

# Pensions Board

## Agenda

Wednesday 4 March 2026

7.00 pm

145 King Street (Ground Floor), Hammersmith, W6 9XY

### MEMBERSHIP

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

**CONTACT OFFICER:** Liam Oliff  
Committee Coordinator  
Governance and Scrutiny  
E-mail: [Liam.Oliff@lbhf.gov.uk](mailto:Liam.Oliff@lbhf.gov.uk)

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[www.lbhf.gov.uk/councillors-and-democracy](http://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: 24 February 2026

# Pensions Board Agenda

4 March 2026

<u>Item</u>		<u>Pages</u>
<b>1. APOLOGIES FOR ABSENCE</b>		
<b>2. DECLARATIONS OF INTEREST</b>		
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.</p>	
<b>3. MINUTES OF THE PREVIOUS MEETING</b>		4 - 7
	<p>To approve the minutes of the meeting held on 4th June 2025.</p>	
<b>4. MINUTES OF THE PREVIOUS PENSION FUND COMMITTEE</b>		8 - 13
	<p>To note the minutes of the Pension Fund Committee meeting held on 25th November 2025.</p> <p><i>This item includes appendices that contain exempt information. Discussion of the appendices will require passing the proposed resolution at the end of the agenda to exclude members of the public and press.</i></p>	

- 5. KEY PERFORMANCE INDICATORS** 14 - 30
- 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.
- 6. PENSION ADMINISTRATION UPDATE** 31 - 35
- This paper provides a summary of activity in key areas of pension administration for the Hammersmith and Fulham Pension Fund.
- 7. PENSION FUND QUARTERLY UPDATE Q4 2025** 36 - 84
- This paper provides the Pensions Board with a summary of the Pension Fund's overall performance for the quarter ended 31 December 2025, cashflow update and forecast, and assessment of risks and actions taken to mitigate these.
- This item includes appendices that contain exempt information. Discussion of the appendices will require passing the proposed resolution at the end of the agenda to exclude members of the public and press.*
- 8. EXCLUSION OF THE PRESS AND PUBLIC (IF REQUIRED)**
- The Committee is invited to resolve, 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.
- 9. DATE OF THE NEXT MEETING**
- The next meeting will be held on 3<sup>rd</sup> June 2026.

# Agenda Item 3

London Borough of Hammersmith & Fulham

## Pensions Board Minutes



Wednesday 4 June 2025

### PRESENT

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

**Co-opted members:** Bruce Mackay and William O'Connell

**Officers:** Eleanor Dennis (Head of Pensions), Patrick Rowe (Strategic Finance Manager) and Sian Cogley (Pension Fund Manager)

### 1. APPOINTMENT OF CHAIR AND VICE-CHAIR

**RESOLVED:** That the Pensions Board appointed Councillor Ashok Patel as Chair and Councillor Nikos Souslous as Vice-Chair for the 2025-26 municipal year.

### 2. APOLOGIES FOR ABSENCE

Apologies were received from Andy Sharpe.

### 3. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 4. MINUTES OF THE PREVIOUS MEETING

**RESOLVED:** That the Pensions Board agreed the open minutes of the meeting held on 12th February 2025.

### 5. MINUTES OF THE PREVIOUS PENSION FUND COMMITTEE

**RESOLVED:** That the Pensions Board agreed the open and exempt minutes of the Pension Fund Committee meeting held on 5<sup>th</sup> March 2025.

### 6. 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) for Q4 covering the period January to March 2025. The overall quarterly KPI performance in Q4 was 98.7% which was an improvement on 98.1% in Q3. Performance above target was achieved in 100% of all case types in Q4 and Q3.

The Chair congratulated officers on the continued improvement of the service. He asked why refunds had gone from 97.7% in Q3 to 97.6% in Q4. Eleanor Dennis explained that the percentage was based on a low number of cases compared to other clients. She added that this change would be due to a reallocation of resources to ensure all cases were processed on time.

The Chair asked for clarification on why there were refunds being issued to members. Eleanor Dennis clarified that there were refunds where members had less than 3 months of service and no liability in the pension scheme. She added that they would be refunded on the employee contributions, but the employer contributions stayed in the pension scheme.

**RESOLVED:** That the Pensions Board 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 Pensions Fund. There had been fluctuations in member satisfaction, the reasons behind this were being analysed and the team were awaiting the outcome of that analysis. The team had been busy consulting with members regarding their retirements.

Councillor Nikos Souslous sought a breakdown of the member satisfaction figures. Eleanor Dennis provided the figures that showed 8 responses from members, with 7 being satisfied. There were 33 cases and therefore most didn't respond, but from the ones that did, most were satisfied. She added that there was work to be done to understand why there were not more responses.

William O'Connell asked whether members of the pension scheme would be notified if they were affected by the McCloud judgement. Eleanor Dennis confirmed that the affected members has already been notified.

The Chair questioned why there were overpayments written off totalling £39,647.59 in Q4. Eleanor Dennis explained that this related to legacy bereavement cases, the team had worked with administrators to recover money over several years but once 5 years had passed, they were legally obliged to write it off. She added that they were working on a more robust system for current cases that allowed for quicker identification of overpayments. The Chair commented that the pensions team could use the fact that banks would flag money being paid into a frozen account once someone had deceased as a way of knowing if there had been an overpayment. Eleanor Dennis noted the Chair's comment.

The Chair asked what the benefits would be of the new pensions' dashboard. Eleanor Dennis explained that residents would be able to access all their pensions in one place, including old pensions that they may have forgotten about, this was designed to allow people to access more of their private pension, meaning less reliance on state pensions.

The Chair sought clarification on paragraph 2 on page 25 of the agenda pack, which mentioned errors meaning LPPA had to support employers. Eleanor Dennis clarified

that employers submitted monthly data, but some employers struggled to submit the data in the correct format.

**RESOLVED:** That the Pensions Board noted the report.

## 8. **PENSION FUND QUARTERLY UPDATE Q4 2024**

Sian Cogley (Pension Fund Manager) introduced a report which highlighted the performance to the quarter ended 31<sup>st</sup> December 2024. Since the agenda had been published, more recent information had become available.

- Over the quarter to 31 March 2025, the market value of the assets decreased by £19m to £1,409m.
- The Fund has underperformed its benchmark net of fees by 0.05%, delivering an absolute return of -1.27% over the quarter.
- The total Fund delivered a positive return of 3.73% on a net of fees basis over the year to 31 March 2025.

On the 15th January 2025, officers submitted the Pension Fund's response to the Fit to the Future consultation. This had previously been shared with both the Committee and Board as an appendix to the quarterly update. On 29 May 2025, the consultation outcome was released, alongside the final report on the Pensions Investment Review which covered both Defined Contribution (DC) and Defined Benefits (DB) Schemes. The Local Govt. Pension Scheme fell under a DB scheme.

William O'Connell questioned whether it was wise to be 5% over benchmark for equity in the current uncertain times. Sian Cogley explained that this would be discussed as part of the quarterly performance update at Pension Fund Committee on 25<sup>th</sup> June. She added that as the fund was currently in the process of being revalued, it was likely that the investment strategy would be revised at the end of the year.

The Chair asked for clarification on the Liabilities in Appendix 1 and what they were. Sian Cogley explained that they were the present value of the pensions due to be paid to members.

The Chair raised concern regarding the LCIV Global Equity fund and specifically that there was a negative return both quarterly and annually. Patrick Rowe (Senior Finance Manager) explained that this was the performance of the fund against a benchmark and that the benchmark was a hard benchmark to hit, this was because the benchmark calculation included cash, that was currently performing well.

The Chair referred to page 44 of the agenda pack, and questioned why the LCIV Asset Manager, Ruffer, failed to take advantage of the upturn in the market following Donald Trump's election victory in the USA. Patrick Rowe explained that the fund wasn't positioned to benefit from the rise in equities because they weren't sufficiently allocated in their assets under management to equities.

The Chair commented that the role of the asset manager was to respond to the changing markets and questioned why Ruffer was not live to the upturn in the market. Patrick Rowe confirmed that this was the case and especially for an active

manager such as Ruffer but explained that Ruffer's mandate was to offer an uncorrelated position in the portfolio so that they're well placed to benefit when equities fell.

The Chair asked whether Aberdeen Long Lease was a commercial or residential investment. It was confirmed that it was a commercial investment.

The Chair commented that 26 years felt too short for a long lease. Sian Cogley told the Board that 26 years struck a balance between income durability and adapting to the market.

The Chair questioned whether there was a lock in period for the Aberdeen fund. Patrick Rowe confirmed that it was not a close ended fund and therefore a redemption request could be put in and this would be actioned usually within 6-12 months.

The Chair asked what percentage of the whole portfolio were in liquid funds and if that was mainly property based. Sian Cogley told the Board that 19% of the portfolio were in illiquid funds and this mainly came from infrastructure and fixed income mandates.

The Chair referred to the table in Appendix 3 and specifically the row regarding Net Expenses/Other transactions and questioned why the figure for December 2024 was circa £12m when all other months were closer to £400k. Sian Cogley explained that some money had been received in that period which had been transferred from the bank account to the custodian account.

**RESOLVED:** That the Pensions Board noted the report.

**9. DATE OF THE NEXT MEETING**

The next meeting of the Pensions Board was to be on 4<sup>th</sup> March 2026.

Meeting started: 7:03pm  
Meeting ended: 7:46pm

**Chair** .....

**Contact officer**     Liam Oliff  
                                 Committee Co-ordinator  
                                 E-mail: Liam.Oliff@lbhf.gov.uk

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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.

# Agenda Item 4

London Borough of Hammersmith & Fulham

## Pension Fund Committee Minutes



Tuesday 25 November 2025

### PRESENT:

#### Members

Councillor Ross Melton (Chair)  
Councillor Lydia Paynter  
Councillor Adam Peter Lang  
Councillor Adrian Pascu-Tulbure

#### Co-opted Members

Peter Parkin

#### Advisors

Andrew Singh (Isio Group)  
Jonny Moore (Isio Group)  
Sam Gervaise-Jones (Independent Advisor)

#### Officers

Eleanor Dennis (Head of Pensions)  
Phil Triggs (Director of Treasury and Pensions)  
Siân Cogley (Pension Fund Manager)  
David Abbott (Head of Governance)

### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Lisa Homan and Michael Adam.

Apologies for lateness were received from Councillor Adrian Pascu-Tulbure (who entered at 7.17pm).

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 3. MINUTES OF THE PREVIOUS MEETING

The open and exempt minutes of the meetings held on 25 June 2025 were agreed as accurate records.

#### **4. KEY PERFORMANCE INDICATORS**

Eleanor Dennis (Head of Pensions) introduced the report which set 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. She noted that performance was on or above target of the Service Level Agreement, but warned that the team had noticed a dip in quality of service and responsiveness and were monitoring the situation carefully.

Councillor Ross Melton (Chair) asked if there were any reasons given for the decline in responsiveness. Eleanor Dennis said there were issues with training, turnover of staff, re-allocation of staff to new client onboarding, and the proper checks and balances not being in place. She said some payment errors had slipped through and flagged by the H&F team which delayed payments. The errors had been highlighted to LPPA and they had put dedicated resource in place in response.

Councillor Adam Peter Lang thanked officers for the report and noted that performance seemed generally very positive, but was important to keep under review. He asked for any concerns to be highlighted to the Committee, so they could support were appropriate.

Peter Parkin noted that some retirees had experienced problems with the member portal since leaving as emails and verification codes were being sent to their work email addresses which they no longer had access to. Eleanor Dennis said officers would follow up on this after the meeting.

**ACTION: Eleanor Dennis**

#### **RESOLVED**

1. That the Pension Fund Committee considered and noted the contents of the report.

#### **5. PENSION ADMINISTRATION UPDATE**

Eleanor Dennis (Head of Pensions) introduced the report which gave an update on the administration of the Hammersmith & Fulham Pension Fund, delegated to the Local Pension Partnership Administration (LPPA). She noted that they continued to strive to deliver an efficient and effective service to stakeholders despite increasing complexity around legislation, data, and resourcing. She added that due to recent service issues mentioned in the previous item, there may be a dip in performance in Quarter 3.

Peter Parkin noted that the October 2025 deadline for the Pension Dashboard had been missed and asked when it was likely to be implemented. Eleanor Dennis said there was no go live date yet from Civica, though noted that other providers had met the deadline. Peter Parkin said the dashboard was really

important for some members and asked what the Committee could do. Eleanor Dennis suggested a letter from the Committee and Members agreed.

**ACTION: Eleanor Dennis**

Councillor Adam Peter Lang asked about the challenges of recruitment and retention following the recruitment of three new members of staff. Eleanor Dennis said the three new hires were replacing staff who had moved on, rather than new posts. She said it was challenging to recruit experienced staff to deal with complex nature of Local Government Pension Scheme enquiries. There was a lot of competition, with several funds looking for the same level of staff.

Councillor Lang said H&F prided itself on being a good place to work and said the Committee would help in any way it could, particularly with the new Pension Schemes Bill 2026.

Peter Parkin commented that H&F ran pre-retirement sessions that were very well attended and useful for staff. Eleanor Dennis noted the sessions were delivered by Affinity Connect and feedback was always positive. The Chair asked if Councillors could be invited to observe the sessions. Eleanor Dennis said would provide dates.

**ACTION: Eleanor Dennis**

## **RESOLVED**

1. That the Pension Fund Committee considered and noted the contents of this report.

## **6. PENSION FUND CESSATIONS**

Eleanor Dennis (Head of Pensions) gave a brief introduction to the report. The remainder of this item was considered in private session, details of which are in the exempt minutes.

## **RESOLVED**

That the Pension Fund Committee approved the payment of a surplus to Morgan Sindall Group in respect of both Lot 1 and Lot 2.

## **7. UPDATE TO RESPONSIBLE INVESTMENT POLICY**

Siân Cogley (Pension Fund Manager) introduced the report on an addendum to the Pension Fund's Responsible Investment Statement to set out the Fund's approach to conflict linked investments, clarify expectations for investment managers, and establish a transparent framework for decision-making.

The Chair thanked officers for the report and said he was pleased with the work that had gone into it, he felt it reflected the quality and tenor of the

discussion. He also highlighted the innovative traffic light system for classifying investments.

Councillor Adam Peter Lang commented that he felt the approach taken in the addendum was a positive way of tackling a sensitive issue that impacted all pension funds. He noted that he had been in correspondence with residents about this and said it was important the Committee continued to look at it and make progress. He commended the approach the Council was taking.

Peter Parkin thanked officers for the comprehensive report which he felt explained the complexities well. He noted that the fund did not have many investments in sensitive areas and the report showed that.

Councillor Lydia Paynter highlighted that the addendum linked the fund's assets to the United Nations Sustainable Development Goals. She noted that pension funds had huge potential to make a positive impact, for example in affordable and green energy. She said she was pleased to see the Fund making a positive contribution and felt it was important to communicate that to its members.

Councillor Adrian Pascu-Tulbure also welcomed the report and addendum. He felt it had the necessary breadth and depth, putting the fiduciary duty front and centre, but also creating a future the Fund's members would wish to retire into.

The Chair discussed the process for categorising investments and the process for reviewing investments that required further investigation, ahead of any potential divestment. He thanked officers for creating a robust, meaningful and fair process. He also expressed his gratitude to officers and members who had fielded questions from residents on these issues.

The Committee requested an item on the London CIV's approach to responsible investment in early 2026.

**ACTION: Phil Triggs**

## **RESOLVED**

1. That the Pension Fund Committee approve the Responsible Investment Statement 2025 with the Addendum on Conflict and Human Rights for publication and, should there be any changes requested, delegate the approval of the final version to the Director of Treasury and Pensions in consultation with the Chair.

## **8. PENSION FUND BUSINESS PLAN OUTTURN 2024/25**

Siân Cogley (Pension Fund Manager) introduced the report which provided the outturn for 2024-25 against the forecast Business Plan.

Councillor Adrian Pascu-Tulbure asked for more information on the Freedom of Information requests mentioned in the report. Siân Cogley said they had

received eleven so far on investments, double the previous year. When asked about the source, she the majority were due to conflict linked investments and others were quarterly updates from information companies. Eleanor Dennis also reported an increase, mostly related to the makeup of investments.

## **RESOLVED**

1. That the Pension Fund Committee noted the 2024/25 business plan outturn, shown as Appendix 1.

## **9. PENSION FUND QUARTERLY UPDATE Q3 2025**

Siân Cogley (Pension Fund Manager) introduced the report which provided a summary of the Pension Fund's overall performance for the quarter ended 30 September 2025, a cashflow update and forecast, and an assessment of risks and actions taken to mitigate them.

