London Borough of Hammersmith & Fulham

Pensions Board

Agenda

Wednesday 4 June 2025
7.00 pm
145 King Street (Ground Floor), Hammersmith, W6 9XY

MEMBERSHIP

Employer Representatives
Councillor Ashok Patel Councillor Nikos Souslous
Scheme Member Representatives
Patsy Ishmael William O'Connell Bruce Mackay Andy Sharpe

CONTACT OFFICER: Liam Oliff
Committee Co-ordinator
Governance and Scrutiny
E-mail: Liam.Oliff@lbhf.gov.uk

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www.lbhf.gov.uk/councillors-and-democracy

Members of the public are welcome to attend. A loop system for hearing impairment is provided, along with disabled access to the building.

Date Issued: 27th May 2025

London Borough of Hammersmith & Fulham

Pensions Board
Agenda

4 June 2025

resolution at the end of the agenda to exclude members of the public and press.

London Borough of Hammersmith & Fulham

Pensions Board

Minutes

Wednesday 12 February 2025

PRESENT

Committee members: Councillors Ashok Patel (Chair) and Nikos Souslous

Co-opted members: William OConnell, Patsy Ishmael and Bruce Mackay

Officers: Eleanor Dennis (Head of Pensions) and Sian Cogley (Pension Fund Manager)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from David Hughes (Director of Audit, Fraud, Risk and Insurance).

Apologies for lateness were received from Bruce Mackay and Patsy Ishmael (who entered the room at 7.14pm).

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED
That the Pensions board agreed the open and exempt minutes of meeting held on 12th November 2024.

4. MINUTES OF THE PREVIOUS PENSIONS FUND COMMITTEE

RESOLVED
That the Pension Board noted the open and exempt minutes of Pension Fund Committee meetings held on 26th November 2024.

5. KEY PERFORMANCE INDICATORS

Eleanor Dennis (Head of Pensions) introduced the report which provided a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Pension Fund for quarter 3 (Q3) of 2024/25. The Key Performance Indicators (KPIs) detailed in Appendix 1 of the pension administration report covered the period from 1st

Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

September 2024 to 31st December 2024. It was noted that there was satisfactory performance particularly in sensitive cases such as deaths and processing of retirements.

William O'Connell (Co-opted Member) noted the disproportionate increase in the number of dissatisfied customers and the low response rate of the customer satisfaction survey. He asked if there was any reason for it. Eleanor Dennis replied that this would be addressed in the Pension Administration update report.

The Chair congratulated Eleanor Dennis and her team for the good performance, noting that there had been improvement in retirements, transfers, and refunds. He enquired if there were any quality issues with active retirements and deaths. Eleanor Dennis pointed out that there were remaining quality issues with the service. While most cases were processed on time, the team still experienced issues with duplicated information being requested and often having to chase LPPA to ensure that the Service Level Agreement (SLA) target was met. It was also noted that there could be errors with payment calculations and retirement dates, leading to quality issues with retirement and deaths. Whilst cases were now being processed on time, LPPA had to work on ensuring that the quality would meet the SLA.

The Chair noted that the sample size for the customer satisfaction scores was too small and asked if there was any reason for the significant figure for dissatisfaction. Eleanor Dennis replied that this question would be addressed in the Pension Administration update.

RESOLVED
The Pensions Board noted the contents of this report.

6. PENSIONS ADMINISTRATION UPDATE

Eleanor Dennis (Head of Pensions) presented the report which set out the summary of activity in pension administration. The following key aspects were highlighted:

- The number of complaints had continued to decrease – there was only one at the end of quarter 3.
- Callers to the help desk were satisfied overall. The average wait time was 2 minutes 3 seconds compared to 2 minutes 7 seconds in quarter 2.
- The year-to-date pension administration costs were £414,719, which were 1% above target. This was due to additional expenditure on resources, as more people were needed to process the higher case numbers and ensure that KPIs were met. The cost per member remained the same at £30.64.

Addressing the low response rate to customer satisfaction surveys, it was noted that the Local Pension Partnership Administration (LPPA) was working on increasing the number of responses. It remained difficult as most people who were satisfied or neutral were unlikely to respond to the surveys. The figures were also influenced by the small numbers of cases, which explained the sizeable percentage of dissatisfaction. At the Pension Fund Committee meeting last year, LPPA confirmed that they were trying to entice members to respond via vouchers and they would continue to work on increasing the level of responses.

The Chair enquired about the progress made with regards to initiatives by LPPA. This included the introduction of a client relationship manager, training academy for their staff, and client and employer forums. Eleanor Dennis noted that the client mailbox was a work in progress as sometimes there was no response from the mailbox and the Pensions team would have to escalate cases to a named individual for any action to be taken. The forums were still at an early stage as only two had taken place. Only one employer attended the employer forum so there was work to done in increasing representation from Hammersmith & Fulham Fund employers. The client relationship manager had worked well in the last 12 months, but it was going through some changes, so it remained something to be monitored.

Noting that the report mentioned LPPA had enhanced the information on their website regarding divorce, the Chair asked if there were any key updates to highlight. Eleanor Dennis replied that LPPA periodically updated information on their website and the divorce section just went through a regular refresh for clarity. There was no change to legislation regarding pensions and divorce.

RESOLVED
The Pensions Board noted the contents of this report.

7. PENSION FUND QUARTERLY UPDATE Q3 2024

Sian Cogley (Pension Fund Manager) presented the paper which provided a summary of the Pension Fund's overall performance for quarter 3. She noted that there had been some updates to the information available in the report since the publication of the paper as follows:

- Performance had continued to be positive. In the quarter ended 31 December 2024, the market value of assets increased by £54 million to £1.428 billion.
- The total fund had outperformed its benchmark net of fees by 0.83% delivering an absolute return of 2.95% over the quarter.
- The total fund delivered a positive return of 9.86% over the year to 31 December 2024.

A few additional points were highlighted:

- At the meeting of 26th November 2024, the Pension Fund Committee agreed to invest £35 million in the Quinbrook Renewables Impact Fund II. The first drawdown for this investment was completed in January 2025.
- Initial planning had started on the 2025 Triennial Valuation process with cashflows and membership data for the 2022-23 and 2023-24 financial years uploaded to the actuary's portal for data cleansing.
- Following interviews on 21st January 2025, the Committee appointed Sam Gervaise-Jones as their new investment advisor.

In response to the requests of the previous Board, Sian Cogley noted that the majority of the current Board members were invited to the Triborough training session held on 30th September 2024 and was attended by co-opted member Bruce Mackay. The contact list had been updated to reflect recent changes to the Board membership and all Board members would now be notified of future trainings. She invited Board members to suggest any topics that they would like to receive training on, which could then be facilitated by the training team. Regarding the valuation of the Aviva redemption, the Pension Fund had received the final redemption money, the final distribution of income and the rebate of management fees that were previously applied from 1st January 2024. The matter was now treated as concluded as no further action could be taken.

Councillor Nikos Souslous enquired about the process and purpose of hiring the new investment advisor. Sian Cogley replied that the Committee interviewed 3 candidates for the advisor position in January 2025. The purpose of the advisor was to provide an independent and expert opinion other than that of officers and Isio to members of the Committee.

Noting that Kensington and Chelsea had announced that it would stop making contribution to its pension fund in the next year, William O'Connell (Co-opted Member) questioned if assurances could be provided if Hammersmith & Fulham (H&F) would not be doing the same. Sian Cogley assured that this would not come into question for the Council. While the H&F Pension Fund was fully funded, they would not support an opinion of having a 0% employer contribution rate.

Referring to the note in the report that the large September variance was due to receiving the Aviva Redemption Monies, the Chair pointed out that the £2.5 million loss should be noted. Sian Cogley agreed that there was a loss but for clarity the variance referred to in the pack is a variance in difference of the forecasted and actual cashflow. They were receiving money back in this pack, which was not expected in the reported time period.

The Chair asked if there were any lessons learned from this episode. Sian Cogley replied that the Committee acted the best they could with the information available. It was a beneficial decision for the new Committee to withdraw since several compounding factors including asset choices, poor management of the fund and poor client communications. These issues were addressed as quickly as possible but liquid assets would only yield benefits in the long term. The team continued to work with the investment advisor Isio to review the portfolio and identify these items as and when they occurred with other investments.

The Chair raised that Aviva representatives at the previous meeting noted that the actions taken were in alignment with the documentation which specified no targets but rather an obligation to optimise returns where possible. He asked if that meant setting targets was important. Sian Cogley agreed in principle, noting that these wordings were often drafted for legal purposes. The team would be highlighting these clauses in future investments.

The Chair pointed out the sharp reduction in the net asset value of the Leisure Development Fund and questioned if impact of Covid-19 was not set off by a rise in the demand of other forms of leisure activities such as staycation. He also requested more information on the Blenheim Palace business mode. Sian Cogley noted that a supplementary paper would be provided as an exempt appendix with the report in the upcoming Committee, which could be circulated with the Board.

ACTION: Sian Cogley

The Chair also noted that attention should also be given to the Aberdeen Long Lease Property Fund as it was making a loss, highlighting that an unexpired lease term of 26.2 years was not long enough. Sian Cogley said that she would investigate it further before an opinion could be provided.

ACTION: Sian Cogley

Councillor Souslous enquired about the date of the next Committee meeting, to which Sian Cogley replied would be 5th March 2025.

The Chair asked if the H&F Pension Fund was able to be pooled per the central government's ambition by 31st March 2026. Sian Cogley replied that they were working closely with the London CIV to meet the deadline. Currently 61% of the Fund's assets were pooled with the London CIV. There had been discussions around avoiding expensive cost of divesting and reinvesting all illiquid assets with the London CIV. Instead, ownership would be transferred, allowing a quicker method of pooling. Some assets would require further discussions between the Committee and the CIV about the best way to deal with them. The March 2026 deadline was ambitious, but the team would endeavour to comply with it.

The Chair followed up by asking if there was any fund that could not be transferred by 31st March 2026. Sian Cogley noted that some funds were in runoffs and the team had extended the time redemption could be returned as the fund ran off. If they were to extend beyond 2026 it would be so immaterial that it would not be worth transferring in March 2026.

The Chair enquired what the mandatory training framework for Committee members referred to in Appendix 5 would entail. Sian Cogley said that there was not a prescribed framework, but many councils had a policy which emphasised training and skills for committee members. Eleanor Dennis (Head of Pensions) added that the government had not defined what the training and skills framework would look like. The Council had in place a comprehensive training programme but not a set of skills, which was what the government was looking at as part of the Pension Bill, which might be introduced in April 2025.

In relation to the administrating authorities and pool company boards that the government was going to form, the Chair asked what the membership of those bodies would be. Sian Cogley answered that the administrating authority would remain with the Council and the pool the Fund would be a member of would be the London CIV. This was unlikely to change in the future.

Wrapping up the meeting, the Chair noted that the next meeting would be held on 4th June 2025.

RESOLVED
The Pensions Board noted the contents of this report.

8. EXCLUSION OF THE PUBLIC AND PRESS (IF REQUIRED)

Not required.

Meeting started: 7.00 pm
Meeting ended: 7.28 pm

Chair ....

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Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

London Borough of Hammersmith & Fulham

Pension Fund Committee

Minutes

Wednesday 5 March 2025

PRESENT

Committee members: Councillors Ross Melton (Chair), Florian Chevoppe-Verdier, Laura Janes, Adam Peter Lang and Adrian Pascu-Tulbure

Co-opted members: Michael Adam and Peter Parkin

Other Councillors: Councillor Ashok Patel (Observer)

Officers: Eleanor Dennis (Head of Pensions), David Hughes (Director of Audit, Fraud, Risk and Insurance) and Phil Triggs (Director of Treasury and Pensions)

Isio Group
Jonny Moore

Independent Investment Advisor
Sam Gervaise-Jones

External:
Gavin Paul (Barnett Waddington)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Peter Parkin.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

The Chair agreed to change the order of the agenda so that item 5 (Governance Compliance Statement) be heard after Item 7 (Pension Administration Update)

The Chair welcomed Sam Gervaise-Jone (Independent Investment Advisor) to the Pension Fund Committee.

RESOLVED
That the open and exempt minutes of the meetings held on 26th November 2025 were approved

4. GENERAL CODE OF PRACTICE COMPLIANCE REVIEW

Eleanor Dennis (Head of Pensions) introduced the report which sets out the requirements of the Hammersmith & Fulham Pension Fund in complying with the Pension Regulator's general code of practice. The Fund asked consultancy, Barnett Waddingham to carry out a gap analysis of the requirements versus what the Fund had in place and present an overview including any recommendations.

Gavin Paul (Barnett Waddingham) gave a presentation on the general code of practice compliance review. He showed slides that highlighted the following key aspects:

- Background to the general code and general code of practice.
- The review used a RAG rating to highlight areas of compliance, non-compliance and areas for improvement. Overall, 75% of the modules meet the TPR's expectations for Fund (highlighted in green) and noted that there were no red ratings (i.e. non-compliance).
- Some of the Fund's documents were understandingly not publicly available, and in those areas a level of assumptions had been factored into the rating.
- The next steps recommended for the Fund were:
    - Update key documents and policies to ensure continued full compliance with the requirements of the general code.
    - Build in review cycles for each module to ensure policies, processes and procedures remained relevant and continued to meet the expectations.

It was noted that the document would be updated as and when required and would therefore continue to evolve.

Councillor Adam Peter Lang thanked Barnett Waddingham for their clear presentation and regarding the amber warnings, asked who would be responsible for carrying out the required actions. In response Gavin Paul explained that it was the officer's responsibility to fill in the gaps and report back to the Committee.

Councillor Florian Chevoppe-Verdier noted that the presence of 40 green indicators, only 2 ambers and no red was something to be celebrated, as it demonstrated the consistent quality and dedication of those ensuring 'round the clock' compliance. He also requested further clarification regarding the inability to locate certain documentation. Gavin Paul reassured the Committee that while the documents did exist, they were not in the public domain due to the inclusion of sensitive information and for good reason were not suitable for public disclosure.

Councillor Florian Chevoppe-Verdier asked for further clarification to be provided on the pension scam strategy. Eleanor Dennis noted that this had been contracted to LPPA, who were compliant with the regulator in issuing scam notices. She added that any amber or red flags would be referred to for a decision. While a process was in place, it could be further developed and formalised into an explicit policy.

David Hughes (Director of Audit, Fraud, Risk and Insurance) further noted that officers worked closely with LPPA's internal auditors, who maintained an internal audit programme. He added that they provided officers with the results of their work and that an update on the Council's internal audit programme would be presented at the June meeting.

Sam Gervaise-Jones (Independent Investment Advisor) asked for further clarification regarding the one item that had not been assessed. In response Gavin Paul reassured the Committee that this was merely an introductory module that was already covered in other modules in the document.

Councillor Ashok Patel enquired whether there were plans to expand the training to members in due course. Eleanor Dennis explained that the Treasury and Investment colleagues already provided training twice a year, and she had also circulated any relevant conference courses to both Board and Committee members.

The Chair thanked Gavin Paul (Barnett Waddington) and congratulated the officers on the many positive, green outcomes highlighted in the review.

RESOLVED
The Pension Fund Committee noted the report.

5. GOVERNANCE COMPLIANCE STATEMENT

Eleanor Dennis (Head of Pensions) introduced the report noting that this paper provided a revised governance compliance statement that was required under the Local Government Pension scheme regulations 2013. The statement sets out the governance arrangements of the London Borough of Hammersmith & Fulham Pension Fund.

Councillor Florian Chevoppe-Verdier asked for further clarification to be provided with regards to the vacancy of the employer representative. Eleanor Dennis noted that officers periodically reached out to the fund employers to gauge interest in the vacancy. However, due to the significant time commitment required for the role, there had been limited interest. Despite these efforts to encourage engagement was ongoing.

RESOLVED
The Pension Fund Committee approved the draft governance compliance statement and delegated authority to the Head of Pensions in consultation with the Chair to finalise and publish.

6. KEY PERFORMANCE INDICATORS

Eleanor Dennis (Head of Pensions) introduced the report which covered the performance of the Council's administration partner LPPA over Q3 for the period September – December 2024. During this period, LPPA processed 1488 cases compared with 1582 cases in Q2, which was an increase of 94 cases for the Hammersmith & Fulham Pension Fund. The overall quarterly KPI performance in Q3 was 98.1% up from 97.7% in Q2, and 97.5% in Q1, showing LPPA's continuous improvement. Performance above target was achieved in 100% of all case types in Q3. It was noted that officers were notified that the bereavement team were receiving a high number of cases and that this may have an impact on future performance.

The Chair noted that it was encouraging that LPPA was providing advance notice of a forecasted increase in bereavement cases for all their clients. He asked for reasons behind this trend and what actions would be put in place to manage the workload. Eleanor Dennis stated that she had requested feedback from LPPA on this matter and was awaiting a response from them.

Councillor Florian Chevoppe-Verdier thanked Eleanor and her team for their hard work in helping achieve targets above Service Level Agreements levels with LPPA, highlighting it as a major milestone.

Councillor Florian Chevoppe-Verdier thanked Eleanor Dennis for sharing examples of where the Team stepped into supporting LPPA. He enquired about the level of support her team continued to provide to LPPA and the nature of the cases. In response Eleanor Dennis explained that her team was still actively offering support, this fluctuated between case types and more intervention was provided with transfer cases. However, she would continue to monitor the cases where support was required and report back to the Committee. She also acknowledged that LPPA had not yet fully reached the desired level of quality.

RESOLVED
The Pension Fund Committee noted the report.

7. PENSION ADMINISTRATION UPDATE

Eleanor Dennis (Head of Pensions) introduced the report which covered a summary of activity in key areas of pension administration for the Council's Pension Fund. The number of complaints received had decreased to 1 at the end of Q3 compared to 12 at the end of Q1 and 10 in Q2 in 2024/25. The Q3 year to date pension administration costs were 1% above target at £416,262.00 due to increased resources cost. Q4 costs were expected to ensure the Fund ends the scheme year on budget.

It was noted that in Q3 a data breach occurred where 72 employee records were shared with a payroll provider. This matter was reported to the ICO and the Council's Information Security, but no further action was required to be taken, and the Head of Pension discussed the matter and lessons learnt with the Head of Risk at LPPA and the Director of Audit, Fraud, Risk and Insurance.

Michael Adam (Co-opted Member) asked for further clarification to be provided on how the contract management worked with LPPA and if there was any scope to reset the Service Level Agreements (SLAs) should this be required. Eleanor Dennis confirmed that the contract was a rolling basis, that will be reviewed in the future. She emphasised the important of not putting too much emphasis SLAs to the provider when the service was already at a satisfactory level, except in areas where improvement should be made, such as quality and transparency. Additionally, she noted that LPPA would not be able to adjust SLAs for one client and this would require a collaborative partnership across all providers. Currently all clients operated under the same SLA framework, with more flexible SLAs being introduced only for new clients moving forward.

Councillor Laura Janes recalled an earlier meeting with LPPA when their performance was not meeting expectations. During that discussion, LPPA mentioned adjusting their SLAs to be more realistic, which subsequently led to an improvement in their performance. She asked Eleanor Dennis if she was satisfied with their performance based on the current measurement criteria. In response Eleanor Dennis noted that while she was generally satisfied, she would like to see greater transparency and improved quality. Measuring quality issues remained challenging, though LPPA had made efforts to enhance reporting on customer satisfaction. She added that further work was needed to improve the member experience, and officers were actively reviewing this in collaboration with LPPA. Councillor Laura Janes requested that a brief list of any concerns in advance of the main meeting to assist with Committee's scrutiny.

