

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pensions Board

**Date:** 9<sup>th</sup> February 2022

**Subject:** Pension Fund Quarterly Update Pack

**Report author:** Patrick Rowe, Pension Fund Manager

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

---

## SUMMARY

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

- Overall performance for the quarter ended 30 September 2021;
  - 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

---

<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.

## Financial Impact

None

## Legal Implications

None

## DETAILED ANALYSIS

### LBHF Pension Fund Quarterly Update – Q2 2020/21

1. This report and attached appendices make up the pack for the quarter two (Q2) ended 30 September 2021. An overview of the Pension Fund's performance is provided in Appendix 1. This includes administrative, investment, and cash management performance for the quarter.
2. Appendix 2 contains the Pension Fund's report on the latest updates with regard to the integration of the environmental, social and governance (ESG) factors as part of its investment strategy.
3. Appendix 3 provides information about the Pension Fund's investments and performance. The highlights from the quarter are shown below:
  - Overall global markets investment performance was relatively flat with investors growing increasingly concerned with rising inflation. UK equities delivered a positive return, outperforming overseas markets.
  - Overall, the investment performance report shows that, over the quarter to 30 September 2021, the market value of the assets increased by £16.2m to £1,276.8m.
  - The Fund was in line with its benchmark net of fees by delivering a return of 1.7% over the quarter to 30 September 2021, and the estimated funding level was 94.0% as at 30 September 2021.
  - Over the year to 30 September 2021, the fund overperformed against its benchmark by 1.6%, returning 14.3% overall.
  - The highlights over the quarter to 30 September 2021 came from the Aberdeen Long Lease Property Fund, and Partners Group across both the multi asset credit and Infrastructure funds, outperforming the relevant benchmarks.
4. The Pension Fund's cashflow monitor is provided in Appendix 4. This shows both the current account and invested cash movements for the last quarter, as well as cashflow forecasts to 30 June 2022. An analysis of the differences between the actuals and the forecast for the quarter is also included.
5. Appendix 5 contains the Pension Fund's Risk Registers.
6. Appendix 6 contains the Pension Fund's Breaches of the Law log.

7. Appendix 7 contains the LBHF Committee and Board Knowledge and Skills 2022 questionnaire. Please complete this and send to Mat Dawson.

### **Risk Management Implications**

8. This is included in the risk registers.

### **LIST OF APPENDICES**

Appendix 1: Scorecard at 30 Sep 2021

Appendix 2: Pension Fund ESG Report

Appendix 3a: Deloitte Quarterly Report for Quarter Ended 30 Sep 2021

Appendix 3b: Deloitte Quarterly Report for Quarter Ended 30 Sep 2021 (EXEMPT)

Appendix 4: Cashflow Monitoring Report

Appendix 5: Pension Fund Risk Registers

Appendix 6: Breaches of the Law Log

Appendix 7: LBHF Committee and Board Knowledge and Skills 2022