


London Borough of Hammersmith & Fulham PENSIONS BOARD 5 June 2019		 hammersmith & fulham
PENSION FUND QUARTERLY UPDATE PACK		
Report of the Strategic Director of Finance & Governance		
Open Report		
Classification: For Information		
Key Decision: No		
Wards Affected: None		
Accountable Director: Phil Triggs, Tri-Borough Director of Treasury and Pensions		
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1. Executive Summary

- 1.1. This paper provides the Pensions Board Members with a summary of the Pension Fund's:
- a. Overall performance for the quarter ended 31 December 2018.
 - b. Cashflow update and forecast.
 - c. Assessment of risks and actions taken to mitigate these.
 - d. Sub-Committee's strategic forward plan.

2. Recommendations

- 2.1. The Pensions Board is recommended to note this report.

3. LBHF Pension Fund Quarter 3 2018/19 Update

- 3.1. This report and associated appendices make up the pack for the quarter ended 31 December 2018. An overview of the Pension Fund's performance is provided in Appendix 1. This includes administrative, investment, and cash management performance for the quarter.

- 3.2. Appendix 2 provides information about the Pension Fund's investments and performance. This report is provided by the Fund's investment advisors, Deloitte.
- 3.3. The Pension Fund's cashflow monitor is provided in Appendix 3. This shows both the current account and invested cash movements for the quarter ending 31 December 2018, as well as cashflow forecasts to 30 September 2019. An analysis of the differences between the actuals and the forecasts for the quarter is also included.
- 3.4. Appendix 4 contains the Pension Fund's Risk Registers which were revamped to show a more meaningful assessment of Fund's risks and the actions taken to mitigate them. Two additional risks have been added to the register in this quarterly report.
- 3.5. A summary of the voting undertaken by the investment managers running segregated equity portfolios forms Appendix 5. This includes both the London CIV Majedie and Ruffer funds in addition to Legal & General's (LGIM) global data. Although the Fund switched its passive equity holdings during the quarter, the voting data for LGIM has been consolidated under the fund manager's name.
- 3.6. Appendix 6 gives an update on the Forward Plan as at 31 December 2018.
- 3.7. The Pension Fund completed the transition of its passive equities holdings to the MSCI Low Carbon Index Fund under the LGIM mandate on 18 December 2018.
- 3.8. ***[Maybe include a not on post quarter movements i.e. investment in LCIV Global Bond]***

4. Legal Implications

- 4.1. None.

5. Financial Implications

- 5.1. Information only.

6. Implications for Business

- 6.1. None.

7. Background Papers Used In Preparing This Report

- 7.1. None

LIST OF APPENDICES:

Appendix 1: Scorecard at 31 December 2018

Appendix 2: Deloitte Quarterly Report for Quarter Ended 31 December 2018

Appendix 3: Cashflow Monitoring Report

Appendix 4: Pension Fund Risk Register

Appendix 5: Pension Fund Voting Summary

Appendix 6: Pensions Sub-Committee Forward Plan

Appendix 1: Scorecard at 31 December 2018

HAMMERSMITH AND FULHAM PENSION FUND QUARTERLY MONITORING

	Mar 18	Jun 18	Sep 18	Dec 18	Comment/ Report Ref if applicable
Value (£m)					
Value (£m)	997.6	1,035.3	1,055.6	986.6	Deloitte Report Gross of Fees
% return quarter	-2.5%	4.1%	1.6%	-5.7%	
% return one year	1.7%	5.2%	5.8%	-2.8%	
LIABILITIES					
Value (£m)					
Value (£m)	1,073.6	1,045.9	1,057.3	1,016,431	
Deficit (£m)	52.0	38.2	27.6	57.0	
Funding Level	95%	96%	97%	95%	
MEMBERSHIP					
Active members					
Active members	4,166	4,307	4,306	4,306	
Deferred beneficiaries	6,603	5,752	5,703	5,703	
Pensioners	4,920	4,986	5,018	5,018	
Employers	41	61	61	61	
CASHFLOW					
Cash balance					
Cash balance	£4.3m	£6.6m	£4.1m	£0.8m	Appendix 3
Variance from forecast	£0.6m	£0.6m	£0.4m	-£0.6m	
RISK					
No. of new risks					
No. of new risks	0	0	39	2	Appendix 4 – Risk Register
No. of ratings changed	0	0	0	0	
VOTING					
No. of resolutions voted on by fund managers					
No. of resolutions voted on by fund managers	5,711	5,711	4183	3182	Appendix 5 – LGIM, Ruffer & Majedie
LGPS REGULATIONS					
New consultations					
New consultations	None	None	None	MHCLG Pooling	Included in Item 2
New sets of regulations	None	None	IFRS9	None	