Action: Eleanor Dennis

Councillor Florian Chevoppe-Verdier expressed concerns about LPPA's delay in disclosing the data breach, noting that while it should have been reported within 72 hours, it instead took four days. He acknowledged that while the breach was not critical and council officers had taken all the correct actions in response, it was still troubling that LPPA did not appear to take the matter seriously. He asked whether officers had the opportunity to discuss this issue with LPPA. Eleanor Dennis agreed stating that the lack of transparency and the way LPPA handled the situation were both disappointing and concerning. She confirmed that she had spoken with them and had made it clear that their response had not met expectations. She also felt that LPPA should have held an open meeting with all their clients to provide full transparency of the breach. Additionally, she expressed that it would be important to develop a policy outlining the Fund's expectations for how LPPA should respond and act in the event of future data breaches.

Members requested that LPPA bring their cybersecurity experts to the next meeting, allowing the Committee to question and scrutinise them for further information regarding the data breach.

Action: Eleanor Dennis

Councillor Adam Peter Lang asked whether anything further needed to be done before the next meeting to support officers. Eleanor Dennis explained that she would be working on outlining roles and responsibilities for handling such incidents in the future and once drafted this would be shared with the Committee.

Action: Eleanor Dennis

Councillor Adam Peter Lang followed up with a question, recalling that officers had previously informed the Committee that the member satisfaction survey had received a low response rate. He wondered if there was an alternative way to gather feedback and suggested expanding efforts by forming a focus group to collect more meaningful insights.

Eleanor Dennis noted that LPPA already had a small focus group in place and that members could also provide comments and feedback through a section on the website. However, she explained that her team had limited resources, and while she was open to exploring this idea in the future this.
would not be feasible in the short term.

RESOLVED
The Pension Fund Committee noted the report.

8. PENSION FUND BUSINESS PLAN OUTTURN 2023-24

Phil Triggs (Director of Treasury and Pensions) noted that this report provided the outturn for the 2023/24 against the forecast Business Plan. This compared the outturn against the forecast made at that time, and comments on each objective outlined.

Referring to page 98 of the agenda pack, Phil Triggs pointed out a variation between the budget estimate and the outturn for 2023/24. He explained that this was primarily due to an increase in administration and transaction costs. Additionally, investment management costs rose by 24% over the year.

Michael Adam (Co-opted Member) requested further clarification on the Allspring Global management fees. In response Phil Triggs noted that he would provide a more detailed analysis outside of the meeting.

Action Phil Triggs

Councillor Florian Chevoppe-Verdier enquired why there was a significant variation in the numbers provided for 2023/24 to 2025/26 outturn. Phil Triggs explained that the original estimates typically did not account for any outperformance bonuses. He suggested that where a performance bonus had been paid, he would clearly identify the amount, separate it from the overall fee, and demonstrate how it was factored into the new estimate before reporting back to the Committee.

Action: Phil Triggs

Councillor Adrian Pascu-Tulbure requested further clarification on the actuarial charges. In response Phil Triggs explained that the savings were achieved through the shared service, allowing the Council to benefit from significantly reduced tender costs associated with the service.

RESOLVED
That the Pension Fund Committee noted the 2023/24 business plan outturn, shown as appendix 1.

9. RESPONSIBLE INVESTMENT STATEMENT

Phil Triggs (Director of Treasury and Pensions) provided a summary of the key points. This report introduced the draft responsible investment policy for the London Borough of Hammersmith and Fulham Pension Fund, which was attached as Appendix 1 in the agenda pack.

Councillor Florian Chevoppe-Verdier requested for the papers to be compliant of the Web Content Accessibility Guidelines, so they were accessible for all the borough's residents prior to publication.

Action: Phil Triggs

Referring to pages 117 and 119 of the agenda pack, Councillor Florian Chevoppe-Verdier felt that the statements regarding Environmental, Social and Governance (ESG) considerations were not in line with the Fund's fiduciary responsibility and asked for further clarification on this. Phil Triggs explained that the fiduciary responsibility was clear that LGPS funds were required to earn the best risk-adjusted return on the investment process, but taking account of ESG considerations and using them to the Fund's best advantage, on the basis that a good set of ESG scores was usually conducive to a better investment return.

RESOLVED
That the Pension Fund Committee approved the responsible investment statement 2025 for publication and delegated the approval of the final versation to the Director of Treasury and Pensions in consultation with the Chair.

10. ALPHA REAL CAPITAL ILIF TOP-UP OPTION

Phil Triggs (Director of Treasury and Pensions) provided a summary of the following key points.

- The Pension Fund invested in ILIF in May 2021.
- As of 31 December 2024, the Fund's investment in ILIF is circa £78m (5.5% of total assets).
- In the investment strategy, the ILIF investment is strategically allocated 7.5%, so it was currently 2% (£30m) underweight to this target.
- An opportunity had arisen to invest in the ILIF Fund via the purchase of secondary units.
- The exempt appendices provided an overview of the situation that had allowed the purchase of secondary units to become available. Including Isio's advice on the investment opportunity.

Councillor Adam Peter Lang enquired whether the investment fell within the Fund's target range for local investment. In response Jonny Moore (Isio Group) confirmed that this was a 100% UK based investment.

RESOLVED
That the Pension Fund Committee approved to allocate an additional investment of £30m into the ILIF Fund

11. PENSION FUND QUARTERLY UPDATE Q4 2024

Phil Triggs (Director of Treasury and Pensions) provided a summary of the Fund's performance for the quarter ended 31 December 2024 and cashflow update, including forecast.

Councillor Florian Chevoppe-Verdier referring to the staff changes at the London CIV (LCIV), noted that this was still marked as a risk and an area of concern. He requested further clarification on the matter. In response Phil Triggs noted that the LCIV had appointed a new Chief Investment Officer with extensive experience and a strong track record. Officers were reasonably optimistic about LCIV's current position.

Sam Gervaise-Jones (Independent Investment Advisor) echoed Phil's comments, expressing reassurance about the current staffing, who understood the pressures from all angles within the LCIV. He emphasised that ensuring proper oversight, reporting, governance and engagement would be a key priority for the council moving forward. While he generally felt optimistic, he acknowledged the need for caution.

Jonny Moore (Isio Group), explained that, from Isio's perspective, this was a pivotal time for the LCIV as it transitioned to the new normal. He felt that the outlook was positive from a personnel standpoint but emphasised the need for regular monitoring.

Councillor Ashok Patel asked whether there should be any concerns regarding the investment in Darwin Alternatives, given that the fund underperformed its target by 36.6% last year and remained locked in until 2023. In response Jonny Moore noted that a more detailed analysis of Darwin was provided in the exempt appendix. He explained the reasons behind the fund's decline over the past year, highlighting a 25% write down to the Net Asset Value, Q3 2024. He also outlined potential disinvestment options but stated that, at present, the best course of action was to closely monitor the fund.

Phil Triggs (Director of Treasury and Pensions) suggested inviting Darwin to the next meeting to provide a presentation on the fund's current position and allow members to ask questions. The Chair welcomed this opportunity.

Action: Phil Triggs

RESOLVED
That the Pension Fund Committee noted the update.

12. EXCLUSION OF THE PUBLIC AND PRESS (IF REQUIRED)

The Committee agreed, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

Meeting started: 7:00pm
Meeting ended: 9:15pm

Chair ....

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Agenda Item 6

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: **Pension Board**

Date: 04/06/2025

Subject: Key Performance indicators

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

This paper sets out a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Pension Fund Committee. The Key Performance Indicators (KPIs) for the period January – March 2025 inclusive, i.e., quarter 4 (Q4) are shown meeting papers from the Pension Fund Committee. The reviewing of KPI’s is line with The Pension Regulator’s guidance in the general code, for governing bodies to regularly assess performance.

RECOMMENDATIONS

The Pension Fund Committee is asked to consider and note the contents of this report.

Wards Affected: None

Our Values	**Summary of how this report aligns to the H&F Values**
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council tax payer.

Finance Impact

There are no direct financial implications as a result of this report. Costs of the pensions administration service, including costs of additional commissioned work provided by LPPA are met from the Pension Fund.

Sukvinder Kalsi, Director of Finance, 22nd May 2025

Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund "is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations". Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26th January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date. The Service Levels are set out in the Addendum to Schedule 1 of the contract with Lancashire County Council. This report asks that the Pension Fund Committee notes the performance against those Service levels.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 19th May 2025

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Analysis of Performance

1. The KPIs have been set out in the discharge agreement between the LPPA (Local Pension Partnership Administration) and the London Borough of Hammersmith & Fulham (LBHF). The Head of Pensions ensures performance measures are discussed and reviewed between both parties both a monthly basis as well as in Pension Board and Pension Fund Committee meetings in accordance with the Pension Regulator's General Code of Practice that states that governing bodies should consider reports regularly and challenge when required to monitor performance.

2. This report covers the performance of our administration partner LPPA over Q4 for the pension fund scheme year 2024/25. The KPI's detailed in Appendix 1 of the pension administration report covers the period 01 January 2025 to 31 March 2025 inclusive.

3. During the period January to March 2025, in Q4 with 1563 cases LPPA processed, compared with 1488 in Q3 and 1582 cases in Q2, which was an increase of 94 cases for the Hammersmith & Fulham Pension Fund. The overall quarterly KPI performance in Q4 was 98.7% up from 98.1% in Q3 and continuing the upward trend throughout the year 2024/25 with 97.7% in Q2, and 97.5% in Q1, showing LPPA's continuous improvement throughout the scheme year. Performance above target was achieved in 100% of all case types in Q4 and Q3.

Performance in key areas

4. Retirements – Performance on this task area continues to improvement. Active retirements saw a KPI in Q4 of 98.8% Q3 of 98.6%, Q2 of 95.5% and Q1 97.4%. The processing of deferred retirements in Q4 100%, Q3 of 95.9% Q2 saw 95.4% and Q1 of 2024/25.

5. Deaths – The processing of death cases performance has been above 95% throughout the year. In Q4 in 98.3%, Q3 in 96%, Q2 in 96.5% in Q1 95.8% (2024/25), cases were processed on time.

6. Transfers – All transfer cases continue to be processed within the SLA targets. With 99.2% of transfer outs processed on time in Q4 compared to 97.7% in Q3 and 98.8%% of Transfer in's in Q4.

7. Refunds – Performance on this case type saw in Q4 97.6% and in Q3 saw 97.7% of cases processed on time, so this continues to improve from 97.5% in Q2, compared with 93.3% in Q1.

8. The Head of Pensions is continuing to collaborate with LPPA to try to ensure they are able to sustain their improved SLA performance as well as to increase the quality in terms of the delivery of this service.

Summary

9. We have seen a continuous improvement in the KPI pension administration service delivery provided by LPPA in the 2024/25 scheme year. We are hopeful that this will remain consistent, and that the quality of service experienced by members, beneficiaries and the LBHF pension team will also improve. The Head of Pensions has had assurances from LPPA senior management team that quality will improve, and that service delivery can continue to be maintained at a target hitting level.

10. None

Risk Management Implications

11. None

Climate and Ecological Emergency Implications

12. None

Consultation

13. None

LIST OF APPENDICES

None

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: **Pension Board**

Date: 04/06/2025

Subject: Pension Administration Update

Report author: **Eleanor Dennis, Head of Pensions**

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

One of the key priorities for the Hammersmith & Fulham LGPS Fund is to pay and administer the pensions of its members and their beneficiaries. The Hammersmith & Fulham Pension Fund (HFPF) delegates its administration duties to Local Pension Partnership Administration (LPPA). The Fund continues to strive to deliver an efficient and effective service to its stakeholders against a growing trend of an increasing numbers of tasks and challenges. Challenges include increasing complex legislation, managing data, limited resources and difficulty in engaging with employers, which mean some issues will take months or years to resolve fully. This paper provides a summary of activity in key areas of pension administration for the HFPF.

RECOMMENDATIONS

The Pension Board is asked to consider and note the contents of this report.

Wards Affected: None

Our Values	**Summary of how this report aligns to the H&F Values**
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for pension fund members, the Council and the council tax payer.

Finance Impact

The costs of the contract for the pensions administration service, including costs of additional work commissioned and provided by LPPA are met from the Pension Fund. The expenditure for this service in 2025/26 is estimated at £622,200 (excluding VAT).

Sukvinder Kalsi, Director of Finance 22nd May 2025

Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund "is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations". Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26th January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 19th May 2025

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Analysis of Pension Administration

The Hammersmith & Fulham Pension Fund began its partnership with the Local Pension Partnership Administration (LPPA) on 28 January 2022.

1. The service delivered by LPPA has improved but remains closely monitored by the LBHF Head of Pensions to ensure the best interests of the members and beneficiaries are met. LPPA are committed to continually improving the service going forward with more automation, higher staff retention, regular training for their staff and better engagement via an annual client and employer forum.

Update on key areas

2. Employers – Engagement from employers on monthly files being submitted remain very good. The LBHF pension team has collaborated with LPPA to increase the engagement with employers, to ensure that this does not lead to a backlog of unsubmitted monthly files and is enforcing fines in line with the pension administration strategy to maximise compliance from employers. However, there does seem to be a number of errors that require LPPA to support employers. The HFPF currently has the highest level of compliance from employers, compared to other LPPA clients.

3. Member – Member satisfaction survey responses remain low. Surveys from deferred retirements cases saw in Q4 saw 15 responses with only 11% satisfied members 7% dissatisfied, compared with 16 responses received in Q3 and 21 responses received in Q2. With 50% satisfied and 12.5% dissatisfied compared with 76.2% of members satisfied in Q2 and 19% dissatisfied. Active retirements in Q4 saw 8 responses with 1 response dissatisfied but 73% did not respond, Q3 saw an increase in the number of surveys completed rising to 12 from 9 surveys in Q2, with 75% of members satisfied and 25% dissatisfied compared to 66.7% satisfied in Q2 and 11.1% dissatisfied.

4. Complaints – The number of complaints received in Q4 was 2 in line with the decrease to 1 at the end of Q3 compared to 12 at the end of Q1 and 10 in Q2 in 2024/25. These were mainly concerning delayed retirements and general service. LPPA are confident that the current system of triaging complaints is more effective than a dedicated complaints team.

5. Helpdesk – The number of calls to the LPPA Helpdesk rose slightly in Q4 to 1062 from 1008 in Q3 compared to 1173 in Q2 and 1,316 in Q1. The service provision continues to improve, with average call waiting times up at the end of Q4 with average wait time of 3 mins 25 secs, compared with Q3 at 2mins 3 secs, from in Q2 2 minutes 22 secs. this is up from 1 minute 49 seconds in Q1. There has been an improvement in the call abandonment rate of 2.8% in Q4 1.8% in Q3 compared to 2.6% in Q2, 1.8% in Q1 across all calls. with most people satisfied with their engagement with the helpdesk.

6. Communications – LPPA have improved information on their website on employer responsibilities and divorce. The Head of Pensions continues to receive positive feedback for those attending the pre retirement sessions run by Affinity Connect.

7. Engagement – There continues to be a positive trend from all membership groups engaging with the online portal. There were 6,176 members registered at the end of Q4 compared with 5,942 in Q3, 5,766 members registered at the end of Q2, and 5,473 in Q1. There were 12 opt outs in Q4, 11 opt outs in Q3 and Q2 compared with 4 in Q1.

8. Regulatory – There are a number of regulatory issues impacting the Hammersmith & Fulham pension fund the key ones are;

McCloud - LPPA systems have now been updated with the McCloud software and LPPA have identified all the affected members for our Fund.

Pensions Dashboard – The go live date for the Fund is October 2025, there is no date set for public access.

The Pension Regulator's General Code – Is a set of 5 key areas on codes of practice for pension schemes. The code was revised in March 2024 and requires that a pension fund scheme regularly reviews their scheme and puts greater emphasis on areas such as cyber security, risk management as well as the need to complete and review an Effective System of Governance record (ESOG) via Own risk assessment (ORA). The Fund has completed its initial assessment of compliance and is implementing a cyber security policy for the Fund.

9. Cyber security – In order to manage risks better after data breach in Q3 and in line with the Pensions Regulator code of practice, the Head of Pensions has drafted a cyber security policy for the pension fund that is being finalised.

10. Legacy payroll systems – In order for LBHF to remain compliant with maintaining key data for past employees records whilst in the pension we are required to maintain access to legacy payroll systems.

11. Audit – All enquiries of the 2024/25 audit are being effectively managed.

12. Overpayments – The LBHF pensions team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds Overpayments totalling £39,647.59 have been written off in Q4 in respect of overpaid pensions to deceased members.

Conclusion

The pension administration service delivered by LPPA shows signs of continuous improvement, though disappointed to see continued issues with quality including the recent breach. LPPA do however to take onboard constructive feedback and are keen to improve.

Equality Implications

12. None

Consultation

15. None

Appendices

None

Agenda Item 8

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to:	Pensions Board
Date:	04 June 2025
Subject:	Pension Fund Quarterly Update Q4 2024
Report author:	Siân Cogley, Pension Fund Manager
Responsible Director:	Phil Triggs, Director of Treasury and Pensions

SUMMARY

This paper provides the Pensions Board with a summary of the Pension Fund's:

- overall performance for the quarter ended 31 December 2024;
- cashflow update and forecast;
- assessment of risks and actions taken to mitigate these.

RECOMMENDATIONS

1. The Pensions Board is recommended to note the update.

Wards Affected: None.

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

Financial Impact

None

Legal Implications

None

DETAILED ANALYSIS

LBHF Pension Fund Quarterly Update: Q3 2024/25

1. This report and attached appendices make up the pack for the quarter three (Q3) review ended 31 December 2024. An overview of the Pension Fund's performance is provided in Appendix 1. This includes administrative, investment, and cash management performance for the quarter.

2. Appendix 2 provides information regarding the Pension Fund's investments and performance. The highlights from the quarter are shown below:

   - Overall, the investment performance report shows that, over the quarter to 31 December 2024, the market value of the assets increased by £54m to £1,428m.

   - The Fund has outperformed its benchmark net of fees by 0.83%, delivering an absolute return of 2.95% over the quarter.

   - The total Fund delivered a positive return of 9.86% on a net of fees basis over the year to 31 December 2024.

3. The Pension Fund's cashflow monitor is provided in Appendix 3. This shows both the current account and invested cash movements for the last quarter, as well as cashflow forecasts to 30 September 2025. An analysis of the differences between the actuals and the forecast for the quarter is also included.

4. The breaches of the law log has not been included in this quarter as there have been no breaches to report.

Risk Management Implications

1. These are included in the risk registers.
2. There have been no new risks identified on the risk register.
3. There have been no changes in the risk scores on the risk register.
4. One risk has had a change in trend in quarter:

Risk 3 - The London Collective Investment Vehicle (LCIV) disbands, or the partnership fails to produce proposals/solutions deemed sufficiently ambitious. This has been changed from trending up to trending neutral following the appointment of Jenny Buck as the new CIO. Jenny will take up her new role at London CIV in early March.