Councillor Adrian Pascu-Tulbure asked about the salary sacrifice process, the extent to which members were using it, and if the Government's recent policy changes would affect the amount coming into the fund. Eleanor Dennis confirmed that as H&F did not offer salary sacrifice as an option to its employees, there would be no impact from the proposed changes to the salary sacrifice legislation on the amount of funds being paid into the Fund.

Councillor Adam Peter Lang commented that training was very important and highlighted the high-quality online training available but felt that the Committee should have a refresher session on its role and powers. Siân Cogley noted that the training sessions were recorded so others could watch and she would share the links with members.

**ACTION: Siân Cogley**

The Chair suggested training should follow the local election in 2026. Phil Triggs noted there was another session scheduled for 30 January and could share the details with members.

**ACTION: Phil Triggs**

The remainder of this item was considered in private session, details of which are in the exempt minutes.

## **RESOLVED**

1. That the Pension Fund Committee noted the update.

## **10. INVESTMENT PROPOSALS**

Siân Cogley (Pension Fund Manager) introduced the report which set out proposed adjustments to the Fund's investment portfolio. The report recommended not to proceed with an investment in the Resonance social impact housing fund – and an additional commitment to the existing Quinbrook renewable infrastructure allocation in order to maintain alignment

with the Fund's strategic asset allocation. The report also presented options regarding the Fund's global equity allocation, including the potential divestment from the Morgan Stanley global equity mandate and the reallocation of proceeds to alternative equity products.

The remainder of this item was considered in private session, details of which are in the exempt minutes.

**RESOLVED**

1. That the Committee noted the decision not to proceed with an investment in the Resonance Fund following the assessment of risks and suitability.
2. That the Committee approved an additional commitment to the Quinbrook Renewables Impact Fund II to maintain the Fund's strategic allocation to renewable infrastructure.
3. That the Committee considered and determined whether to redeem the Fund's holdings in the Morgan Stanley global equity quality mandate and approve the reallocation of proceeds to an alternative equity product, as set out in the report.

**11. EXCLUSION OF THE PUBLIC AND PRESS**

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: 7.03 pm  
Meeting ended: 8.36 pm

Chair .....

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

# Agenda Item 5

LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pensions Board  
**Date:** 04/03/2026  
**Subject:** Key Performance Indicators  
**Report author:** Eleanor Dennis, Head of Pensions  
**Responsible Director:** Grant Deg, Director of Legal Services

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## 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. The Key Performance Indicators (KPIs) for the period quarter 1 September – December 2025 inclusive, are detailed in Appendix 1. The reviewing of KPI's is in line with The Pension Regulator's guidance in the general code, for governing bodies to regularly assess performance.

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## RECOMMENDATIONS

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

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**Wards Affected:** None

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
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, 03<sup>rd</sup> February 2026

## **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 26<sup>th</sup> 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.

Joginder Bola, Senior Solicitor (Contracts and Procurement) 5 February 2026

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## **Background Papers Used in Preparing This Report**

None

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## **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 quarter 3 for the pension fund scheme year 2025/26. The KPI’s detailed in Appendix 1 of the pension administration report covers the period 01 September to 31 December 2025 inclusive.
3. During the period September to December 2025 inclusive, LPPA processed 1598 cases in Q3 compared with 1366 in Q2 and 1379 cases in Q1 of 2025/26, an increase of 232 cases for the Hammersmith & Fulham Pension Fund over the last 3 months. Highest volume case types continue to consist of deferred retirements, deferred benefits and death cases.

## **Performance in key areas**

1. Retirements – Performance on this task area continues to improve with 201 processed in Q3, compared with 218 cases processed in Q2 by LPPA all within the 10 working day SLA and 202 in Q1. Active retirements saw an improvement in KPI performance in Q3 with 98.6% processed on time compared with Q2 which saw 97.5% achieved compared with 95.5% in Q1. The processing of deferred retirements saw 99.2% in Q3 compared with 97.1% in Q2 in line with 99.3% in Q1.
2. Deaths – There were 163 cases processed in Q3, compared to 172 cases in Q2 and 184 in Q1. In Q3 98.8% were processed on time, compared to 96.5% in Q2 and 97.8% in Q1.
3. Transfers – All 224 transfer cases received were processed in Q3 on time, compared to 119 processed in Q2 with 96.6% processed on time, and 99.2% of transfer outs processed on time in Q1. Transfer in's saw 95.9% in Q2 processed on time compared to 98.6% in Q1.
4. Refunds – All 82 cases processed in Q3 were processed on time compared to 98.6% in Q2 and 97.6% in Q1.
5. The Head of Pensions continues to collaborate with LPPA to try to ensure they are able to sustain their improved SLA performance as well as to mitigate any operational risks the Fund is exposed to and to increase the quality of the delivery of this service to all stakeholders.

## **Summary**

6. We have seen a continuous improvement in the KPI pension administration service delivery provided by LPPA in the start to the new scheme year. We are working with them to improve the quality of service experienced by members, beneficiaries and the LBHF pension team.
7. None

## **Risk Management Implications**

8. None

## **Climate and Ecological Emergency Implications**

9. None

## **Consultation**

10. None

## **LIST OF APPENDICES**

**Appendix 1 – LPPA Q3 KPI report – Hammersmith & Fulham Pension Fund**

# LPP

Local Pensions Partnership  
Administration

# Quarterly Administration Report

Page 18

Hammersmith & Fulham  
Pension Fund

1 October - 31 December 2025



Committed to excellence



Forward thinking



Doing the right thing



Working together



# CONTENTS

## Section

Definitions

Casework Performance

Contact Centre Calls Performance

Customer Satisfaction Scores

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Pg 10



Committed to excellence



Doing the right thing



Forward thinking



Working together

# DEFINITIONS

## Page 5

### Casework Performance - All Cases

Performance is measured once all information is made available to LPPA to enable them to complete the process.

Relevant processes are assigned a target timescale for completion, and the performance is measured as the percentage of processes that have been completed within that timescale.

## Page 6

### Casework Performance - Standard

The category of 'Other' on this page covers processes including, but not limited to:

APC/AVC Queries

Cessation of Additional Contribution

Change of Hours

Change of Personal Details

Under Three Month Opt-Out

Please note that this page includes cases that have met the SLA target, but the stop trigger may also have been actioned before the process has been completed.

## Page 9

### Contact Centre Performance

Average wait time measures the time taken from the caller being placed into the queue, to them speaking with a Contact Centre adviser.

## Page 11

### Retirement Satisfaction

Graphs show a breakdown of quarterly retirement surveys (emails issued and responses received).

- Retirements processed / completed - members can have multiple process counts.
- Surveys issued - does not equal retirement processes for several reasons; ill health retirements do not receive a survey; not all members provide an email address; members with multiple retirement processes only receive one survey email; there is a planned delay in issuing surveys to allow for initial payments to be paid).

Satisfaction / Dissatisfaction is included as a % of email surveys issued. This demonstrates that a significant number of surveys are not completed (work is ongoing to encourage an increase in the number of responses to email surveys issued).

The Satisfaction Scores highlighted in green and red compare the satisfied / dissatisfied responses received, as a % of total survey responses - this is the true measure of member satisfaction.

Satisfied responses include satisfied (with the service) and very satisfied.

Dissatisfied responses include dissatisfied and very dissatisfied.

# Casework Performance

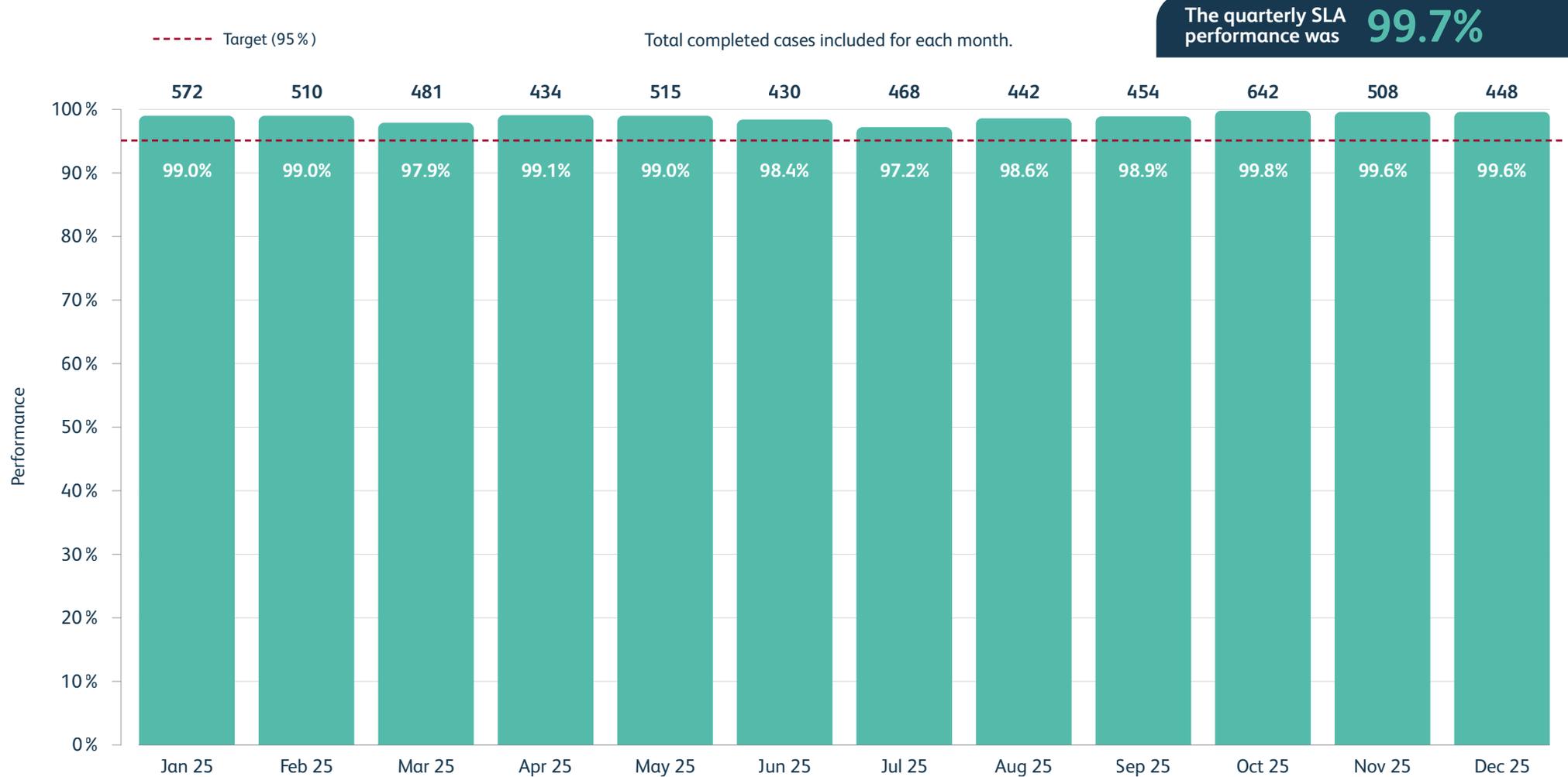
## In this section...

- Performance – all cases
- Performance standard

# CASEWORK PERFORMANCE

PERFORMANCE – ALL CASES

CLIENT  
SPECIFIC



# CASEWORK PERFORMANCE

## PERFORMANCE STANDARD

CLIENT  
SPECIFIC

----- Target (95%)



# Contact Centre Calls Performance

The Contact Centre deals with all online enquiries and calls from members for all funds that LPPA provides administration services for.

## **In this section...**

- Wait time range
- Calls answered

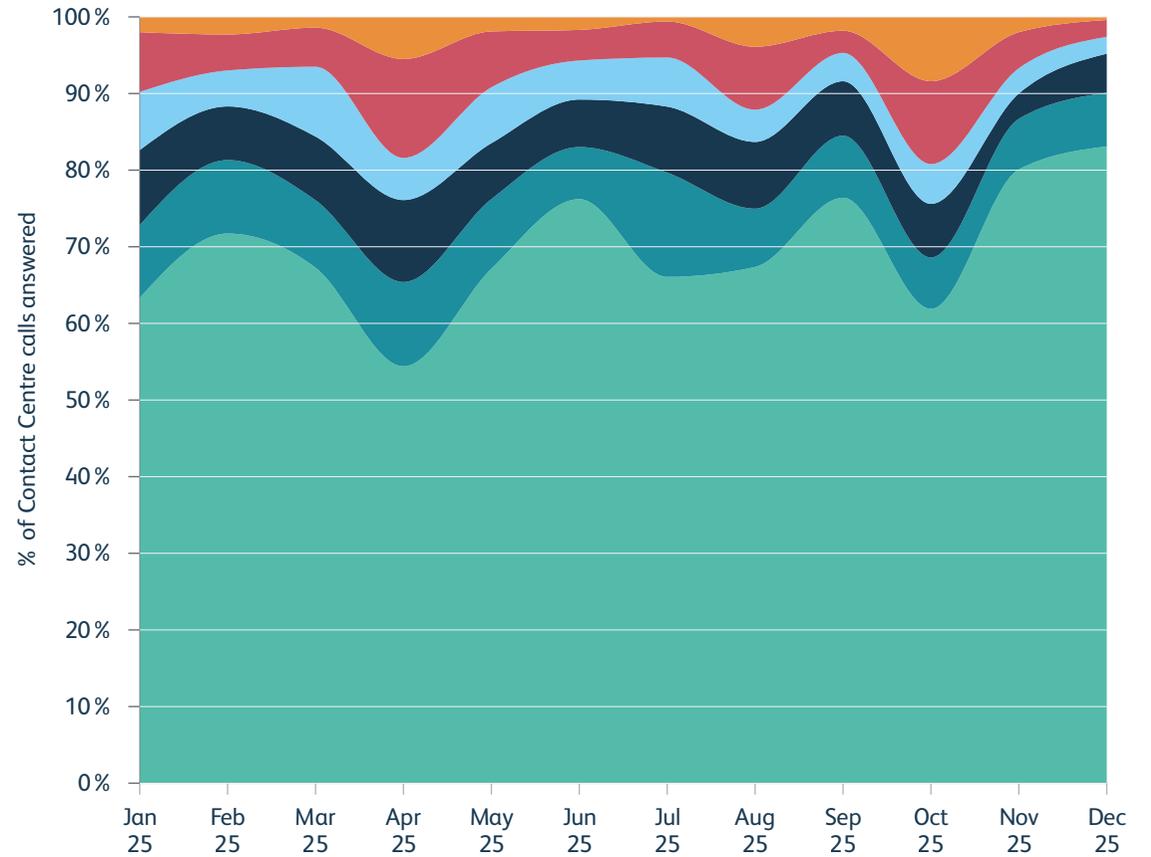
# CONTACT CENTRE CALLS PERFORMANCE

## WAIT TIME RANGE

CLIENT SPECIFIC

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	Under 4 mins	4 to 6 mins	6 to 8 mins	8 to 10 mins	10 to 15 mins	Over 15 mins
Jan 25	63.4%	9.5%	9.8%	7.6%	7.8%	2.0%
Feb 25	71.8%	9.6%	7.0%	4.7%	4.7%	2.3%
Mar 25	67.2%	8.8%	8.3%	9.1%	5.1%	1.4%
Apr 25	54.4%	11.0%	10.7%	5.5%	12.9%	5.5%
May 25	67.2%	9.1%	7.3%	7.3%	7.3%	1.9%
Jun 25	76.3%	6.8%	6.2%	5.1%	4.0%	1.7%
Jul 25	66.0%	13.6%	8.6%	6.4%	4.7%	0.6%
Aug 25	67.3%	7.6%	8.7%	4.2%	8.2%	3.9%
Sep 25	76.4%	8.1%	7.1%	3.7%	2.9%	1.8%
Oct 25	61.9%	6.7%	7.0%	5.2%	10.8%	8.4%
Nov 25	80.1%	6.6%	3.3%	3.3%	4.7%	2.0%
Dec 25	83.1%	7.0%	5.1%	2.2%	2.2%	0.4%



# CONTACT CENTRE CALLS PERFORMANCE

## CALLS ANSWERED

CLIENT SPECIFIC

**Please note:**

The graph highlights seasonal activities which deliver higher volumes of in-bound enquiries from members into the Contact Centre. The chart has been marked up with key annual activities for reference.

Increase in October's average wait time was due to resource challenges (including unplanned absences) in the Contact Centre, combined with an overall year on year increase in call volumes (across all clients combined).

