

# Foreword

Pension fund investment managers have at their disposal a range of investment tools through which they might seek to add value to the funds under management.

Stock borrowing and lending is one such tool. A highly visible and important feature of both domestic and international securities markets, it is key to the efficient working of those markets, and London is the pre-eminent international centre for such activity.

Since this guide was first published in 2001, increasing numbers of local authority pension funds have participated in stock lending, fuelling growth in stock lending activity. For those local authority pension funds undertaking stock lending, it can provide an excellent stream of income to the fund.

This educative guide to stock lending, now expanded and fully updated to reflect recent changes to the law and practice of securities lending post-Lehmans, is intended to give a clear and comprehensive insight into this market, and to provide guidance for those local authority pension funds looking to participate.

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**Bob Summers**

Chair, CIPFA Pensions Panel