List of Appendices

Appendix 1:	Scorecard as at 31 December 2024
Appendix 2a:	Isio Quarterly Performance Report for Quarter Ended 31 December 2024 (public)
Appendix 2b:	Isio Investment Performance Report 31 December 2024 (EXEMPT)
Appendix 2c:	LBHF Darwin Review February 2025 (EXEMPT)
Appendix 3:	Cashflow Monitoring Report
Appendix 4:	Pension Fund Risk Register

Appendix 1

Scorecard at 31 December 2024

London Borough of Hammersmith and Fulham Pension Fund Quarterly Monitoring Report

	Mar 24 £000	Jun 24 £000	Sep 24 £000	Dec 24 £000	Report reference/Comments
Value (£m)	1,360	1,371	1,374	1,428	IRAS reports.
% return quarter	4.56%	0.82%	1.23%	2.95%	
% Return one year	7.88%	8.31%	10.29%	9.86%	
LIABILITIES					
Value (£m)	1,040	1,011	1,014	988	Hymans Robertson LLP Estimated Funding Update
Surplus/(Deficit) (£m)	320	360	360	440	
Funding Level	130%	135%	135%	145%	
CASHFLOW					
Cash balance	15,643	10,789	8,268	6,291	Appendix 3 Large September variance is due to receiving the Aviva Redemption Monies
Variance from forecast	5,557	1,248	21,592	2,334	
MEMBERSHIP					
Active members	5,032	5,045	4,949	4,932	Reports from Pension Fund Administrator
Deferred beneficiaries	7,032	7,056	7,099	7,203	
Pensioners	6,033	6,097	6,172	6,252	
RISK					
No. of new risks				0	Appendix 4: Risk Register
No. of ratings changed				0	
LGPS REGULATIONS					
New consultations	None	1	1	1	May 24 – Efficiencies in Management of LGPS Funds Consultation Sep 24 – Call for Evidence Dec 24 – Fit for the Future
New sets of regulations	None	None	None	None	

London Borough of Hammersmith & Fulham Pension Fund

Investment Performance Report to 31 December 2024

Contents

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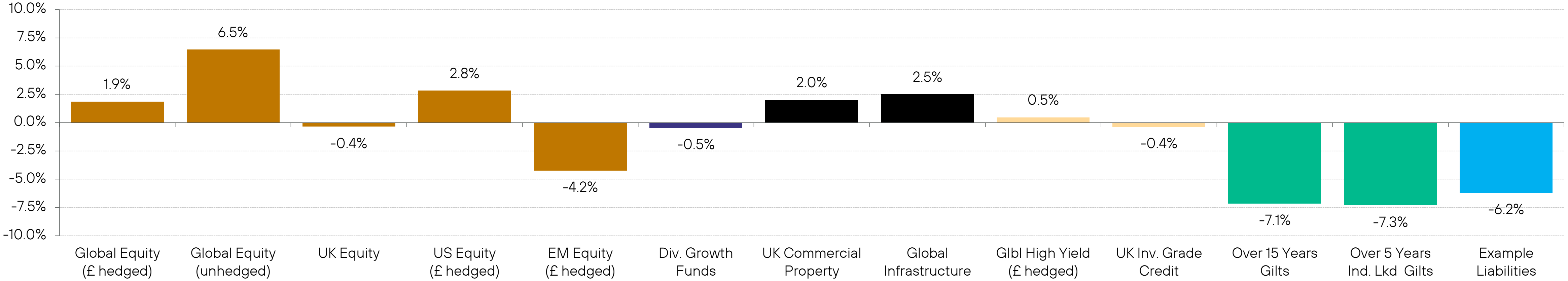
Market Summary – Overview Q4 2024

Market movements over the quarter



Key Upcoming Events

Notable events

- US Presidential Inauguration (20 Jan), UK Spring Forecast (26 March)

Q1 2025 Base rate publications

- UK: The dates for the Bank of England's Monetary Policy Committee ("MPC") announcements are 6 February and 20 March.
- US: The dates for the US Federal Reserve's Federal Open Market Committee ("FOMC") meetings are 28 January and 18 March.

Q1 2025 Inflation publications

- UK : 15 January, 19 February, 26 March
- US: 15 January, 12 February, 12 March

Commentary

- Global equities delivered positive performance over the final quarter of 2024, despite continued volatility in global markets, influenced by a mix of economic data and geopolitical tensions. US equities reached record highs in November following Trump's victory and expectations that his policies will lower taxes and cut regulation. Emerging Markets were negatively impacted over the quarter by a stronger dollar and higher US Treasury yields.
- High yield bonds outperformed their investment grade counterparts due to the expectations of pro-business policies under the incoming Trump administration. UK investment grade bonds experienced modest negative performance over Q4, being hampered by the expectations of a looser fiscal outlook for the UK.
- UK gilt yields rose over Q4 in reaction to the planned increase in Government borrowing, which was announced in Labour's October budget. Additionally, concerns remain about the UK economic outlook, with the prospect of higher for longer global inflation.
- UK commercial property performed positively for another quarter, as transaction volumes continued to increase over the period led by the industrial sector.

Sources: Refinitiv, DGF investment managers, LGIM, Isio calculations.

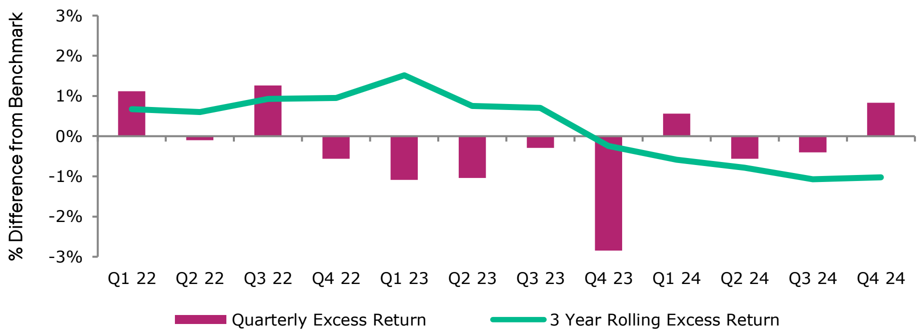
Executive Summary – Q4 2024

Fund Performance to 31 December 2024		3 months (%)			1 year (%)			3 years (% p.a.)		
		Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative
Equity	LCIV Global Equity Quality	3.7	6.0	(2.4)	15.0	19.6	(4.6)	5.7	8.2	(2.5)
	LGIM Low Carbon Mandate	7.7	7.7	0.0	22.6	22.9	(0.3)	9.6	9.8	(0.2)
Dynamic Asset Allocation	LCIV Absolute Return Fund	(3.1)	2.2	(5.3)	(1.1)	9.3	(10.3)	(1.0)	7.8	(8.8)
	LCIV Long Duration B&M	(2.8)	(2.5)	(0.3)	-3.1	-3.4	0.4	n/a	n/a	n/a
	LCIV Short Duration B&M	0.9	0.8	0.0	5.0	4.9	0.2	n/a	n/a	n/a
	Allspring Climate Transition Global B&M	(0.6)	(2.7)	2.2	6.8	(2.5)	9.3	n/a	n/a	n/a
Secure Income	Partners Group MAC[2]	2.0	2.2	(0.2)	9.3	9.3	0.0	5.6	7.8	(2.2)
	Oak Hill Advisors	0.9	2.2	(1.3)	8.0	9.3	(1.3)	5.2	7.8	(2.6)
	abrdn MSPC Fund[3]	2.4	0.1	2.3	11.4	2.9	8.5	0.9	(0.9)	1.7
	Darwin Alternatives	0.2	2.6	(2.4)	(25.3)	11.3	(36.6)	n/a	n/a	n/a
	Partners Group Infra[2]	6.8	3.0	3.7	9.9	13.3	(3.3)	15.2	11.8	3.4
	Quinbrook Renewables Impact[4]	1.8	1.7	0.1	(1.4)	5.1	(6.5)	n/a	n/a	n/a
Inflation Protection	abrdn Long Lease Property Fund	1.7	(2.6)	4.3	1.0	(1.3)	2.3	(8.1)	(6.6)	(1.5)
	Alpha Real Capital	1.0	(12.0)	13.0	3.9	(18.6)	22.5	n/a	n/a	n/a
	Man Group	0.2	2.2	(2.0)	(0.4)	9.3	(9.6)	2.0	7.8	(5.8)
Total Fund[1]		3.0	2.1	0.8	9.9	9.4	0.4	3.4	4.4	(1.0)

Commentary

- The Total Fund delivered a positive return of 3.0% on a net of fees basis in absolute terms over the quarter to 31 December 2024, outperforming the fixed weight benchmark by 0.8%. The Total Fund delivered positive absolute returns of 9.9% and 3.4% p.a. on a net of fees basis over the year and annualised three years respectively to 31 December 2024, outperforming its fixed weight benchmark by 0.4% over the year, whilst underperforming by 1.0% p.a. over the annualised three years.
- Short term deviations from benchmark can be expected where the underlying fund is measured against a target that does not move in line with the respective asset class, for example a number of the private markets funds are measured against a cash-plus target. Details of the benchmarks used for each fund can be found in the Appendix.
- The chart to the right compares the net performance of the Fund relative to the fixed weight benchmark over the three years to 31 December 2024. The 3-year rolling excess return remained negative over the fourth quarter of 2024 with the Fund having underperformed the fixed weight benchmark over six of the last eight quarters to end December 2024 despite delivering positive returns on an absolute basis.

Total Fund Performance – Last Three Years



Source: Northern Trust (Custodian). Figures are quoted net of fees. Differences may not tie due to rounding. Please note that there also exists a residual private equity allocation to Unicapital – this allocation makes up less than 0.1% of the Fund's total invested assets.
[1]The Total Assets benchmark is calculated using the fixed weight target asset allocation. [2]Partners Group Multi Asset Credit and Direct Infrastructure Fund performance provided to 30 November 2024. [3] abrdn MSPC Fund performance provided by Northern Trust with quarter lag.
[4]Quinbrook performance provided by Northern Trust with quarter lag. Northern Trust do not take into account cashflows in and out of the fund; and as such we anticipate that performance over longer time periods may be higher than quoted in the table above

Asset Allocation as at 31 December 2024

Fund	Actual Asset Allocation				
	30 September 2024 (£m)	31 December 2024 (£m)	30 September 2024 (%)	31 December 2024 (%)	Benchmark Allocation (%)
LCIV Global Equity Quality	184.8	191.2	13.5	13.4	13.0
LGIM Low Carbon Mandate	427.3	460.2	31.1	32.2	27.0
Total Equity	**612.1**	**651.4**	**44.6**	**45.6**	**40.0**
LCIV Absolute Return Fund	154.8	150.0	11.3	10.5	10.0
Allspring Buy & Maintain (Climate Transition)	138.5	137.7	9.9	9.6	10.0
LCIV Buy & Maintain (Long Duration)	32.7	31.4	2.5	2.2	2.5
LCIV Buy & Maintain (Short Duration)	33.2	33.1	2.4	2.3	2.5
Total Dynamic Asset Allocation	**359.2**	**352.2**	**26.2**	**24.7**	**25.0**
Partners Group MAC[1]	6.9	3.2	0.5	0.2	-
Oak Hill Advisors Diversified Credit Strategies	76.8	77.4	5.6	5.4	5.0
Partners Group Direct Infrastructure[1]	34.0	34.4	2.5	2.4	5.0
Quinbrook Renewables Impact	42.2	45.3	3.1	3.2	3.5
abrdn Multi Sector Private Credit	50.3	51.1	3.7	3.6	4.0
Darwin Alternatives Leisure Development Fund	21.6	21.7	1.6	1.5	2.5
Secure Income	**231.7**	**233.1**	**16.9**	**16.3**	**20.0**
Abrdn Long Lease Property	50.4	51.3	3.7	3.6	5.0
Alpha Real Capital Inflation Linked Income Fund	78.6	77.9	5.7	5.5	7.5
Man Group	25.8	26.8	1.9	1.9	2.5
Total Inflation Protection	**154.8**	**156.1**	**11.3**	**10.9**	**15.0**
Bank Balance	15.7	35.1	1.1	2.4	-
Total Assets	**1,373.6**	**1,427.9**	**100.0**	**100.0**	**100.0**

Source: Northern Trust (Custodian) and have not been independently verified. Figures may not sum to total due to rounding. [1]Partners Group Multi Asset Credit and Direct Infrastructure valuations provided by Northern Trust with a month's lag (i.e. as at 31 August 2024 and as at 30 November 2024). Total Fund valuation includes £34k which is invested in private equity allocations with Unicapital, with these investment currently in wind down. Total Fund valuation as at 30 September 2024 doesn't include £6.7m which was redeemed from Aviva on 30 September 2024 but not yet received into the Trustee bank account at the time of reporting.

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Fund Activity (1)

Item	Action points / Considerations	Status
Infrastructure and Renewable Infrastructure	**Quinbrook Renewables Impact Fund** • Over the quarter, Quinbrook issued a draw down request for £2.4m for payment by 3 December 2024, funded from cash held in the Trustee bank account. Following quarter end, Quinbrook issued a further draw down request for £1.4m for payment by 7 February 2025, also funded from cash held in the Trustee bank account. Resultantly, following payment of the February draw down request, the Fund's remaining unfunded commitment stands at c.£3.5m, with the Fund's £45m commitment c. 92% drawn. • At the 26 November 2024 Pension Fund Committee Meeting, the Committee agreed to commit £35m to the second vintage of the Quinbrook Renewables Impact Fund range (Quinbrook Renewables Impact Fund II) to broadly maintain the Fund's total strategic allocation to the renewables mandate. Following quarter end, Quinbrook issued an initial equalisation drawdown request for £6.8m for payment by 29 January 2025. Following payment, the Fund's £35m commitment is c. 19% drawn. **Partners Group Direct Infrastructure** • Over the quarter, Partners Group issued two capital distributions for €0.8m on 21 November 2024 and €1.4m on 20 December 2024 following portfolio asset sales. Resultantly, Partners Group has distributed c.88% of the Fund's total commitment as at 31 December 2024 as the Direct Infrastructure Fund continues to wind down.	Information only
Affordable Housing	**Man Group Community Housing** • Man Group issued one capital call during the fourth quarter of 2024 for £1.0m for payment by 25 October 2024, funded from excess cash held in the Trustee bank account. As such, as at 31 December 2024, the Fund's total commitment is c. 87% drawn for investment. • Following quarter end, in January 2025, Man Group announced that the Man Group Community Housing Fund will be changing its valuation provider from CBRE to JLL following the strategy's expansion and expiration of the existing three-year contract with CBRE. Man Group believes that JLL is the most suitable candidate as the Fund's valuation provider owing to JLL's expertise and well-known reputation in the market. Man Group has confirmed the valuation methodology will not materially change as a result of this update and they are comfortable with JLL's approach to fairly reflect the value of the Fund's assets. • An update on the Community Housing Fund's investments in Grantham, Wellingborough and Saltdean can be found in the Private Appendix to this report.	Information only

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Summary

This page sets out the key Fund activity updates over the quarter and following quarter end.

Any updates that require action or discussion are flagged accordingly with the key below.

Status key

- Action
- Decision
- Discussion
- Information only

Fund Activity (2)

Item	Action points / Considerations	Status
London CIV	• On 21 January 2025, the London CIV formally announced the appointment of Jenny Buck, former Tesco Pension Investment Limited's Chief Investment Officer, as new CIO – replacing Aoiffin Devitt who departed the role during Q4 2024. Jenny has more than 30 years' experience in investment management, with extensive expertise in business and people management, asset allocation and investment solutions across multiple asset classes. • At Tesco Pension Investment, Jenny held several senior roles, including Head of Property, Head of Private Markets and Deputy CIO, before being appointed Chief Investment Officer in 2021. As part of that role, Jenny oversaw the UK gilts strategy, the build out of the Responsible Investment Department and the transition of the investment management of the c.£12.9bn Tesco Defined Benefit Pension Scheme to Schroders (February 2024). • Jenny also brings a wealth of experience in private markets having at one stage been responsible for the annual deployment of over a £1bn p.a. into private markets across private equity, infrastructure, private credit, absolute return strategies as well as real estate. • Prior to Tesco, Jenny spent nearly 10 years at Schroders, where she was Head of Global Property Fund of Funds. Many of the clients were local authority mandates, providing her with familiarity of the governance nuances within the public sector. • Given the government's recent proposals to redefine how LGPS pools across England and Wales work together with their Partner Funds in the coming months and years, the London CIV board believes that Jenny's appointment comes at a pivotal time for the London LGPS community. • Jenny will take up her new role at London CIV in early March 2025. • While it is positive that London CIV has acted quickly to appoint a new CIO, we are continuing to monitor developments on the business side, new fund launches and changes in personnel. There is no immediate action to take on this news.	●

Summary

This page sets out the key Fund activity updates over the quarter and following quarter end.

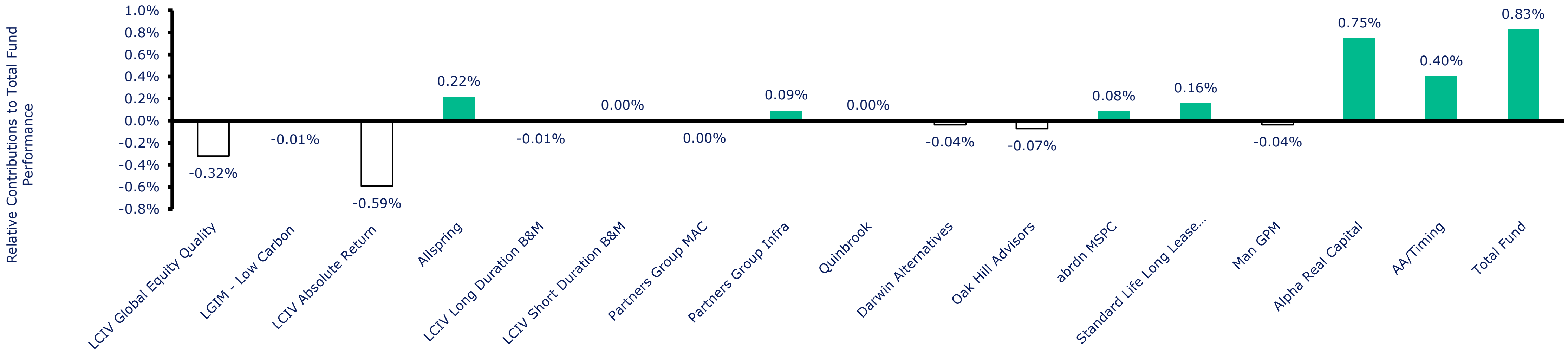
Any updates that require action or discussion are flagged accordingly with the key below.

Status key

- Action
- Decision
- Discussion
- Information only

Attribution of Performance to 31 December 2024

Relative Contributions to Total Fund Performance - Quarter



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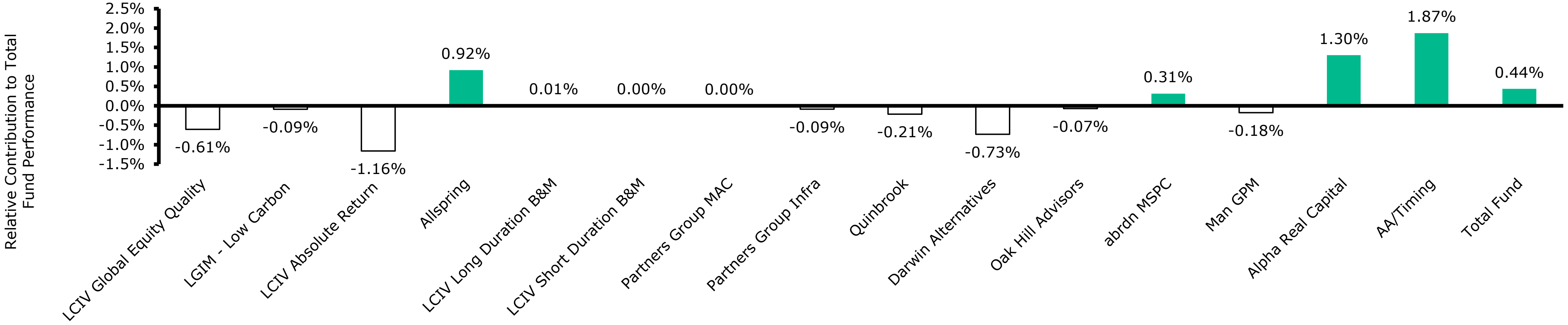
Key area	Comments
Commentary	• The Fund outperformed its fixed weight benchmark by c. 0.8% over the quarter to 31 December 2024. • Outperformance can primarily be attributed to the Alpha Real Capital commercial ground rents strategy, which materially outperformed its benchmark over the quarter. Outperformance was driven predominantly by the negative impact of rising gilt yields on the strategy's long-dated index-linked gilts benchmark comparator, while the ground rents mandate continued to deliver stable positive returns. Both the abrdn Long Lease Property Fund and Partners Group Direct Infrastructure Fund also contributed positively to outperformance, as both funds delivered positive returns on an absolute basis and outperformed their gilts and cash-plus benchmarks respectively. • Key detractors to Total Fund outperformance were the LCIV Absolute Return Fund and the LCIV Global Equity Quality Fund. The LCIV Absolute Return Bond delivered a negative return on an absolute basis and underperformed its cash-plus target, owing to the strategy's defensive positioning and large weighting to government bonds which detracted over the period. While the LCIV Global Equity Quality Fund delivered a positive return on an absolute basis, but underperformed the wider market due to its quality-tilt. • The positive attribution of the Fund's overweight equity exposure is reflected by the "AA/Timing" bar.