● Pension Increase and P60

● Member annual newsletters  
● Annual Benefit Statements (ABS)  
● Deferred Benefit Statements (DBS)

Quarterly average wait time was **3 minutes 12 seconds**

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# Customer Satisfaction Scores

## In this section...

- Retirements - Active
- Retirements - Deferred

# CUSTOMER SATISFACTION SCORES

## RETIREMENTS - ACTIVE

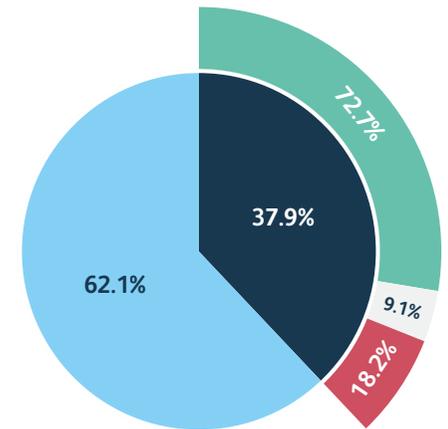
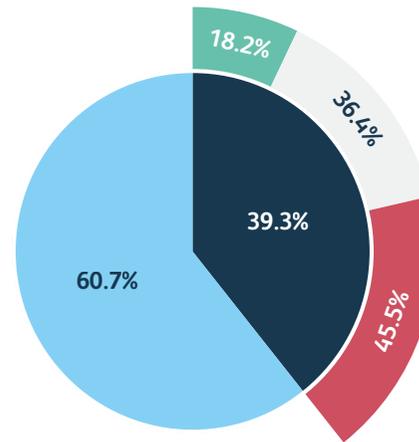
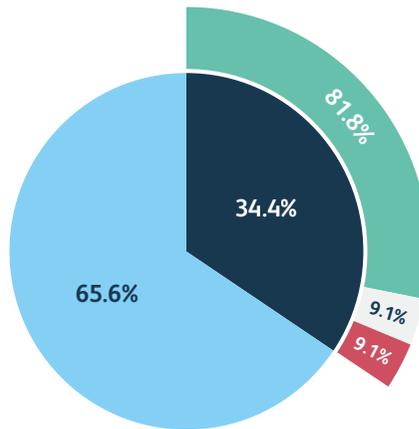
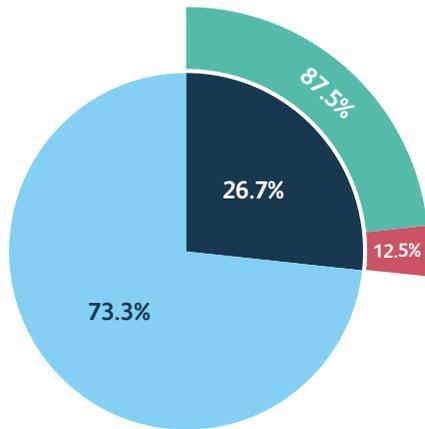
CLIENT SPECIFIC

**Please note:**

Graphs show a breakdown of quarterly retirement surveys:

- Retirements processed / completed (members can have multiple process counts)
- Surveys issued (does not equal retirement processes as not all members provide an email address; members with multiple retirement processes only receive one survey email; ill health retirements do not receive a survey email; there is a planned delay in issuing surveys to allow for initial payments to be paid). We extended this period in Q4, which explains the drop in the number of email surveys issued.
- The satisfaction scores highlighted in green and red compare the satisfied / dissatisfied responses received, as a % of total responses (the true measure of member satisfaction).\*

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	Q4 24/25		Q1 25/26		Q2 25/26		Q3 25/26	
<b>Retirements processed, completed</b>	33		24		25		26	
<b>Surveys issued and as a % of retirements</b>	30	90.9%	32	133.3%	28	112.0%	29	111.5%
Satisfied Responses (as a % of surveys issued)	7	23.3%	9	28.1%	2	7.1%	8	27.6%
Dissatisfied Response (as a % of surveys issued)	1	3.3%	1	3.1%	5	17.9%	2	6.9%
<b>Non responses and as a % of surveys issued</b>	22	73.3%	21	65.6%	17	60.7%	18	62.1%
<b>Responses and as a % of surveys issued</b>	8	26.7%	11	34.4%	11	39.3%	11	37.9%
<b>Satisfied responses and as a % of responses</b>	7	87.5%	9	81.8%	2	18.2%	8	72.7%
<b>Neutral responses and as a % of responses</b>	0	0.0%	1	9.1%	4	36.4%	1	9.1%
<b>Dissatisfied Responses and as a % of responses</b>	1	12.5%	1	9.1%	5	45.5%	2	18.2%

\*More information on data / results are included in the Definitions page earlier in this report.

# CUSTOMER SATISFACTION SCORES

## RETIREMENTS - DEFERRED

CLIENT  
SPECIFIC

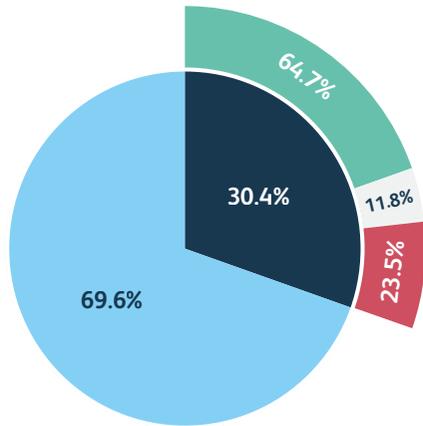
**Please note:**

Graphs show a breakdown of quarterly retirement surveys:

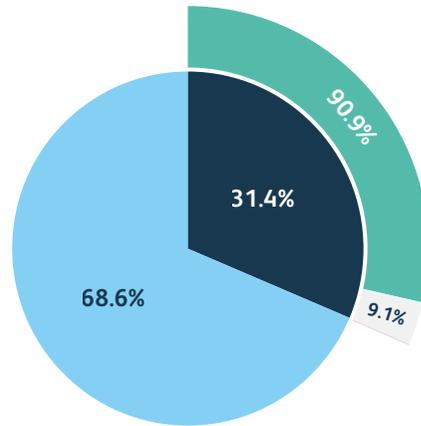
- Retirements processed / completed (members can have multiple process counts)
- Surveys issued (does not equal retirement processes as not all members provide an email address; members with multiple retirement processes only receive one survey email; ill health retirements do not receive a survey email; there is a planned delay in issuing surveys to allow for initial payments to be paid). We extended this period in Q4, which explains the drop in the number of email surveys issued.
- The satisfaction scores highlighted in green and red compare the satisfied / dissatisfied responses received, as a % of total responses (the true measure of member satisfaction).\*
- The implementation of our Automated Deferred Retirement Payment process in Q2, reduced the number of surveys issued in Q3. This has been resolved and survey numbers will return to expected volumes in Q4 (there was no impact to active retirement surveys).

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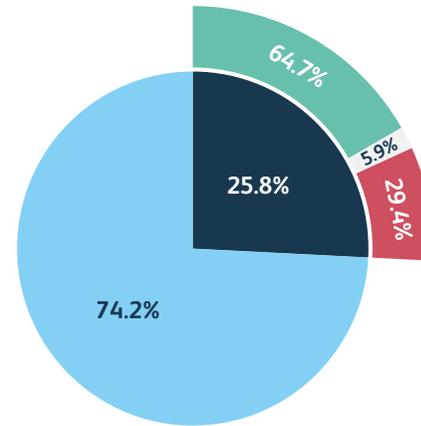
- Satisfied
- Neutral
- Dissatisfied
- Responses
- Non responses



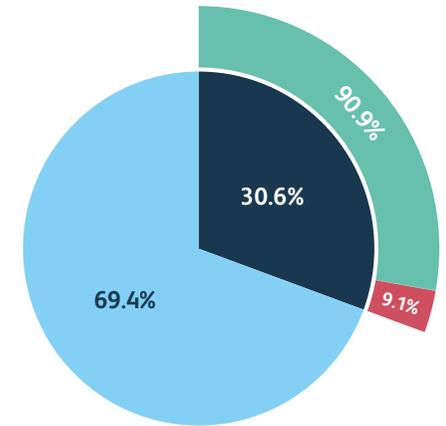
Q4 24/25



Q1 25/26



Q2 25/26



Q3 25/26

	Q4 24/25	Q1 25/26	Q2 25/26	Q3 25/26
<b>Retirements processed, completed</b>	60	38	67	54
<b>Surveys issued and as a % of retirements</b>	56	35	66	36
Satisfied Responses (as a % of surveys issued)	11	10	11	10
Dissatisfied Response (as a % of surveys issued)	4	0	5	1
<b>Non responses and as a % of surveys issued</b>	39	24	49	25
<b>Responses and as a % of surveys issued</b>	17	11	17	11
<b>Satisfied responses and as a % of responses</b>	11	10	11	10
<b>Neutral responses and as a % of responses</b>	2	1	1	0
<b>Dissatisfied Responses and as a % of responses</b>	4	0	5	1

\*More information on data / results are included in the Definitions page earlier in this report.

# LPP

Local Pensions Partnership  
Administration

**Report to:** Pensions Board

**Date:** 04/03/2026

**Subject:** Pension Administration Update

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

**Responsible Director:** Grant Deg, Director of Legal Services

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### 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.

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### RECOMMENDATIONS

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

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**Wards Affected: None**

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
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 2024/25 is estimated at £620,000.

Sukvinder Kalsi, Director of Finance 4<sup>th</sup> February 2026

## **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.

Joginder Singh Bola, Senior Solicitor (Contracts and Procurement) 5 February 2026

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## **Background Papers Used in Preparing This Report**

**None**

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## **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. Employer will be asked for their views on the funding strategy statement which will be considered prior to the publishing of the final draft presented to Committee.
3. Member – Member satisfaction survey responses remain low and dissatisfaction has increased. Although most members going through the deferred retirements process did not complete a survey those that did were mostly satisfied. Q3 saw 10 members satisfied, compared to 11 in Q2 and 5 dissatisfied compared with Q1 which saw 10 satisfied members 0 dissatisfied. Active retirements in Q3 saw only 11 surveys completed, compared with 2 in Q2 where 5 dissatisfied compared with 2 in Q3 with 62.1% and 60.7% not responding, Q1 saw 9 satisfied with 1 response dissatisfied with 65.6% not responding.
4. Complaints – LPPA dealt with 13 complaints in Q3, compared with 9 complaints in Q2 and 12 in Q1. These were mainly around lack of communication for transfers and AVC's case types. In addition, there were 2 formal complaints dealt with by LPPA regarding delays and communication in processing transfers. LPPA continue to review complaint trends and implement training courses for their staff, where appropriate i.e. to the helpdesk.
5. Helpdesk – The number of calls to the LPPA Helpdesk continued to fall as Q3 saw 917 calls received, compared with 1096 in Q2 and 1035 in Q1. The average call waiting time also fell in Q3 rose to 3 minutes 12 seconds compared Q2 to 3 minutes 11 secs from 3 mins 40 secs in Q1. The call abandonment rate fell to 1.4% at the end of Q3 across all calls. With most people satisfied with their engagement with the helpdesk.
6. Communications – LPPA have issued a newsletter to active and deferred members. This year's newsletter highlights understanding your pension and tax, planning for retirement and explaining the impact of the McCloud remedy. The Head of Pensions continues to receive positive feedback for those attending the pre retirement sessions run by Affinity Connect and attendance numbers have increased. LPPA won "Best Pension Administrator" at this year's UK Pensions Awards and London borough of Hackney has joined as LPPA's 19<sup>th</sup> client.
7. Member engagement – The end of Q3 saw 6,732 members engaged with the pension portal increased compared with 6,604 in Q2 and 6333 at the end of Q1. There were 13 opt outs during Q3 compared with 124 in Q2.
8. Pension savings statements – LPPA have issued pension saving statements to just 5 members of the LBHF pension fund who breached the £60,000 annual allowance limit in 2024/25.

9. Auto Enrolment – Re-enrolment for the fund took place in August 2025 where 2935 employees were assessed, from this exercise 130 opted out and 47 rejoined the 50/50. A declaration was made to The Pension Regulator ahead of the December 2025 deadline.
10. Valuation – All fund employers have been sent their reports with their draft contribution rates, which have all fallen. The response rate has been low with one academy requesting a lower contribution rate. In the future we may wish to present these more formally to our fund employers to increase engagement and understanding.
11. Regulatory – There are a number of regulatory issues impacting the Hammersmith & Fulham pension fund the key ones are below;

**McCloud** - LPPA have confirmed that they have started to make their first underpin payments to members who are due a McCloud remedy. Members will have the option to receive payment in respect of the McCloud underpin as a lump sum on request.

**Pensions Dashboard** – The connection deadline date for the Fund is 31 October 2025, there is no date yet set for public access, 2027 is a possible go live date. The Pension Regulator is expected to reach out to funds via a survey to check in on readiness. It was disappointing to hear that LPPA advised that their software provider Civica did not meet the October 2025 deadline and instead completed in December 2025. The pension regulator and Pension dashboard authority was advised. Our AVC provider Scottish Widows has confirmed they are still working through aspects of compliance and connectivity of AVC providers is proving problematic across the board.

**Scheme Advisory Board** – The results of the recent EDI survey concluded that clear guidance will be published on what data should be collected on Pension Fund Committee and Pension Board members. The SAB will also be publishing more guidance on peer to peer working in 2026.

**Pension Consultations** – All pension consultations relevant to the LGPS have been concluded in preparation for the Pensions Bill coming into force. Local Government Pension Scheme (LGPS) in England and Wales: Access and Fairness and Access, Access and Protection and Fit for the Future. Key changes include removal of 2 year limit on payment of death benefits, allowing for a protected minimum retirement age for those who joined the LGPS prior to November 2021, opening access to the LGPS to councillors and mayors, greater governance, the pooling of funds and the appointment of a single officer.

**The Pension Regulator** – Closed its enforcement strategy consultation in November 2025. Recognising the need to align with the changing pensions landscape sought views on how they will regulate and it's revised enforcement approach.

**The Pensions Bill** – Covers the whole of the pensions landscape and in addition to the LGPS specific changes laid out in the consultation they is likely changes

small pots consolidation and greater engagement from members vis member surveys.

12. Audit – All enquiries of the 2024/25 audit are complete, however there was an additional charge made to LPPA of £1,943 (excluding VAT) for the additional time spent with auditors. Grant Thornton have confirmed acceptance of LPPA's AAF report in respect of reassurance for starters and leavers for future audits.
13. The LBHF inhouse team saw 3 new permanent team members join and the current backlog has fallen to 44 outstanding queries. The Head of Pensions continues with ongoing recruitment to increase the teams resilience and improve service delivery. However it should be noted the challenges of colleagues in other LGPS funds of scarce experienced resource and an increasing fast paced legislative change will impact the ability to recruit and retain staff.
14. Overpayments – The LBHF pensions team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds. The Fund has had to write off approx. £2,391 in Q2 due to overpaid pensions from deceased members and an overpayment in respect of an admin error of duplicate payments to a pensioner.
15. Scheme management planning – The next schedule meeting is a full pension committee on 24<sup>th</sup> March 2026, which will include full valuation results and the funding strategy statement.

### **Conclusion**

The pension administration service delivered by LPPA shows signs of continuous improvement. LPPA do however to take onboard constructive feedback and are keen to improve.

### **Equality Implications**

12. None

### **Consultation**

15. None

### **Appendices**

**None**

# Agenda Item 7

LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pensions Board

**Date:** 04 March 2026

**Subject:** Pension Fund Quarterly Update Q4 2025

**Report author:** Siân Cogley, Pension Fund Manager

**Director:** Phil Triggs, Director of Treasury and Pensions

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## SUMMARY

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

- overall performance for the quarter ended 31 December 2025;
  - 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.

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
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

There are no immediate financial implications arising from this report, although investment performance has an impact on the Council's employer contribution to the Pension Fund and this is a charge to the General Fund.

## Legal Implications

None.

## DETAILED ANALYSIS

### 1. LBHF Pension Fund Quarterly Update: Q3 FY 2025/26

- 1.1 This report and attached appendices make up the pack for the quarter ended 31 December 2025. An overview of the Pension Fund's performance is provided in Appendix 1. This includes administrative, investment, and cash management performance for the quarter.
- 1.2 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 2025, the market value of the assets increased by £9m to £1.491m
  - The Fund has underperformed its benchmark net of fees by 2.16%, delivering an absolute return of 1.15% over the quarter.
  - The total Fund delivered a positive return of 5.71% on a net of fees basis over the year to 31 December 2025.
- 1.3 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 2026. An analysis of the differences between the actuals and the forecast for the quarter is also included.
- 1.4 The breaches of the law log has not been included in this quarter as there have been no breaches to report.
- 1.5 Following the committee decision to divest from LCIV Global Equity Quality Fund, managed by Morgan Stanley in November in favour of BlackRock's ESG inclined passive equity fund, officers were notified that LCIV is planning to close the fund and needed to coordinate a unified exit strategy with all remaining investors – Westminster and City of London Pension Funds. Officers will continue to work with Isio, LCIV and Blackrock to ensure that the transition will proceed as planned.
- ### 2. London CIV Update
- 2.1 During the quarter, London Officers met with LCIV, to finalise the core Investment Manager's Agreement (IMA) with unique accompanying schedules, as well as working on the Service Level Delivery documents which will outline the services that LCIV will provide after 31 March 2026.
- 2.2 Officers were notified that LCIV's COO, Martin Gloyne will be retiring at the end of the financial year. The pool has successfully hired Danny Firth as his replacement, who will formally take up the role from 16 March 2026, working alongside Martin to agree and implement the transition plan.

