

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pension Fund Committee

**Date:** 17 March 2026

**Subject:** Pension Fund Quarterly Update Q4 2025

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

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## SUMMARY

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

- overall performance for the quarter ended 31 December 2025;
  - cashflow update and forecast;
  - assessment of risks and actions taken to mitigate these.
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## RECOMMENDATIONS

1. The Pension Fund Committee is recommended to note the update.
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**Wards Affected:** None.

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<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 taxpayer.

## Financial Impact

There are no immediate financial implications arising from this report, although investment performance has an impact on the Council's employer contribution to the Pension Fund and this is a charge to the General Fund.

## Legal Implications

None.

## **DETAILED ANALYSIS**

### **1. LBHF Pension Fund Quarterly Update: Q3 2025/26**

- 1.1 This report and attached appendices make up the pack for the quarter ended 31 December 2025. An overview of the Pension Fund's performance is provided in Appendix 1. This includes administrative, investment, and cash management performance for the quarter.
- 1.2 Appendix 2 provides information regarding the Pension Fund's investments and performance. The highlights from the quarter are shown below:
  - Overall, the investment performance report shows that, over the quarter to 31 December 2025, the market value of the assets increased by £9m to £1.491m
  - The Fund has underperformed its benchmark net of fees by 2.16%, delivering an absolute return of 1.15% over the quarter.
  - The total Fund delivered a positive return of 5.71% on a net of fees basis over the year to 31 December 2025.
- 1.3 The Pension Fund's cashflow monitor is provided in Appendix 3. This shows both the current account and invested cash movements for the last quarter, as well as cashflow forecasts to 30 September 2026. An analysis of the differences between the actuals and the forecast for the quarter is also included.
- 1.4 The breaches of the law log has not been included in this quarter as there have been no breaches to report.
- 1.5 Following the committee decision to divest from LCIV Global Equity Quality Fund, managed by Morgan Stanley in November in favour of BlackRock's ESG inclined passive equity fund, officers were notified that LCIV is planning to close the fund and needed to coordinate a unified exit strategy with all remaining investors – Westminster and City of London Pension Funds. Officers will continue to work with Isio, LCIV and Blackrock to ensure that the transition will proceed as planned.

### **2. London CIV Update**

- 2.1 During this quarter, London officers met with LCIV to finalise the core Investment Manager's Agreement (IMA) with unique accompanying schedules, as well as working on the Service Level Delivery documents which will outline the services that LCIV will provide after 31 March 2026.
- 2.2 Officers were notified that LCIV's Chief Operating Officer, Martin Gloyne, will be retiring at the end of the financial year. The pool has successfully hired Danny Firth as his replacement, who will formally take up the role from 16 March 2026, working alongside Martin to agree and implement the transition plan.

2.3 Danny Firth brings more than 30 years' experience leading operations, governance and risk across pensions, investment management and financial services, with a career spanning senior executive leadership, operational transformation and complex stakeholder environments. He joins London CIV from the Tesco Pension Fund, where he led strategy, governance and culture for the £12.9bn UK Tesco Pension Fund's Investment Manager, working closely with trustees, sponsors and regulators.

### **3. Risk Management Implications**

3.1 These are included in the risk registers

- Appendix 4 sets out a current review of two of the 11 red risks on the risk register as at 31 December 2025.
  - i. These include an argument for Risk 10 to be split out into two risks going forwards (Compliance versus Investment/Financial)
  - ii. It also includes an argument for Risk 19 and Risk 28 to be combined into one risk.
- As stated in the September 2025 quarterly update, this approach has been taken from comments from the Pension Fund Committee members to align the approach of risk reporting with the Audit Committee.
- In the new reporting system, the full Risk Register would be brought to the committee in the Q2 meeting each year, with the other meetings (Q1, Q3 and Q4) receiving a focused review for discussion.
- The reason for the Q2 cycle regarding the full register is to align with likely date for external audit completion.

3.2 There have been no other changes to the risk register.

### **Appendices**

Appendix 1:	Scorecard as at 31 December 2025
Appendix 2a:	Isio Quarterly Performance Report for Quarter Ended 31 December 2025 (public)
Appendix 2b:	Isio Investment Performance Report 31 December 2025 (EXEMPT)
Appendix 3:	Cashflow Monitoring Report
Appendix 4:	Red Risks Review