Sources: Investment managers, Isio calculations.

Attribution of Performance to 31 December 2024

Relative Contributions to Total Fund Performance - Annual



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Key area	Comments
Commentary	• Over the year to 31 December 2024, the Fund outperformed its fixed weight benchmark by c. 0.4%. • Outperformance has been driven primarily by Alpha Real Capital, Allspring and the overall overweight equity allocation. • Alpha Real Capital has significantly outperformed its long-dated inflation-linked gilts benchmark, with rising yields over the year acting to reduce the value of the benchmark measure. Allspring has outperformed the wider corporate bond market owing to the portfolio's shorter duration alongside positive impact from the strategy's climate transition-tilted portfolio. While the impact of the Fund's overweight equities position during a period of strong absolute returns is reflected by the "AA/Timing" bar. • The LCIV Absolute Return Fund detracted from overall outperformance over the year, owing to the negative impact of rising yields on the defensively-positioned portfolio. Darwin Alternatives also detracted, with the Leisure Development Fund's assets written down by c.23% over Q3 2024. • In addition, while equity markets have continued to deliver strong returns through year, the LCIV Global Equity Quality mandate has struggled to outperform the MSCI world equity comparator, largely due to the Fund's quality bias over a period where growth stocks have outperformed due to an improved economic outlook and corporate earnings.

Sources: Investment managers, Isio calculations.

Investment Manager Updates

London CIV (1)

Sub-fund	Asset Class	Manager	Total AuM as at 30 Sept 2024 (£m)	Total AuM as at 31 Dec 2024 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	1,442	1,496	5	11/04/16
LCIV Global Alpha Growth Paris Aligned	Global Equity	Baillie Gifford	2,347	2,446	11	13/04/21
LCIV Global Equity	Global Equity	Newton	621	634	3	22/05/17
LCIV Global Equity Quality	Global Equity	Morgan Stanley Investment Management	577	753	3	21/08/20
LCIV Global Equity Focus	Global Equity	Longview Partners	1,269	1,308	6	17/07/17
LCIV Global Equity Value	Global Equity	Wellington Management International Limited	-	188	2	28/10/24
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	606	542	8	11/01/18
LCIV Sustainable Equity	Global Equity	RBC Global Asset Management (UK)	1,438	1,532	8	18/04/18
LCIV Sustainable Equity Exclusion	Global Equity	RBC Global Asset Management (UK)	751	789	5	11/03/20
LCIV PEPPA	Global Equity	State Street Global Advisors	975	1,042	4	01/12/2021
LCIV Global Total Return	Diversified Growth Fund	Pyrford	104	103	1	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	296	269	4	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	1,003	984	10	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	114	40	1	16/12/16
LCIV Global Bond	Fixed Income	PIMCO	929	916	10	30/11/18
LCIV Short Duration B&M Credit Fund	Fixed Income	Insight Investment Management	139	138	2	06/12/23
LCIV Long Duration B&M Credit Fund	Fixed Income	Insight Investment Management	806	803	7	06/12/23
LCIV All Maturities B&M Fund	Fixed Income	Insight Investment Management	-	489	3	09/10/24
LCIV MAC	Fixed Income	CQS & PIMCO	1,965	2,074	17	31/05/18
LCIV Alternative Credit	Fixed Income	CQS	590	643	5	31/01/22
Total			15,972	17,189		

Investment Performance to 31 Dec 2024

Business

As at 31 December 2024, the London CIV had assets under management of £17.2bn within the 20 sub-funds (not including of private markets strategies), an increase of £1.2bn over the quarter owing to positive investment returns across the sub-funds available on the platform.

Two new sub-funds were added to the London CIV platform over the quarter: LCIV Global Equity Value Fund and LCIV All Maturities B&M Fund.

As at 31 December 2024, the total assets under oversight, including passive investments held outside the London CIV platform, stood at £34.2m, an increase of c.£1.7bn over the quarter. Total commitments raised by the private market funds stood at c. £3.6bn of which c. £1.8bn had been drawn as at 31 December 2024.

The table to the left provides an overview of the public market sub-funds currently available on the London CIV platform.

Source: London CIV.

London CIV (2)

Sub-fund	Total Commitment as at 31 Dec 2024 (£'000)	Called to Date (£'000)	Fund Value as at 30 Sept 2024 (£'000)	Number of London CIV clients	Inception Date
LCIV Infrastructure Fund	475,000	370,791	441,326	6	31/10/2019
LCIV Real Estate Long Income Fund	213,000	213,000	156,776	3	11/06/2020
LCIV Renewable Infrastructure Fund	1,108,500	576,884	600,318	16	29/03/2021
LCIV Private Debt Fund	625,000	420,091	502,973	8	29/03/2021
LCIV UK Housing Fund	530,000	132,796	72,501	9	31/03/2023
LCIV Private Debt Fund II	228,000	n/a	n/a	3	28/06/2024
LCIV Nature Based Solutions Fund	175,000	n/a	n/a	2	12/07/2024
The London Fund	250,000	110,954	107,383	4	15/12/2020

Source: London CIV.

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Investment Performance to 30 Sept 2024

The table to the left provides an overview of the London CIV's private markets investments as at 31 December 2024.

Over the quarter, having launched the LCIV Private Debt Fund II and the LCIV Nature Based Solutions Fund in June and July 2024 respectively, both funds reached first close in December 2024.

In addition, London CIV is in the process of launching an indirect property proposition. London CIV aims to launch the service on 31 March 2025.

LCIV – Global Equity Quality

Key area	Performance commentary
Commentary	• The LCIV Global Equity Quality Fund delivered a positive absolute return of 3.7% on a net of fees basis over the quarter, underperforming the MSCI-based benchmark by 2.4% over the period. • The LCIV Global Equity Quality Fund's portfolio is predominantly comprised of quality franchises with strong recurring cash flows, and the strategy therefore has a low allocation to cyclical stocks. Resultantly, the strategy is expected to outperform during market downturns, but may not fully participate in periods of market uplift. The strategy's quality bias proved detrimental over the fourth quarter of 2024, underperforming the wider market during a period of equity market growth. Underperformance was negatively impacted by both sector and security selections. • The Sub Fund has delivered positive returns of 15.0% and 5.7% p.a. over the year and three years to 31 December 2024 respectively on a net of fees basis, but underperformed the MSCI-based benchmark by 4.6% and 2.5% p.a. respectively with the portfolio's quality bias proving detrimental over a period where growth stocks outperformed driven by optimism over AI stocks and hardware/semiconductor companies which the manager perceives as cyclical.

Investment Performance to 31 December 2024

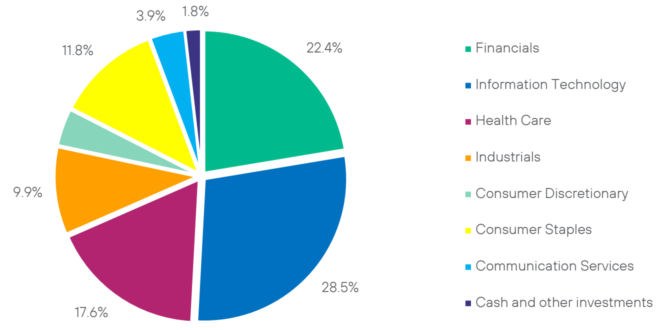
	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	3.7	15.0	5.7
Benchmark (MSCI World Net Index)	6.0	19.6	8.2
Net Performance relative to Benchmark	-2.4	-4.6	-2.5

Relative performance may not tie due to rounding

Fund Overview

Morgan Stanley Investment Management was appointed to manage an active equity portfolio with a focus on sustainability when selecting investment opportunities, held as a sub-fund on the London CIV platform from 30 September 2020. The aim of the fund is to outperform the MSCI AC World Index.

Portfolio Sector Breakdown



Key Statistics

	LCIV Global Equity Quality Fund
No. of Holdings	42
No. of Countries	9
No. of Sectors*	6
No. of Industries*	19

Holdings

	% of NAV
Microsoft	5.9
SAP SE	5.8
Visa	5.7
Alphabet Inc Class A	3.9
Procter & Gamble	3.7
Aon	3.6
L'Oreal	3.6
Accenture Plc	3.4
Keyence Corp	3.0
CME Group	2.9
Total	41.3

Note: Returns net of fees.
Sources: Northern Trust, Morgan Stanley and London CIV. Totals may not sum due to rounding.

LGIM – World Low Carbon Equity

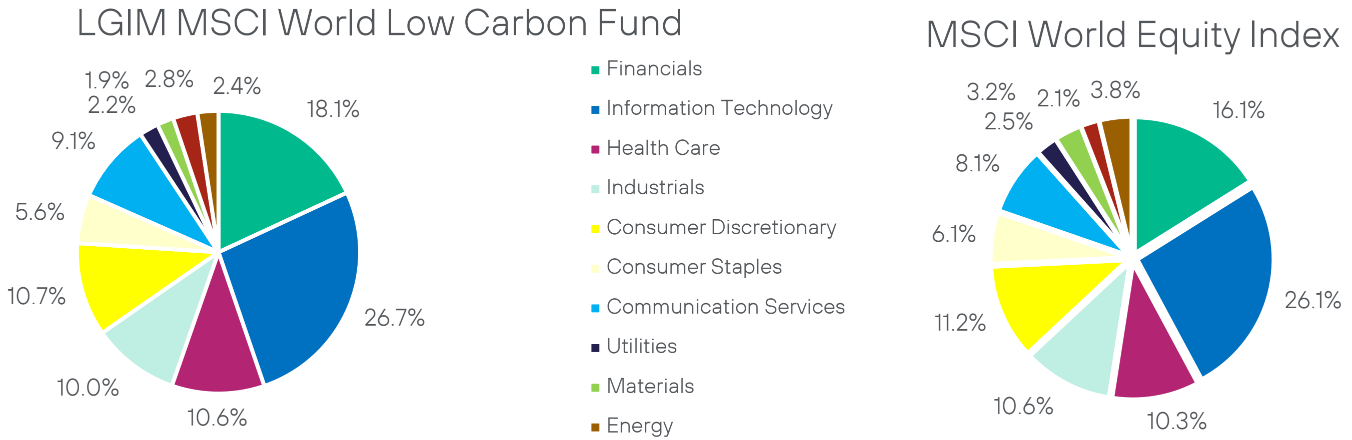
Key area	Performance Commentary
Commentary	• The LGIM MSCI World Low Carbon Index Fund delivered a positive absolute return of 7.7% on a net of basis over the quarter to 31 December 2024 as global equities continued to perform strongly over the quarter. The fund performed broadly in line with its benchmark. • The LGIM MSCI World Low Carbon Index Fund delivered an absolute return of 22.6% on a net of fees basis over the one-year-period to 31 December 2024, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.3%. Over the longer three-year and five-year periods, the strategy delivered positive absolute returns of 9.7% p.a. and 13.0% p.a. on a net of fees basis, slightly underperforming its MSCI World Low Carbon Target benchmark by 0.2% p.a. and 0.1% p.a. respectively.

Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	7.7	22.6	9.7	13.0
Benchmark (MSCI World Low Carbon Target)	7.7	22.9	9.8	13.1
Net Performance relative to Benchmark	0.0	-0.3	-0.2	-0.1

Relative performance may not tie due to rounding

Portfolio Sector Breakdown at 31 December 2024



Note: Returns net of fees.
Sources: Northern Trust and LGIM.

Fund Overview

Legal and General Investment Management ("LGIM") was appointed on 18 December 2018 to manage a low carbon portfolio with the aim of replicating the performance of the MSCI World Low Carbon Target Index. The manager has an annual management fee, in addition to On Fund Costs.

The bottom left charts compare the relative weightings of the sectors in the LGIM MSCI World Low Carbon Index Fund and the MSCI World Equity Index as at 31 December 2024.

The LGIM MSCI Low Carbon Index Fund has a larger allocation to financials than the MSCI World Equity Index, whilst the relatively lower allocation to materials, industrials and energy reflect the 'low carbon' nature of the Fund.

LCIV – Absolute Return

Key area	Performance Commentary
Commentary	• The LCIV Absolute Return Fund has delivered a negative return of -3.1% over the quarter, underperforming its SONIA+5% p.a. target by 5.3%. Negative absolute returns were primarily driven by the impacts of rising yields across the globe on the strategy's bonds exposure. Additionally, owing to the strategy's defensive positioning, there exists a relatively low equity allocation meaning that the manager failed to fully take part in short-term global profits emanating from Trump's presidential victory. • The Sub Fund has delivered mixed returns over longer time periods, but underperformed the cash-based benchmark. Ruffer attributes its underperformance to the portfolio's defensive bias and tilt to downside protection strategies, which have an ongoing cost if markets rise (across credit, equity and volatility).

Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	-3.1	-1.1	-1.0	3.3
Target	2.2	9.3	7.8	6.4
Net performance relative to Target	-5.3	-10.3	-8.8	-3.1

Relative performance may not tie due to rounding

Fund Overview

Ruffer was appointed to manage an absolute return mandate, held as a sub-fund under the London CIV platform from 21 June 2016, with the aim of outperforming the 3-month Sterling SONIA benchmark by 4% p.a. The manager has a fixed fee based on the value of assets.

The LCIV Absolute Return Fund aims to deliver growth throughout the investment cycle and acts as a return-seeking diversifier from equities through a relatively defensively positioned portfolio. The manager has the ability to regularly alter the underlying asset allocation in response to market conditions.

While the manager, Ruffer, maintains its view that investors are too bullish about prospects for interest rate cuts and that equity and credit markets are not pricing in downside risks, the manager has opted to retain some level of risk-on assets that will help capture upside if growth asset returns remain consistently positive.

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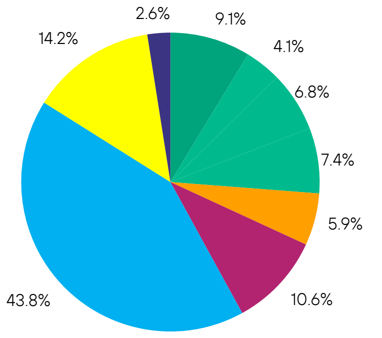
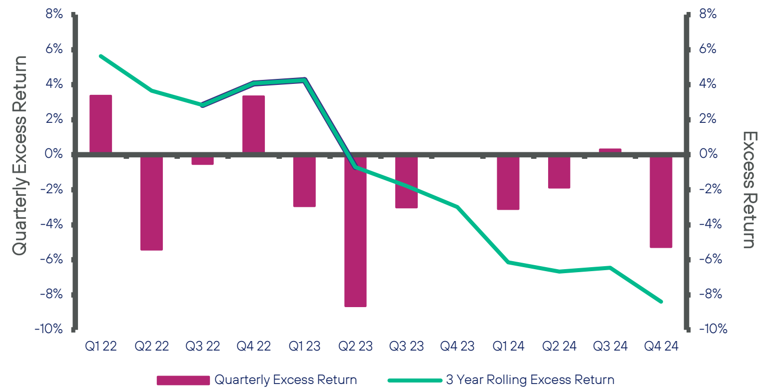
Portfolio Sector Breakdown at 31 December 2024



Total exceeds 100% as a result of negative derivative exposures not included in the chart.

Investment Performance to 31 December 2024



Sources: Northern Trust, London CIV and Ruffer.

LCIV – Short and Long Duration Buy & Maintain (1)

Key area	Performance Commentary
Commentary	• The Short Duration Sub Fund delivered a positive return of 0.9% over the quarter as a tightening in credit spreads acted to offset the impact of rising underlying yields across the maturity curve over the three-month period. Relative to the reference index, the impact of rising yields was marginally positive due to the portfolio's positioning within different parts of the yield curve. The Sub Fund performed broadly in line with its iBoxx 0-5 Years credit index measurement. • Yields rose more prominently at the longer end of the yield over the fourth quarter. As such the long-dated Sub Fund delivered a negative return of -2.8% on a net of basis over the quarter, underperforming its benchmark by 0.3%. The underperformance was primarily attributed to the Sub Fund's exposure to US Dollar denominated bonds, which are not part of the index and with spreads on its UK counterparts tightening more prominently.

Key Statistics

	Short Duration		Long Duration	
	30 Sept 2024	31 Dec 2024	30 Sept 2024	31 Dec 2024
Weighted Average Credit Rating	A	A-	A-	A-
Yield to Maturity	5.12	5.42	5.38	5.79
Current Yield	3.90	3.99	4.76	5.32
Interest Rate Duration (Years)	2.38	2.33	11.38	11.19
Spread Duration (Years)	2.18	2.07	10.94	10.46

Investment Performance to 31 December 2024

Short Duration	Last Quarter (%)	One Year (%)
Net of fees	0.9	5.0
Benchmark / Target	0.8	4.9
Net performance relative to Benchmark	0.0	0.2

Long Duration	Last Quarter (%)	One Year (%)
Net of fees	-2.8	-3.1
Benchmark / Target	-2.5	-3.4
Net performance relative to Benchmark	-0.3	0.4

Relative performance may not tie due to rounding

Fund Overview

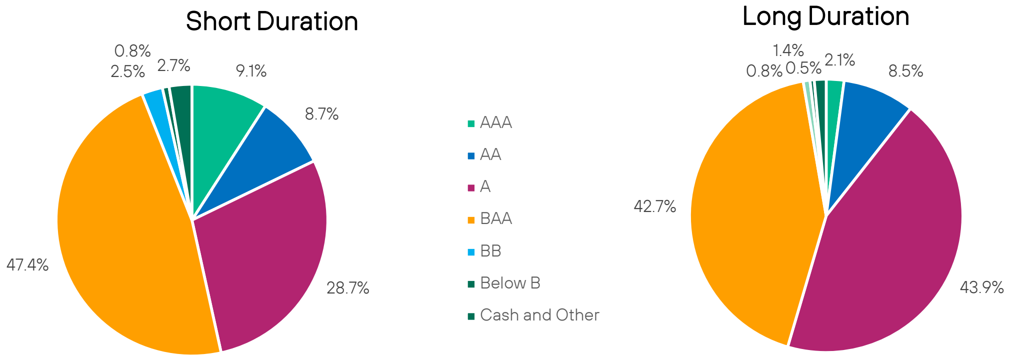
Insight Investment Management was appointed to manage a buy & maintain credit mandate across both a short and long duration strategy, held as sub-funds under the London CIV platform from 6 December 2023.

The aim of the short and long duration sub-funds is to achieve a portfolio yield to maturity in line with the iBoxx GBP Collateralized & Corporates 0-5 Index and the iBoxx £ Collateralized & Corporates 10+ Index respectively while limiting turnover. The manager has a fixed fee based on the value of assets.

Source: Northern Trust and London CIV.