2.3 Danny Firth brings more than 30 years' experience leading operations, governance and risk across pensions, investment management and financial services, with a career spanning senior executive leadership, operational transformation and complex stakeholder environments. He joins London CIV from Tesco Pension Investment, where he led strategy, governance and culture for the c.£12.9bn UK Tesco Pension Scheme's Investment Manager, working closely with trustees, sponsors and regulators.

### **3. 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 60 - Non-compliance with the Pension Investment Review Outcomes may result in regulatory intervention, reputational damage, and restricted access to pooled investment efficiencies and governance improvements.* The risk has moved from trending neutral to trending up because the Pension Schemes Bill — which includes heightened expectations for LGPS investment pooling and governance — is currently progressing through Parliament, having been introduced in the House of Commons in June 2025, passed second reading and report stages, and is now being considered in the House of Lords with amendments under active debate

#### **List of Appendices:**

Appendix 1:	Scorecard as at 31 December 2025
Appendix 2a:	Isio Quarterly Performance Report for Quarter Ended 31 December 2025 (public)
Appendix 2b:	Isio Investment Performance Report 31 December 2025 (EXEMPT)
Appendix 3:	Cashflow Monitoring Report
Appendix 4:	Risk Register 31 Dec 2025

## Scorecard at 31 Dec 2025

## London Borough of Hammersmith and Fulham Pension Fund Quarterly Monitoring Report

	Mar 25 £000	Jun 25 £000	Sep 25 £000	Dec 25 £000	Report reference/Comments
Value (£m)	1,409	1,439	1,482	1,491	IRAS reports.
% return quarter	-1.27%	2.4%	3.3%	1.15%	
% Return one year	3.73%	5.4%	7.59%	5.71%	
<b>LIABILITIES</b>					
Value (£m)	1,178	959	**	**	Hymans Robertson LLP Estimated Funding Update. **Now that the 2025 valuation assumptions have been agreed and initial results discussed the actuary believes that providing an updated funding report based on a roll forward of the 2022 valuation with those assumptions might lead to confusion and so will not provide a funding update this quarter. The final triennial results will be ready for the March Pension Fund Committee meeting.
Surplus/(Deficit) (£m)	231	480	**	**	
Funding Level	120%	150%	**	**	
<b>CASHFLOW</b>					
Cash balance	3,616	6,566	6,288	7,009	Appendix 3
Variance from forecast	(1,980)	(351)	(278)	(4,431)	
<b>MEMBERSHIP</b>					
Active members	4,921	4,881	5,050	4,882	Reports from Pension Fund Administrator
Deferred beneficiaries	7,216	7,186	7,180	7,158	
Pensioners	6,266	6,300	6,342	6,371	
<b>RISK</b>					
No. of new risks	1	0	0	0	Appendix 4: Risk Register
No. of ratings changed	0	0	0	0	
<b>LGPS REGULATIONS</b>					
New Consultations	0	1	1	0	May 25 – Access and Fairness (Admin) Sep 25 – CIPFA Code Consultation *Pension Schemes Bill in Committee Stage
New Regulation	None	Pending	Pending*	None	

# London Borough of Hammersmith & Fulham Pension Fund

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Investment Performance Report to 31 December 2025

February 2026

**isio.**



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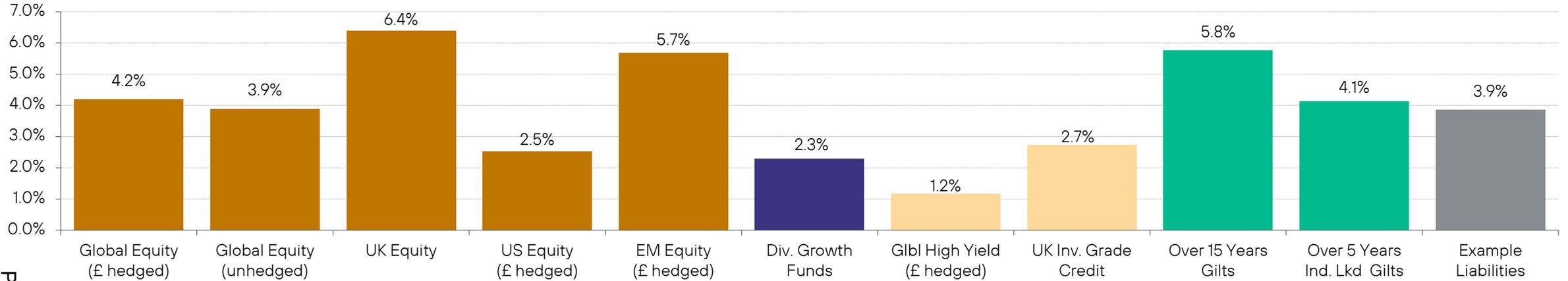
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# Market Summary – Overview Q4 2025

## Market movements over the quarter



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### Key Upcoming Events

#### Notable events

- UK: Spring Statement, 3 March

#### Q1 2026 Base rate publications

- UK: The dates for the Bank of England’s Monetary Policy Committee (“MPC”) announcements are 5 February and 19 March.
- US: The dates for the US Federal Reserve’s Federal Open Market Committee (“FOMC”) meetings are 17-18 March.

#### Q1 2026 Inflation publications

- UK: 18 February and 25 March
- US: 13 February and 11 March

### Commentary

- Global equities delivered positive returns in the final quarter of 2025, with major indices such as the S&P 500 hitting record levels. Returns were primarily driven by strong corporate earnings, broadly positive investor sentiment and continued enthusiasm for technology stocks despite profit-taking activities near year-end.
- UK equities outperformed over the quarter with the financials and commodity-linked sectors benefitting from growing global demand as investors seek opportunities outside the US.
- Emerging market equities also delivered positive returns over the quarter, outperforming the MSCI World Index, buoyed by strong performance in tech-heavy markets like Korea and Taiwan.
- Gilt yields fell over the quarter due to inflation moderating and improved fiscal signals following the well-received November Budget. The reduction of the base rate to 3.75% in December further supported market sentiment.
- Credit markets delivered positive returns as credit spreads remained tight with rising market conviction in central bank easing. Investment-grade credit outperformed high yield credit, supported by the former’s greater sensitivity to declining interest rates.

# Executive Summary – Q4 2025

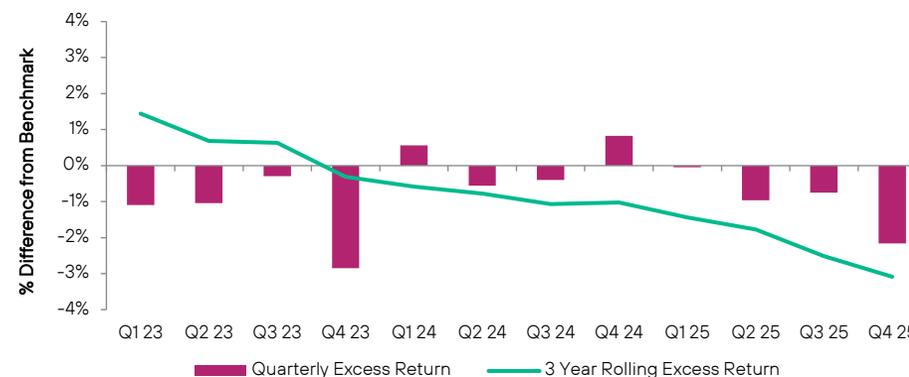
Fund Performance to 31 December 2025		3 months (%)			1 year (%)			3 years (% p.a.)		
		Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative
Equity	LCIV Global Equity Quality	(1.6)	3.4	(5.0)	(4.1)	13.9	(18.0)	8.3	16.3	(8.0)
	L&G Low Carbon Mandate	3.0	3.0	0.0	12.2	12.4	(0.1)	17.3	17.4	(0.2)
Dynamic Asset Allocation	LCIV Absolute Return Fund	2.1	1.9	0.2	10.8	8.4	2.4	0.5	8.8	(8.3)
	LCIV Long Duration B&M	4.4	4.3	0.1	6.5	6.6	(0.1)	n/a	n/a	n/a
	LCIV Short Duration B&M	1.5	1.7	(0.2)	5.9	6.5	(0.6)	n/a	n/a	n/a
	Allspring Climate Transition Global B&M	2.9	3.0	(0.2)	7.3	5.5	1.8	n/a	n/a	n/a
Secure Income	Oak Hill Advisors	1.7	1.9	(0.3)	6.9	8.4	(1.5)	9.5	8.8	0.7
	Aberdeen MSPC Fund <sup>3</sup>	1.1	2.9	(1.8)	8.7	7.8	0.9	9.3	7.1	2.2
	Darwin Alternatives	(16.9)	2.4	(19.3)	(21.3)	10.4	(31.7)	(20.9)	10.8	(31.7)
	Partners Group Infra <sup>2</sup>	(0.8)	2.8	(3.7)	8.7	12.4	(3.6)	11.0	12.8	(1.8)
	Quinbrook Renewables Impact <sup>4</sup>	0.1	1.9	(1.8)	5.5	14.1	(8.7)	n/a	n/a	n/a
Inflation Protection	Aberdeen Long Lease Property Fund	1.9	3.5	(1.7)	6.4	7.0	(0.7)	(2.0)	3.7	(5.7)
	Alpha Real Capital	(3.6)	9.4	(12.9)	(10.2)	1.7	(11.8)	(7.8)	(8.2)	0.4
	Man Group	1.1	1.9	(0.8)	(4.4)	8.4	(12.8)	0.1	8.8	(8.7)
<b>Total Fund<sup>1</sup></b>		<b>1.2</b>	<b>3.3</b>	<b>(2.2)</b>	<b>5.7</b>	<b>9.8</b>	<b>(4.1)</b>	<b>7.1</b>	<b>10.2</b>	<b>(3.1)</b>

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## Commentary

- The Total Fund delivered a positive return of 1.2% on a net of fees basis in absolute terms over the quarter to 31 December 2025, underperforming the fixed weight benchmark by 2.2%. The Fund delivered absolute returns of 5.7% and 7.1% p.a. on a net of fees basis over the year and annualised three years respectively to 31 December 2025, underperforming its fixed weighted benchmark by 4.1% over the year and 3.1% 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. In addition, there are instances where Northern Trust do not fully take into account cashflows in and out of a fund over the reporting period, impacting quoted returns – particularly apparent for Alpha Real Capital and Quinbrook over recent periods.
- 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 2025. The 3-year rolling excess return remained negative over the fourth quarter of 2025 with the Fund having underperformed the fixed weight benchmark over ten of the last twelve quarters to end December 2025. Longer-term underperformance has been driven primarily by weak performance from the LCIV Global Equity Quality Fund relative to the wider global equity market, and to a lesser degree by Darwin Alternatives and Man Group.

## Total Fund Performance – Last Three Years



# Asset Allocation as at 31 December 2025

Fund	Actual Asset Allocation				
	30 Sept 2025 (£m)	31 Dec 2025 (£m)	30 Sept 2025 (%)	31 Dec 2025 (%)	Benchmark Allocation (%)
LCIV Global Equity Quality	185.1	181.7	12.4	12.1	-
L&G Low Carbon Mandate	501.5	516.4	33.7	34.5	20.0
BlackRock ACS World ESG – GBP Hedged	-	-	-	-	20.0
<b>Total Equity</b>	<b>686.6</b>	<b>698.1</b>	<b>46.2</b>	<b>46.6</b>	<b>40.0</b>
LCIV Absolute Return Fund	146.1	149.2	9.8	10.0	10.0
Allspring Buy & Maintain (Climate Transition)	143.7	147.8	9.7	9.9	10.0
LCIV Buy & Maintain (Long Duration)	30.8	31.7	2.1	2.1	2.5
LCIV Buy & Maintain (Short Duration)	33.4	33.5	2.2	2.2	2.5
<b>Total Dynamic Asset Allocation</b>	<b>354.0</b>	<b>362.1</b>	<b>23.8</b>	<b>24.2</b>	<b>25.0</b>
Partners Group MAC <sup>1</sup>	2.1	2.0	0.1	0.1	-
Oak Hill Advisors Diversified Credit Strategies	81.4	82.8	5.5	5.5	5.0
Partners Group Direct Infrastructure <sup>1</sup>	22.8	16.0	1.5	1.1	5.0
Quinbrook Renewables Impact	57.2	60.3	3.8	4.0	3.5
Aberdeen Multi Sector Private Credit	53.1	53.3	3.6	3.6	4.0
Darwin Alternatives Leisure Development Fund	20.5	17.0	1.4	1.1	2.5
<b>Secure Income</b>	<b>237.0</b>	<b>231.5</b>	<b>15.9</b>	<b>15.5</b>	<b>20.0</b>
Aberdeen Long Lease Property	53.6	54.6	3.6	3.6	5.0
Alpha Real Capital Inflation Linked Income Fund	100.3	96.8	6.7	6.5	7.5
Man Group	26.6	26.9	1.8	1.8	2.5
<b>Total Inflation Protection</b>	<b>180.6</b>	<b>178.3</b>	<b>12.1</b>	<b>11.9</b>	<b>15.0</b>
Bank Balance	28.7	27.7	1.9	1.8	-
<b>Total Assets</b>	<b>1,486.9</b>	<b>1,497.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Northern Trust (Custodian) and have not been independently verified. Figures may not sum to total due to rounding. <sup>1</sup>Partners Group Multi Asset Credit and Direct Infrastructure valuations provided by Northern Trust with a month's lag (i.e. as at 31 August 2025 and as at 30 November 2025).



# Fund Activity (2)

Item	Action points / Considerations	Status
Affordable Housing	<p><b>Man Group Community Housing</b></p> <ul style="list-style-type: none"> <li>Over the quarter, Man Group issued a recallable capital distribution of £0.9m for payment by 23 October 2025. As such, the Fund's total commitment is c. 89% drawn for investment at 31 December 2025.</li> <li>An update on the Community Housing Fund's investments in Grantham, Wellingborough and Saltdean can be found in the Private Appendix to this report.</li> </ul>	●
Multi Sector Private Credit	<p><b>Aberdeen</b></p> <ul style="list-style-type: none"> <li>In March 2025, Aberdeen provided notice to investors that the MSPC Fund has been gated. Aberdeen presented to the Committee at the 25 June 2025 Pension Fund Committee Meeting to discuss the rationale for gating the fund, alongside proposed changes to the MSPC Fund strategy. Subsequently, the Committee agreed to disinvest from the MSPC Fund and submitted a formal redemption request ahead of the 30 June 2025 deadline.</li> <li>During July 2025, Aberdeen informed all investors that the Fund's gating mechanism remained in place due to the significant amount of withdrawal requests it has received (75% of NAV – reaching 87.5% as at 1 October 2025).</li> <li>Aberdeen has considered options for the MSPC Fund, including potential new inflows, voluntary termination of the fund and secondary market transactions. Despite identifying a secondary market opportunity, Aberdeen has confirmed that the quantum of interest in the opportunity is insufficient to offset the current redemption queue. Aberdeen has also progressed discussions with external parties who had expressed an interest in acquiring a substantial stake, however these prospects have since confirmed they will not pursue an investment in the MSPC Fund.</li> <li>Furthermore, Aberdeen have communicated their stance that all viable inflow options which would deliver a positive outcome for investors have been exhausted. Consequently, Aberdeen intends to share a formal communication in early 2026, setting out a recommendation for the strategic direction of the Fund and estimated timelines to implement these. In the meantime, the MSPC Fund's gating mechanism remains in place.</li> </ul>	●

