

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 19 September 2023

Subject: Buy and Maintain Credit Manager Selection

Report author: Siân Cogley, Pension Fund Manager

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

SUMMARY

This report presents an overview of the background to the decisions to be made following the extraordinary meeting of the Pension Fund committee on 31 July 2023.

RECOMMENDATIONS

1. The committee is recommended to review the report in Appendix 1 and to appoint both the London CIV (Insight) and Allspring in facilitating the 15% allocation to Buy and Maintain Credit.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Manager selection for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

Financial Impact

None.

Legal Implications

None.

DETAILED ANALYSIS

Background

Following the review of the London Borough of Hammersmith and Fulham's investment strategy at the Pension Fund Committee meeting of the 28 February 2023, the Committee agreed to make a 15% strategic allocation to fixed income which is to be implemented with an investment grade buy and maintain credit strategy.

At the Pension Fund Committee meeting of the 13 June 2023, the Committee reviewed a list of managers provided by Isio and invited three candidates to present with a view to making an appointment.

To facilitate this decision in a timely manner, an extraordinary meeting of the Pension Fund Committee took place on 31 July 2023 and, at this meeting, the Committee considered two potential products for a 15% (circa £195m) allocation to Buy and Maintain credit.

The Committee was unable to arrive at a decision due to insufficient information being available on one of the manager's strategies, particularly the model portfolio and fee information.

It was therefore decided that a number of follow up officer/manager meetings would be held, with each provider requested to expand on their proposed strategies and model portfolios. Meetings were attended by Phil Triggs (Director of Treasury and Pensions), Mike Adam (co-opted member) and Kevin Humpherson (investment adviser, Isio).

Appendix 1 to this report provides the committee with information on the model portfolios proposed by each manager, a breakdown of views on both organisations from Isio's manager research team, and a recommendation on the proposed Buy and Maintain allocation for the Fund.

LIST OF APPENDICES

Appendix 1: LBHF Buy and Maintain Report September 2023 (exempt)