LCIV – Short and Long Duration Buy & Maintain (2)

Portfolio Credit Rating Breakdown as at 31 December 2024



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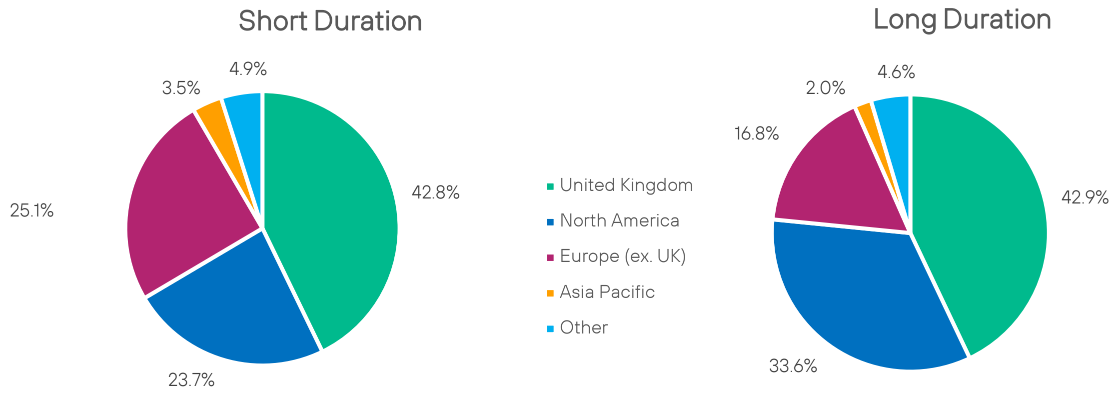
Portfolio Regional Breakdown as at 31 December 2024



Fund Overview

The charts to the left represent the split of the Short and Long duration portfolios by credit rating and by region as at 31 December 2024.

Source: Northern Trust and London CIV.
Note that figures may not sum to 100% due to rounding and due to the potential for the manager to use short holdings in cash and currency forwards.

Allspring – Climate Transition Global Buy & Maintain (1)

Key area	Performance Commentary
Commentary	• The Allspring Climate Transition Global Buy and Maintain Fund has delivered a negative return of -0.6% over the quarter to 31 December 2024 on a net of fees basis, outperforming its target by 2.2%. • Negative returns were primarily driven by the impact of increasing global bond yields across the maturity curve – particularly in the UK and US. Negative returns were offset, to some extent, by tightening credit spreads over Q4 2024.

Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)
Net of fees	-0.6	6.8
Target	-2.7	-2.5
Net performance relative to Target	2.2	9.3

Relative performance may not tie due to rounding

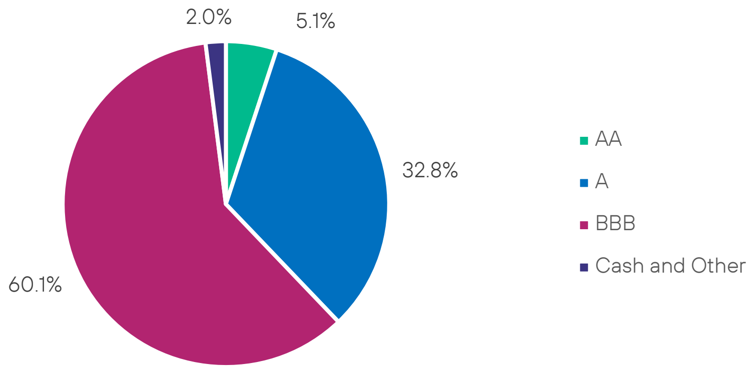
Fund Overview

Allspring was appointed on 7 November 2023 to manage a global climate transition buy and maintain credit mandate.

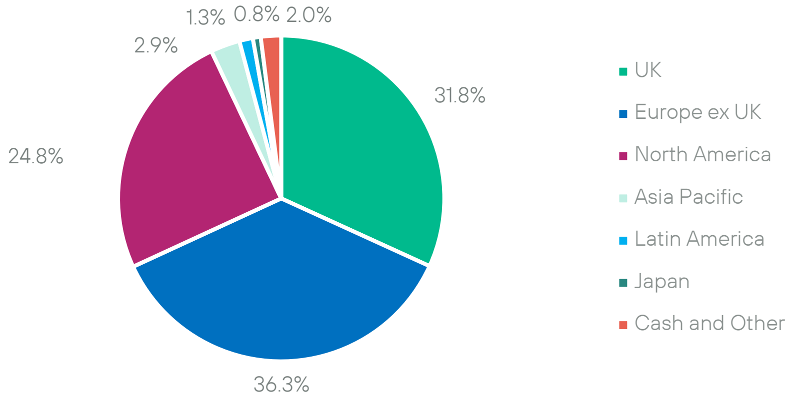
The aim of the Fund is to broadly track the performance of the ICE BofA Sterling Corporate Index, while simultaneously achieving various climate transition related targets. The manager has a fixed fee based on the value of assets.

The charts to the bottom left represent the split of the Allspring Climate Transition Global Buy & Maintain Fund by credit rating and by region as at 31 December 2024.

Portfolio Credit Rating Breakdown as at 31 December 2024



Portfolio Regional Breakdown as at 31 December 2024



Source: Northern Trust and Allspring.

Allspring – Climate Transition Global Buy & Maintain (2)

ESG Metrics as at 31 December 2024

	Allspring Climate Transition Global Buy & Maintain		Benchmark	
	Value	Coverage	Value	Coverage
MSCI ESG Score	7.5	98%	7.1	92%
Sustainalytics ESG Risk Score	18	97%	20	95%
Carbon to Value Invested (metric tons CO_2e/$1m invested)*	31	88%	45	73%
Weighted Average Carbon Intensity (metric tons CO_2e/$1m revenues)*	61	96%	110	90%
Coal Emissions (metric tons CO_2e/$1m invested)	0	N/A	29,292	N/A
Gas Emissions (metric tons CO_2e/$1m invested)	6,693	N/A	6,334	N/A
Oil Emissions (metric tons CO_2e/$1m invested)	14,211	N/A	8.934	N/A

MSCI ESG Score: scale of 0-10 (10-best)
Sustainalytics ESG Risk Score: scaled of 0-100 (0-no ESG Risk, >40-severe ESG Risk)
*Operational and Tier 1 supply chain emissions

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ESG Metrics

Allspring integrates the objectives of the EU Climate Transition Benchmark pathway into its investment approach but targets a carbon intensity reduction trajectory that is more ambitious than the prescribed 1.5°C pathway to net zero by 2050.

Allspring, however, does not automatically exclude industries with high historical carbon emissions and instead focuses on firms' forward transition performance. For example, where many ESG strategies exclude fossil fuels on the view that historical carbon intensity will continue indefinitely, Allspring takes a prospective view on firms' climate and financial performance with the outlook that some of today's heaviest emitters may be tomorrow's decarbonisation outperformers. As such, we would expect the strategy's carbon intensity metrics and ESG scores to improve over time.

The table to the left compares the ESG metrics of the Climate Transition Global Buy & Maintain Fund with those of the reference benchmark as at 31 December 2024.

Please note that we have included definitions of each of the metrics in the Appendix to this report.

Source: Allspring.

Partners Group – Multi Asset Credit

Key area	Performance Commentary
Commentary	• The Multi Asset Credit strategy delivered a positive absolute return of 2.0% on a net of fees basis over the quarter to 30 November 2024, underperforming its 3 Month SONIA +4% benchmark by 0.2%. • Strong performance over the three-year period reflects the rebound in performance of the strategy's sub-portfolio of tail investments for which the Fund lifespan was extended for in 2021 and again during 2024, which were initially particularly acutely impacted by the COVID-19 related impact but that have now rebounded.
Activity	• The Partners Group Multi Asset Credit Fund had made 54 investments, of which 51 have been fully realised as at 31 December 2024 with one further realisation taking place since 30 September 2024. The Fund's three-year investment period ended in July 2017 and therefore, any investments realised have subsequently been repaid to investors. • Over the quarter, Partners Group issued a capital distribution of £3.3m following portfolio exits, paid on 30 October 2024.

Investment Performance to 30 November 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	2.0	9.3	5.6	7.8
Benchmark / Target	2.2	9.3	7.8	6.4
Net performance relative to Benchmark	-0.2	0.0	-2.2	1.5

Relative performance may not tie due to rounding

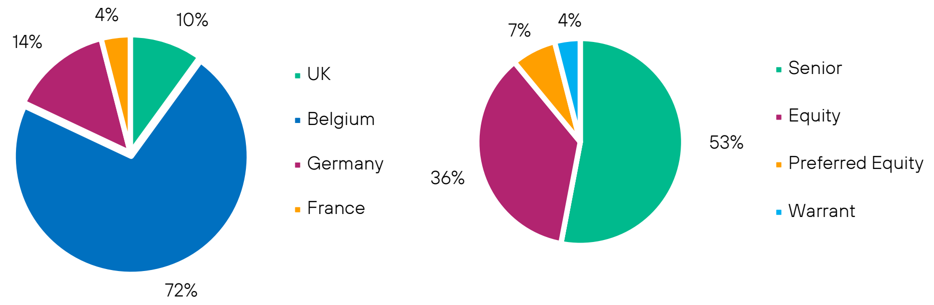
Fund Overview

Partners Group was appointed to manage a multi asset credit mandate with the aim of outperforming the 3-month Sterling SONIA benchmark by 4% p.a. The manager has an annual management fee and performance fee.

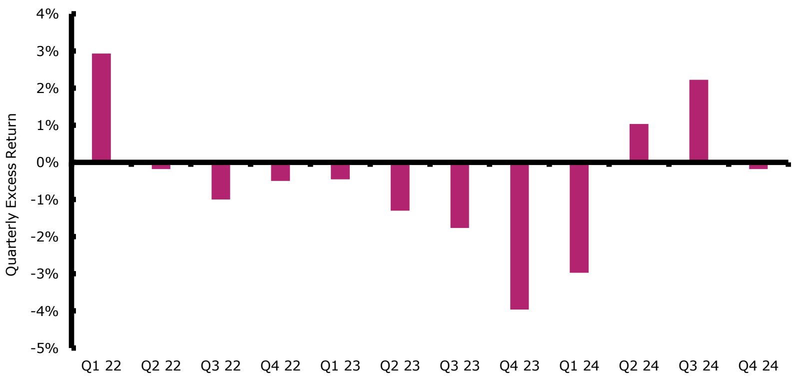
The charts to the bottom left show the regional split and allocation by debt type of the Fund as at 31 December 2024, based on the three positions remaining in the portfolio. The last loan is set to expire in 2030.

On 17 June 2024, Partners Group received investor approval to extend the term of the strategy to 28 July 2027. Partners Group anticipates that the majority of asset exits will complete within the next 12-18 months, but proposed a 3 year extension to allow flexibility.

Portfolio Regional and Debt Type Breakdown at 31 December 2024



Quarterly Excess Returns



Please note, performance shown is to 31 August 2024

Source: Northern Trust and Partners Group.

abrdn – Multi-Sector Private Credit Fund

Key area	Performance Commentary
Commentary	• The MSPC Fund has delivered a positive return of 2.4% on a net of fees basis over the quarter. Positive absolute returns were driven by a tightening in spreads despite rising underlying yields. Abrdn's valuation methodologies take account of credit spreads and government bond yield movement. • The strategy has also outperformed its corporate bond-based target by 2.3%, owing to the index' greater sensitivity to movements in the yield curve and the illiquidity premium attached to the Fund's assets.

Portfolio Composition	• As at 31 December 2024, the MSPC Fund portfolio has reached target allocation and consists of 18 private assets:
	  • 4 infrastructure debt investments;
	  • 5 senior commercial real estate debts investments; and
	  • 9 private corporate debt investments.
	• The MSPC Fund has also made investments in syndicated loans, structured credit and public bonds.

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Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	2.4	11.4	0.9
Benchmark / Target	0.1	2.9	-0.9
Net performance relative to Benchmark	2.3	8.5	1.7

Relative performance may not tie due to rounding. Please note that abrdn MSPC Fund performance is provided by Northern Trust with a quarter lag.

Fund Overview

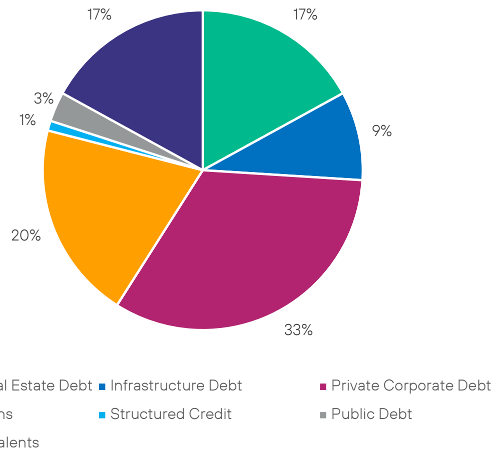
abrdn was appointed to manage a multi sector private credit mandate, with the Fund drawing down capital for investment on 8 April 2020.

The Multi Sector Private Credit Fund aims to outperform the ICE ML Sterling BBB Corporate Bond Index once it has been fully deployed. The manager has a fixed annual management fee based on the value of investments.

abrdn has confirmed that there have been no asset-related issues and the manager believes the portfolio is well positioned to sustain a potential recession given the focus on more defensive sectors.

As at 31 December 2024, c. 80% of the MSPC Fund portfolio has been invested in illiquid assets that will make up the long-term portfolio, while the remaining c. 20% of the portfolio remains invested in a liquid transition portfolio in order to avoid a cash drag for liquidity purposes. The asset allocation as at 31 December 2024 is provided in the chart to the left.

Portfolio Asset Type Breakdown at 31 December 2024



Investment Metrics

	30 Sep 2024	31 Dec 2024
Duration (years)	3.88	3.74
Average rating	BBB+	BBB+
Average portfolio spread	264bps	258bps
Average illiquidity premium	118bps	117bps
Average yield to maturity	6.57%	6.41%

Source: Northern Trust and abrdn.

Darwin Alternatives – Leisure Development Fund (1)

Key area	Performance Commentary
Commentary	• The Leisure Development Fund delivered a slightly positive absolute return of 0.2% over the quarter to 31 December 2024, but underperformed its cash +6% p.a. target by 2.4%. Over the one-year period, the Fund has delivered an absolute return of -25.3%, underperforming its target by 36.6% • Positive returns were driven by holiday rentals, which were ahead of budget. Particularly, increased bookings at Blenheim Palace over the Christmas period. Portfolio costs were below budget for the period, largely due to lower utilities charges and lower than budgeted maintenance costs. • Significant underperformance over the one-year period can primarily be attributed to Darwin revising downward its management projections of revenues and costs, which resulted in a fall in the NAV of the Fund by c. 23% over Q3 2024. Further detail is provided in a separate Committee report, to be discussed at the March 2025 Pension Fund Committee Meeting. • Darwin remains focussed on operational improvements and cost-cutting measures such as reducing the main costs of staffing, cleaning and utilities. As well as the expansion of stately home partnerships, aiming to replicate the success of the Blenheim asset.

Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)
Net of fees	0.2	-25.3
Benchmark / Target	2.6	11.3
Net performance relative to Benchmark	-2.4	-36.6

Relative performance may not tie due to rounding

Fund Overview

Darwin Alternatives was appointed to manage a leisure property development mandate, with the Fund drawing down capital for investment on 1 January 2022.

The Leisure Development Fund aims to outperform the 3-month Sterling SONIA target by 6% p.a. The manager has an annual management fee and performance fee.

Details of the Fund's underlying assets can be found overleaf.

Activity

- The Board of the Manager of the Fund is implementing a change to the management team at the holiday parks. They are currently in the process of appointing a new Managing Director, who will be tasked with implementing a revised strategy which will include:
  - Increasing holiday rental yield.
  - Boosting occupancy during off-peak periods, with a renewed focus on events and non-leisure bookings.
  - Driving holiday home sales across the portfolio by offering ex-holiday rental lodges for sale.
  - Continuing to lower operating costs, utilising technology where possible to make efficiencies.
  - Stronger focus on customer retention through improved marketing to existing customers.
- The Fund has agreed for a sale at Plas Isaf.
- Increasing development costs have resulted in the Fund to re-evaluate the plans for the remaining three development sites in Suffolk, Shropshire and Peebles. The Manager wants to ensure the sites can provide a suitable return on investment before committing to the projects, but this has slowed the development growth in the Fund.

Source: Northern Trust and Darwin Alternatives.

Darwin Alternatives – Leisure Development Fund (2)

Portfolio Holdings

Park	Purchase Rationale	Size (Acres)	Purchase Date
Stratford Armouries, Warwickshire	Develop site into luxury lodge retreat	9	June 2017
Norfolk Woods, Norfolk	Redevelop to holiday resort with leisure facilities	15	June 2017
The Springs, Oxfordshire	Upgrade golf facilities and add lodges to create small lodge resort	133	July 2017
Rivendale, Derbyshire	Redevelop to holiday resort with leisure facilities	35	January 2018
Dundonald Links, Ayrshire	Add lodges and central facilities to create lodge resort	268	March 2019
Kilnwick Percy, East Yorkshire	Add additional lodges to existing golf resort	150	March 2020
Rosetta, Peeblesshire	Redevelop to holiday resort with leisure facilities	47	May 2020
Plas Isaf, North Wales	Add additional lodges utilising existing planning	39	June 2020
Bleathwood, Shropshire	Develop site into luxury lodge retreat	12	December 2020
High Lodge, Suffolk	Redevelop to holiday resort with leisure facilities	64	April 2021
Blenheim Palace, Oxfordshire	Develop site into luxury lodge retreat	10	December 2021

- The Fund also owns a stake in Modular, a lodge manufacturing business.

Portfolio

The table to the left shows details of the parks underlying the Darwin Alternatives Leisure Development Fund portfolio as at 31 December 2024.

Source: Darwin Alternatives.

Oak Hill Advisors – Diversified Credit Strategies

Key area	Performance Commentary
Commentary	• The strategy delivered a positive return of 0.9% on a net of fees basis over the quarter to 31 December 2024, underperforming the benchmark by 1.3%. As the strategy is measured against a Sterling cash-plus benchmark, we would expect relative performance differences over shorter time horizons. • Despite delivering gains for the year, market momentum stalled in December due to uncertainties around the outlook for monetary policy in the U.S. and the implementation of the new US administration's agenda. • The strategy's opportunistic nature means that the fund can take on restructuring opportunities for issuers. There were no defaults over the fourth quarter of 2024 within the Diversified Credit Strategies portfolio, while seven positions representing c. 1.4% of the total portfolio were downgraded. Each position was non-investment grade.

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Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	0.9	8.0	5.2	4.7
Benchmark / Target	2.2	9.3	7.8	6.4
Net Performance relative to Benchmark	-1.3	-1.3	-2.6	-1.7

Relative performance may not tie due to rounding

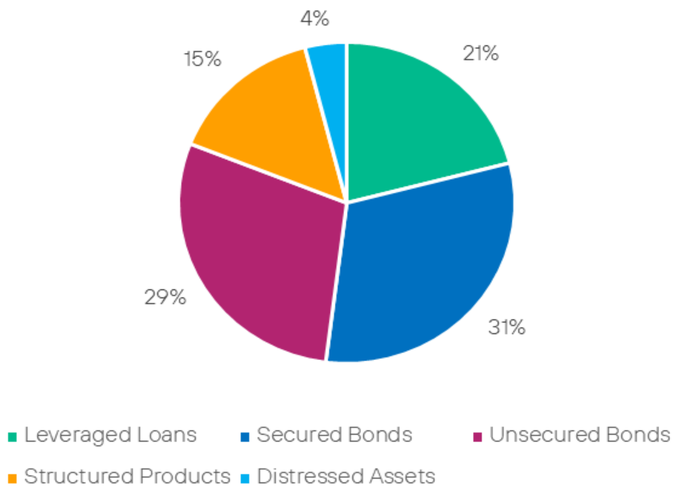
Fund Overview

Oak Hill Advisors was appointed to manage a multi asset credit mandate with the aim of outperforming the 3-month Sterling SONIA benchmark by 4% p.a. The manager has an annual management fee and performance fee.

