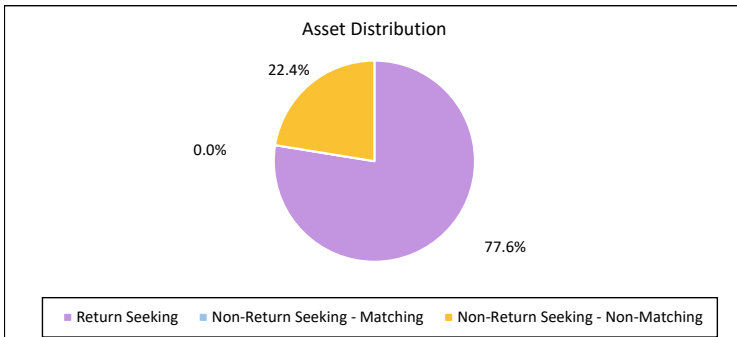
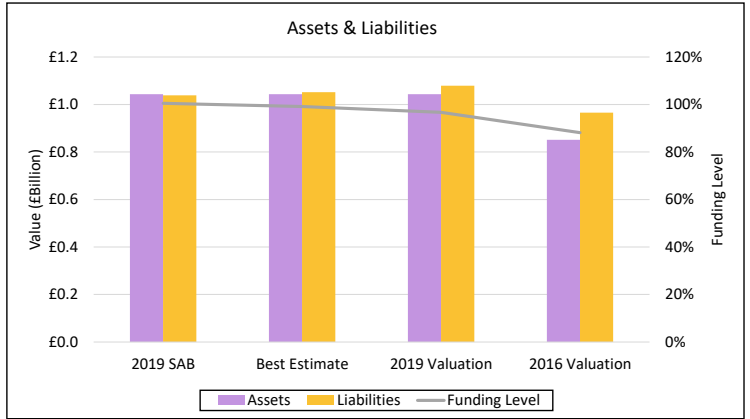
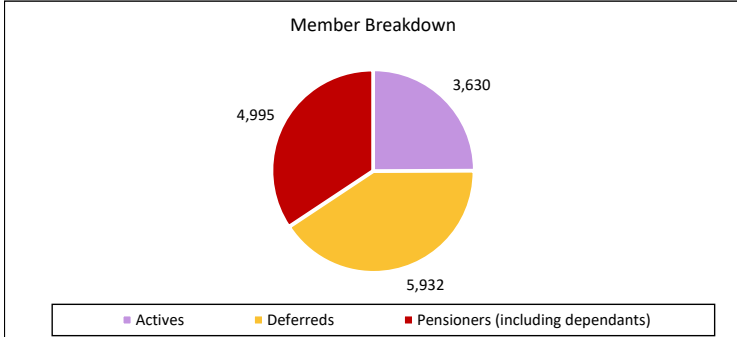
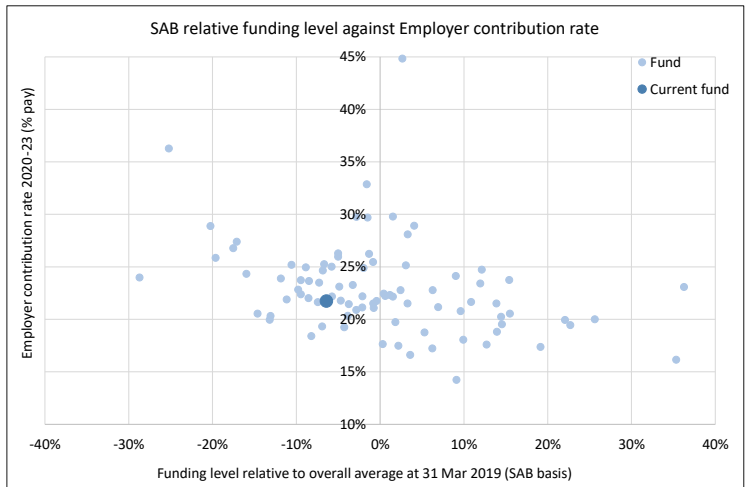
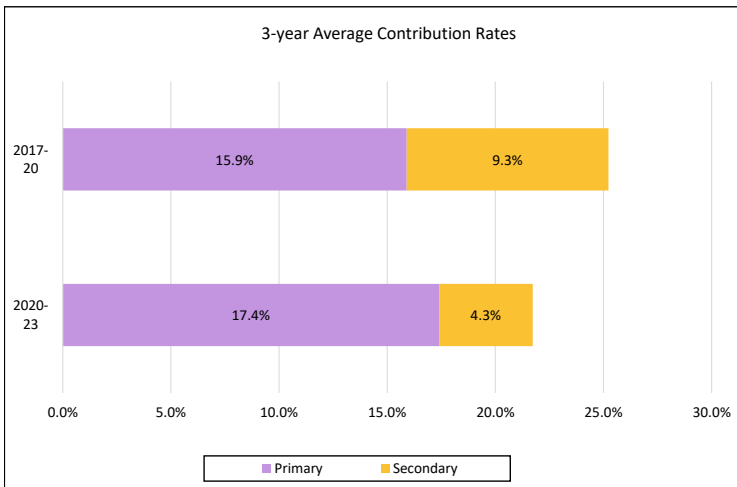
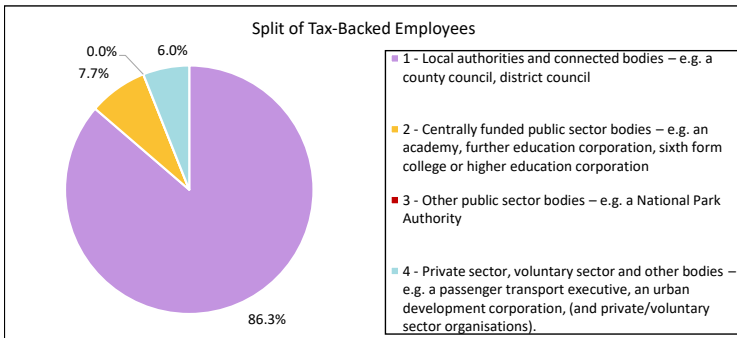