## 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 (4)

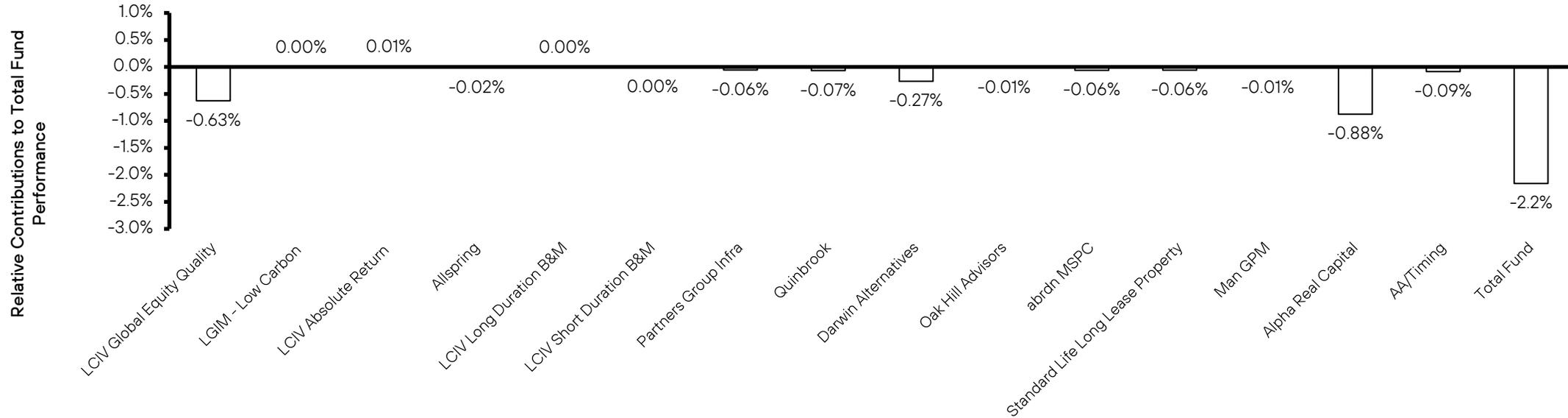
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Low Carbon Equity

Item	Action points / Considerations	Status
<p>Low Carbon Equity</p>	<p><b>L&amp;G</b></p> <ul style="list-style-type: none"> <li>• Following recent business changes over the past 2 years, we have recognised a series of recent changes within the team – both at the asset management (“AM”) senior leadership level and at the business function level. Over Q4 2025, L&amp;G announced the following team changes:                             <ul style="list-style-type: none"> <li>• Start November – Within the L&amp;G Index team, there was 3 senior leavers (notably, Fadi Zaher, Head of Index Solution), replaced by 3 senior hires.</li> <li>• Mid November – Within the L&amp;G AM leadership team, both the COO (Brenda Sklar) and CRO (Margaret Ammon) have departed. Additionally, the Head of Private Markets has stepped back due to health challenges. L&amp;G announced that are in a search process for a CRO, with an interim (Stuart Woodyatt - Global Head of Operational Risk - 36 years’ experience) being installed currently. The COO role however is being merged with the CFO role (which is currently led by Richard Lee) – with a new Global Head of Operations role being created, with the view that this individual will report into the CFO.</li> <li>• December – Within the L&amp;G AM leadership team, CIO Sonja Laud will be departing in Q1 2026. L&amp;G are in the process of recruiting for her replacement, with Emiel van den Heiligenberg who is Head of Asset Allocation taking up the role on an interim basis.</li> </ul> </li> <li>• From a senior leadership perspective within the AM function, the number of individuals remains broadly unchanged from end of 2024, with other senior L&amp;G individuals being added to the AM committee. In respect to the restructuring of Brenda Sklar’s COO role, L&amp;G highlighted there were personal (non-work related) factors which impacted Brenda’s decision to leave – and L&amp;G then made a business decision to instead create a Global Head of Operations role, occupied by Dylan Hughes who has 26 years of industry experience. Both Margaret and Sonja are departing for senior roles within other organisations, being Quilters and UBS respectively.</li> <li>• Prior to the announcements in Q4 2025, there had been some senior departures within the Index team, which coincided with the merging of the Index and ETF business lines in May 2025 – with the departure of Howie Li (Global Head of Index and ETF), Aanand Venkatraman (Head of ETFs for EMEA) and Michael Stewart (Head of Index Investment Specialists). We were informed at the time that this was a business decision from L&amp;G, with the total headcount within Index, ETF and Systematic decreasing from 70 at end-December 2024 to 62 in September 2025.</li> <li>• <b>Isio view:</b> Given the backdrop of the strategic business review, turnover within the team was to be expected, especially given the emphasis on streamlining and avoiding duplication of roles. Despite the changes, we remain comfortable with L&amp;G’s ability to maintain effective operations and client service despite ongoing changes. While the firm is in a transitional phase, we are assured they retain sufficient resources and expertise for investment outcomes and client service to be unaffected. Notably, L&amp;G does not anticipate further material restructuring of senior leadership or business groups, though they have committed to transparent communication if unforeseen changes arise. We will revert with a senior team update when suitable replacements are found, but in the interim, we believe that L&amp;G have appointed suitable well-tenured individuals to temporarily occupy these roles.</li> <li>• L&amp;G have signalled their commitment to the legacy Index business, highlighting however that the expected growth areas for L&amp;G moving forward are the ETF business (where they believe they are lagging relative to competition) and with Private Markets (where they plan to build out their capabilities). As highlighted though, the Private Markets part of their business is very small relative to their Public Markets exposure (c.&lt;5%) – but L&amp;G’s aim is to increase the relative size over time.</li> <li>• In terms of future plans, L&amp;G have indicated a preference to establish a greater international presence, viewing ETF and Private Markets key offerings to support this expansion. We will continue to monitor and work with L&amp;G such that this is carried out in a sustainable way, which does not negatively impact their current clients.</li> </ul>	<p style="text-align: center;">●</p>

# Attribution of Performance to 31 December 2025

## Relative Contributions to Total Fund Performance - Quarter

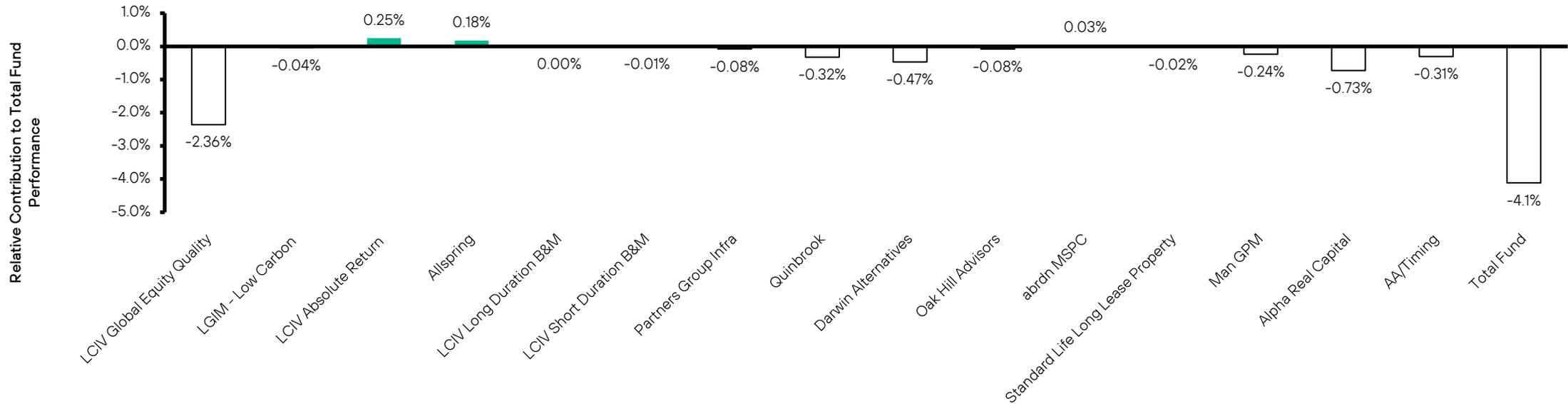


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Key area	Comments
<p>Commentary</p>	<ul style="list-style-type: none"> <li>The Fund underperformed its fixed weight benchmark by c.2.2% over the quarter to 31 December 2025.</li> <li>In line with previous quarters, the majority of underperformance can be attributed to the LCIV Global Equity Quality Fund, which delivered a negative return on an absolute basis and materially underperformed its MSCI ACWI benchmark. The Committee agreed to fully disinvest from the LCIV Global Equity Quality Fund at the at the 25 November 2025 Pension Fund Committee Meeting.</li> <li>Total Fund relative underperformance over the quarter has also been driven by Darwin Alternatives, owing to the impact of lower-than-expected rental revenues and a write-down of the underlying Leisure Property Fund portfolio, alongside the sale of Rosetta at a loss.</li> <li>Northern Trust’s reporting also attributes a large proportion of Total Fund underperformance to Alpha Real Capital. However, Alpha Real Capital has reported positive returns on an absolute basis over Q4 2025. We are working with Northern Trust to understand the difference in reported performance.</li> </ul>

# Attribution of Performance to 31 December 2025

## Relative Contributions to Total Fund Performance - Annual



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Key area	Comments
Commentary	<ul style="list-style-type: none"> <li>Over the year to 31 December 2025, the Fund underperformed its fixed weight benchmark by c. 4.1%.</li> <li>As overleaf, underperformance over the year can primarily be attributed to the LCIV Global Equity Quality Fund – driven by the strategy’s quality bias (and corresponding underweight position to outperforming sectors) alongside poor stock selection within technology and healthcare.</li> <li>Underperformance over the year can also be attributed to Darwin Alternatives, with the Leisure Development Fund crystallising further losses over Q3 and Q4 2025; and Alpha Real Capital – although as overleaf we believe Northern Trust has under-reported performance.</li> <li>Underperformance was partially offset by the LCIV Absolute Return Fund, owing to the positive impact of falling gilt yields over the year on the defensive-positioned portfolio; alongside Allspring, which outperformed the broader corporate bond market due to the portfolio’s shorter duration and the positive impact of its climate-transition-tilted positioning.</li> </ul>

# Investment Manager Updates

# London CIV (1)

Sub-fund	Asset Class	Manager	Total AuM as at 30 Sep 2025 (£m)	Total AuM as at 31 Dec 2025 (£m)	Number of London CIV clients	Inception Date
LCIV Global Alpha Growth	Global Equity	Baillie Gifford	1,651	1,629	5	11/04/16
LCIV Global Alpha Growth Paris Aligned	Global Equity	Baillie Gifford	2,692	2,206	10	13/04/21
LCIV Global Equity	Global Equity	Newton	677	687	3	22/05/17
LCIV Global Equity Quality	Global Equity	Morgan Stanley Investment Management	730	715	3	21/08/20
LCIV Global Equity Focus	Global Equity	Longview Partners	1,214	1,217	6	17/07/17
LCIV Global Equity Value	Global Equity	Wellington Management International Limited	363	389	3	28/10/24
LCIV Emerging Market Equity	Global Equity	Henderson Global Investors	630	692	8	11/01/18
LCIV Sustainable Equity	Global Equity	RBC Global Asset Management (UK)	1,421	1,450	7	18/04/18
LCIV Sustainable Equity Exclusion	Global Equity	RBC Global Asset Management (UK)	1,059	1,086	6	11/03/20
LCIV PEPPA	Global Equity	State Street Global Advisors	1,228	1,265	5	01/12/21
LCIV Global Total Return	Diversified Growth Fund	Pyrford	110	-	-	17/06/16
LCIV Diversified Growth	Diversified Growth Fund	Baillie Gifford	264	265	3	15/02/16
LCIV Absolute Return	Diversified Growth Fund	Ruffer	1,073	1,073	9	21/06/16
LCIV Real Return	Diversified Growth Fund	Newton	43	-	-	16/12/16
LCIV Global Bond	Fixed Income	PIMCO	976	1,139	10	30/11/18
LCIV Short Duration B&M Credit Fund	Fixed Income	Insight Investment Management	185	186	4	06/12/23
LCIV Long Duration B&M Credit Fund	Fixed Income	Insight Investment Management	805	835	7	06/12/23
LCIV All Maturities B&M Fund	Fixed Income	Insight Investment Management	495	504	3	09/10/24
LCIV MAC	Fixed Income	CQS & PIMCO	2,375	2,421	18	31/05/18
LCIV Alternative Credit	Fixed Income	CQS	755	767	5	31/01/22
<b>Total</b>			<b>18,747</b>	<b>18,525</b>		

## Investment Performance to 31 Dec 2025

### Business

As at 31 December 2025, the London CIV had assets under management of £18.5bn within the 18 sub-funds (not including private markets strategies), a decrease of £0.2bn over the quarter owing primarily to London Borough investor flows.

As at 31 December 2025, the total assets under oversight, including passive investments held outside the London CIV platform, stood at £38.7bn, an increase of c. £1.2bn over the quarter. Total commitments raised by the private market funds stood at c. £4.1bn of which c. £2.6bn had been drawn as at 31 December 2025.

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

# London CIV (2)

Sub-fund	Total Commitment as at 30 Sep 2025 (£'000)	Called to Date (£'000)	Fund Value as at 30 Sep 2025 (£'000)	Number of London CIV clients	Inception Date
LCIV Infrastructure Fund	475,000	388,691	474,377	6	31/10/2019
LCIV Real Estate Long Income Fund	213,000	213,000	154,001	3	11/06/2020
LCIV Renewable Infrastructure Fund	1,108,500	610,035	644,691	16	29/03/2021
LCIV Private Debt Fund	625,000	456,376	548,600	8	29/03/2021
LCIV UK Housing Fund	530,000	257,601	259,277	9	31/03/2023
LCIV Private Debt Fund II	550,000	103,537	111,216	8	28/05/2024
LCIV Nature Based Solutions Fund	344,000	191,151	183,207	5	12/07/2024
The London Fund	250,000	130,104	135,567	4	15/12/2020

Source: London CIV.

## Investment Performance to 30 Sep 2025

The table to the left provides an overview of the London CIV's private markets investments as at 30 September 2025.

Data as at 31 December 2025 is not available as at the time of writing.

# LCIV – Global Equity Quality

Key area	Performance commentary
Commentary	<ul style="list-style-type: none"> <li>The LCIV Global Equity Quality delivered a negative absolute return of -1.6% on a net of fees basis over the quarter, underperforming the MSCI-based benchmark by 5.0% over the period.</li> <li>Consistent with the previous quarter, the Sub-Fund's weak return was driven by the structural orientation of the quality portfolio, further exacerbated by poor stock selection. During Q4 2025, cyclical industries outperformed companies with more stable, sustainable cashflows. In addition, stock selection within the technology sector (e.g. RELX Plc) contributed negatively to absolute returns.</li> <li>The Sub-Fund has materially underperformed its MSCI ACWI benchmark since inception into the Fund's investment portfolio. While we acknowledge that the investment market environment has been more supportive of growth-oriented stocks and the wider index has been driven predominantly by large cap technology stocks which the quality-focused fund characteristically holds a low allocation to – it is the strategy's poor stock selection within the technology and healthcare sectors which have driven poor returns. Concerningly, healthcare is a sector where we would expect a quality-focused manager to add value.</li> </ul>

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## Investment Performance to 31 December 2025

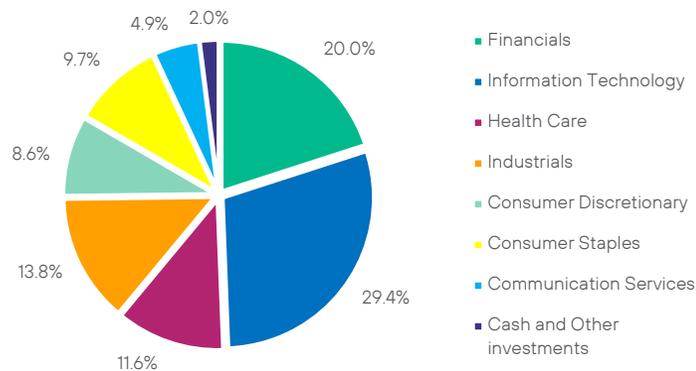
	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	-1.6	-4.1	8.3	6.4
Benchmark (MSCI World Net Index)	3.4	13.9	16.3	11.6
Net Performance relative to Benchmark	-5.0	-18.0	-8.0	-5.2

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	37
No. of Countries	9
No. of Sectors	7
No. of Industries	19

## Holdings

	% of NAV
Microsoft	5.9
Sap Se	5.6
Alphabet Inc (Class A)	4.9
Taiwan Semiconductor Manufacturing	4.5
Visa Inc	4.1
Coca-Cola	3.5
RELX Plc	3.4
Thermo Fisher Scientific	3.4
Protector & Gamble	3.4
Intercontinental Exchange Inc	3.3
<b>Total</b>	<b>42.0</b>

# L&G – World Low Carbon Equity

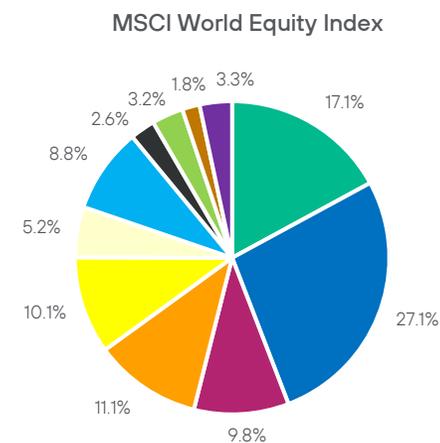
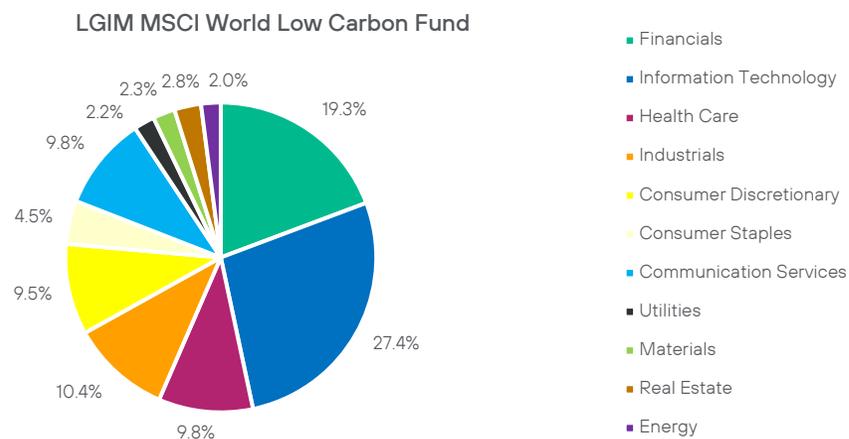
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Key area	Performance Commentary
Commentary	<ul style="list-style-type: none"> <li>The L&amp;G MSCI World Low Carbon Index Fund delivered a positive absolute return of 3.0% on a net of basis over the quarter to 31 December 2025, in line with its benchmark.</li> <li>Global equities maintained strong momentum, supported by robust corporate fundamentals, although technology stocks lagged slightly. UK and emerging market equities also contributed positively to overall performance.</li> <li>The L&amp;G MSCI World Low Carbon Index Fund delivered an absolute return of 12.2% on a net of fees basis over the one-year period to 31 December 2025, underperforming its benchmark by 0.1%. Over the longer three-year and five-year periods, the strategy delivered positive absolute returns of 17.3% p.a. and 12.8% p.a. on a net of fees basis, underperforming its benchmark by 0.2% p.a. and 0.1% p.a. respectively.</li> </ul>

Investment Performance to 31 December 2025				
	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	3.0	12.2	17.3	12.8
Benchmark (MSCI World Low Carbon Target)	3.0	12.4	17.4	12.9
Net Performance relative to Benchmark	0.0	-0.1	-0.2	-0.1

Relative performance may not tie due to rounding

## Portfolio Sector Breakdown at 31 December 2025



Note: Returns net of fees. Total may not sum to 100% due to rounding.