It should be noted, however, that the DCS Fund is denominated in US Dollars. There is no hedging in place in respect of this investment and therefore short-term returns are impacted by exchange rate fluctuations. Oak Hill Advisors highlights that the strategy has delivered 8.5% on a net of fees basis over the year to 31 December 2024 once currency fluctuations have been stripped out. Oak Hill Advisors compares the performance of the Diversified Credit Strategies Fund against a blended index of high yield credit and leveraged loans, which delivered a return of 8.6% over the year to 31 December 2024.

The chart to the bottom left shows the composition of the Diversified Credit Strategies Fund's portfolio as at 31 December 2024.

Portfolio Sector Breakdown at 31 December 2024



Quarterly Excess Returns

Source: Northern Trust and Oak Hill Advisors.

Partners Group – Direct Infrastructure

Key area	Performance Commentary
Activity	• The Direct Infrastructure Fund's investment period ended on 30 September 2021 and the Fund will therefore make no further investments going forward, having made 22 investments. • As at 30 September 2024, the Partners Group Direct Infrastructure Fund was in its realisation phase with an active portfolio of 13 investments having realised 9 positions to date. • As at 30 September 2024, the Fund has delivered a net IRR of 14.0% since inception.

Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	6.8	9.9	15.2	16.3
Benchmark / Target	3.0	13.3	11.8	10.4
Net Performance relative to Benchmark	3.7	-3.3	3.4	5.9

Relative performance may not tie due to rounding

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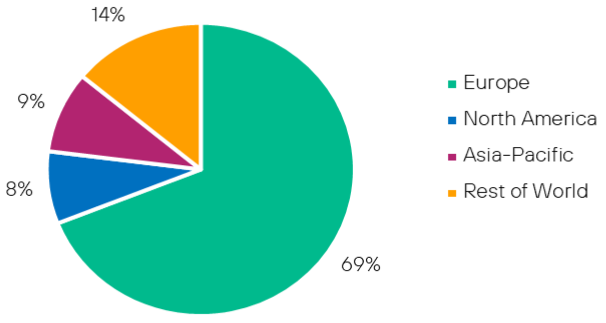
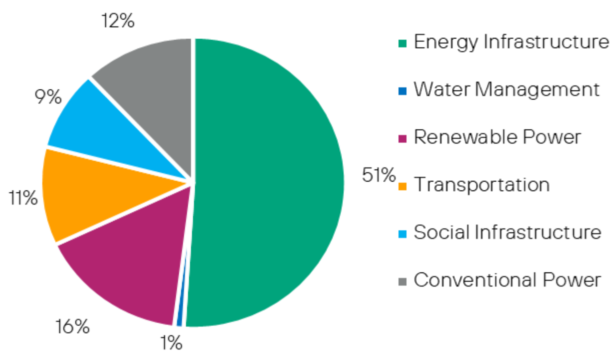
Portfolio Breakdown by Region and Sector as at 30 September 2024

Regional Allocation



Allocation by Sector



Fund Overview

Partners Group was appointed to manage a global infrastructure mandate with the aim of outperforming the 3-month Sterling SONIA benchmark by 8% p.a. The manager has an annual management fee and performance fee.

The charts to the bottom left show the regional split of the Direct Infrastructure Fund and a breakdown of the Fund by infrastructure sector as at 30 September 2024.

Capital Calls and Distributions

Partners Group have confirmed that the Direct Infrastructure Fund is unlikely to draw any further capital into the strategy. Remaining capital is held back for the purposes of meeting potential future currency hedging calls or follow-on capital for portfolio companies.

Over the quarter, Partners Group issued two capital distributions for €0.8m on 21 November 2024 and €1.4m on 20 December 2024 following portfolio asset sales.

Source: Northern Trust and Partners Group.

Quinbrook – Renewables Impact Fund (1)

Key area	Performance Commentary

Capital Calls and Distributions	• The London Borough of Hammersmith & Fulham Pension Fund committed £45m to the Quinbrook Renewables Impact Fund (“QRIF I”) in August 2023 and £35m to the Quinbrook Renewables Impact Fund II (“QRIF II”) in November 2024.
	
	• Over the fourth quarter of 2024, Quinbrook issued one capital call notice in respect of QRIF I and, following quarter end, Quinbrook issued an initial equalisation drawdown request in respect of QRIF II:
	  • A QRIF I capital call of £2.4m for payment by 3 December 2024, drawn entirely for investments; and
	  • A QRIF II equalisation capital call of £6.8m for payment by 29 January 2025.
	
	• Resultantly, the Fund’s £45m commitment to QRIF I is c. 92% drawn for investment as at 31 December 2024 and the Fund’s £35m commitment to QRIF II is c.19% drawn as at 29 January 2025.

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Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)
Net of fees	1.8	-1.4
Benchmark / Target	1.7	5.1
Net performance relative to Benchmark	0.1	-6.5

Relative performance may not tie due to rounding

Fund Overview

Quinbrook was appointed to manage a UK renewable infrastructure mandate with the aim of outperforming the 3-month Sterling SONIA benchmark by 6% p.a. The manager has a base annual management fee and a performance fee.

The Renewables Impact Fund achieved final close on 29 September 2023 having raised £620m in commitments, exceeding the initial £500m target.

As at 30 September 2024, the Renewables Impact Fund has delivered a net IRR of 7.7% since inception.

Activity over the quarter to 30 September 2024

- Construction continued at Project Fortress over the recent quarter, with 92% of piles, 75% of solar mounting structures and 52% of modules installed at quarter end. Metlen (the Project’s EPC contractor) capitalised on the favourable summer weather conditions by installing the equivalent of 145 MW of modules in the quarter, leaving the Project well positioned for 20% energisation in Q4 2024, and 100% energisation in Q1 2025.

- A 6-week delay by the Transmission Owner (“TO”) at the Thurso site is anticipated to delay COD to January 2025. The Manager is actively working to expedite this timeline, which remains ahead of the Pathfinder contract's longstop date.

- At Uskmouth, construction is progressing on budget with works on site involving installation of BESS and power conversion system (“PCS”) foundations, which are now 79% complete.

- In Q2 2024, Uskmouth received a stage two offer for an additional 119.9 MW. Combined with the series of planning amendments to vary the layout to accommodate 349.99 MW, achieved in Q1 2024, the project now has the required land, planning and grid to potentially offer a near-term extension to the current project.

- Habitat secured a further 13% increase in its contracted assets under management during Q3 2024 after signing 242 MW of UK BESS across three counterparties, a noteworthy success in a competitive and tough UK BESS market.

- Construction of the Thistle synchronous condenser portfolio advanced significantly during the quarter. The Rothienorman and Gretna sites are progressing according to plan, with expected Commercial Operation Dates (“COD”) scheduled for December 2024 and January 2025 respectively aligning with their Pathfinder contract timelines.

Source: Northern Trust and Quinbrook.

Quinbrook – Renewables Impact Fund (2)

Project Name	Fund Ownership	Investment Date	Technology	Location
Rassau	100%	Dec-20	Synchronous Condenser	UK
Thurso South	100%	Jul-21	Synchronous Condenser	Scotland
Rothienorman	100%	Jul-21	Synchronous Condenser	Scotland
Gretna	100%	Jul-22	Synchronous Condenser	Scotland
Neilston Grid Services	100%	Jul-22	Synchronous Condenser	Scotland
Reggie Development Loan	100%	Dec-20	Synchronous Condenser	UK
Cleve Hill	100%	Oct-21	Solar and Battery Storage	UK
Uskmouth	100%	May-22	Battery Storage	Wales
Habitat	100%	Jul-21	Trading Platform	UK
Dawn	100%	Mar-22	Battery Storage	UK
Teffont	100%	Apr-23	Battery Storage	UK

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Portfolio

The table to the left shows a list of the investments held by the Quinbrook Renewables Impact Fund as at 30 September 2024. Data as at 31 December 2024 is not available as at the time of writing.

Source: Quinbrook.

abrdn – Long Lease Property

Key area	Performance Comments
Commentary	• The Long Lease Property Fund has delivered a positive return of 1.7% over the quarter to 31 December 2024 and outperformed its gilts-based benchmark by 4.3% with bond yields rising over the quarter. The Fund has, however, underperformed the wider property market over the quarter and longer periods. Further detail is provided overleaf. • abrdn has realised collection rates of 100% for 2020, 2021, 2022, 2023, and 2024 rent, with the manager stating that rent collection levels are back to pre-COVID levels. None of the Long Lease Property Fund's rental income is subject to deferment arrangements.

Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.7	1.0	-8.1	-2.5
Benchmark / Target	-2.6	-1.3	-6.6	-2.7
Net Performance relative to Benchmark	4.3	2.3	-1.5	0.2

Relative performance may not tie due to rounding

Fund Overview

abrdn was appointed to manage a long lease property mandate with the aim of outperforming the FT British Government All Stocks Index benchmark by 2.0% p.a. The manager has an annual management fee.

abrdn acknowledges that further asset sales will be required to meet redemption requests over 2024. The manager will monitor the portfolio with a focus on selling weaker credits or those with poor ESG scores, and further reducing its office exposure where possible. The Fund completed 4 sales over the quarter to 31 December 2024, for a combined total of c. £89m.

As at 31 December 2024, 2.1% of the Fund's NAV is invested in ground rents via an indirect holding in the abrdn Ground Rent Fund, with 24.3% of the Fund invested in income strip assets.

The top 10 tenants contributed c. 65.6% of the total net income of the Fund as at 31 December 2024.

The unexpired lease term as at 31 December 2024 stood at 26.3 years, a decrease of 0.4 years over the fourth quarter of 2024. The proportion of income with fixed, CPI or RPI rental increases decreased by 0.7% over the fourth quarter of 2024 to 93.8% as at 31 December 2024.

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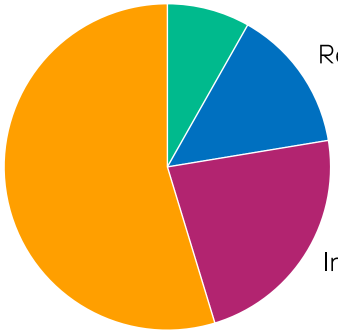
Portfolio Sector Breakdown at 31 December 2024



Top 10 Tenants (% of net rental income) as of 31 December 2024

Tenant	% Net Income	Credit Rating
Amazon UK Services Limited	8.3	AA
Marston's plc	8.0	BB
Viapath Services LLP	7.8	A
J Sainsbury plc	7.6	BBB
Salford Villages Limited	6.7	A
Poundland	5.7	B
Park Holidays	5.7	Ground Rent (A)
Next Group plc	5.6	BBB
Lloyds Bank plc	5.2	Not available
Premier Inn Hotels Limited	4.9	BBB
Total	65.6*	

Source: Northern Trust and abrdn.
Note: At the time of writing abrdn were unable to provide complete data as at 31 December 2024.

abrdn – Long Lease Property

Key area	Performance Comments	Outlook

Commentary (continued)	• abrdn has attributed negative absolute returns over the last three years primarily to the combination of the following factors:
	  • Property market and long income decline at the end of 2022 and early 2023 – starting from a position of materially low market yields over early 2022, following the September 2022 UK Mini Budget and corresponding sharp rise in yields the property market has seen a large relative re-pricing in asset valuation. The characteristically longer duration of long income assets means that the impact of increasing yields has had a greater proportional effect on long income assets than the wider property market.
	  • Asset sales at depressed pricing – owing to rising gilt yields following the UK Mini Budget in September 2022, abrdn received a number of redemption requests from corporate defined benefit schemes. Initially to provide liquidity to meet collateral calls relating to these schemes' leveraged liability driven investment allocations in order to maintain their hedge position, and subsequently for schemes looking to complete insurer buy-out in the shorter-term as a result of short-term significant funding level improvements. Resultantly, abrdn was a forced seller of assets during a period of property valuation decline. As a result of the lack of liquidity and poor market demand, abrdn estimates that disposals over 2022 were completing on average at c. 10% discount to NAV, and over 2023 at around 5-10% discounts. abrdn however highlights that, owing to the general recovery in the property market, most sales over 2024 have completed either broadly at NAV or slightly above.
	  • Sector exposure – while the wider property market has recognised a valuation recovery or stabilisation leading into 2024, this has been driven primarily by retail warehousing, multi-let industrial, private residential, and other sectors that don't lend themselves well to long income. Resultantly, the Long Lease Property Fund has had minimal to no exposure to these asset classes, and therefore has not fully participated in the recovery of the wider property market indices.
		• The manager, abrdn, is confident that the Long Lease Property Fund is well positioned to take advantage of the continued recovery in the wider property market. The Fund has shown shoots of recovery over recent quarters, largely driven by income growth, and abrdn anticipates that capital value growth will be recognised going forward. From a sector perspective, the Fund has a large exposure to industrials and alternatives – two sectors which the manager anticipates are well placed to capture the market recovery.
		• Transaction volumes have been low over 2024 to date, however with improving investor liquidity and looser monetary policy transaction activity is set to increase over the coming year.
		• In continuing to build out the Long Lease Property Fund portfolio, abrdn is targeting quality UK real estate with long leases and strong tenant covenants, with a key focus on only purchasing assets that are deemed "best-in-class" from an ESG perspective. abrdn are also working with the Fund's current assets, collaborating with tenants to ensure that the properties are meeting all sustainability requirements (such as the installation of solar panels and electric vehicle charging stations where possible) and are in the process of delivering social initiatives across the asset base.
		• The manager recognises a general lack of supply for these "best-in-class" properties in the wider market as construction costs have fed through to emerging pipelines. abrdn anticipates that this will feed through into improved pricing for the quality assets already held in the portfolio.

Alpha Real Capital – Index Linked Income

Key area	Comments
Commentary	• The Index Linked Income Fund has delivered a positive return of 1.0% on a net of fees basis over the quarter to 31 December 2024 and outperformed its long-dated inflation-linked gilts benchmark by 13.0% over the three-month period as a result of the negative impact of rising gilt yields at the long end of the curve on the benchmark measure. Alpha Real Capital has collected c. 100% of the Fund's Q4 2024 rental income. • Over the quarter, the Index-Linked Income Fund completed the sale of the Middle 8 Hotel for £48.3m, at book value. The Fund also sold three individual properties within larger portfolios for a total of £1.3m for a small premium to book value. Following quarter end, in January 2025, Inspiring Learning Ltd, the tenant of the Kingswood portfolio entered administration. The portfolio consists of 5 outdoor education sites with a book value of £26.7m (1.9% NAV, 2.0% Rent). The 3 largest properties are in the process of being transferred to PGL, the market leading operator in the sector. The remaining two sites with book value £14.6m (0.5% NAV, 0.6% rent) are ceasing operations. Both sites have received interest from several alternative operators, and Alpha Real Capital is exploring an off-market sales process.

Investment Performance to 31 December 2024

	Last Quarter (%)	One Year (%)
Net of fees	1.0	3.9
Benchmark / Target	-12.0	-18.6
Net performance relative to Benchmark	13.0	22.5

Relative performance may not tie due to rounding

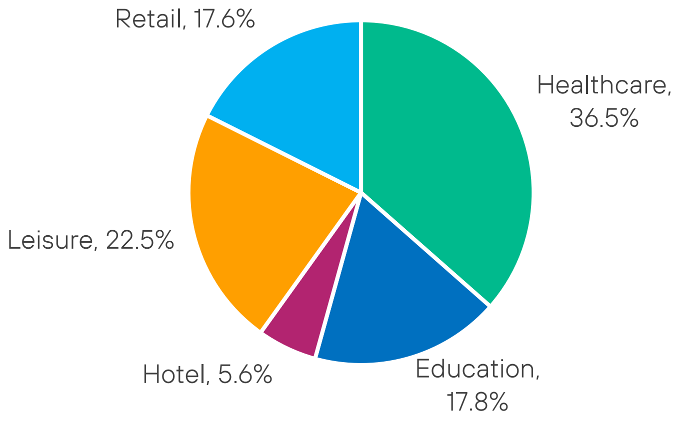
Alpha Real Capital was appointed to manage a ground rents mandate with the aim of outperforming the BoAML Long-Dated UK Inflation-Linked Gilts Index benchmark by 2.0% p.a. over a 5-year period. The manager has an annual management fee.

The average lease length stood at c. 143 years as at 31 December 2024, reducing by one year over the quarter following asset sales. The Index Linked Income Fund's portfolio is 100% linked to RPI (or CPI) with no fixed rent reviews in the portfolio.

The sector allocation in the Index Linked Income Fund as at 31 December 2024 is shown in the chart to the left.

The table shows details of the top ten holdings in the Fund measured by value as at 31 December 2024. The top 10 holdings in the Index Linked Income Fund accounted for c. 71% of the Fund as at 31 December 2024.

Portfolio Sector Breakdown at 31 December 2024



Top Ten Holdings by Value as 31 December 2024

Tenant	Value (%)	Credit Rating
Elysium Healthcare	12.7	A2
Parkdean	11.2	A2
Dobbies	10.2	A3
HC One	10.4	A2
PGL	6.8	Baa2
Away Resorts	6.2	A3
Busy Bees	4.9	A2
Grange Hotels	3.8	N/A
Booths	2.7	N/A
Dobbies (Phase 2)	2.2	A3
Total	71.1	

Source: Northern Trust and Alpha Real Capital.

Man Group – Affordable Housing

Key area	Comments
Commentary	Capital Calls and Distributions • The Fund committed £30m to Man Group in February 2021. • Man Group issued one capital call during the fourth quarter of 2024 for £1.0m for payment by 25 October. • As such, as at 31 December 2024, the Fund's total commitment is c. 87% drawn for investment. Activity • Having completed the strategy's eleventh investment, Man Group has confirmed that no further investments will be added to the Community Housing Fund portfolio. • As at 30 September 2024, the Fund has contracted 1,295 homes and delivered 319 homes. • An update on the Fund's investments in Grantham, Wellingborough and Saltdean can be found in the Private Appendix to this report.

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Investments Held

Investment	Number of Homes	Affordable Homes (%)	Gross Cost (£m)	Capital Invested (£m)
Atelier, Lewes	41	95	13	13
Alconbury, Cambridgeshire	95	100	22	22
Grantham, Lincolnshire	227	82	46	31
Campbell Wharf, Milton Keynes	79	100	22	21
Towergate, Milton Keynes	55	100	18	17
Coombe Farm, Saltdean	71	83	28	22
Chilmington, Ashford	225	85	71	61
Tattenhoe, Milton Keynes	34	100	6	5
Glenvale Park, Wellingborough	146	100	35	13
Old Malling Farm, Lewes	226	100	83	31
Stanhope Gardens, Aldershot	96	100	39	24
Total	**1,295**	**93**	**383**	**259**

Man Group was appointed to manage an affordable housing mandate following the manager selection exercise in February 2021. The manager has an annual management fee.

The table to the left shows a list of the projects currently undertaken by the Man Group Community Housing Fund as at 30 September 2024.

As at 30 September 2024, the Man Group Community Housing Fund has a weighted average expected levered IRR of 8.8%.

Source: Man Group.

