

London Borough of Hammersmith & Fulham

Report to: Pension Fund Committee

Date: 21 July 2021

Subject: 2020/21 Draft Pension Fund Statement of Accounts

Report of: Phil Triggs, Director of Treasury and Pensions
Matt Hopson, Strategic Investment Manager

Summary

1.1 This report presents the draft Pension Fund Statement of Accounts for the year ended 31 March 2021.

Recommendations

The Pension Fund Committee is requested to:

1. Note the Pension Fund Statement of Accounts for 2020/21.

Wards Affected: None

LBHF Priorities

Our Priorities	Summary of how this report aligns to the LBHF priorities
<ul style="list-style-type: none">• 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.

Financial Impact

None

Legal Implications

None

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Verified by Phil Triggs

Background Papers Used in Preparing This Report

None

Overview

1. Draft Statement of Accounts

- 1.1. The draft Pension Fund Statement of Accounts 2020/21 provides the Pension Fund Committee members with an opportunity to review and comment on any matters within the financial statements.
- 1.2. The Pension Fund investment portfolio returned 21.9% (£218m) over the year, recovering well from the COVID-19 related market falls in March 2020 to achieve all time high asset values. This return was 2.8% above the benchmark for the year. The Fund experienced strong performance from its UK Equities allocation and its diversified growth fund. The Fund remains ahead of its benchmark over the ten-year time horizon.
- 1.3. Management costs rose from £5.9m to £8.9m, an increase of 51%. This is driven mainly by exceptional transaction costs for 2020/21 due to better information received from fund managers. Management expenses also increased due to the move from a wholly passive equity portfolio to the inclusion of a more expensive active equity manager.

2. Risk Management Implications

None

3. Other Implications

None

List of Appendices:

Appendix 1: Draft 2020/21 Pension Fund Statement of Accounts