Sources: Northern Trust and L&G.

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### Fund Overview

Legal and General Investment Management ("L&G") 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 L&G MSCI World Low Carbon Index Fund and the MSCI World Equity Index as at 31 December 2025.

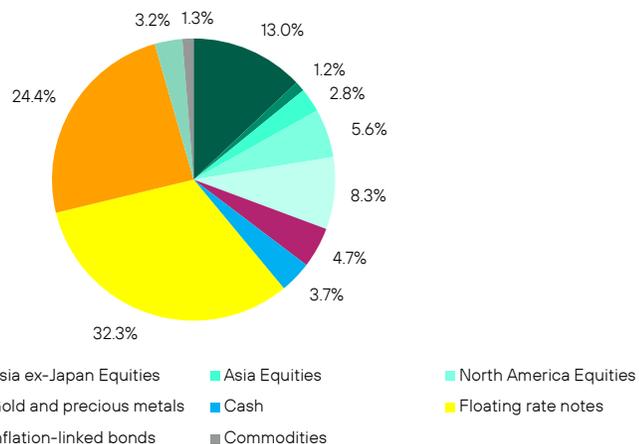
The L&G MSCI Low Carbon Index Fund has a larger allocation to financials than the MSCI World Equity Index, whilst the relatively lower allocation to materials, industrials and energy reflect the 'low carbon' nature of the Fund.

# LCIV – Absolute Return

Key area	Performance Commentary
Commentary	<ul style="list-style-type: none"> <li>The LCIV Absolute Return Fund delivered a positive return of 2.1% over the quarter on an absolute basis, outperforming its SONIA + 4% p.a. target by 0.2%. The strategy's strong weighting to government bonds proved beneficial over the quarter as yields fell. Performance was also supported by gains from growth assets such as equities and precious metals, which performed strongly over the period. In contrast, the Sub-Fund's defensive derivative protection positions detracted.</li> <li>The Sub-Fund has delivered positive 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).</li> </ul>

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## Portfolio Sector Breakdown



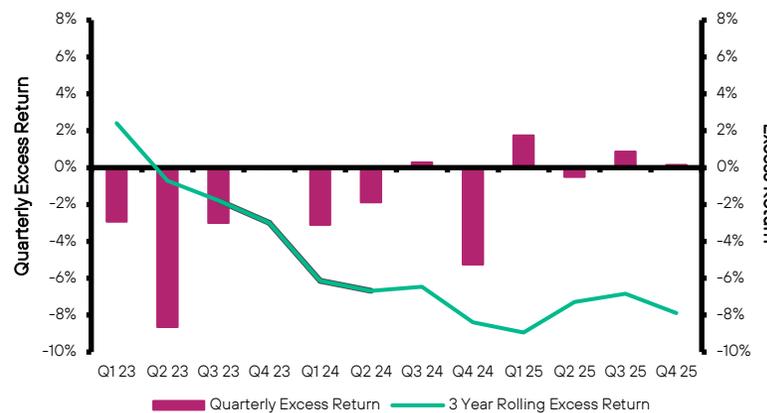
Total exceeds 100% as a result of negative derivative exposures not included in the chart.  
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 Sources: Northern Trust, London CIV and Ruffer.

## Investment Performance to 31 December 2025

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	2.1	10.8	0.5	3.5
Target	1.9	8.4	8.8	7.2
Net performance relative to Target	0.2	2.4	-8.3	-3.7

Relative performance may not tie due to rounding

## Investment Performance to 31 December 2025



## 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 on equity markets and 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.

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

Key area	Performance Commentary
Commentary	<ul style="list-style-type: none"> <li>The Short Duration Sub-Fund delivered a positive return of 1.5% over the quarter, driven primarily by falling gilt yields. Favourable movements in USD and GBP swap spreads also supported performance. However, the Sub-Fund marginally underperformed its iBoxx 0–5 Years Credit Index benchmark due to negative sector and issuer positioning.</li> <li>The Long Duration Sub-Fund delivered a positive return of 4.4% over the quarter, driven by a steeper decline in gilt yields at longer maturities and supported by favourable USD and GBP swap-spread movements. Unlike the Short Duration Sub-Fund, sector and issuer positioning had a marginally positive impact, led mainly by healthcare bonds, resulting in slight outperformance versus its benchmark.</li> </ul>

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Key Statistics				
	Short Duration		Long Duration	
	30 Sep 2025	31 Dec 2025	30 Sep 2025	31 Dec 2025
Weighted Average Credit Rating	A	A	A-	A-
Yield to Maturity	4.61	4.36	5.96	5.70
Current Yield	3.83	3.70	5.50	5.17
Interest Rate Duration (Years)	2.15	2.26	10.83	10.96
Spread Duration (Years)	1.90	1.74	10.05	9.88

Investment Performance to 31 December 2025		
Short Duration	Last Quarter (%)	One Year (%)
Net of fees	1.5	5.9
Benchmark / Target	1.7	6.5
Net performance relative to Benchmark	-0.2	-0.6

Long Duration	Last Quarter (%)	One Year (%)
Net of fees	4.4	6.5
Benchmark / Target	4.3	6.6
Net performance relative to Benchmark	0.1	-0.1

Relative performance may not tie due to rounding

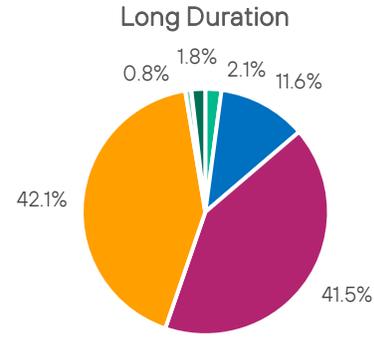
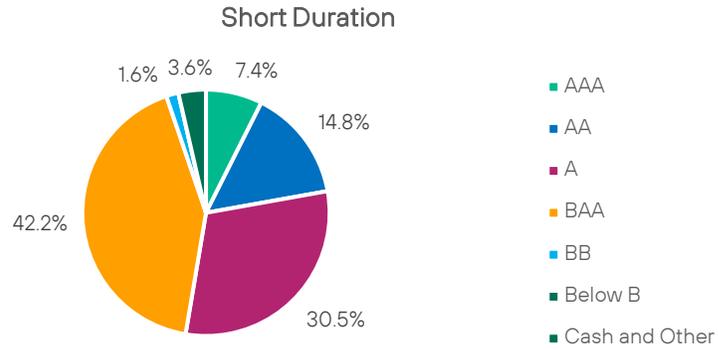
## Fund Overview

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.

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

## Portfolio Credit Rating Breakdown

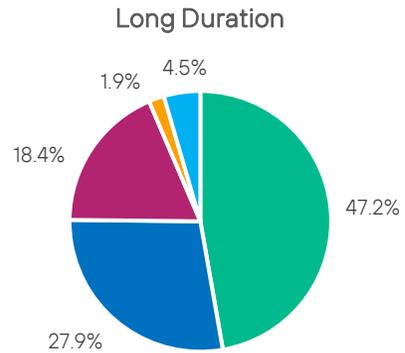
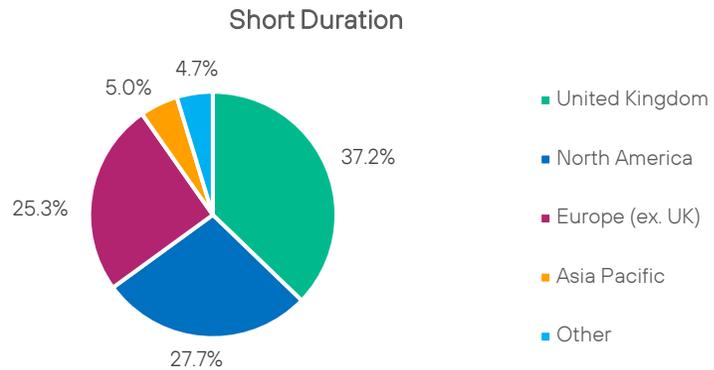


## Fund Overview

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 2025.

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## Portfolio Regional Breakdown



# Allspring – Climate Transition Global Buy & Maintain (1)

Key area	Performance Commentary
Commentary	<ul style="list-style-type: none"> <li>The Allspring Climate Transition Global Buy and Maintain Fund has delivered a positive return of 2.9% over the quarter to 31 December 2025 on a net of fees basis, underperforming its target by 0.2%.</li> <li>The Fund is largely invested in IG-rated loans, which are more sensitive to interest-rate movements. As a result, falling UK gilt yields boosted underlying valuations over the quarter, driving positive returns.</li> <li>Underperformance against the Sterling denominated index was mainly driven by negative sector and stock selection (particularly in communications and technology).</li> </ul>

Investment Performance to 31 December 2025		
	Last Quarter (%)	One Year (%)
Net of fees	2.9	7.3
Target	3.0	5.5
Net performance relative to Target	-0.2	1.8

Relative performance may not tie due to rounding

## Fund Overview

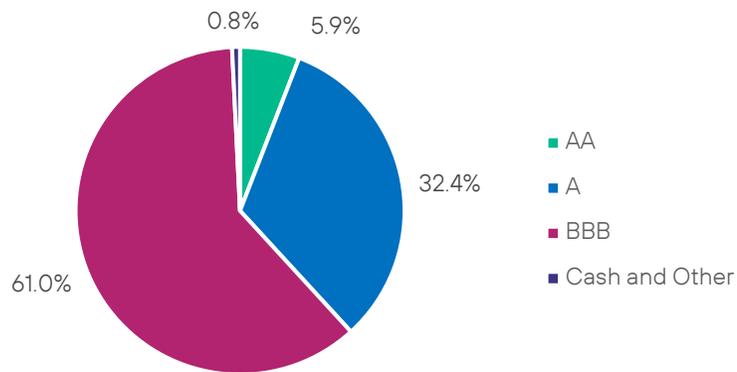
Allspring was appointed on 7 November 2023 to manage a global climate transition buy and maintain credit mandate.

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 the largest regions as at 31 December 2025.

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Portfolio Credit Rating Breakdown as at 31 December 2025



Largest Country Allocation (Top 10) as at 31 December 2025

	% of NAV
United Kingdom	34.6
United States	23.1
France	13.3
Germany	5.9
Netherlands	4.8
Australia	3.0
Spain	2.8
Italy	2.6
Belgium	1.7
Mexico	1.3
<b>Total</b>	<b>93.1</b>

# Allspring – Climate Transition Global Buy & Maintain (2)

ESG Metrics as at 31 December 2025

	Allspring Climate Transition Global Buy & Maintain		Benchmark	
	Value	Coverage	Value	Coverage
MSCI ESG Score	7.5	95%	7.3	91%
Sustainalytics ESG Risk Score	17	95%	18	94%
Carbon to Value Invested (metric tons CO <sub>2</sub> e/\$1m invested)*	22	97%	27	94%
Weighted Average Carbon Intensity (metric tons CO <sub>2</sub> e/\$1m revenues)*	68	97%	71	94%
Coal Emissions (metric tons CO <sub>2</sub> e/\$1m invested)	0	N/A	3,951	N/A
Gas Emissions (metric tons CO <sub>2</sub> e/\$1m invested)	4,302	N/A	4,177	N/A
Oil Emissions (metric tons CO <sub>2</sub> e/\$1m invested)	6,924	N/A	5,715	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

## 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 2025.

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

# Aberdeen – Multi-Sector Private Credit Fund

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Key area	Performance Commentary
Commentary	<ul style="list-style-type: none"> <li>The MSPC Fund has delivered a positive return of 1.1% on a net of fees basis over the quarter. Positive returns have been driven primarily by the strategy's allocation to real estate debt. The strategy however, has underperformed its corporate bond-based target by 1.8% over the quarter, owing to the index' greater sensitivity to movements at the short-end of the yield curve. The strategy has outperformed over longer periods owing to the illiquidity premium attached to the Fund's assets.</li> </ul>
Portfolio Composition	<ul style="list-style-type: none"> <li>As at 31 December 2025, the MSPC Fund portfolio has reached target allocation and consists of 15 private assets:                             <ul style="list-style-type: none"> <li>4 infrastructure debt investments;</li> <li>5 senior commercial real estate debts investments; and</li> <li>6 private corporate debt investments.</li> </ul> </li> <li>The MSPC Fund has also made investments in structured credit and public bonds.</li> </ul>

Investment Performance to 31 December 2025				
	Last Quarter	One Year	Three Years	Five Years
	(%)	(%)	(% p.a.)	(% p.a.)
Net of fees	1.1	8.7	9.3	2.5
Benchmark / Target	2.9	7.8	7.1	0.8
Net performance relative to Benchmark	-1.8	0.9	2.2	1.7

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

## Fund Overview

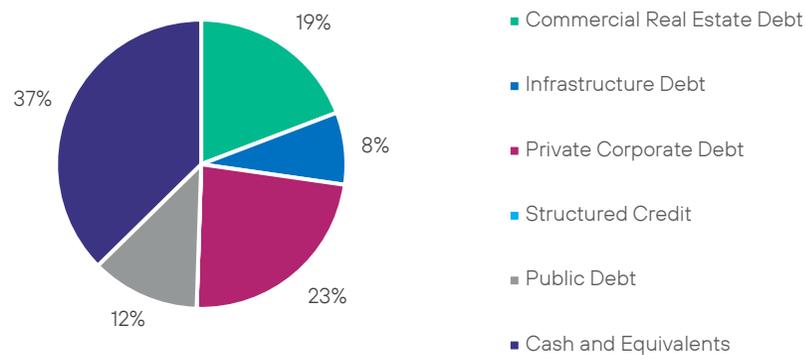
Aberdeen was appointed to manage a multi sector private credit mandate, with the Fund drawing down capital for investment on 8 April 2020.

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.

As at 31 December 2025, c. 51% of the MSPC Fund portfolio has been invested in illiquid assets that will make up the long-term portfolio, with the remaining c. 49% invested in a liquid transition portfolio and cash following recent sales of assets.

The asset allocation as at 31 December 2025 is provided in the chart to the left.