Appendices

Fund and Manager Benchmarks

Manager	Asset Class	Allocation	Benchmark	Inception Date
LCIV	Global Equity Quality	13.0%	MSCI AC World Index	30/09/20
LGIM	Low Carbon Target	27.0%	MSCI World Low Carbon Target Index	18/12/18
Ruffer	Dynamic Asset Allocation	10.0%	3 Month Sterling SONIA +4% p.a.	31/07/08
LCIV	Short Duration Buy & Maintain Credit	2.5%	iBoxx £ Collateralized & Corporates 0-5	06/12/2023
LCIV	Long Duration Buy & Maintain Credit	2.5%	iBoxx £ Collateralized & Corporates 10+	06/12/2023
Allspring	Climate Transition Global Buy & Maintain	10.0%	ICE BofA Sterling Corp Bond	07/11/2023
Partners Group	Multi Asset Credit	0.0%	3 Month Sterling SONIA +4% p.a.	28/01/15
Oak Hill Advisors	Multi Asset Credit	5.0%	3 Month Sterling SONIA +4% p.a.	01/05/15
abrdn	Multi Sector Private Credit	4.0%	3 Month Sterling SONIA / ICE ML Sterling BBB Corporate Bond Index	08/04/2020
Partners Group	Infrastructure Fund	5.0%	3 Month Sterling SONIA +8% p.a.	31/08/15
Quinbrook	Renewables Impact Fund	3.5%	3 Month Sterling SONIA +6% p.a.	24/08/23
Darwin Alternatives	Leisure Development Fund	2.5%	3 Month Sterling SONIA +6% p.a.	01/01/22
abrdn	Long Lease Property	5.0%	FT British Government All Stocks Index +2.0%	09/04/15
Alpha Real Capital	Ground Rents	7.5%	BoAML >5 Year UK Inflation-Linked Gilt Index +2.0%	17/05/21
Man Group	Affordable / Supported Housing	2.5%	3 Month Sterling SONIA +4% p.a. (Target)	02/06/21
	Total	100.0%		

Yield Analysis

Manager	Asset Class	Yield as at end December 2024
LCIV Global Sustain	Global Equity	1.28%
LGIM MSCI Low Carbon	Global Equity	1.75%
LCIV Absolute Return	Dynamic Asset Allocation	1.28%
Allspring Climate Transition B&M	Dynamic Asset Allocation	4.84%
LCIV Short B&M	Dynamic Asset Allocation	3.99%
LCIV Long B&M	Dynamic Asset Allocation	5.32%
Partners Group MAC	Secure Income	5.10%
abrdn MSPC Fund	Secure Income	6.41%
Oak Hill Advisors	Secure Income	7.10%
Standard Life Long Lease Property	Inflation Protection	4.91%
Alpha Real Capital	Inflation Protection	4.02%*
	Total	**2.60%**

*As at 30 September 2024.

Explanation of Market Background

This glossary explains the components of the Market Background charts at the beginning of this report.

All returns are in Sterling terms, unhedged, unless otherwise stated. Where "hedged" returns are quoted, these are local currency returns (i.e. any costs and imprecisions in hedging are assumed to be negligible).

Market Background Overview

- Returns by Asset Class – The market indices underlying this chart are as follows:
  - UK Equity: FTSE All-Share
  - Global Equity: FTSE World (Unhedged and Hedged)
  - Emerging Market Equity: MSCI Emerging Markets
  - Diversified Growth Funds: mean of a sample of DGF managers
  - Property: IPD Monthly UK
  - Global High Yield: BoAML Global High Yield (GBP Hedged)
  - UK Inv. Grade Credit: BoAML Sterling Non-Gilt
  - Over 15 Years Gilts: FTSE Over 15 Year Gilt
  - Over 5 Years Index-Linked Gilts: FTSE Over 5 Year Index-Linked Gilt
  - Example Liabilities: a simplified calculation illustrating how a typical pension scheme's past-service liabilities may have moved

Market Background – Yields

- Yields – Yields shown are annual yields (i.e. they have been converted from the "continuously compounded" basis quoted by the Bank of England).
- Example Liabilities – This illustrates how a typical scheme's past-service liabilities may have moved.
  - It is based on a simplified calculation assuming a scheme with duration 20 years and liabilities split 70% inflation-linked and 30% fixed.
  - Liability movement is calculated using yield changes and unwinding (short-term interest rate with no premium) only, with no accrual, outgo, or inflation experience.
  - A rise in yields equates to a fall in the calculated value of the liabilities (due to the higher discount rate at which the future cashflows are valued); conversely, a fall in yields means a rise in liabilities.

Allspring – ESG Metrics (1)

Data Source	Metric	Scoring	Description
MSCI	MSCI ESG Scores	Scores range from 10 (best) to 0 (worst)	MSCI measures and analyses companies' risk and opportunities arising from environmental, social and governance issues. By assessing indicators typically not identified by traditional securities analysis, ESG Ratings uncover hidden risks and value potential for investors. Ratings range from AAA (best) to CCC (worst). Scores range from 10 (best) to 0 (worst).
Sustainalytics	ESG Risk Score	ESG Risk assessment ranging from Negligible (best) to Severe (worst)	ESG Risk assessment consisting of Negligible (best), Low, Medium, High, and Severe (worst).
Trucost	Carbon Intensity-Direct+First Tier Indirect (tonnes CO_2e/\$MM)	GHG emissions over which the company has control, or derive from direct suppliers, divided by revenue	Greenhouse gases emitted by the direct operations of and suppliers to a company (scope 1, 2, and upstream scope 3) divided by revenue.
Trucost	Carbon-Direct+First Tier Indirect (tonnes CO_2e)	GHG emissions over which the company has control (Direct + First Tier indirect)	Greenhouse gases emitted by the direct operations of and suppliers to a company (scope 1, 2, and upstream scope 3).
Trucost	Carbon-Scope 1 (tonnes CO_2e)	GHG emissions from operations that are owned or controlled by the company	Greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the company (reference: GHG Protocol).
Trucost	Carbon-Scope 2 (tonnes CO_2e)	GHG emissions from consumption of purchased electricity, heat or steam by the company	Greenhouse gas emissions from consumption of purchased electricity, heat or steam by the company (reference: GHG Protocol).
Trucost	Carbon-Scope 3 (tonnes CO_2e)	Other indirect GHG emissions not covered in Scope 2	Other upstream indirect greenhouse gas emissions, such as from the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc. (in line with GHG Protocol standards) (reference: GHG Protocol).

Source: Allspring.

Allspring – ESG Metrics (2)

Data Source	Metric	Scoring	Description
Trucost	Reserves CO2 emissions from Coal (tonnes)	GHG emissions embedded in coal reserves in tonnes CO2	GHG emissions embedded in coal reserves in tonnes CO2.
Trucost	Reserves CO2 emissions from Gas (tonnes)	GHG emissions embedded in gas reserves in tonnes CO2	GHG emissions embedded in gas reserves in tonnes CO2.
Trucost	Reserves CO2 emissions from Oil (tonnes)	GHG emissions embedded in oil reserves in tonnes CO2	GHG emissions embedded in oil reserves in tonnes CO2.
Trucost	tCO2e (under)/over 2°C carbon budget base year-horizon year	tCO2e (under)/over 2°C carbon budget base year-horizon year	This indicates the difference between a company's projected emissions pathway and the required pathway to reach 2°C alignment over the time horizon assessed, measured in tonnes of carbon dioxide equivalent. A negative value indicates a company's transition pathway is aligned with a 2°C outcome, while a positive value indicates a company's transition pathway is misaligned with a 2°C outcome.

Source: Allspring.

Disclaimers

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- This report sets out the past performance of various asset classes and fund managers. It should be noted that past performance is not a guide to the future.
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Committee Report **Appendix 3**
Reporting Period: Q3 24/25
Pension Fund Current Account Cashflow Actuals and Forecast for period Oct - Dec-24

Pension Fund Current Account Cashflow Actuals and Forecast for period Oct - Dec-24

	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	F'cast Annual Total	F'cast Monthly Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s		
	Actual	Actual	Actual	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast		
Balance b/f	**21,592**	**20,208**	**21,536**	**6,291**	**5,460**	**4,029**	**5,595**	**4,057**	**2,389**	**3,643**	**2,392**	**637**	**£000s**	**£000s**
Contributions	3,554	6,164	1,139	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	43,257	3,605
Pensions	(3,532)	(3,525)	(3,538)	(3,531)	(3,531)	(3,533)	(4,238)	(3,768)	(3,846)	(3,951)	(3,855)	(3,884)	(44,731)	(3,728)
Lump Sums	(1,603)	(933)	(1,191)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(10,926)	(911)
Net TVs in/(out)	731	(576)	683	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(1,862)	(155)
Net Expenses/other transactions	(534)	(561)	(12,472)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(17,168)	(1,431)
Net Cash Surplus/(Deficit)	**(1,384)**	**569**	**(15,378)**	**(1,431)**	**(1,431)**	**(1,433)**	**(2,138)**	**(1,668)**	**(1,746)**	**(1,851)**	**(1,755)**	**(1,784)**	**(31,431)**	**(2,619)**
Distributions		759	133	600			600			600			2,692	538
Net Cash Surplus/(Deficit) including investment income	**(1,384)**	**1,328**	**(15,245)**	**(831)**	**(1,431)**	**(1,433)**	**(1,538)**	**(1,668)**	**(1,746)**	**(1,251)**	**(1,755)**	**(1,784)**	**(28,739)**	**(2,395)**
Transfers (to)/from Custody Cash						3,000			3,000			3,000	9,000	1,800
Balance c/f	**20,208**	**21,536**	**6,291**	**5,460**	**4,029**	**5,595**	**4,057**	**2,389**	**3,643**	**2,392**	**637**	**1,853**	**78,092**	**(595)**

Current account cashflow actuals compared to forecast in Oct - Dec-24

	Oct-24		Nov-24		Dec-24		Oct - Dec-24
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Contributions	4,000	3,554	4,000	6,164	4,000	1,139	(1,143)
Pensions	(3,534)	(3,532)	(3,549)	(3,525)	(3,552)	(3,538)	41
Lump Sums	(800)	(1,603)	(800)	(933)	(800)	(1,191)	(1,326)
Net TVs in/(out)	(300)	731	(300)	(576)	(300)	683	1,738
Expenses/other transactions	(400)	(534)	(400)	(561)	(400)	(12,472)	(12,368)
Distributions			500	759		133	392
Transfers (to)/from Custody Cash							
Total	**(1,034)**	**(1,384)**	**(549)**	**1,328**	**(1,052)**	**(15,245)**	**(12,666)**

Notes on variances

- The large variances in the other transactions line is the transfer of Final Aviva Redemption Monies from the Fund's Bank Account to the Custody Cash account
- Contributions are paid one month in arrears.
- Transfers in and lump sum benefits cannot be reliably forecast given they relate to individual member decisions and take time to process

Pension Fund Custody Invested Cashflow Actuals and Forecast for period Oct - Dec-24

	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	F'cast Annual Total	F'cast Monthly Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s		
	Actual	Actual	Actual	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast		
Balance b/f	**15,680**	**17,500**	**16,012**	**32,154**	**26,843**	**28,841**	**25,842**	**20,344**	**22,344**	**19,345**	**13,846**	**15,847**	**£000s**	**£000s**
Sale of Assets														
Purchase of Assets	(1,566)	(2,917)	(567)	(6,817)			(7,000)			(7,000)			(25,867)	(4,311)
Net Capital Cashflows	**(1,566)**	**(2,917)**	**(567)**	**(6,817)**			**(7,000)**			**(7,000)**			**(25,867)**	**(2,156)**
Distributions	3,329	1,391	2,062	1,500	2,000		1,500	2,000		1,500	2,000		17,283	1,728
Interest	37	59	57	10	10	10	10	10	10	10	10	10	243	20
Management Expenses														
Foreign Exchange Gains/Losses	19	(21)	(10)	(4)	(12)	(9)	(8)	(10)	(9)	(9)	(9)	(9)	(92)	(8)
Class Actions														
Other Transactions														
Net Revenue Cashflows	**3,386**	**1,429**	**2,109**	**1,506**	**1,998**	**1**	**1,502**	**2,000**	**1**	**1,501**	**2,001**	**1**	**17,434**	**1,453**
Net Cash Surplus/(Deficit) excluding withdrawals	**1,820**	**(1,488)**	**1,542**	**(5,311)**	**1,998**	**1**	**(5,498)**	**2,000**	**1**	**(5,499)**	**2,001**	**1**	**(8,432)**	**(703)**
Contributions to Custody Cash			14,600											
Withdrawals from Custody Cash						(3,000)			(3,000)			(3,000)	(9,000)	(900)
Balance c/f	**17,500**	**16,012**	**32,154**	**26,843**	**28,841**	**25,842**	**20,344**	**22,344**	**19,345**	**13,846**	**15,847**	**12,848**	**(17,432)**	**(1,603)**

London Borough of Hammersmith and Fulham Pension Fund Risk Register														Appendix 4
Risk Group	Risk Ref.	Risk Description	Impact				Likelihood	Previous risk score	Current risk score	Trending	Mitigation actions	Lead Director/Risk	Reviewed on
			Fund	Employers	Reputation	Total							
Asset and Investment Risk	1	Significant volatility and negative sentiment in global investment markets following disruptive geopolitical and economic uncertainty. Within this consideration is given to Covid-19, Brexit, and the invasion of Ukraine, current events in the Middle East.	5	4	1	10	4	40	40	↔	**TREAT** 1) Continued dialogue with investment managers regarding management of political risk in global developed markets. 2) Investment strategy integrates portfolio diversification and risk management. 3) The Fund alongside its investment consultant continually reviews its investment strategy in different asset classes.	**Phil Triggs**	31/12/2024
Liability Risk	2	There is insufficient cash available to the Fund to meet pension payments due to reduced income generated from underlying investments, leading to investment assets being sold at sub-optimal prices to meet pension obligations.	5	4	3	12	3	36	36	↔	**TREAT** 1) Cashflow forecast maintained and monitored. Cashflow position reported to Committee quarterly. 2) The Fund receives quarterly income distributions from some of its investments to help meet its short term pensions obligations. 3) The fund will review the income it receives from underlying investments and make suitable investments to meet its target income requirements.	**Phil Triggs**	31/12/2024
Asset and Investment Risk	3	The London Collective Investment Vehicle (LCIV) disbands or the partnership fails to produce proposals/solutions deemed sufficiently ambitious.	4	3	3	10	2	20	20	↔	**TORELATE** 1) Partners for the pool have similar expertise and like-mindedness of the officers and members involved with the fund, ensuring compliance with the pooling requirements. 2) Monitor the ongoing fund and pool proposals are comprehensive and meet government objectives. 3)Fund representation on key officer groups. 4) Ongoing Shareholder Issue remains a threat 5) LCIV have appointed a new CIO, Jenny Buck who will be starting in March 2025	**Phil Triggs**	31/12/2024
Asset and Investment Risk	4	Investment managers fail to achieve benchmark/ outperformance targets over the longer term: a shortfall of 0.1% on the investment target will result in an annual impact of £1.25m.	5	3	2	10	4	40	40	↔	**TREAT** 1) The Investment Management Agreements (IMAs)clearly state LBHF's expectations in terms of investment performance targets. 2) Investment manager performance is reviewed on a quarterly basis. 3) The Pension Fund Committee is positioned to move quickly if it is felt that targets will not be achieved. 4) Portfolio rebalancing is considered on a regular basis by the Pension Fund Committee. 5) The Fund's investment management structure is highly diversified, which lessens the impact of manager risk compared with less diversified structures.	**Phil Triggs**	31/12/2024
Asset and Investment Risk	5	Global investment markets fail to perform in line with expectations leading to deterioration in funding levels and increased contribution requirements from employers.	5	3	2	10	3	30	30	↑	**TREAT** 1) Proportion of total asset allocation made up of equities, fixed income, property funds and other alternative asset funds, limiting exposure to one asset category. 2) The investment strategy is continuously monitored and periodically reviewed to ensure optimal risk asset allocation. 3) Actuarial valuation and strategy review take place every three years post the actuarial valuation. 4) IAS19 data is received annually and provides an early warning of any potential problems. 5) The actuarial assumption regarding asset outperformance is regarded as achievable over the long term when compared with historical data.	**Phil Triggs**	31/12/2024
Asset and Investment Risk	6	Implementation of proposed changes to the LGPS (pooling) does not conform to plan or cannot be achieved within laid down timescales	3	2	1	6	3	18	18	↑	**TOLERATE** 1) Officers consult and engage with DLUHC, LGPS Scheme Advisory Board, advisors, consultants, peers, various seminars and conferences. 2) Officers engage in early planning for implementation against agreed deadlines. 3) Uncertainty surrounding new DLUHC guidance	**Phil Triggs**	31/12/2024
Asset and Investment Risk	7	London CIV has inadequate resources to monitor the implementation of investment strategy and as a consequence are unable to address underachieving fund managers.	3	3	2	8	2	16	16	↑	**TREAT** 1) Tri-Borough Director of Treasury & Pensions is a member of the officer Investment Advisory Committee which gives the Fund influence over the work carried out by the London CIV. 2) Officers continue to monitor the ongoing staffing issues and the quality of the performance reporting provided by the London CIV.	**Phil Triggs**	31/12/2024
Liability Risk	8	Impact of economic and political decisions on the Pension Fund's employer workforce.	5	2	1	8	2	16	16	↔	**TOLERATE** 1) The Fund Actuary uses prudent assumptions on future of employees within workforce. 2) Employer responsibility to flag up potential for major bulk transfers outside of the LBHF Fund. 3) Officers to monitor the potential for a significant reduction in the workforce as a result of the public sector financial pressures.	**Eleanor Dennis**	31/12/2024
Asset and Investment Risk	9	Failure to keep up with the pace of change regarding economic, policy, market and technology trends relating to climate change	3	2	1	6	3	18	18	↔	**TREAT** 1) Officers regularly receive updates on the latest ESG policy developments from the fund managers. 2) The Pensions Fund is a member of the Local Authority Pension Fund Forum (LAPFF) which engages with companies on a variety of ESG issues including climate change.	**Phil Triggs**	31/12/2024
Asset and Investment Risk	10	Increased scrutiny on environmental, social and governance (ESG) issues, leading to reputational damage. The Council declared a climate emergency in July 2019, the full impact of this decision is uncertain. TCFD regulations impact on LGPS schemes currently under consultation and expected to come into force during 2023. Reporting expected to come into effect from December 2024.	3	2	4	9	3	27	27	↑	**TREAT** 1) Review ISS in relation to published best practice (e.g. Stewardship Code, Responsible Investment Statement) 2) The Fund currently holds investments all it passive equities in a low carbon tracker fund, and is invested in renewable infrastructure. 3) The Fund's actively invests in companies that are contributing to global sustainability through its Global Core Equity investment 4) The Fund has updated its ESG Policy and continues to review its Responsible Investment Policy 5) The Fund is a member of the Local Authority Pension Fund Forum	**Phil Triggs**	31/12/2024
Asset and Investment Risk	11	Mismatching of assets and liabilities, inappropriate long-term asset allocation or investment strategy, mistiming of investment strategy	5	3	3	11	2	22	22	↔	**TREAT** 1) Active investment strategy and asset allocation monitoring from Pension Fund Committee, officers and consultants. 2) Officers, alongside the Fund's advisor, set fund specific benchmarks relevant to the current position of fund liabilities. 3) Fund manager targets set and based on market benchmarks or absolute return measures.	**Phil Triggs**	31/12/2024
Asset and Investment Risk	12	Inadequate, inappropriate or incomplete investment or actuarial advice is actioned leading to a financial loss or breach of legislation.	5	3	2	10	2	20	20	↔	**TREAT** 1) At time of appointment, the Fund ensures advisers have appropriate professional qualifications and quality assurance procedures in place. 2) Committee and officers scrutinise, and challenge advice provided routinely.	**Phil Triggs**	31/12/2024
Asset and Investment Risk	13	Financial failure of third party supplier results in service impairment and financial loss.	5	4	1	10	2	20	20	↔	**TREAT** 1) Performance of third party suppliers regularly monitored. 2) Regular meetings and conversations with global custodian (Northern Trust) take place. 3) Actuarial and investment consultancies are provided by two different providers.	**Eleanor Dennis/Phil Triggs**	31/12/2024