London Borough of Hammersmith and Fulham Pension Fund



Local Authority	Core Spending (£m)	Core Spending (%)
Total	£212.0	100.0%
Hammersmith and Fulham	£159.1	75.1%
Hammersmith & Fulham GLA	£52.9	24.9%



London Borough of Hammersmith and Fulham Pension Fund

Solvency Breakdown

Asset Shock	
<i>Assets are divided into the following classes:</i>	
Return seeking - Equity, Property, Infrastructure debt & other return seeking assets	
Non-return seeking - All other assets	
Return seeking assets are stressed by reducing them by 15%	
New deficit allocated to tax-raising authorities	
= (Pre-stress asset value - Post-stress asset value) × % Tax backed employees	
This deficit is then spread over 20 years of annual payments, and compared to the fund's core spending	
	£m
Pre-stress asset value	£1,052.1
Return seeking assets	£815.9
Non-return seeking assets	£236.1
Post-stress asset value	£929.7
Return seeking	£693.6
Non-return seeking	£236.1
Percentage of tax-backed employees (Group 1 + Group 3)	86.3%
New deficit allocated to tax raising authorities	£105.6
Annual deficit payment (spread over 20 years)	£5.7
Total core spending (pensionable payroll used where core spending unavailable)	£212.0
Deficit percentage of core spending	2.7%
Deficit percentage of core spending (allowing for post-asset shock surplus)	2.7%
Liability Shock	
<i>Non-matched liabilities are stressed by increasing them by 10%</i>	
<i>New deficit allocated to tax-raising authorities</i>	
<i>= (Post-stress liability value - Pre-stress liability value) × % Tax backed employees</i>	
<i>Deficit is spread over 20 years and compared to the fund's core spending</i>	
	£m
Liability value pre-stress (GAD's best estimate calculation)	£1,052.0
Liability value post-stress	£1,157.2
New deficit allocated to tax raising authorities	£90.8
Annual deficit Payment (spread over 20 years)	£4.9
Deficit percentage of core spending	2.3%
Deficit percentage of core spending (allowing for post-liability shock surplus)	2.3%
Employer Default Shock	
<i>Determine funding level on GAD's best estimate basis</i>	
<i>If the fund is in deficit, non-tax backed deficits are allocated to tax-backed</i>	
<i>The non-tax backed deficit is spread over 20 years and compared to the fund's core spending</i>	
	£m
Deficit on best estimate basis	£0.0
Proportion of deficit allocated to non-tax raising authorities	£0.0
Annual deficit payment (spread over 20 years)	£0.0
Deficit percentage of core spending	Surplus
Fund Open/Closed	Open
SAB Funding Level	100.5%
Percentage of Non-Statutory Employees (Group 3 + Group 4)	6.0%

Minor inconsistencies in totals may occur due to rounding.

Long Term Cost Efficiency

Deficit Recovery Period	
<i>Implied deficit recovery period calculated on a standardised market consistent basis</i>	
Recovery period (years)	Surplus
Ranking of fund (out of 87 funds)	N/A
Required Return	
<i>Required investment return rates to achieve full funding in 20 years' time on the standardised market consistent basis</i>	
Required return under best estimate basis	3.8%
Ranking of fund (out of 87 funds)	74
Repayment Shortfall	
<i>Difference between the actual deficit recovery contribution rate and the annual deficit recovery contributions required as a percentage of payroll to pay off deficit in 20 years, where the deficit is calculated on a standardised market consistent basis</i>	
Annual deficit recovery payment as % of implied 31 March 2019 payroll	0.0%
Actual contribution rate paid less SCR on best estimate basis	4.5%
Difference	4.5%
Return Scope	
<i>Required investment return rates as calculated in required return, compared with the fund's expected best estimate future returns assuming current asset mix maintained</i>	
Expected return	4.1%
Required return	3.8%
Difference	0.4%
Ranking of fund (out of 87 funds)	73
Deficit Recovery Plan	
<i>Consideration of how the deficit recovery plan has changed compared to 2016 valuation</i>	
Valuation	2016
Deficit Recovery End Point	2036
2017-20 Average Contribution Rate	25.2%
2020-23 Average Contribution Rate	21.7%
Increase in contributions	
Difference in Average Contribution Rate between 2017-20 and 2020-23	-3.5%
Increase in deficit recovery end point (years)	0