Portfolio Asset Type Breakdown at 31 December 2025



Investment Metrics		
	30 Sep 2025	31 Dec 2025
Duration (years)	2.51	2.29
Average rating	BBB+	A
Average portfolio spread	218bps	237bps
Average illiquidity premium	124bps	128bps
Average yield to maturity	5.23%	4.94%

# Darwin Alternatives – Leisure Development Fund (1)

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Key area	Performance Commentary
Commentary	<ul style="list-style-type: none"> <li>The Leisure Development Fund delivered a negative return of -16.9% on an absolute basis over the quarter to 31 December 2025, underperforming its cash +6% p.a. target by 19.3%.</li> <li>Significant underperformance over the quarter was attributed to a write down of the Darwin Leisure Property Fund (of which the Leisure Development Fund holds a c.5% allocation). The write down follows liquidity pressures, suspended redemptions and a depressed NAV environment, with the fund set to be restructured and managed by ABT Capital.</li> <li>Lower rental revenues have also impacted performance, with combined rental revenue being 6% behind budget – alongside completion of the sale of Rosetta at a loss.</li> <li>The eight resorts within the DLDF portfolio are now being operated under a newly established, streamlined central management platform, trading under the new brand, Verde Resorts. James Melville-Jackson has been appointed as Managing Director of Verde Resorts, the new company operating the holiday park portfolio.</li> </ul>

## Investment Performance to 31 December 2025

	Last Quarter (%)	One Year (%)	Three Years (%)
Net of fees	-16.9	-21.3	-20.9
Benchmark / Target	2.4	10.4	10.8
Net performance relative to Benchmark	-19.3	-31.7	-31.7

Relative performance may not tie due to rounding

## Activity

<ul style="list-style-type: none"> <li>At Kilnwick Percy, Darwin are looking to a third-party to provide a new wellness facility in the existing spa area. This would be chargeable to the guests and generate rental income for the park.</li> <li>Discussions are due to be held with the Blenheim Palace Estate to discuss moving forward with the plans for phase 2 of Blenheim Palace Lodge Retreat. The concept is a low cost 'unplugged' experience incorporating new gardens and other spaces for wellness, relaxation and engagement. Darwin are looking to submit a planning application in Q2 2026.</li> <li>A letter of intent has been signed with Octopus and Zestec to establish a solar array at Dundonald Links and planning work is now underway. The solution would deliver 0.5MW of solar capacity with battery storage, generating savings of £1M over the term and saving over 100 tonnes of CO2 per annum.</li> </ul>	<ul style="list-style-type: none"> <li>Discussions are also ongoing with Tennis Scotland to build an indoor racquet facility at Dundonald. Padel, and possibly pickleball facilities would also be included. Tennis Scotland would offer funding of up to 66% of the CapEx through grants and an interest free loan from the LTA. The facility would attract visitors year-round and help to further raise the profile of Dundonald Links. Padel, in particular, is a very cash generative sport and the four padel courts alone could generate c.£0.5m in revenues each year.</li> <li>Darwin are exploring an opportunity with a landed estate in the south of the Lake District to develop a new lodge resort. The site is a 25-minute drive from Morecombe Bay, the location of the new Eden Project, and is well served by the Manchester catchment area.</li> </ul>
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## 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.

# 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
Plas Isaf, North Wales	Add additional lodges utilising existing planning	39	June 2020
Bleathwood, Shropshire	Develop site into luxury lodge retreat	12	December 2020
Blenheim Palace, Oxfordshire	Develop site into luxury lodge retreat	10	December 2021

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## Portfolio

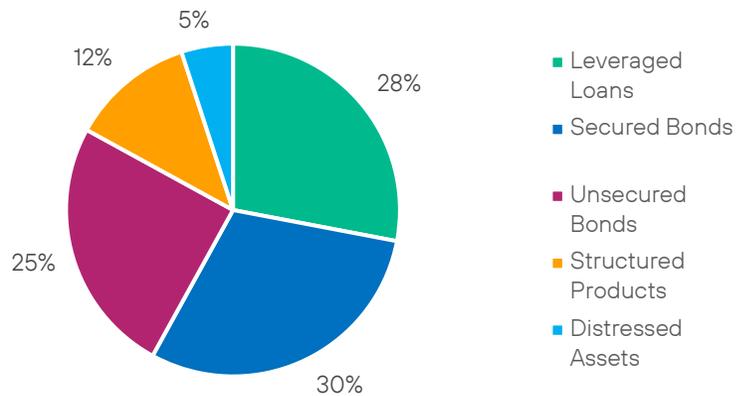
The table to the left shows details of the parks underlying the Darwin Alternatives Leisure Development Fund portfolio as at 31 December 2025.

# Oak Hill Advisors – Diversified Credit Strategies

Key area	Performance Commentary
Commentary	<ul style="list-style-type: none"> <li>The strategy delivered a positive return of 1.7% on a net of fees basis over the quarter to 31 December 2025, underperforming the benchmark by 0.3%. As the strategy is measured against a Sterling cash-plus benchmark, we would expect relative performance differences over shorter time horizons.</li> <li>Positive absolute returns over Q4 2025 were primarily attributed to strong credit selection in the manager’s core asset classes of high yield bonds and leveraged loans.</li> <li>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 2025 within the Diversified Credit Strategies portfolio, while six positions representing c. 1.6% of the total portfolio were downgraded.</li> </ul>

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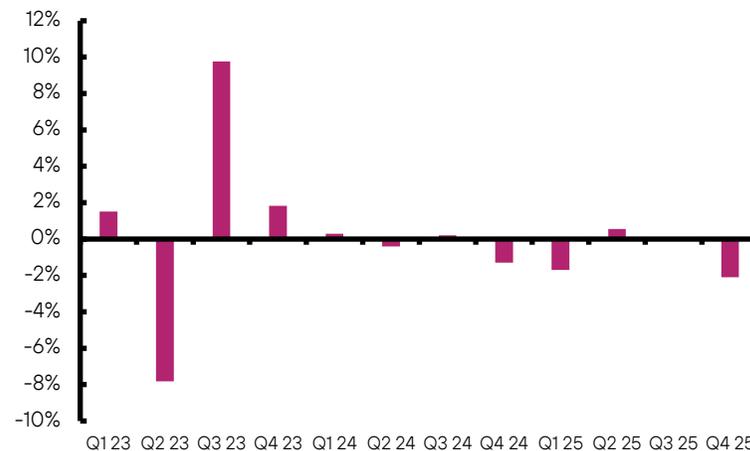
Portfolio Sector Breakdown at 31 December 2025



Investment Performance to 31 December 2025				
	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.7	6.9	9.5	5.5
Benchmark / Target	1.9	8.4	8.8	7.2
Net Performance relative to Benchmark	-0.3	-1.5	0.7	-1.6

Relative performance may not tie due to rounding

Quarterly Excess Returns



## 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 7.2% on a net of fees basis over the year to 31 December 2025 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 7.2% over the year to 31 December 2025.

The chart to the bottom left shows the composition of the Diversified Credit Strategies Fund’s portfolio as at 31 December 2025.

# Partners Group – Direct Infrastructure

Key area	Performance Commentary
Activity	<ul style="list-style-type: none"> <li>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.</li> <li>As at 30 September 2025, the Partners Group Direct Infrastructure Fund was in its realisation phase with an active portfolio of 11 investments having realised 11 positions to date.</li> <li>As at 30 September 2025, the Fund has delivered a net IRR of 13.8% since inception. The Fund's net multiple remained stable over the period. Telepass, a pan-European provider of electronic tolling, was written up reflecting strong financial performance.</li> </ul>

Investment Performance to 31 December 2025				
	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	-0.8	8.7	11.0	13.4
Benchmark / Target	2.8	12.4	12.8	11.2
Net Performance relative to Benchmark	-3.7	-3.6	-1.8	2.2

Relative performance may not tie due to rounding

## 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 2025.

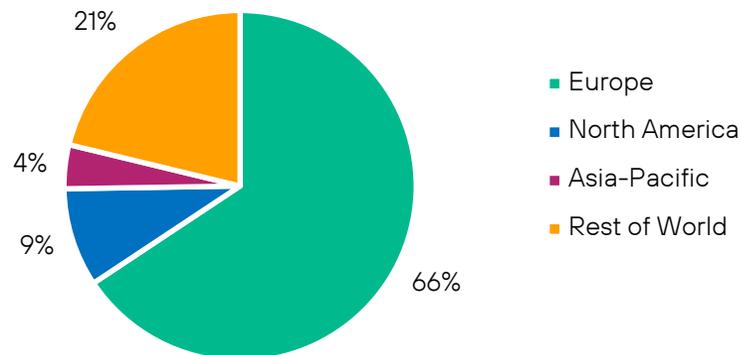
## Capital Calls and Distributions

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.

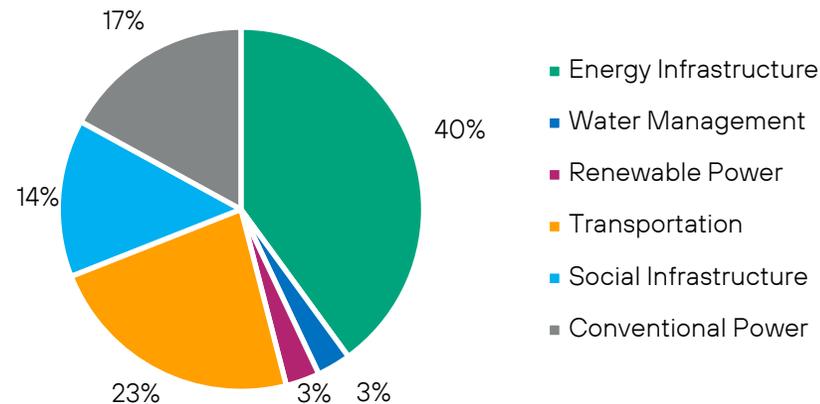
Over the quarter, Partners Group issued three capital distributions on 9 October 2025 (c.€2.8m), 16 October 2025 (c.€3.0m) and 23 December 2025 (c.€1.7m).

Portfolio Breakdown by Region and Sector as at 30 September 2025

## Regional Allocation



## Allocation by Sector



# Quinbrook – Renewables Impact Fund (1)

Key area	Performance Commentary
Capital Calls and Distributions	<ul style="list-style-type: none"> <li>The London Borough of Hammersmith &amp; Fulham Pension Fund committed £45m to the Quinbrook Renewables Impact Fund ("QRIF I") in August 2023, £35m to the Quinbrook Renewables Impact Fund II ("QRIF II") in November 2024 and in November 2025.</li> <li>Quinbrook issued no further drawdown requests or capital distributions over the quarter. Resultantly, as at 31 December 2025, the Fund's remaining unfunded commitment stands at c.£2.0m, with the Fund's £45m commitment c. 95% drawn.</li> <li>Over the fourth quarter of 2025, Quinbrook issued a net capital drawdown request of £1.5m, comprising of a £3.3m capital drawdown request, offset by an equalisation distribution of £1.9m – for payment by 25 November 2025. Following quarter end, Quinbrook issued an equalisation capital drawdown request on advance commitment of £5.7m following the additional commitment – for payment by 10 February 2026. As such, the Fund's commitment will be c.19% drawn for investment following payment of the February drawdown.</li> </ul>

## Investment Performance to 31 December 2025

	Last Quarter (%)	One Year (%)
Net of fees	0.1	5.5
Benchmark / Target	1.9	14.1
Net performance relative to Benchmark	-1.8	-8.7

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

As at 30 September 2025, the Renewables Impact Fund I has delivered a net IRR of 8.2% since inception and QRIF II's MOIC (Multiple on Invested Capital) was 0.9x.

## Activity over the quarter to 30 September 2025

### QRIF I

- Rassau continued to deliver strong performance, operating at 100% availability. The asset also finalised its bid into NESO's (National Energy System Operator) Y-1 tender, targeting a six-month delivery window across Q2 and Q3 2027.
- The quarter also marked significant progress across the broader Thistle program. The Gretna project reached COD. Gretna was operational on 5<sup>th</sup> September. During the quarter, the operational assets generated £5.84 million of revenue.
- With respect to Cleve Hill, no capital was used on the constructions activities for Fortress, all funds used were from the debt facility. At peak output over Q3, the project accounted for 0.2% of total UK power demand. Approximately 65% of this generation is contracted to Tesco. During the quarter, Tesco advised the Manager that they would pay for all electricity produced until 31 March 2027.
- Furthermore, Habitat Energy continued to expand its optimisation platform, growing its customer base from 3.9 GW / 6.3 GWh to 3.9 GW / 6.4 GWh. The business's trailing 12-month revenue increased by 14.8% quarter-on-quarter to £5.5m.

### QRIF II

- As at 30 September 2025, the Fund had invested £80.9m into several core thematic: standalone electricity storage, decarbonisation of transport, co-located renewable electricity generation and storage, and standalone renewable electricity generation.
- The Fund had closed on six investments to date (as at Q3 2025: (i) Project Kamino (battery energy storage system); (ii) Aegis Energy (company building a platform of dedicated multi-fuel stations); (iii) Fern Portfolio (Norton and Talbot Green) - solar PV and BESS project; and (iv) Mallard Pass (standalone solar PV project) and v) Naveen (grid support).
- In July 2025 the Manager progressed with the Naveen project of a synchronous condenser located in Wexford, Ireland.

# Quinbrook – Renewables Impact Fund (2)

QRIF I: Project Name	Fund Ownership	Investment Date	Technology	Location
Pathfinder - Operational				
Rassau	100%	Dec-20	Synchronous Condenser	UK
Solar and Battery Storage – Under construction				
Cleve Hill	100%	Oct-21	Solar and Battery Storage	UK
Battery Storage – Under-construction				
Uskmouth	100%	May-22	Battery Storage	Wales
Other				
Habitat	100%	Jul-21	Trading Platform	UK
Held at cost				
Dawn	100%	Mar-22	Battery Storage	UK

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QRIF II: Project Name	Fund Ownership	Investment Date	Technology	Location
Fern (Norton)	100%	Dec-24	Solar and Battery Storage	UK
Mallard Pass	100%	Dec-24	Solar	UK
Fern (Talbot Green)	100%	Dec-24	Solar	UK
Kamino	100%	Dec-24	Battery Storage	UK
Aegis	100%	Dec-24	Vehicle recharging	UK
Naveen	100%	Jul-25	Synchronous Condenser	Ireland

## Portfolio

The table to the left shows a list of the investments held by the Quinbrook Renewables Impact Fund I & II as at 30 September 2025. Data as at 31 December 2025 is not available as at the time of writing.

# Aberdeen – Long Lease Property

Key area	Performance Comments
Commentary	<ul style="list-style-type: none"> <li>The Long Lease Property Fund has delivered a positive return of 1.9% over the quarter to 31 December 2025, underperforming its gilts-based benchmark by 1.7% owing to the positive impact of falling longer dated gilt yields on the target</li> <li>The Fund has underperformed the wider property market over the year and three years owing to property market and long income decline at the end of 2022 and early 2023, asset sales at depressed pricing, and a lack of exposure to outperforming sectors.</li> <li>Transaction volumes have been low over 2024 and 2025, however with improving investor liquidity and looser monetary policy transaction activity is set to increase over the coming periods.</li> </ul>

Investment Performance to 31 December 2025				
	Last Quarter (%)	One Year (%)	Three Years (% p.a.)	Five Years (% p.a.)
Net of fees	1.9	6.4	-2.0	-2.0
Benchmark / Target	3.5	7.0	3.7	-3.2
Net Performance relative to Benchmark	-1.7	-0.7	-5.7	1.2

Relative performance may not tie due to rounding

## Fund Overview (lagged by one quarter)

Aberdeen 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.

Aberdeen acknowledges that further asset sales will be required to meet redemption requests. 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.

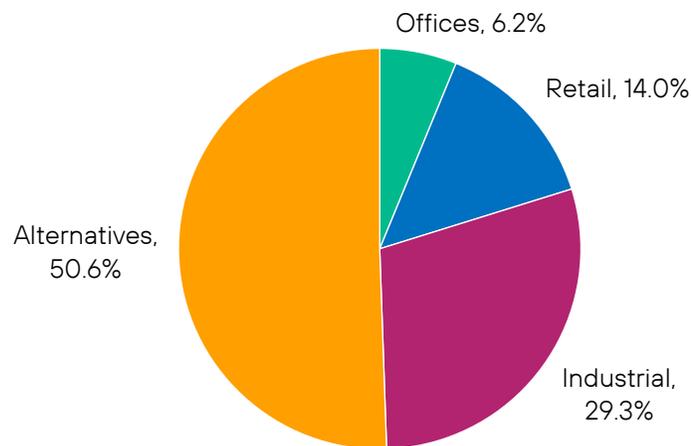
As at 31 December 2025, 1.6% of the Fund's NAV is invested in ground rents via an indirect holding in the Aberdeen Ground Rent Fund, with 18.5% of the Fund invested in income strip assets.

The top 10 tenants contributed c.80.0% of the total net income of the Fund as at 31 December 2025.

The unexpired lease term as at 31 December 2025 stood at 24.2 years, a decrease of 1.4 years over the fourth quarter of 2025. The proportion of income with fixed, CPI or RPI rental increases decreased by 0.9% over the fourth quarter of 2025 to 91.6% as at 31 December 2025.