Asset and Investment Risk	14	Failure of global custodian or counterparty.	5	3	2	10	2	20	20	↔	**TREAT** 1)At time of appointment, ensure assets are separately registered and segregated by owner. 2)Review of internal control reports on an annual basis. 3)Credit rating kept under review.	**Phil Triggs**	31/12/2024
Asset and Investment Risk	15	Financial failure of a fund manager leads to value reduction, increased costs and impairment.	4	3	3	10	2	20	20	↔	**TREAT** 1) Adequate contract management and review activities are in place. 2) Fund has processes in place to appoint alternative suppliers at similar price, in the event of a failure. 3) Fund commissions the services of Legal & General Investment Management (LGIM) as transition manager. 4) Fund has the services of the London CIV.	**Phil Triggs**	31/12/2024
Liability Risk	16	Failure to identify GMP liability leads to ongoing costs for the pension fund.	3	2	1	6	1	6	6	↔	**TREAT** 1) GMP to be identified as a Project as part of the Service Specification between the Fund and LPPA.	**Eleanor Dennis**	31/12/2024
Liability Risk	17	Rise in ill health retirements impact employer organisations.	2	2	1	5	2	10	10	↔	**TREAT** 1) Engage with actuary re assumptions in contribution rates.	**Eleanor Dennis**	31/12/2024
Liability Risk	18	Rise in discretionary ill-health retirements claims adversely affecting self-insurance costs.	2	2	1	5	2	10	10	↔	**TREAT** 1) Pension Fund monitors ill health retirement awards which contradict IRMP recommendations.	**Eleanor Dennis**	31/12/2024
Liability Risk	19	Price inflation is significantly more than anticipated in the actuarial assumptions: an increase in CPI inflation by 0.1% over the assumed rate will increase the liability valuation by upwards of 1.7%. Inflation continues to rise in the UK and globally due to labour shortages, supply chain issues, and high energy prices.	5	3	2	10	5	50	50	↔	**TREAT** 1) The fund holds investments in index-linked bonds (RPI protection which is higher than CPI) and other real assets to mitigate CPI risk. Moreover, equities will also provide a degree of inflation protection. 2) Officers continue to monitor the increases in CPI inflation on an ongoing basis. 3) Short term inflation is expected due to a number of reasons on current course.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Liability Risk	20	Scheme members live longer than expected leading to higher than expected liabilities.	5	5	1	11	2	22	22	↔	**TOLERATE** 1)The scheme's liability is reviewed at each triennial valuation and the actuary's assumptions are challenged as required. 2)The actuary's most recent longevity analysis has shown that the rate of increase in life expectancy is slowing down.	**Eleanor Dennis**	31/12/2024
Liability Risk	21	Employee pay increases are significantly more than anticipated for employers within the Fund. Persistently high inflation will potentially lead to unexpectedly high pay awards.	4	4	2	10	3	30	30	↔	**TOLERATE** 1) Fund employers continue to monitor own experience. 2) Assumptions made on pay and price inflation (for the purposes of IAS19/FRS102 and actuarial valuations) should be long term assumptions. Any employer specific assumptions above the actuary's long term assumption would lead to further review. 3) Employers to made aware of generic impact that salary increases can have upon the final salary linked elements of LGPS benefits (accrued benefits before 1 April 2014). 4) Pay rises generally remain below inflation.	**Eleanor Dennis**	31/12/2024
Liability Risk	22	Ill health costs may exceed "budget" allocations made by the actuary resulting in higher than expected liabilities particularly for smaller employers.	4	2	1	7	2	14	14	↔	**TOLERATE** 1) Review "budgets" at each triennial valuation and challenge actuary as required. 2) Charge capital cost of ill health retirements to admitted bodies at the time of occurring. 3) Occupational health services provided by the Council and other large employers to address potential ill health issues early.	**Eleanor Dennis**	31/12/2024
Liability Risk	23	Impact of increases to employer contributions following the actuarial valuation.	5	5	3	13	2	26	26	↔	**TREAT** 1) Officers to consult and engage with employer organisations in conjunction with the actuary. 2) Actuary will stabilise employer rates when valuation concludes March 2023.	**Eleanor Dennis**	31/12/2024
Regulatory and Compliance Risk	24	Changes to LGPS Regulations	3	2	1	6	3	18	18	↔	**TREAT** 1) Fundamental change to LGPS Regulations implemented from 1 April 2014 (change from final salary to CARE scheme). 2) Future impacts on employer contributions and cash flows will considered during the 2019 actuarial valuation process. 3) Fund will respond to several ongoing consultation processes. 4) Impact of LGPS (Management of Funds) Regulations 2016 to be monitored. Impact of Regulations 8 (compulsory pooling) to be monitored.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Liability Risk	25	Changes to LGPS Scheme moving from Defined Benefit to Defined Contribution	5	3	2	10	1	10	10	↔	**TOLERATE** 1) Political power required to effect the change.	**Phil Triggs**	31/12/2024
Liability Risk	26	Transfers out of the scheme increase significantly due to members transferring their pensions to DC funds to access cash through new pension freedoms.	4	4	2	10	1	10	10	↔	**TOLERATE** 1) Monitor numbers and values of transfers out being processed. If required, commission transfer value report from Fund Actuary for application to Treasury for reduction in transfer values. 2) Evidence has shown that members have not been transferring out of the CARE scheme at the previously anticipated rates.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Liability Risk	27	Scheme matures more quickly than expected due to public sector spending cuts, resulting in contributions reducing and pension payments increasing.	5	3	1	9	2	18	18	↔	**TREAT** 1) Review maturity of scheme at each triennial valuation. 2)Deficit contributions specified as lump sums, rather than percentage of payroll to maintain monetary value of contributions. 3) Cashflow position monitored monthly.	**Eleanor Dennis**	31/12/2024

Liability Risk	28	The level of inflation and interest rates assumed in the valuation may be inaccurate leading to higher than expected liabilities.	4	2	1	7	4	28	28	↔	TREAT 1) Review at each triennial valuation and challenge actuary as required. 2) Growth assets and inflation linked assets in the portfolio should rise as inflation rises.	**Phil Triggs**	31/12/2024
Regulatory and Compliance Risk	29	Pensions legislation or regulation changes resulting in an increase in the cost of the scheme or increased administration.	4	2	1	7	2	14	14	↑	TREAT 1) Maintain links with central government and national bodies to keep abreast of national issues. 2)Respond to all consultations and lobby as appropriate to ensure consequences of changes to legislation are understood.	**Eleanor Dennis**	31/12/2024
Employer Risk	30	Structural changes in an employer's membership or an employer fully/partially closing the scheme. Employer bodies transferring out of the pension fund or employer bodies closing to new membership. An employer ceases to exist with insufficient funding or adequacy of bond placement.	5	3	1	9	3	27	27	↔	TREAT 1) Administering Authority actively monitors prospective changes in membership. 2) Maintain knowledge of employer future plans. 3) Contributions rates and deficit recovery periods set to reflect the strength of the employer covenant. 4) Periodic reviews of the covenant strength of employers are undertaken and indemnity applied where appropriate. 5) Monitoring of gilt yields for assessment of pensions deficit on a termination basis.	**Eleanor Dennis**	31/12/2024
Employer Risk	31	Failure of an admitted or scheduled body leads to unpaid liabilities being left in the Fund to be met by others. Current economic conditions will cause strain on smaller employers.	5	3	3	11	2	22	22	↔	TREAT 1) Transferee admission bodies required to have bonds in place at time of signing the admission agreement. 2) Regular monitoring of employers and follow up of expiring bonds.	**Eleanor Dennis**	31/12/2024
Resource and Skill Risk	32	Administrators do not have sufficient staff or skills to manage the service leading to poor performance and complaints.	1	3	3	7	2	14	14	↔	TREAT 1) Change to LPPA has increased resilience in the administration service 2) Ongoing monitoring of contract and KPIs	**Eleanor Dennis**	31/12/2024
Resource and Skill Risk	33	Poor reconciliation process leads to incorrect contributions.	2	1	1	4	3	12	12	↔	TREAT 1) Reconciliation is undertaken by the pension fund team. Officers to ensure that reconciliation process notes are understood and applied correctly the team. 2) Ensure that the Pension Fund team is adequately resourced to manage the reconciliation process.	**Phil Triggs**	31/12/2024
Resource and Skill Risk	34	Failure to detect material errors in bank reconciliation process.	2	2	2	6	2	12	12	↔	TREAT 1) Pensions team to continue to work closely with staff at HCC to smooth over any teething problems relating to the newly agreed reconciliation process.	**Phil Triggs**	31/12/2024
Resource and Skill Risk	35	Failure to pay pension benefits accurately leading to under or over payments.	2	2	2	6	2	12	12	↔	TREAT 1) There are occasional circumstances where under/over payments are identified. Where underpayments occur, arrears are paid as soon as possible, usually in the next monthly pension payment. Where an overpayment occurs, the member is contacted, and the pension corrected in the next month. Repayment is requested and sometimes this is collected over several months.	**Eleanor Dennis**	31/12/2024
Resource and Skill Risk	36	Unstructured training leads to under developed workforce resulting in inefficiency.	2	2	2	6	2	12	12	↔	TREAT 1) Implementation and monitoring of a Staff Training and Competency Plan as part of the Service Specification between the Fund and LPPA. 2) Officers regularly attend training seminars and conferences 3) Designated officer in place to record and organise training sessions for officers and members	**Eleanor Dennis/Phil Triggs**	31/12/2024
Resource and Skill Risk	37	Lack of guidance and process notes leads to inefficiency and errors.	2	2	1	5	2	10	10	↔	TREAT 1) The team will continue to ensure process notes are updated and circulated amongst colleagues in the Pension Fund and Administration teams.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Resource and Skill Risk	38	Lack of productivity leads to impaired performance.	2	2	1	5	2	10	10	↔	TREAT 1) Regular appraisals with focused objectives for pension fund and admin staff.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Resource and Skill Risk	39	Failure by the audit committee to perform its governance, assurance and risk management duties	3	2	1	6	3	18	18	↔	TREAT 1) Audit Committee performs a statutory requirement for the Pension Fund with the Pension Fund Committee being a sub-committee of the audit committee. 2) Audit Committee meets regularly where governance issues are regularly tabled.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Resource and Skill Risk	40	Officers do not have appropriate skills and knowledge to perform their roles resulting in the service not being provided in line with best practice and legal requirements. Succession planning is not in place leading to reduction of knowledge when an officer leaves.	4	3	3	10	2	20	20	↔	TREAT 1) Person specifications are used at recruitment to appoint officers with relevant skills and experience. 2) Training plans are in place for all officers as part of the performance appraisal arrangements. 3) Shared service nature of the pensions team provides resilience and sharing of knowledge. 4) Officers maintain their CPD by attending training events and conferences.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Resource and Skill Risk	41	Committee members do not have appropriate skills or knowledge to discharge their responsibility leading to inappropriate decisions.	4	3	2	9	3	27	27	↔	TREAT 1) External professional advice is sought where required. Knowledge and skills policy in place (subject to Committee Approval) 2) Comprehensive training packages will be offered to members. 3) Co-opted members boost resilience.	**Eleanor Dennis/Phil Triggs**	31/12/2024

Resource and Skill Risk	42	Loss of 'Elective Professional Status' with any Fund managers and counterparties resulting in reclassification of fund from professional to retail client status impacting Fund's investment options and ongoing engagement with the Fund managers.	4	2	2	8	2	**16**	**16**	↔	**TREAT** 1)Keep quantitative and qualitative requirements under review to ensure that they continue to meet the requirements. 2)Training programme and log are in place to ensure knowledge and understanding is kept up to date. Two half day events have taken place in 22/23 and a third will take place before the end of March 2023. 3)Existing and new Officer appointments subject to requirements for professional qualifications and CPD.	**Phil Triggs**	31/12/2024
Resource and Skill Risk	43	Change in membership of Pension Fund Committee leads to dilution of member knowledge and understanding	2	2	1	5	4	**20**	**20**	↔	**TREAT** 1) Succession planning processes are in place. 2) Ongoing training of Pension Fund Committee members. 3) Pension Fund Committee new member induction programme. 4) Training to be based on the requirements of CIPFA Knowledge and Skills Framework under designated officer.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Administrative and Communicative Risk	44	Failure of fund manager or other service provider without notice resulting in a period of time without the service being provided or an alternative needing to be quickly identified and put in place.	5	2	2	9	2	**18**	**18**	↔	**TREAT** 1) Contract monitoring in place with all providers. 2) Procurement team send alerts whenever credit scoring for any provider changes for follow up action. 3). Officers to take advice from the investment advisor on fund manager ratings and monitoring investment	**Eleanor Dennis/Phil Triggs**	31/12/2024
Administrative and Communicative Risk	45	Concentration of knowledge in a small number of officers and risk of departure of key staff.	2	2	3	7	3	**21**	**21**	↔	**TREAT** 1) Process notes are in place. 2) Development of team members and succession planning improvements to be implemented. 3) Officers and members of the Pension Fund Committee will be mindful of the proposed CIPFA Knowledge and Skills Framework when setting objectives and establishing training needs.	**Eleanor Dennis**	31/12/2024
Administrative and Communicative Risk	46	Incorrect data due to employer error, user error or historic error leads to service disruption, inefficiency and conservative actuarial assumptions.	4	4	3	11	2	**22**	**22**	↔	**TREAT** 1) Update and enforce admin strategy to assure employer reporting compliance. **TOLERATE** 1) Hymans Robertson provides 3rd party validation of performance and valuation data. Admin team and members can interrogate data to ensure accuracy.	**Eleanor Dennis**	31/12/2024
Administrative and Communicative Risk	47	Failure of financial system leading to lump sum payments to scheme members and supplier payments not being made and Fund accounting not being possible.	1	3	4	8	2	**16**	**16**	↔	**TREAT** 1) Contract in place with HCC to provide service, enabling smooth processing of supplier payments. 2) Process in place for LPPA to generate lump sum payments to members as they are due. 3) Officers undertaking additional testing and reconciliation work to verify accounting transactions.	**Eleanor Dennis**	31/12/2024
Administrative and Communicative Risk	48	Inability to respond to a significant event leads to prolonged service disruption and damage to reputation.	1	2	5	8	2	**16**	**16**	↔	**TREAT** 1) Disaster recovery plan in place as part of the service specification between the Fund and new provider LPPA 2) Ensure system security and data security is in place 3) Business continuity plans regularly reviewed, communicated and tested 4) Internal control mechanisms ensure safe custody and security of LGPS assets. 5) Gain assurance from the Fund's custodian, Northern Trust, regarding their cyber security compliance.	**Eleanor Dennis**	31/12/2024
Administrative and Communicative Risk	49	Failure of pension payroll system resulting in pensioners not being paid in a timely manner.	1	2	4	7	2	**14**	**14**	↔	**TREAT** 1) In the event of a pension payroll failure, we would consider submitting the previous months BACS file to pay pensioners a second time if a file could not be recovered by the pension administrators and our software suppliers.	**Eleanor Dennis**	31/12/2024
Administrative and Communicative Risk	50	Failure of pension administration system resulting in loss of records and incorrect pension benefits being paid or delays to payment.	1	1	1	3	3	**9**	**9**	↔	**TREAT** 1) Pension administration records are stored on the LPPA servers who have a disaster recovery system in place and records should be restored within 24 hours of any issue. 2) All files are backed up daily.	**Eleanor Dennis**	31/12/2024
Regulatory and Compliance Risk	51	Failure to hold personal data securely in breach of General Data Protection Regulation (GDPR) legislation.	3	3	5	11	2	**22**	**22**	↔	**TREAT** 1) Data encryption technology is in place which allow the secure transmission of data to external service providers. 2) LBHF IT data security policy adhered to. 3) Implementation of GDPR 4) Project team in place to ensure smooth transition	**Sukvinder Kalsi**	31/12/2024
Regulatory and Compliance Risk	52	Failure to comply with recommendations from the Local Pensions Board, resulting in the matter being escalated to the scheme advisory board and/or the pensions regulator	1	3	5	9	2	**18**	**18**	↔	**TREAT** 1) Ensure that a cooperative, effective and transparent dialogue exists between the Pension Fund Committee and Local Pension Board.	**Eleanor Dennis**	31/12/2024
Reputational Risk	53	Loss of funds through fraud or misappropriation leading to negative impact on reputation of the Fund as well as financial loss.	3	2	5	10	2	**20**	**20**	↔	**TREAT** 1) Third parties regulated by the FCA and separation of duties and independent reconciliation processes are in place. 2) Review of third party internal control reports. 3) Regular reconciliations of pensions payments undertaken by Pension Finance Team. 4) Periodic internal audits of Pensions Finance and HR Teams.	**Eleanor Dennis/Phil Triggs**	31/12/2024
Reputational Risk	54	Financial loss of cash investments from fraudulent activity	3	3	5	11	2	**22**	**22**	↔	**TREAT** 1) Policies and procedures are in place which are regularly reviewed to ensure risk of investment loss is minimised. 2) Strong governance arrangements and internal control are in place in respect of the Pension Fund. Internal audit assist in the implementation of strong internal controls. Processes recently firmed up 3)Fund Managers have to provide annual SSAE16 and ISAE3402 or similar documentation (statement of internal controls).	**Phil Triggs**	31/12/2024
Reputational Risk	55	Failure to comply with legislation leads to ultra vires actions resulting in financial loss and/or reputational damage.	5	2	4	11	2	**22**	**22**	↔	**TREAT** 1) Officers maintain knowledge of legal framework for routine decisions. 2)Eversheds retained for consultation on non-routine matters.	**Sukvinder Kalsi**	31/12/2024

Reputational Risk	56	Inaccurate information in public domain leads to damage to reputation and loss of confidence	1	1	3	5	3	**15**	**15**		**TREAT** 1) Ensure that all requests for information (Freedom of Information, member and public questions at Council, etc) are managed appropriately and that Part 2 Exempt items remain so. 2) Maintain constructive relationships with employer bodies to ensure that news is well managed.	**Sukvinder Kalsi**	31/12/2024
Reputational Risk	57	Procurement processes may be challenged if seen to be non-compliant with OJEU rules. Poor specifications lead to dispute. Unsuccessful fund managers may seek compensation following non-compliant process	2	2	3	7	2	**14**	**14**		**TREAT** 1) Ensure that assessment criteria remains robust and that full feedback is given at all stages of the procurement process. 2) Pooled funds are not subject to OJEU rules.	**Phil Triggs**	31/12/2024
Regulatory and Compliance Risk	58	Non-compliance with regulation changes relating to the pension scheme or data protection leads to fines, penalties and damage to reputation.	3	3	2	8	2	**16**	**16**		**TREAT** 1) The Fund has generally good internal controls regarding the management of the Fund. These controls are assessed on an annual basis by internal and external audit as well as council officers. 2) Through strong governance arrangements and the active reporting of issues, the Fund will seek to report all breaches as soon as they occur in order to allow mitigating actions to take place to limit the impact of any breaches.	**Phil Triggs**	31/12/2024
Regulatory and Compliance Risk	59	Failure to comply with legislative requirements e.g. ISS, FSS, Governance Policy, Freedom of Information requests	3	3	4	10	2	**20**	**20**		**TREAT** 1) Publication of all documents on external website. 2) Officers expected to comply with ISS and investment manager agreements. 3) Local Pension Board is an independent scrutiny and assistance function. 4) Annual audit reviews.	**Phil Triggs**	31/12/2024