

## London Borough of Hammersmith & Fulham

**Report to:** Pension Fund Committee

**Date:** 13 June 2023

**Subject:** Investment Strategy Update (Public Report)

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

**Responsible Director:** Phil Triggs, Tri-Borough Director of Treasury and Pensions

---

### Summary

The Pension Fund Committee agreed at the meeting on 28 February 2023 to undertake the following actions:

1. Reduce the allocation to equities by 5% and increase the Fund's fixed income allocation by this 5%.
2. Invest an additional 2.5% in commercial ground rents funded from Alpha Real Capital.
3. Select a replacement for Aviva Infrastructure Income and increase the strategic allocation to 3.5% with a manager selection exercise to be undertaken.

In regard to the second decision, the fund completed the top up investment of 2.5% (£37m) into Alpha Real Capital into the commercial ground rent fund on 23 May 2023.

The appendices to these report detail considerations and recommendations from the investment advisors to assist the committee in its decision making regarding the investment strategy of the Fund.

### Recommendations

- 1 Appendices 1 through 4 should not be made available for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

---

**Wards Affected:** None

---

## LBHF Priorities

Please state how the outcome will contribute to our priorities – delete those priorities which are not appropriate.

Our Priorities	Summary of how this report aligns to the LBHF Priorities
<ul style="list-style-type: none"><li>Being ruthlessly financially efficient</li></ul>	Although there are no immediate financial implications arising from this report, investment performance will have an impact on the Council's future employer contributions to the Pension Fund and this is achieved via a direct charge to the General Fund.

## Financial Impact

Although there are no immediate financial implications arising from this report, investment performance will have an impact on the Council's future employer contributions to the Pension Fund and this is achieved via a direct charge to the General Fund.

The investment manager fees payable are set out in Appendix 1 to this report.

## Legal Implications

The Pension Fund Committee has the power to appoint investment managers under its terms of reference. Following this paper, it is likely that managers will be invited to present.

Units in a pooled investment Fund fall within the definition of securities and financial instruments under the EC Directive 2004/39/EC and Directive 2014/65/EU so as to fall within the exceptions under PCR Regulation 10(1)(e)(i) regarding requirement for an OJEU tender process.

## Background Papers Used in Preparing This Report

None.

---

## List of Appendices:

**Appendix 1: Detailed Covering Report (Exempt)**

**Appendix 2: Investment Strategy Review Implementation Considerations (Exempt)**

**Appendix 3: Renewable Infrastructure Shortlist (Exempt)**

**Appendix 4: LCIV PEPPA Fund (Exempt)**