

INVESTMENT IN BP

The interest in the situation with BP appears to be gathering pace with many institutional investors being asked to comment on their BP investment, where held.

As BP is one of the largest companies in the UK with many large UK pension funds holding substantial equity investments in BP, this is understandable.

The nature of the West Midlands Integrated Transport Authority Pension Fund (ITA Pension Fund) is, however, different to that of an 'open' pension fund with members leaving and joining throughout the year – in that as a 'closed' fund the investment vehicles used are somewhat distinctive. The majority of the ITA Pension Fund assets are passively managed by Legal & General because of this.



As such, there is no direct equity holding by the ITA Pension Fund of BP stock. The Fund does, however, have some limited exposure within the L&G UK Equity Index Fund, in which the ITA Pension Fund invests. Currently this investment, in total, equates to approximately £3.7m or roughly 1% of the ITA Pension Fund assets.

At this level of exposure the problems of BP, and its effect on its share price and dividend, will not impact adversely on the Fund's long-term investment strategy and the ability to pay pensions, now or in the future.

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