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Portfolio Sector Breakdown at 31 December 2025



Top 10 Tenants (% of net rental income) as of 31 December 2025

Tenant	% Net Income	Credit Rating
Amazon UK Services Limited	10.7	AA
Marston's plc	9.7	BB
Viapath Services LLP	9.3	BBB
J Sainsbury plc	9.3	A
Salford Villages Limited	8.4	A
Poundland	6.9	BBB
Next Group plc	6.8	B
Premier Inn Hotels Limited	6.7	BBB
Lloyds Bank plc	6.2	Not available
(The) Court of Edinburgh Napier University	5.9	Not available
<b>Total</b>	<b>80.0*</b>	

# Alpha Real Capital – Index Linked Income

Key area	Comments
Commentary	<ul style="list-style-type: none"> <li>Alpha Real Capital have reported a positive return of 1.2% over the quarter to 31 December 2025, driven primarily by income return. We are working with NT to understand the reasoning behind the discrepancy in quoted performance.</li> <li>The strategy has underperformed its long-dated inflation-linked gilts benchmark over the quarter and year to 31 December 2025, driven by subdued ground rents valuations and the impact of the previously-mentioned administration and subsequent void, and the positive impact of falling long-dated gilt yields on the target.</li> <li>Over the quarter, the manager completed a top-up transaction for the PGL portfolio as part of a wider deal to reassign three of the former Kingswood Learning and Leisure Group assets which have been allocated to the PGL group (following their parent entering administration).</li> </ul>

## Investment Performance to 31 December 2025

	Last Quarter (%)	One Year (%)	Three Years (% p.a.)
Net of fees	-3.6	-10.2	-7.8
Benchmark / Target	9.4	1.7	-8.2
Net performance relative to Benchmark	-12.9	-11.8	0.4

Relative performance may not tie due to rounding

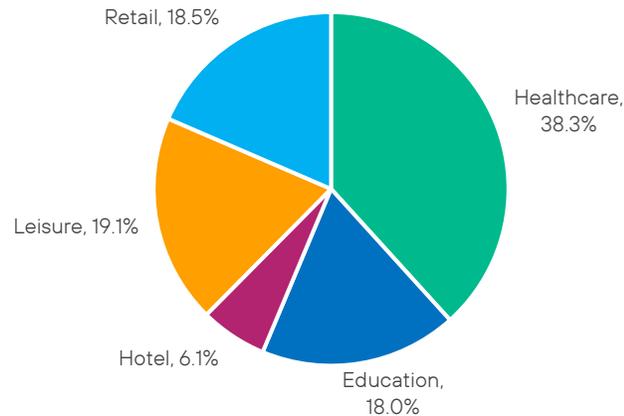
Alpha Real Capital was appointed to manage a ground rents mandate with the aim of outperforming the BoAML Long-Dated UK Inflation-Linked Gilts Index benchmark by 2.0% p.a. over a 5-year period. The manager has an annual management fee.

The average lease length stood at c. 141 years as at 31 December 2025, remaining unchanged over the quarter. 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 2025 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 2025. The top 10 holdings in the Index Linked Income Fund accounted for c. 83.5% of the Fund as at 31 December 2025.

## Portfolio Sector Breakdown at 31 December 2025



## Top Ten Holdings by Value as 31 December 2025

Tenant	Value (%)	Credit Rating
Elysium Healthcare	15.3	A1
Dobbies	12.8	Baa1
Parkdean	11.6	A2
HC One	10.8	A2
PGL	8.9	Baa2
Away Resorts	7.1	A2
Busy Bees	5.9	A2
Grange Hotels	3.8	A2
CareTech II	4.5	A3
Booths	2.8	Aa3
<b>Total</b>	<b>83.5</b>	

# Man Group – Affordable Housing

Key area	Comments
Commentary	<p><b>Capital Calls and Distributions</b></p> <ul style="list-style-type: none"> <li>The Fund committed £30m to Man Group in February 2021.</li> <li>Over the quarter, Man Group issued a recallable capital distribution of £0.9m for payment by 23 October 2025.</li> <li>As such, the Fund's total commitment is c. 89% drawn for investment at 31 December 2025.</li> </ul>
	<p><b>Activity</b></p> <ul style="list-style-type: none"> <li>Having completed the strategy's eleventh investment, Man Group has confirmed that no further investments will be added to the Community Housing Fund portfolio.</li> <li>As at 30 September 2025, the Fund has contracted 1,403 homes and delivered 561 homes.</li> <li>An update on the Fund's investments in Grantham, Wellingborough and Saltdean can be found in the Private Appendix to this report.</li> </ul>

Investments Held				
Investment	Number of Homes	Affordable Homes (%)	Gross Cost (£m)	Capital Invested to Date (£m)
Atelier, Lewes	41	95	13	13
Alconbury, Cambridgeshire	95	100	22	22
Grantham, Lincolnshire	227	85	51	33
Campbell Wharf, Milton Keynes	79	100	21	21
Towergate, Milton Keynes	55	100	18	17
Coombe Farm, Saltdean	71	83	28	28
Chilmington, Ashford	225	TBC	72	67
Tattenhoe, Milton Keynes	34	100	6	6
Glenvale Park, Wellingborough	146	100	35	24
Old Malling Farm, Lewes	226	100	84	31
Stanhope Gardens, Aldershot	96	100	39	35
Wantage Grove	108	100	35	9
<b>Total</b>	<b>1,403</b>	<b>96</b>	<b>425</b>	<b>305</b>

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 2025.

As at 30 September 2025, the Man Group Community Housing Fund has a weighted average expected levered IRR of 7.0%.

At the time of writing, Man Group data as at 31 December 2025 is not available.

# Appendices

A1: Fund and Manager Benchmarks

A2: Yield Analysis

A3: Explanation of Market Background

A4: Allspring – ESG Metrics

A5: Disclaimers

# Fund and Manager Benchmarks

Manager	Asset Class	Allocation	Benchmark	Inception Date
LCIV	Global Equity Quality	-	MSCI AC World Index	30/09/20
L&G	Low Carbon Target	20.0%	MSCI World Low Carbon Target Index	18/12/18
BlackRock	ACS World ESG – GBP Hedged	20.0%	MSCI World ESG Focus Low Carbon Screened Index – GBP Hedged	TBC
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	06/12/23
LCIV	Long Duration Buy & Maintain Credit	2.5%	iBoxx £ Collateralized & Corporates 10+	06/12/23
Allspring	Climate Transition Global Buy & Maintain	10.0%	ICE BofA Sterling Corp Bond	07/11/23
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
Aberdeen	Multi Sector Private Credit	4.0%	3 Month Sterling SONIA / ICE ML Sterling BBB Corporate Bond Index	08/04/20
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
Aberdeen	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
	<b>Total</b>	<b>100.0%</b>		

# Yield Analysis

Manager	Asset Class	Yield as at end December 2025
LCIV Global Sustain	Global Equity	1.27%
L&G MSCI Low Carbon	Global Equity	1.68%
LCIV Absolute Return	Dynamic Asset Allocation	0.61%
Allspring Climate Transition B&M	Dynamic Asset Allocation	5.22%
LCIV Short B&M	Dynamic Asset Allocation	3.70%
LCIV Long B&M	Dynamic Asset Allocation	5.17%
Partners Group MAC	Secure Income	5.10% <sup>1</sup>
Partners Group Infrastructure	Secure Income	1.50% <sup>1</sup>
Aberdeen MSPC Fund	Secure Income	4.94%
Oak Hill Advisors	Secure Income	6.60%
Standard Life Long Lease Property	Inflation Protection	5.49%
Alpha Real Capital	Inflation Protection	4.73%
	<b>Total</b>	<b>2.57%</b>

# 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

# 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 <sub>2</sub> e/\$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 <sub>2</sub> e)	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 <sub>2</sub> e)	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 <sub>2</sub> e)	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 <sub>2</sub> e)	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).

# 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.

# Disclaimers

## Performance, Opinions, and Estimated Liabilities

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**Pension Fund Current Account Cashflow Actuals and Forecast for period Oct - Dec-25**

	Oct-25 £000s	Nov-25 £000s	Dec-25 £000s	Jan-26 £000s	Feb-26 £000s	Mar-26 £000s	Apr-26 £000s	May-26 £000s	Jun-26 £000s	Jul-26 £000s	Aug-26 £000s	Sep-26 £000s	F'cast Annual Total £000s	F'cast Monthly Total £000s
	Actual	Actual	Actual	F'cast										
<b>Balance b/f</b>	1,606	9,290	7,677	7,009	5,544	4,678	3,237	9,600	8,685	7,154	5,593	4,657		
Contributions	4,347	3,779	5,016	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	45,991	3,833
Pensions	(3,610)	(3,692)	(3,542)	(3,615)	(3,616)	(3,591)	(3,788)	(3,665)	(3,681)	(3,711)	(3,686)	(3,693)	(43,889)	(3,657)
Lump Sums	(402)	(626)	(1,632)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(9,860)	(822)
Net TVs in/(out)	(1,528)	(1,910)	242	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(5,897)	(491)
Net Expenses/other transactions	(15)	(163)	(752)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(4,531)	(378)
<b>Net Cash Surplus/(Deficit)</b>	<b>(1,209)</b>	<b>(2,612)</b>	<b>(668)</b>	<b>(1,465)</b>	<b>(1,466)</b>	<b>(1,441)</b>	<b>(1,638)</b>	<b>(1,515)</b>	<b>(1,531)</b>	<b>(1,561)</b>	<b>(1,536)</b>	<b>(1,543)</b>	<b>(18,184)</b>	<b>(1,515)</b>
Distributions	893	999			600			600			600		3,692	738
<b>Net Cash Surplus/(Deficit) including investment income</b>	<b>(316)</b>	<b>(1,613)</b>	<b>(668)</b>	<b>(1,465)</b>	<b>(866)</b>	<b>(1,441)</b>	<b>(1,638)</b>	<b>(915)</b>	<b>(1,531)</b>	<b>(1,561)</b>	<b>(936)</b>	<b>(1,543)</b>	<b>(14,492)</b>	<b>(1,208)</b>
Transfers (to)/from Custody Cash	8,000						8,000					8,000	24,000	6,000
<b>Balance c/f</b>	<b>9,290</b>	<b>7,677</b>	<b>7,009</b>	<b>5,544</b>	<b>4,678</b>	<b>3,237</b>	<b>9,600</b>	<b>8,685</b>	<b>7,154</b>	<b>5,593</b>	<b>4,657</b>	<b>11,114</b>	<b>84,238</b>	<b>4,792</b>

**Current account cashflow actuals compared to forecast in Oct - Dec-25**

	Oct-25		Nov-25		Dec-25		Oct - Dec-25
	Forecast £000s	Actual £000s	Forecast £000s	Actual £000s	Forecast £000s	Actual £000s	Variance £000s
Contributions	3,600	4,347	3,600	3,779	3,600	5,016	2,341
Pensions	(3,568)	(3,610)	(3,582)	(3,692)	(3,570)	(3,542)	(124)
Lump Sums	(800)	(402)	(800)	(626)	(800)	(1,632)	(260)
Net TVs in/(out)	(300)	(1,528)	(300)	(1,910)	(300)	242	(2,297)
Expenses/other transactions	(400)	(15)	(400)	(163)	(400)	(752)	269
Distributions			700	999			299
Transfers (to)/from Custody Cash		8,000			8,000		
<b>Total</b>	<b>(1,468)</b>	<b>6,791</b>	<b>(762)</b>	<b>(1,613)</b>	<b>6,530</b>	<b>(668)</b>	<b>230</b>

**Notes on variances**

- 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-25**

	Oct-25 £000s	Nov-25 £000s	Dec-25 £000s	Jan-26 £000s	Feb-26 £000s	Mar-26 £000s	Apr-26 £000s	May-26 £000s	Jun-26 £000s	Jul-26 £000s	Aug-26 £000s	Sep-26 £000s	F'cast Annual Total £000s	F'cast Monthly Total £000s
	Actual	Actual	Actual	F'cast										
<b>Balance b/f</b>	23,298	20,238	18,833	20,288	21,798	21,808	21,818	12,328	12,338	12,348	10,858	10,868		
Sale of Assets												5,000	5,000	1,667
Purchase of Assets		(3,300)					(3,000)			(3,000)			(9,300)	(2,325)
<b>Net Capital Cashflows</b>		<b>(3,300)</b>					<b>(3,000)</b>			<b>(3,000)</b>		<b>5,000</b>	<b>(4,300)</b>	<b>(358)</b>
Distributions	4,930	1,900	1,445	1,500			1,500			1,500			12,775	1,825
Interest	10	10	10	10	10	10	10	10	10	10	10	10	120	10
Management Expenses		(15)											(15)	(5)
Foreign Exchange Gains/Losses														
Class Actions														
Other Transactions														
<b>Net Revenue Cashflows</b>	<b>4,940</b>	<b>1,895</b>	<b>1,455</b>	<b>1,510</b>	<b>10</b>	<b>10</b>	<b>1,510</b>	<b>10</b>	<b>10</b>	<b>1,510</b>	<b>10</b>	<b>10</b>	<b>12,880</b>	<b>1,073</b>
<b>Net Cash Surplus/(Deficit) excluding withdrawals</b>	<b>4,940</b>	<b>(1,405)</b>	<b>1,455</b>	<b>1,510</b>	<b>10</b>	<b>10</b>	<b>(1,490)</b>	<b>10</b>	<b>10</b>	<b>(1,490)</b>	<b>10</b>	<b>5,010</b>	<b>8,580</b>	<b>715</b>
Contributions to Custody Cash														
Withdrawals from Custody Cash	(8,000)						(8,000)					(8,000)	(24,000)	(2,667)
<b>Balance c/f</b>	<b>20,238</b>	<b>18,833</b>	<b>20,288</b>	<b>21,798</b>	<b>21,808</b>	<b>21,818</b>	<b>12,328</b>	<b>12,338</b>	<b>12,348</b>	<b>10,858</b>	<b>10,868</b>	<b>7,878</b>	<b>(15,420)</b>	<b>(1,952)</b>

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	31/12/2025
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	31/12/2025
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	↔	TREAT / SHARE 1) The Fund receives and reviews LCIV quarterly performance, stewardship and risk monitoring reports, with key issues escalated to the LCIV Client Group. 2) Officers and s151 Officer participate in LCIV governance forums to influence strategy and resourcing. 3) LCIV KPIs on performance, costs and RI are under development and will be monitored and reported to Committee once available. 4) Escalation routes will be put in place for persistent concerns.	Phil Triggs	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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) LCIV resourcing statements and business plans reviewed. 2) Feedback raised through Client Group / Shareholder Committee. 3) Monitoring of stewardship reporting and oversight delivery. 4) 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.	Phil Triggs	31/12/2025
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	31/12/2025
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	31/12/2025
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 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 (LAPFF).	Phil Triggs	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025

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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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 2024). 4) Pay rises generally remain below inflation.	Eleanor Dennis	31/12/2025
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	31/12/2025
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	31/12/2025
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 be 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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025

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	31/12/2025
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	31/12/2025
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	31/12/2025
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) Transfer 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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025

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. The latest Tri-Borough Training was held on 30th October 2025. 3) Existing and new Officer appointments subject to requirements for professional qualifications and CPD.	Phil Triggs	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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	31/12/2025
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) LHM IT data security policy adhered to. 3) Implementation of GDPR 4) Project team in place to ensure smooth transition	Sukvinder Kalsi	31/12/2025
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	31/12/2025
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	31/12/2025
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 firming up 3) Fund Managers have to provide annual SSAE16 and ISAE3402 or similar documentation (statement of internal controls).	Phil Triggs	31/12/2025
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	31/12/2025

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	31/12/2025
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	31/12/2025
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	31/12/2025
Regulatory and Compliance Risk	60	Non-compliance with the Pension Investment Review Outcomes outcomes may result in regulatory intervention, reputational damage, and restricted access to pooled investment efficiencies and governance improvements.	3	2	4	9	2	18	18	↑	TREAT 1. A Pension Investment Review Compliance Plan is maintained, setting out required actions, asset transition timetable, decision-making checkpoints, and responsible officers. Progress is reviewed quarterly by the Pension Fund Committee and Pension Board. 2. Officers participate in DLUHC, SAB and LCIV policy working groups, tracking policy direction and expectations. Key updates and implications are reported to the Committee in the quarterly governance update. 3. Legal and investment advisers are consulted ahead of key decisions to ensure compliance with regulations, pooling guidance and fiduciary obligations. 4. Any potential barriers to compliance (e.g., market conditions, transition costs, implementation dependencies) are documented and escalated through the Fund's	Phil Triggs	31/12/2025
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	31/12/2025