expects to have approximately 300 colleagues managing the UK and continental European portfolio, comprising real assets, private credit, fixed income and its global equities operations.

The Fund has approximately £8 billion currently invested in the UK, including a significant real assets portfolio with investments including:

- A majority interest (74%) in the King’s Cross Estate, one of most significant urban transformations in London.
- A 32% interest in Peel Ports Group, the UK’s second largest ports group, handling more than 70 million tonnes of cargo from around the world.
- A 50% joint venture with British Land to deliver the Canada Water Masterplan, one of the UK’s largest single-site, mixed-use masterplans, which will deliver up to 2,600 new net zero carbon homes, 2.5 million sq ft of workspace, new retail and leisure, parks and cultural space for London.
- A 27% interest in Vantage Data Centers EMEA, one of the fastest growing hyperscale data centre platforms in the region.

The Fund manages £9 billion of its £30 billion global fixed income securities out of the UK including exposure to UK government bonds.

AustralianSuper also has a growing Private Credit team based in the UK, focused on real estate, infrastructure and mid-market corporate lending strategies. Around £2 billion has been deployed to date across UK and Europe, including a £375 million subordinated facility to support Heathrow Airport during the pandemic and a £230 million construction facility commitment to develop One Crown Place, a residential and office scheme in Central London, alongside Italian, Dutch and Spanish debt investment.

The Fund also holds over £2.5 billion in UK listed equities and recently announced the build-out of a global equities team in London.

### **AustralianSuper**

Stephen McMahon, Senior Manager Media Relations & External Engagement

M: [+61 407 507 415](tel:+61407507415)

E: [smcmahon@australiansuper.com](mailto:smcmahon@australiansuper.com)

### **About AustralianSuper**

AustralianSuper manages more than A\$315 billion in members' retirement savings on behalf of 3.3 million members from more than 466,000 businesses (as at 31 December 2023).

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<sup>i</sup> Thinking Ahead Institute, Global Top 300 Pension Funds, September 2023 (Ranked 18th by AUM). AustralianSuper has achieved an 11% CAGR in AUM over the past five years vs 3% average CAGR for the top 20 funds. Source: Top 300 Pension Funds, Thinking Ahead Institute (2018-2023).

<sup>ii</sup> APRA (The Australian Prudential Regulation Authority), Superannuation Statistics for September 2023, Released 21 November 2023.